

# Bank Millennium Group 2Q25/1H25 results

July 29, 2025



# Disclaimer

*This presentation has been prepared by Bank Millennium for its stakeholders for information purpose only. The information presented in this presentation should be read together with other information published by the Bank (on [www.bankmillennium.pl](http://www.bankmillennium.pl)), in particular financial and current reports.*

*Financial data presented hereby is on consolidated Bank Millennium Group level. Financial data is based on management accounts, hence it may differ from this presented in reported financial statements.*

*In its 1H25 financial statements, the Bank introduced some changes in presentation of financial data in order to better reflect the economic substance of the presented items, taking into account current market practice. In particular, a dedicated line item “Legal risk costs related to foreign currency mortgage loans” has been introduced. This item includes not only the costs of provisions previously presented under ‘Provisions for legal risk related to foreign currency mortgage loans’ and included amounts related to the recognized adjustment of the gross carrying amount of foreign currency loans as well as amounts recorded under the ‘Provisions’ line item, but also period costs related to settlements concluded on the Bank’s terms (previously included in ‘Net trading income’), costs of settlements concluded under KNF terms (previously presented as ‘Modification result’), as well as legal representation costs and statutory interest (previously included in ‘Other operating expenses’).*

*Due to presentational changes to balance sheet data, the figures as of 30.06.2024 were not updated and, as a result, some items are not comparable with the data as of 30.06.2025 and 31.12.2024 (restated). As for loans, the adjustment of data as of 30.06.2024 would have an immaterial impact on the presented values and year-on-year dynamics.*

*More details are available in the “Introduction and Accounting Policy” section of the Consolidated report of the Bank Millennium S.A.Capital Group for 1st half 2025.*

*This presentation should not be treated as a recommendation to purchase securities, an offer, invitation or a solicitation of an offer to purchase, invest or conclude any transaction on securities, in particular with respect to securities of Bank Millennium.*



# Agenda

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# 01

## Financial performance

2Q25/1H25 results



# Main financial achievements in 1H25

Reported net profit growth of 43% y/y in 1H25. Strong asset quality, liquidity and capital.




## PROFITABILITY

- **1H25 reported net profit of PLN511mn, up +43% y/y. Record high reported quarterly profit** in 2Q25 of PLN331mn, up 45% y/y. 1H25 net profit excluding FX-mortgage costs at PLN1,605mn (+7% y/y).
- **ROE reported at 13.8%.**
- **Resilient NII despite lower interest rates.** At PLN2,872mn, it was up 13% y/y and up 5% y/y excluding impact of credit holidays in 1H24. **NIM at 4.18%**, down 13bps y/y despite 75bps base rate cut.
- Cost-to-Income ratio (adjusted) at **34.2%**.
- Total cost of credit risk (annualised) at extraordinarily low level of **21bps**.
- **NPL** ratio further lowered to **4.2%**, supported by sales of NPL's.



## CAPITAL , LIQUIDITY & MREL

- Solid capital position – consolidated **TCR at 15.6% and Tier1 ratio at 13.8%**. Capital ratios temporarily lower due to further recognition of operational risk charge in accordance with latest EBA RTS draft.
- If 1H25 net profit would be included in regulatory capital, **Tier 1 ratio would be at 15%**.
- **Solid buffers over MREL requirements** maintained.
- **LTFR at 34% and on track to the target YE26 level.**
- Loan to deposit ratio at **61%**.

# Key profit & loss items

[PLNmn unless otherwise stated]

	1H25	1H24	Change Y/Y	2Q25	1Q25	Change Q/Q
Net interest income	2 872	2 536 →	13%	1 448	1 423 →	2%
Net interest income w/o credit holidays	2 872	2 737 →	5%	1 448	1 423 →	2%
Net commission income	371	390 →	-5%	188	183 →	3%
Total operating income	3 416	3 209 →	6%	1 749	1 667 →	5%
Total costs	-1 270	-1 103 →	15%	-602	-668 →	-10%
Costs without BFG	-1 157	-1 042 →	11%	-584	-574 →	2%
Loan loss provisions	-80	-190 →	-58%	6	-86 →	-107%
Provisions for FX mortg. legal risk	-1 019	-1 124 →	-9%	-574	-445 →	29%
Banking tax on assets	-200	-35 →	-	-101	-99 →	3%
Net profit	511	357 →	43%	331	179 →	85%
Net profit adjusted*	1 605	1 501 →	7%	887	718 →	23%
NIM	4.18%	4.32% →	-0.14 pp	4.13%	4.23% →	-0.1 pp
Cost/income reported	37.2%	36.7% →	0.5 pp	34.4%	40.1% →	5.6 pp
Cost/income adjusted**	34.2%	30.4% →	3.8 pp	33.8%	34.5% →	-0.7 pp
Cost of credit risk (bp)	21	50 →	-29 bp	-3	45 →	-48 bp
ROE (reported)**	13.8%	11.0% →	2.8 pp	15.2%	12.3% →	3.0 pp

(\*) Extraordinary items: FX-mortgage related costs (tax adjusted) and hypothetical bank tax until the end of May 2024

(\*\*) With linear BFG charge: PLN 76mn annual charge for BFG resolution fund in 2025 and PLN61mn in 2024 spread evenly over the entire respective year

# Other key indicators

[PLNmn unless otherwise stated]

	June'25	June'24		Change Y/Y	March'25	Change Q/Q
Active retail customers (ths)	3 193	3 061		132	3 163	31
On-line and mobile (ths)	2 968	2 824		144	2 949	19
Customers funds	134 771	126 267	→	7%	131 407	3%
Deposits	121 734	116 540	→	4%	119 436	2%
Deposits of individuals	91 266	83 429	→	9%	90 348	1%
Loans	74 222	74 645	→	-1%	74 541	0%
FX-mortgage loans excl. f. EB	829	1 793	→	-54%	1 023	-19%
Loans without FX-mortgages	73 242	72 605	→	1%	73 028	0%
			→			
			→			
L/D	61.0%	64.1%	⇒	-3.1 pp	62.1%	-1.2 pp
LTFR*	33.5%		→		33.0%	0.5 pp
Impaired loan ratio**	4.2%	4.5%	→	-0.3 pp	4.5%	-0.3 pp
Coverage ratio	75.9%	74.3%	→	1.6 pp	74.0%	1.9 pp
CET1 = T1	13.8%	14.3%	→	-0.5 pp	14.8%	1.1 pp
TCR	15.6%	17.1%	→	-1.5 pp	17.2%	-1.7 pp
MREL TREA	25.3%	22.9%	→	2.4 pp	27.7%	-2.4 pp


(\*) Long-term funding ratio – according to requirement set by the PFSA

(\*\*) Impaired loan ratio = credit risk provisions / impaired loans

# Strategy 2025-28: On the way through the strategic objectives of the 'Value & Growth' strategy

## STRATEGY MILLENNIUM 2028 – VALUE & GROWTH

We **embrace innovation**, digitally delivering **top-quality services**, to be the **primary bank** for individuals and companies in Poland.

	BUSINESS GOALS						FINANCIAL & RISK GOALS					 TOP EMPLOYER
	RETAIL ACTIVE CLIENTS [M]	RETAIL PRIMARY CLIENTS [%]	RETAIL DIGITAL ACTIVE CLIENTS [%]	BUSINESS ACTIVE CLIENTS [K]	CORPORATE LOANS VOLUME [PLN B]	NPS RETAIL/ CORPO [#]	RETURN ON EQUITY [%]	COST/ INCOME [%]	NON- PERFORMING LOANS [%]	TIER1 [%]	DIVIDEND PAYMENT [Y/N]	[Y/N]
2024	3.13	60.7%	92.9%	38.0	14.6	2 / 1	9.8%	37.6%	4.5%	14.8%	2024 NO	2024
2Q25	3.19	61.1%	92.9%	38.5	15.2	3 / N/A*	13.8%**	34.1%**	4.2%	13.8%	2025 NO	2025
2028 TARGET	>3.7	~70%	>95%	>50	>25	3 / 3	~18%	~37%	<4%	~15%	2028	2028



(\*) NPS for retail banking segment reported on quarterly basis and for corporate banking segment on annual basis; (\*\*) Financial indicators reported cumulative after each quarter, i.e. year-to-date, versus 2024 full year result.



# Reported 1H25 net profit of PLN511mn (+43% y/y), adjusted at PLN1.6bn (+7% y/y).

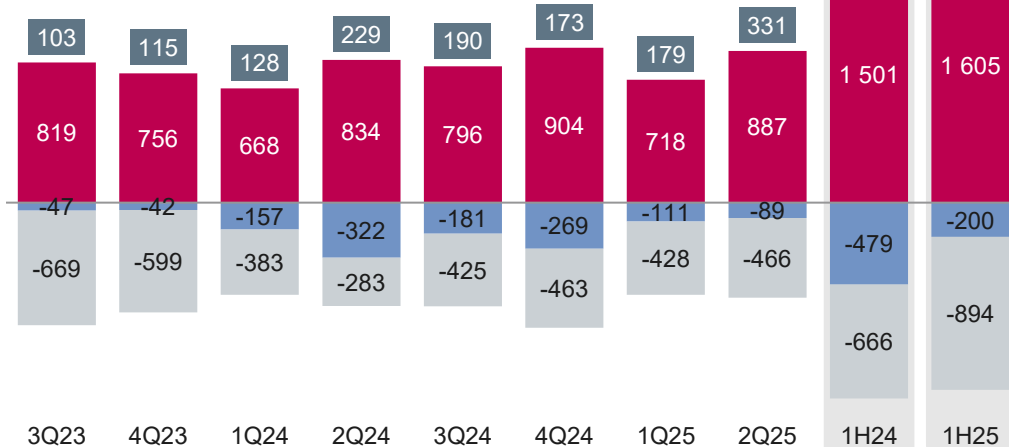
Reported ROE of 13.8%.

## Net profit

PLNm

11.0% 13.8% ROE reported

+43%  
+7%



■ Reported net result

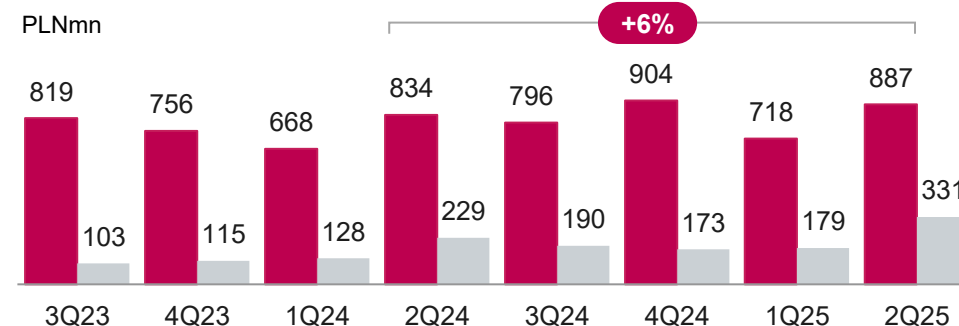
■ Net profit without extraordinary/one-off items

■ FX-mortg. legal risk prov. (net)

■ Extraordinary/one-off income & costs incl. other FX-related costs

## Net profit w/o extraordinary items\*

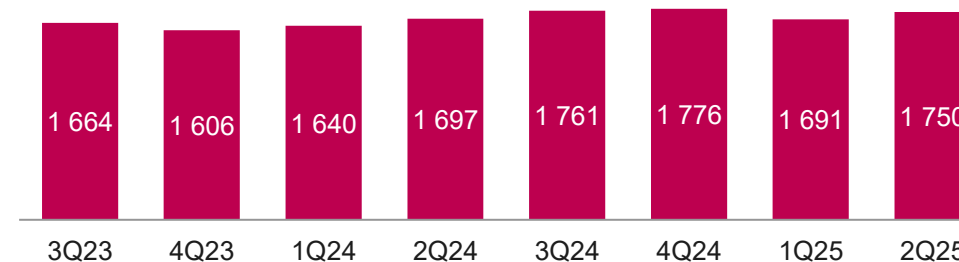
■ Net profit without extraordinary/one-off items ■ Reported net result



## Operating income w/o extraordinary items\*\*

PLNm

+3%



(\*) Extraordinary items: FX-mortgage related costs (tax adjusted) and hypothetical bank tax until the end of May 2024 and cost of credit holidays and its adjustments: PLN-9mn in 4Q23 and PLN-201mn in 2Q24 and a release of PLN44mn in 3Q24 and PLN45mn in 4Q24

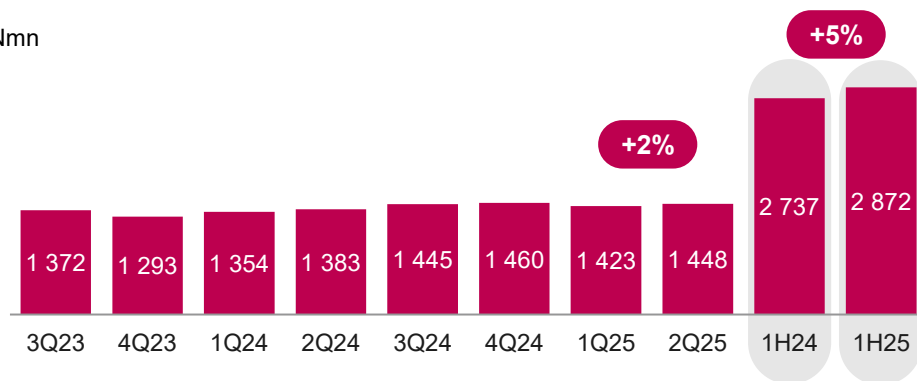
(\*\*) Extraordinary items: FX-mortgage related costs in other operating income/cost and indemnity from SG. Additionally: income from bancassurance transaction (in 2023) and cost of credit holidays

# NII in 1H25 was 5% higher than a year ago.

NIM trending down and at 4.13% in 2Q25. Fees and commissions stabilised, but without bancassurance, they grew 5% y/y.

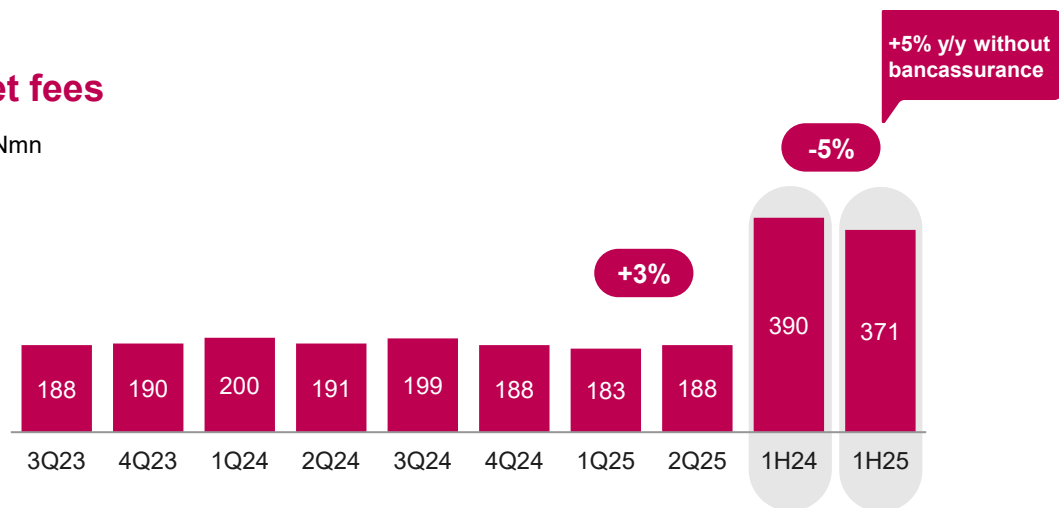
## Net interest income\*

PLNmn

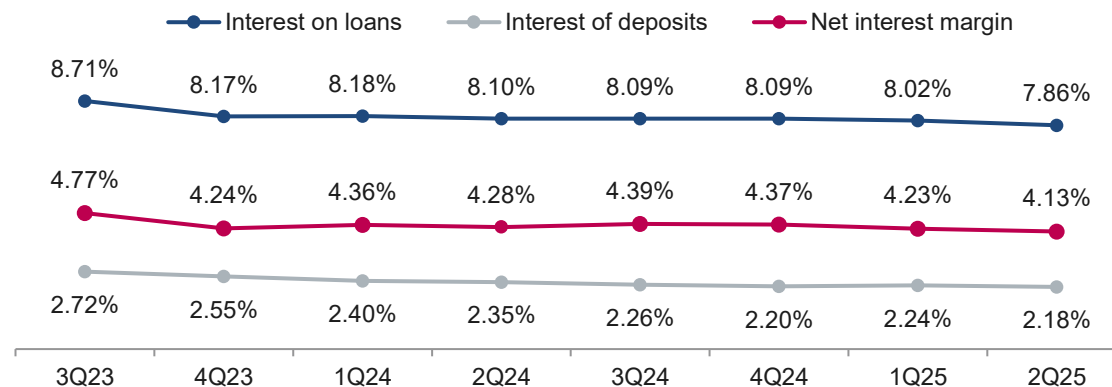


## Net fees

PLNmn

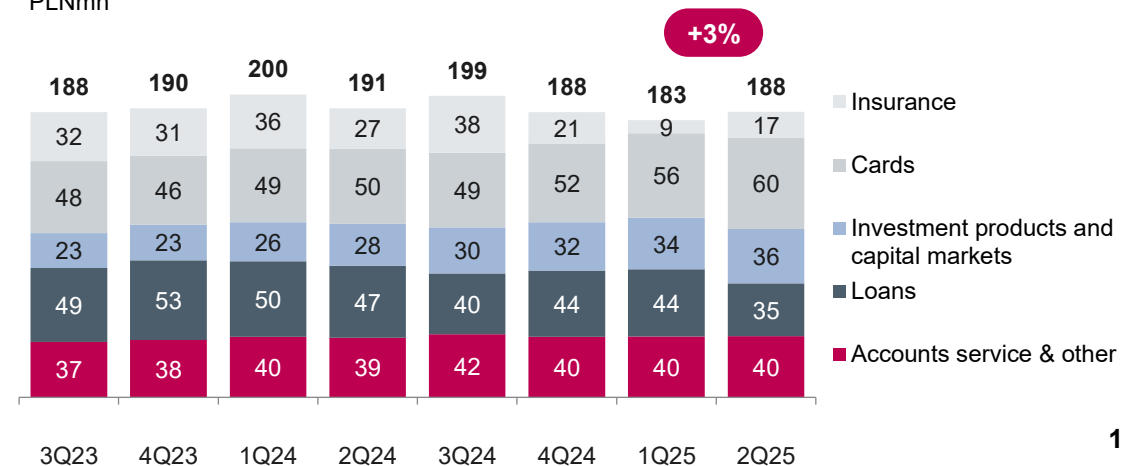


## Interest on loans\* and deposits (quarterly average)



## Fee income structure

PLNmn



(\*) without cost of credit holidays and its adjustments: preliminary cost of PLN201mn in 2Q24 and a release of PLN44mn in 3Q24 and PLN45mn in 4Q24

# Operating costs up 15% y/y (up 11% w/o BFG). Other admin. costs up 7% y/y.

C/I at a bit higher level in 1H25 of 34.2% with the impact of higher BFG resolution fund and deposit guarantee fund cost reapplied since the beginning of the year.

## Operating cost

PLNmn

Cost/income  
adjusted\*

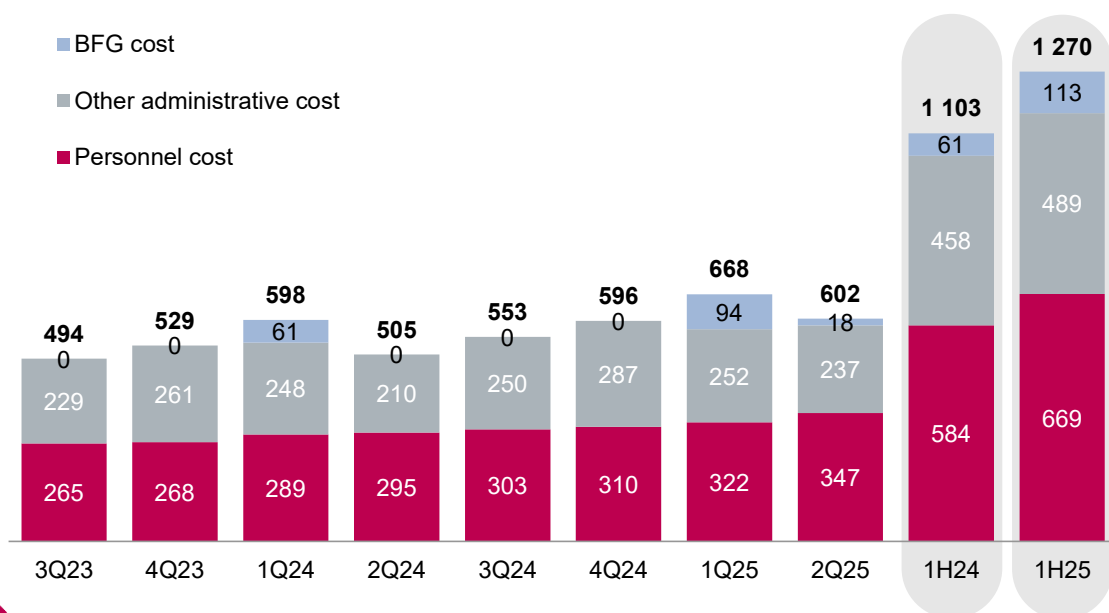
30.4% 34.2%

+15%

+7%

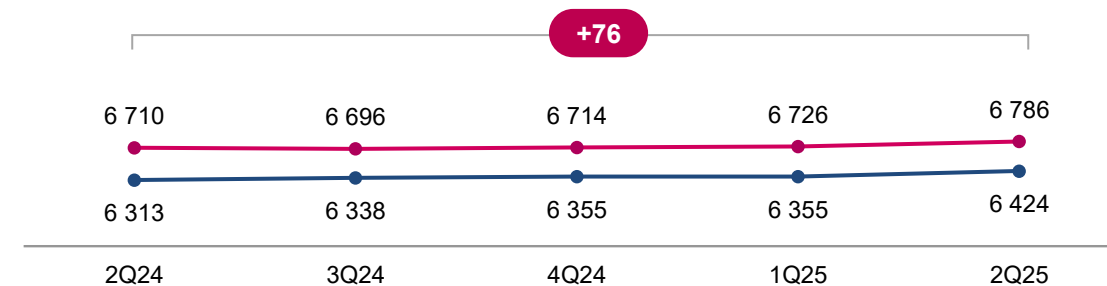
+14%

■ BFG cost  
■ Other administrative cost  
■ Personnel cost



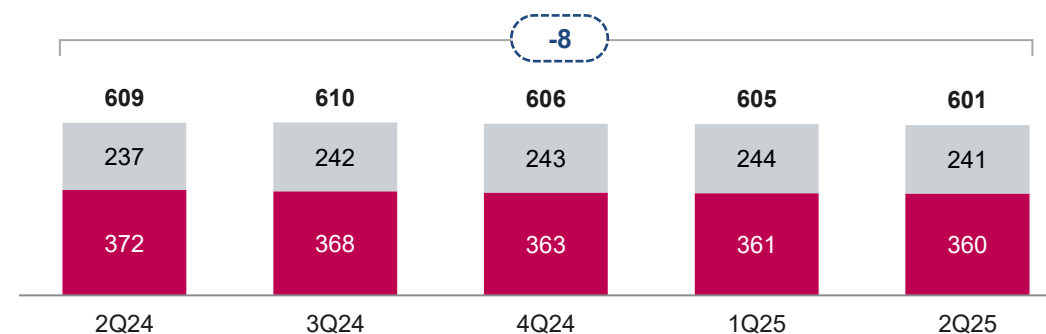
## Employees

—●— Employees (FTE) —●— Headcount w/o long-term leaves



## Branches

■ Own ■ Partners' outlets



# Strong credit quality, with NPL ratio down supported by sale of NPL's

CoR at low level of 21bps in 1H25. Further increase in the coverage ratio of impaired loans by provisions

## Coverage ratio

74% 76%

## Cost of risk

bps

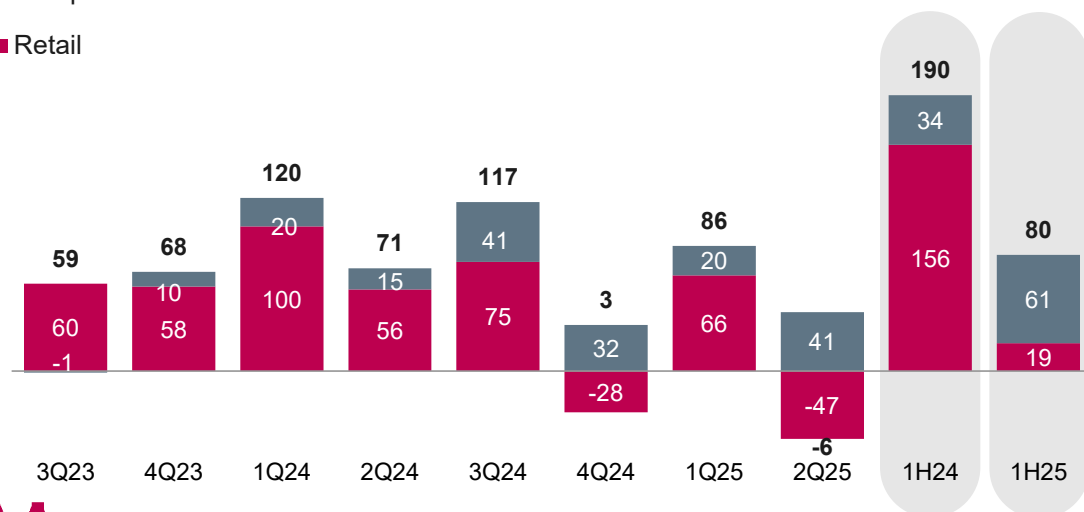
Total loans	50	21
Retail	52	6
Companies	42	74

PLNm

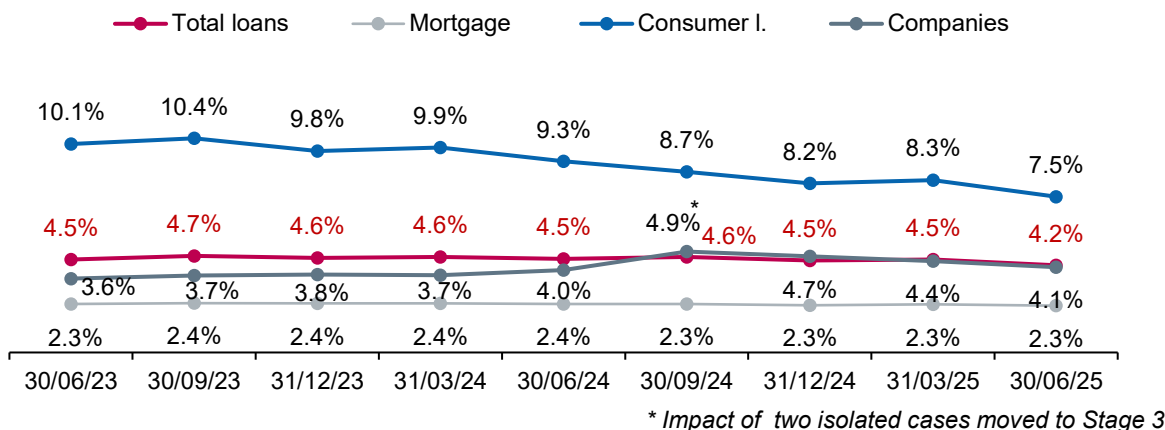
■ Companies and other

■ Retail

-58%

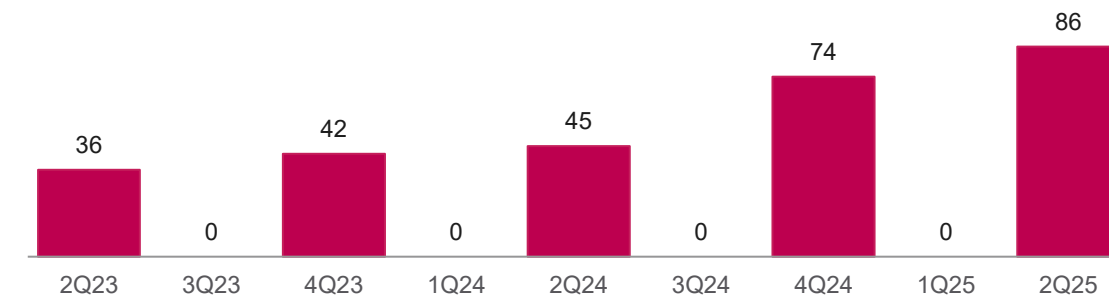


## Impaired loans (IFRS9 stage 3 & POCI)



## Result from sale of NPLs (pre-tax)

PLNm

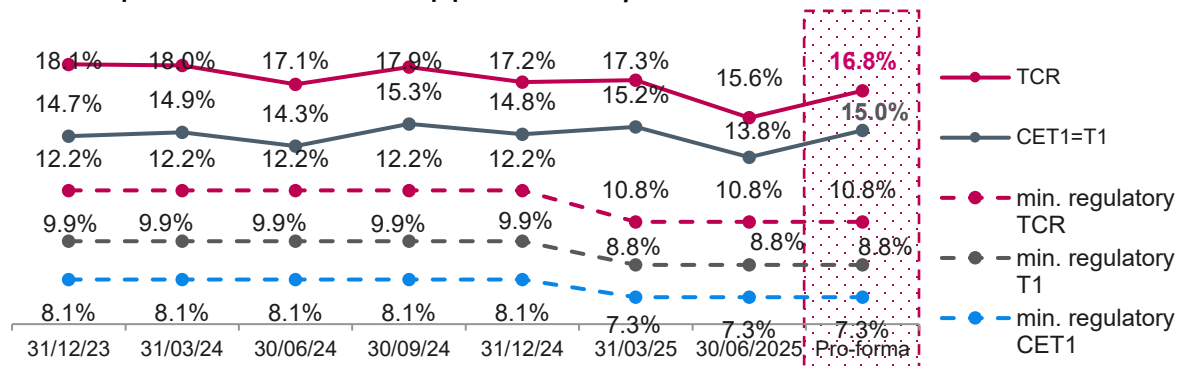




# Capital adequacy ratios at comfortable surplus post further CRR3 impact

## Group capital ratios

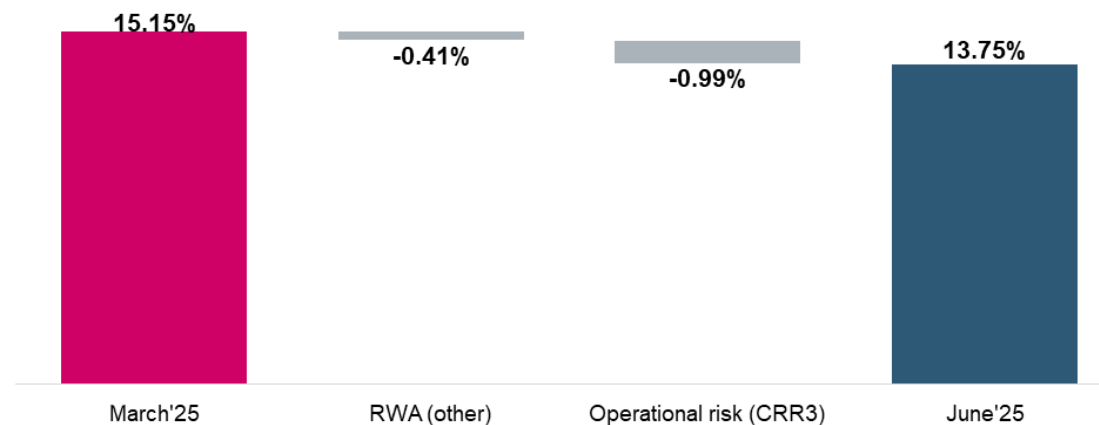
Temporarily lower capital ratios following CRR3 introduction, but inclusion of 1H25 net profit would add circa 1.25 p.p. as shown in *pro-forma* column below



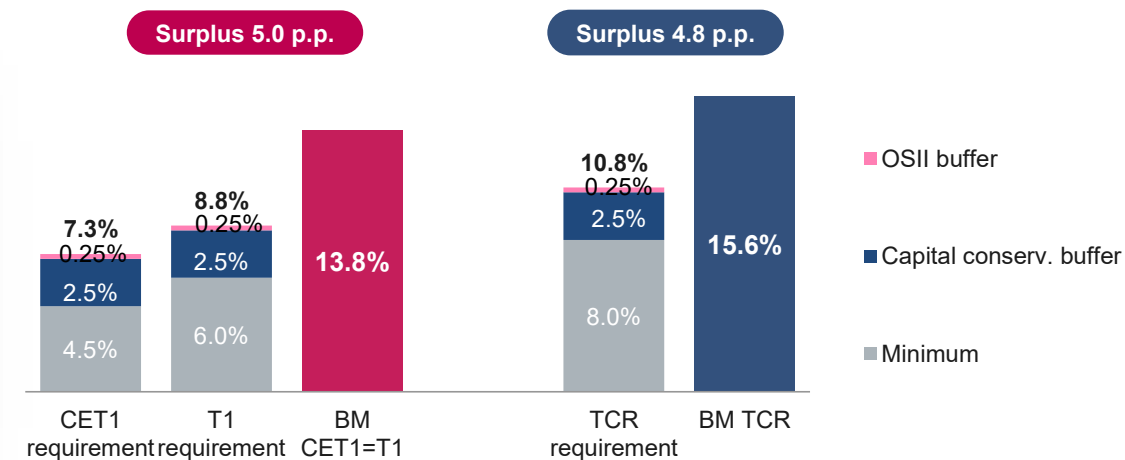
## Key points

- **Solid capital buffers maintained despite negative further impact of CRR3.** Surplus at consolidated T1 level was 5.0 p.p., while at TCR level 4.8 p.p.
- **CRR3 negative impact on capital ratios in 2Q25 was driven chiefly by inclusion of additional costs related to FX-mortgage portfolio incurred in last 3 years (99bps).** This impact should gradually abate in future years.
- **Inclusion of 1H25 net profit into regulatory capital**, subject to regulatory approval, would, *ceteris paribus*, add circa 1.25 p.p. to consolidated **T1 ratio, taking it back to 15%.**
- Countercyclical capital buffer to be introduced in September'25 (+1 p.p.), with further 1 p.p. increase in September'26.

## Consolidated T1 ratio evolution in 2Q25



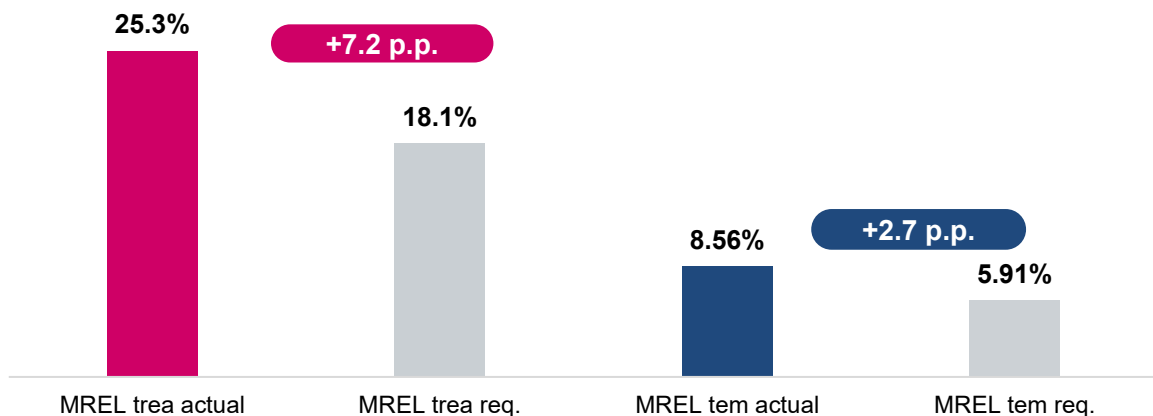
## Capital requirement vs. actual ratios on June 30, 2025 (Group)



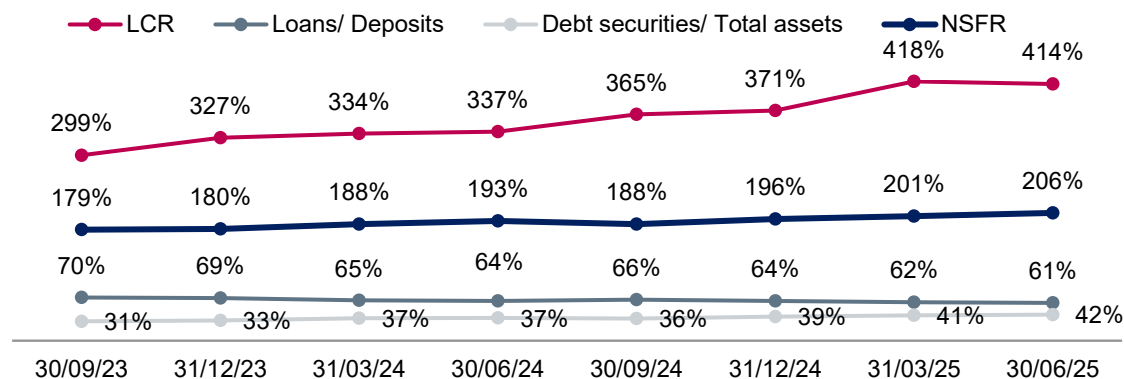
# Significant surplus of MREL and liquidity ratios

## MREL

Solid surplus of MREL ratios maintained since Sept'24 EMTN issue



## Liquidity indicators



## Near-term outlook

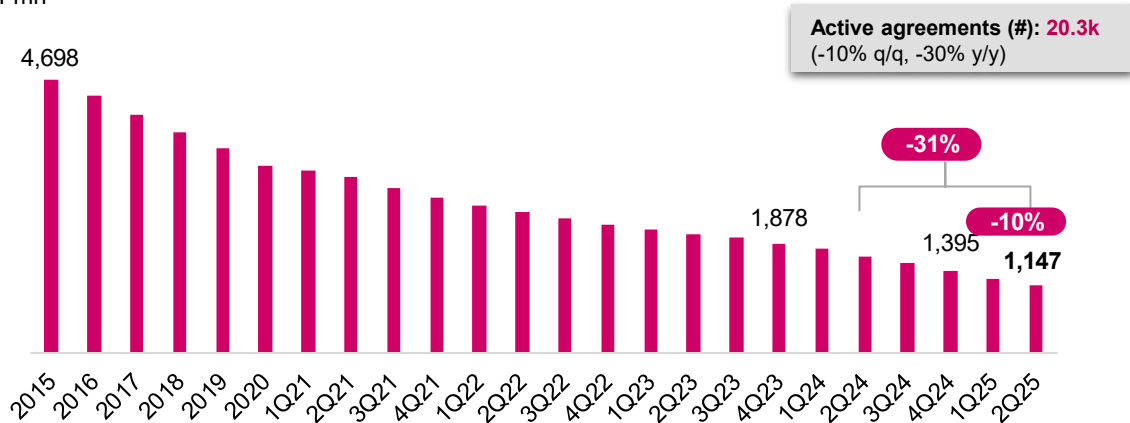
- **Significant MREL surplus** over the minimum requirements maintained since the issue of EUR 500mn SNP green bonds in September 2024.
- MREL requirements were lowered by BFG in 2Q25 as expected, mainly following the elimination of P2R buffer.
- **Long-term Funding Ratio ("LTFR")**, at **34% at the end of June'25, on track to meet end of Dec'26 recommended level**. Regular issues of covered bonds by Millennium Mortgage Bank (MBH) will be the main driver of LTFR increase, along with excess of capital and the issued MREL bonds.
- In 1Q25 MBH issued PLN800mn worth of covered bonds, following two issues totalling PLN800mn in 2024. The bonds are rated AAA /Stable Outlook by Fitch.

# Pace of FX-mortgage portfolio's downsizing accelerated to >30% y/y.

Outstanding legal provisions at PLN7.4bn. Legal risk provisions / outstanding active gross FX-mortgages at 142%.

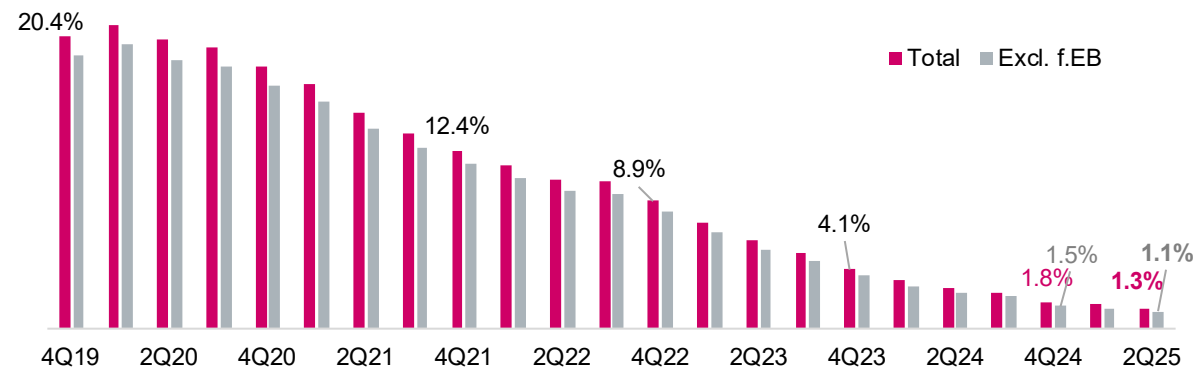
## FX-mortgages\* (gross, before legal risk provisions)

CHFmn



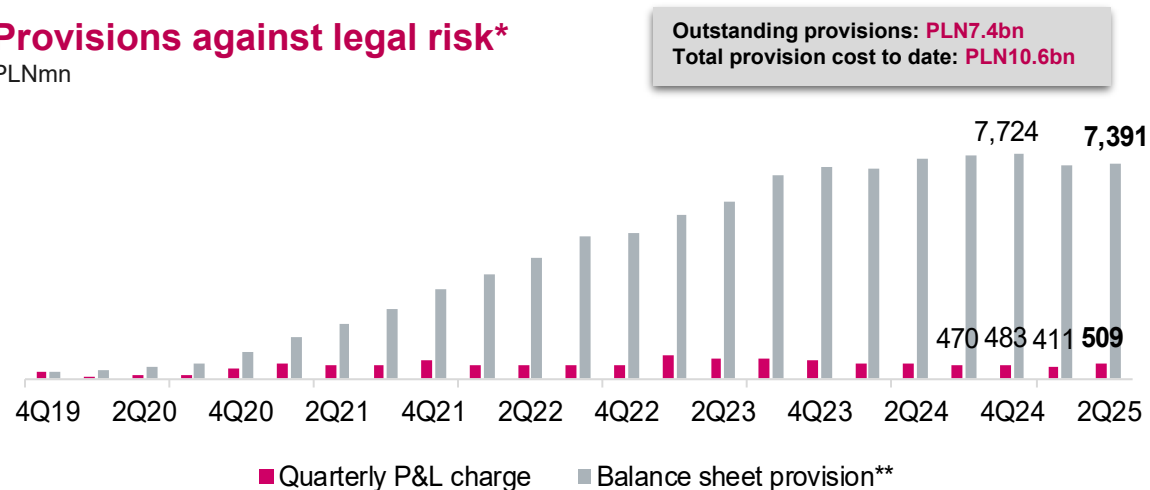
## FX-mortgages as % of total consolidated gross loans

(gross less allocated legal risk provisions)



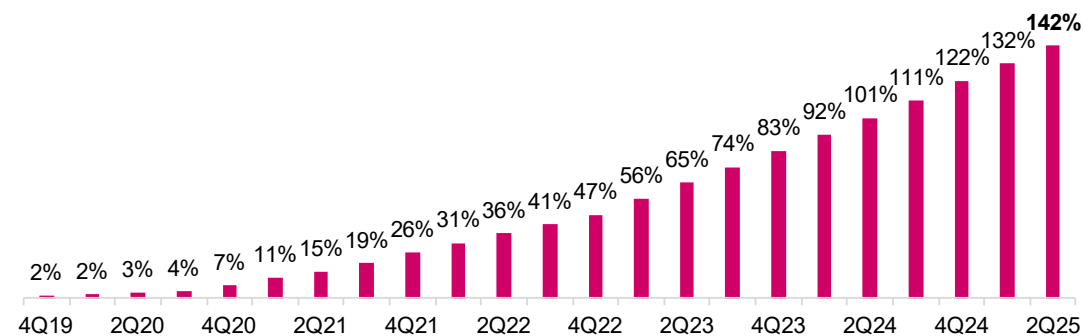
## Provisions against legal risk\*

PLNmn



## Outstanding provisions against legal risk

As % of active FX-mortgage book



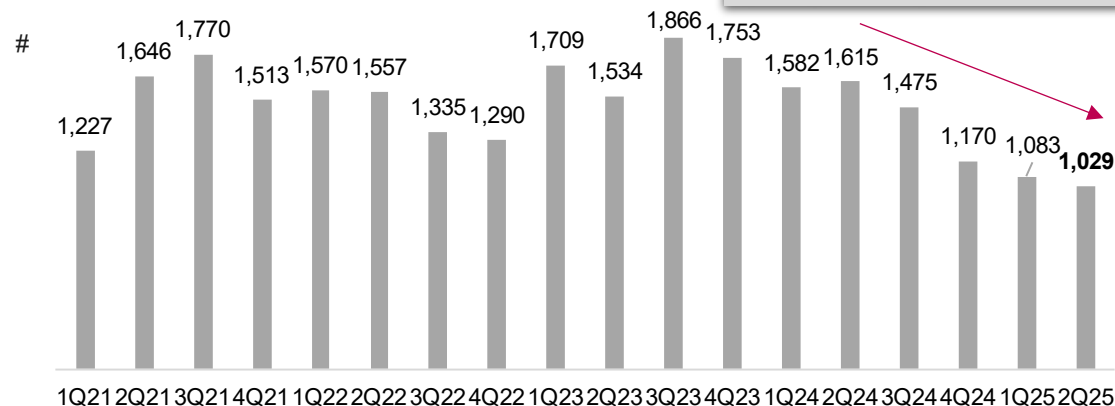
(\*) Excluding f.Euro Bank; (\*\*) actual outstanding B/S provisions may differ from the sum of P&L charges due to FX movements and utilisations among others

# Lowest quarterly inflow of new claims in the last 4 years and below # of settlements.

Over 28k amicable settlements to date, equivalent to 46% of active agreements at YE19.

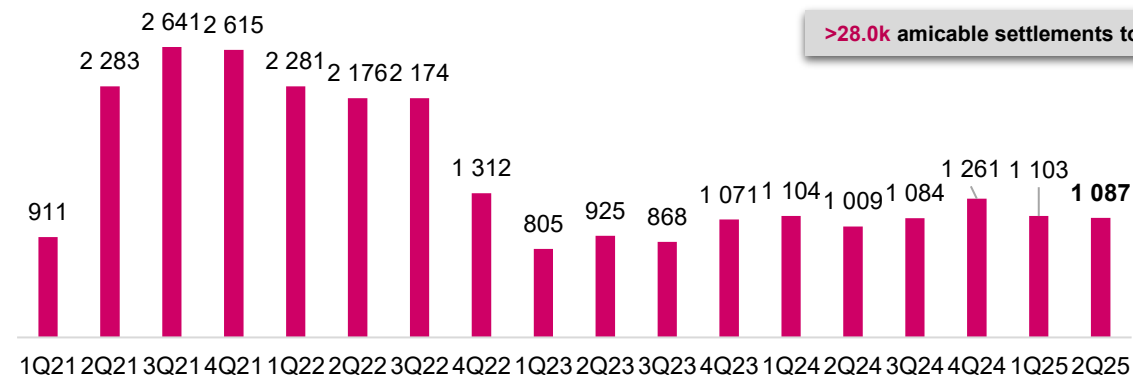
## New individual indexation lawsuit cases\*

20.3k individual active cases against BM  
(o/w repaid ~25%)



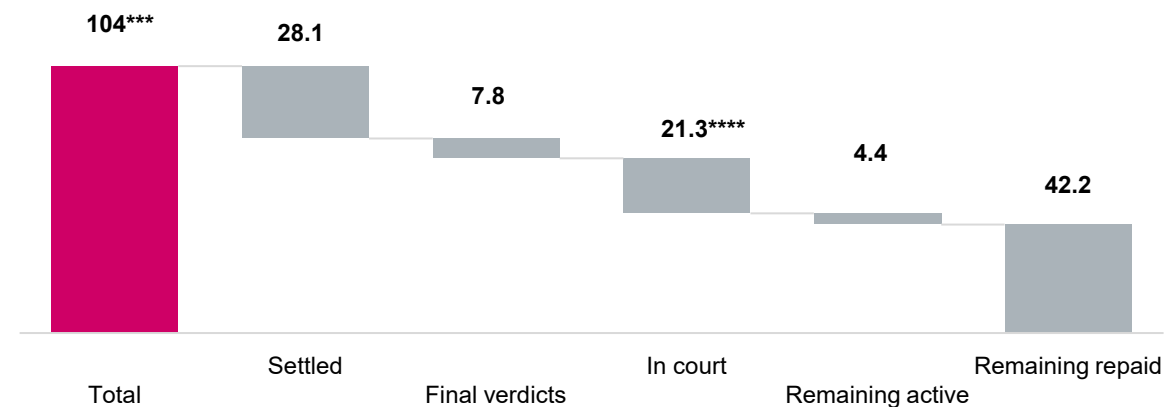
## New settlements (in-court & out-of-court)

>28.0k amicable settlements to date



## Portfolio of legacy FX-mortgage loans\*\*

# 000s



## Legal risk provisions

### Main assumptions

- 13% of active loans at end of June'25 assumed not to litigate and/or not to settle out-of-court
- 2.5k of closed loans assumed to litigate in the future
- 12% of in-court cases to be settled amicably

(\*) Excluding f. EB and including cases originally in class-action suit; (\*\*) without loans originated by former Euro Bank; (\*\*\*) the original value of loans granted was PLN18.3bn; (\*\*\*\*) includes cases from class-action lawsuit



02

# Business development

2Q25/1H25 results



# Main business achievements in 1H25

High growth of customer funds. Growing customer acquisition and consumer and corporate lending.



## BUSINESS VOLUMES EVOLUTION

- Total deposits grew **4%** y/y
- Consumer loans grew **5%** y/y
- Corporate loans up **6%** y/y
- Growth of investment funds portfolio by **34%** y/y
- Commercial liquidity surplus **PLN47.5bn**
- Loans to deposit ratio at **61%**

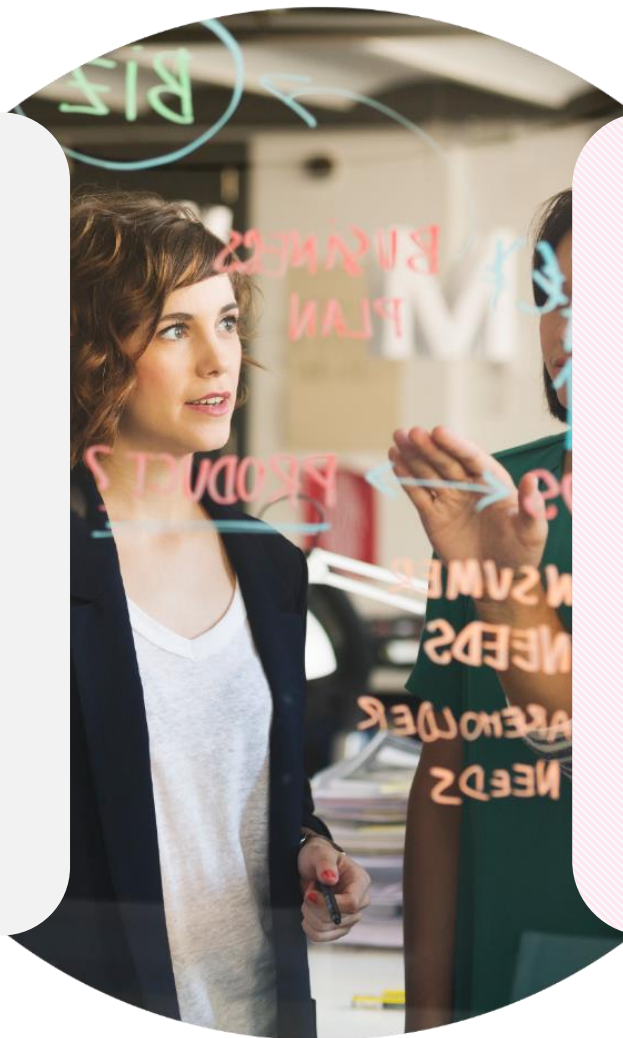


## MAIN COMMERCIAL HIGHLIGHTS

- **Active retail clients of 3,193 ths.**; **93%** customers are digitally active

YTD loans sales:

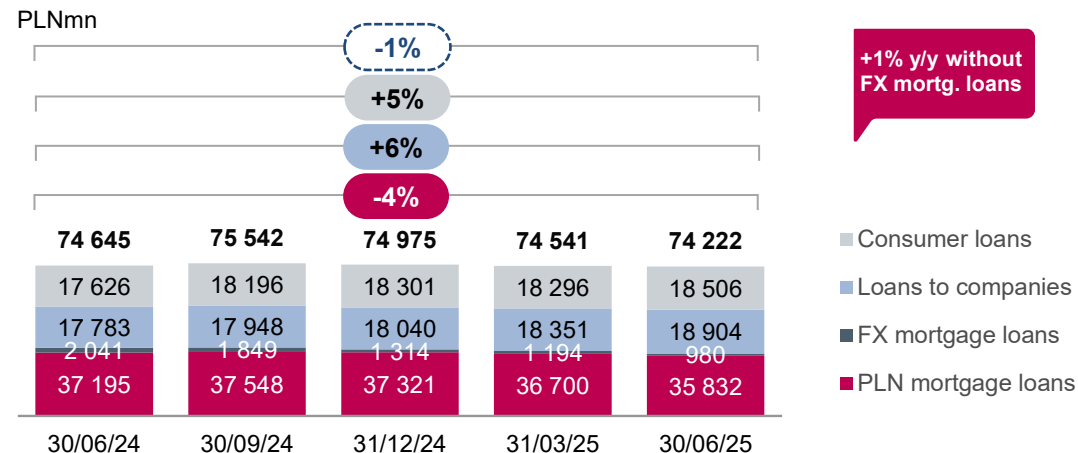
- Cash loans **PLN3,545mn** (+2% y/y)
- Corporate loans **PLN2,975mn** (+151% y/y)
- Leasing **PLN1,870mn** (-2% y/y)
- Factoring turnover **PLN13,698mn** (+8% y/y)



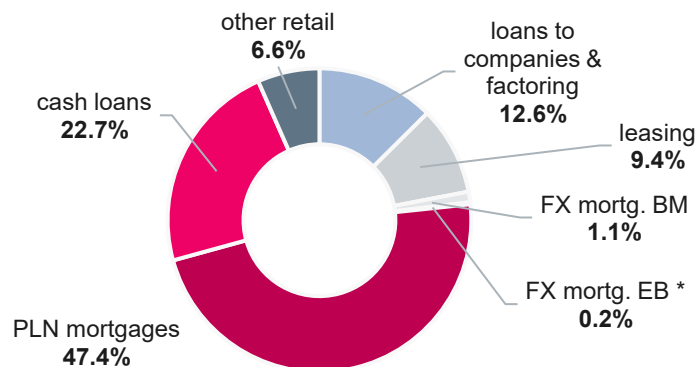
# Loan growth driven by consumer and corporate loans.

FX mortgage down by PLN1.1bn y/y. Deposits grew 4% y/y. Investment products maintain strong growth momentum (+34% y/y).

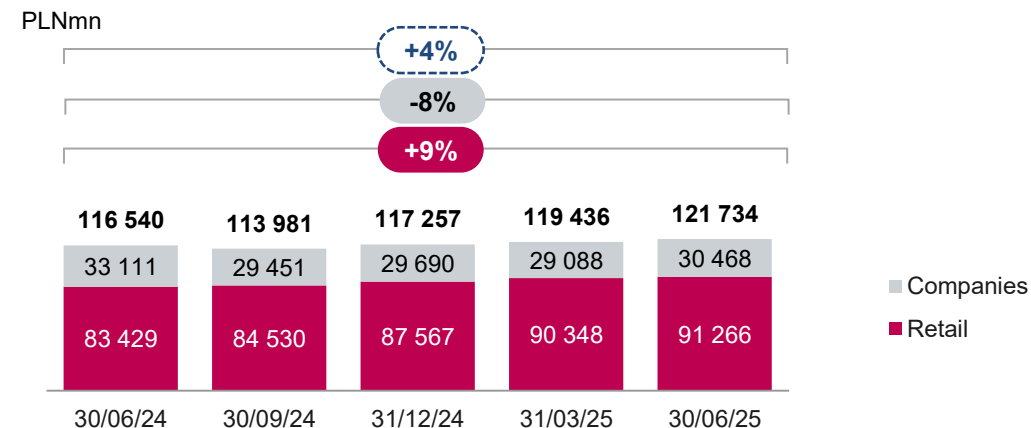
## Loan portfolio of the Group (net)



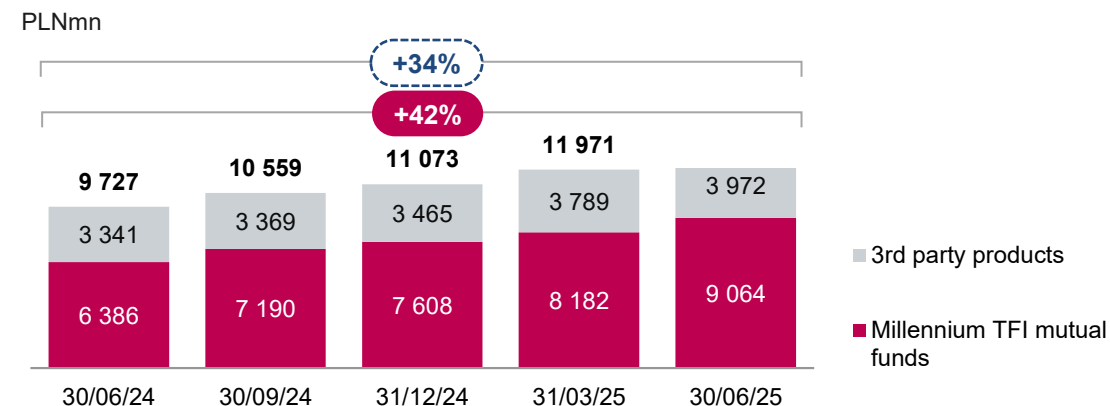
## Structure of loan portfolio (gross)\*\*



## Customer deposits



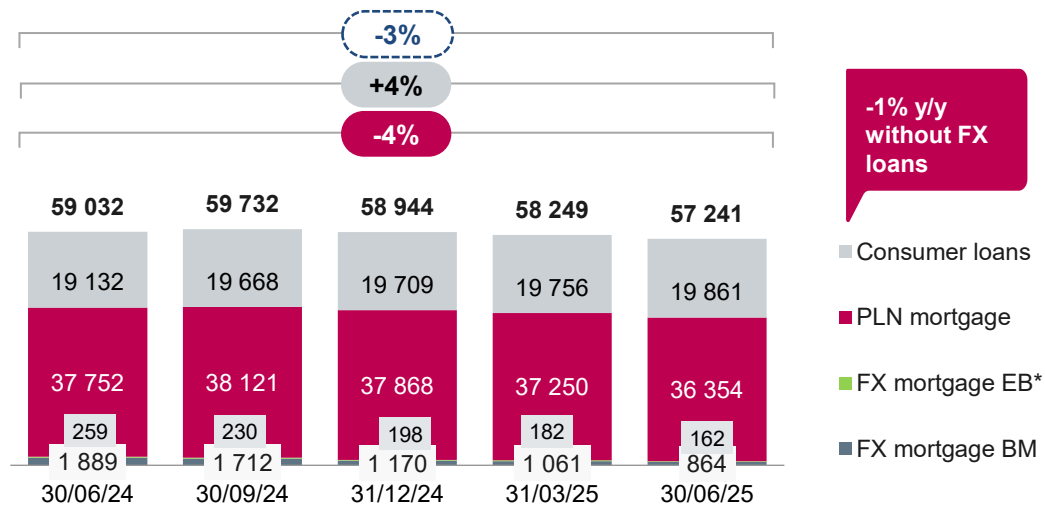
## Investment products



# Consumer loans keep growing, mortgages contracted. High growth of customer funds.

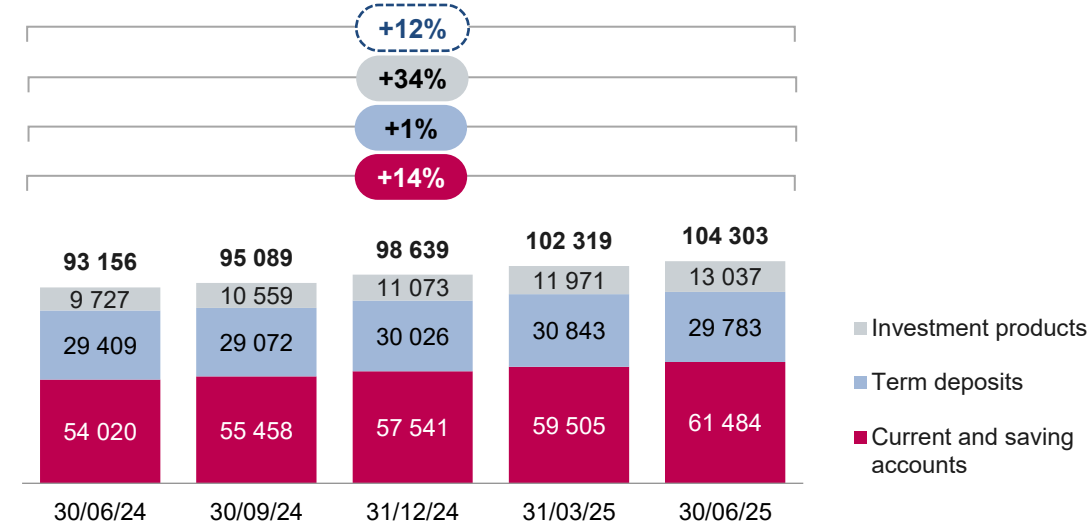
## Retail loans (gross)

PLNmn



## Retail customer funds

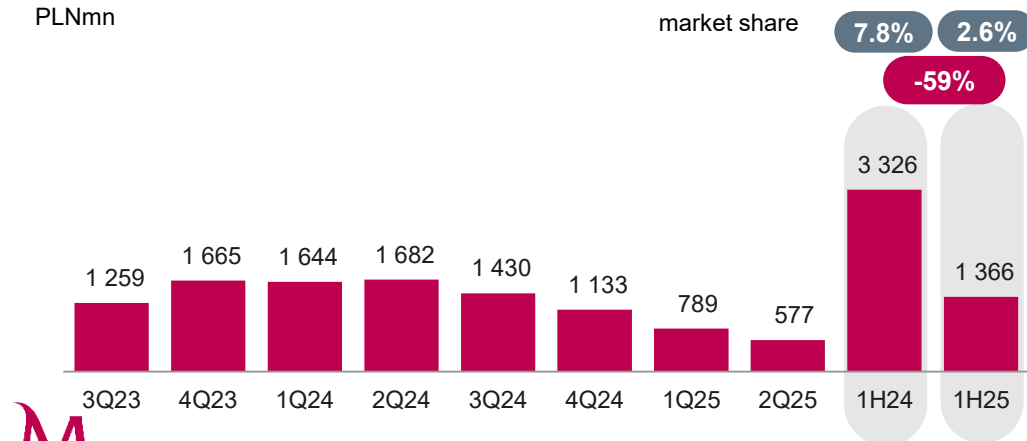
PLNmn



## Mortgage loans new sales (\*\*)

PLNmn

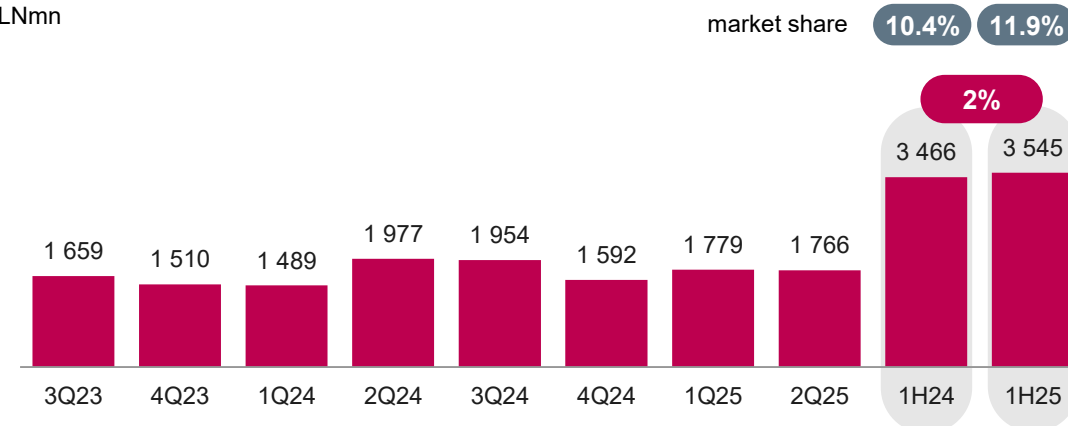
market share



## Cash loans new sales

PLNmn

market share



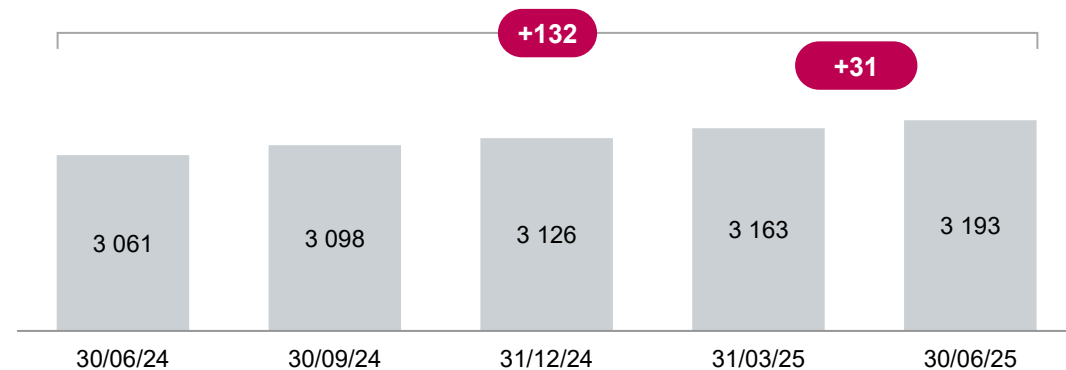
(\*) Loans originated by f. Euro Bank – covered by 100% indemnity and 80% guarantee agreement with SocGen (\*\*) Disbursements; market share as % in value of new agreements



# Steady growth of new customers and accounts of ~30-40k clients per quarter.

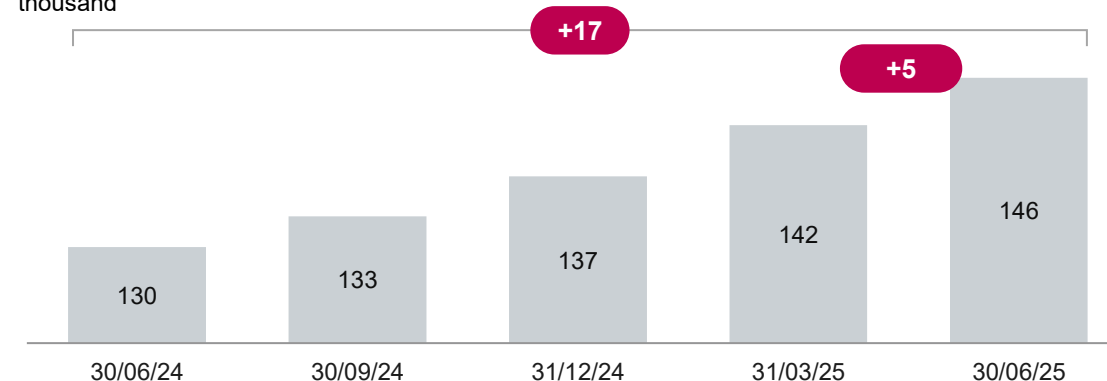
## Active retail clients\*

thousand



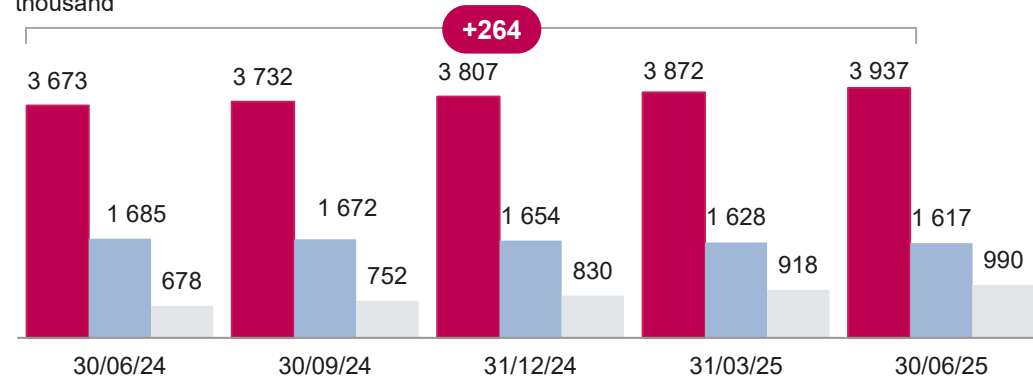
## Active micro-business clients\*

thousand



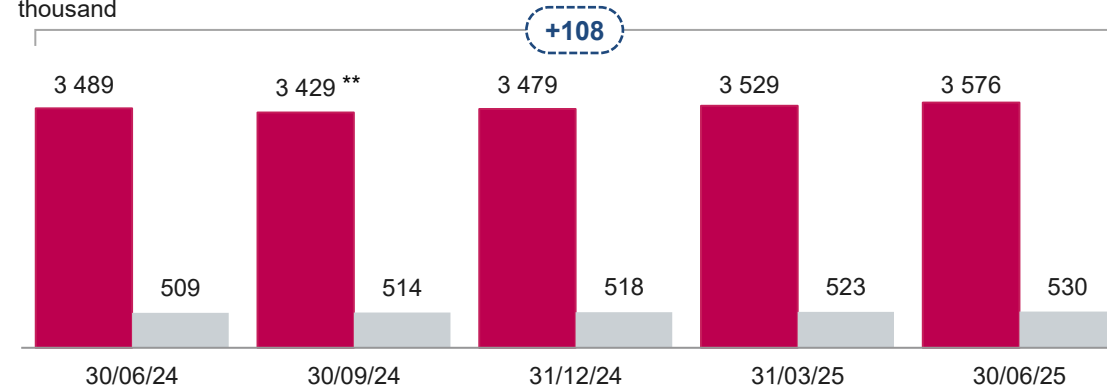
## Number of current accounts\*

thousand



## Number of debit and credit cards

thousand



■ Retail PLN C/A   ■ Konto 360 C/A   ■ Millennium 360 C/A

■ Debit cards   ■ Credit cards

(\*) Including the migration of c.a. 23,000 micro-business clients from retail segment to corporate segment in 1Q25. The previous periods data has been restated accordingly.

(\*\*) The decrease of debit cards number in 3Q24 is due to withdrawal of HCE services resulting in closures of related virtual cards. The Bank offered its clients other possibilities of card payments by phone.

# Mobile only users account for 70% of all active digital users



**2.97mn +5% y/y**

Active digital users\*



**2.76mn +8% y/y**

Active mobile app users



4,8



4,9



4,8



**2.10mn +17% r/r**

Mobile only users



**2.25mn +11% r/r**

BLIK users in 1H25

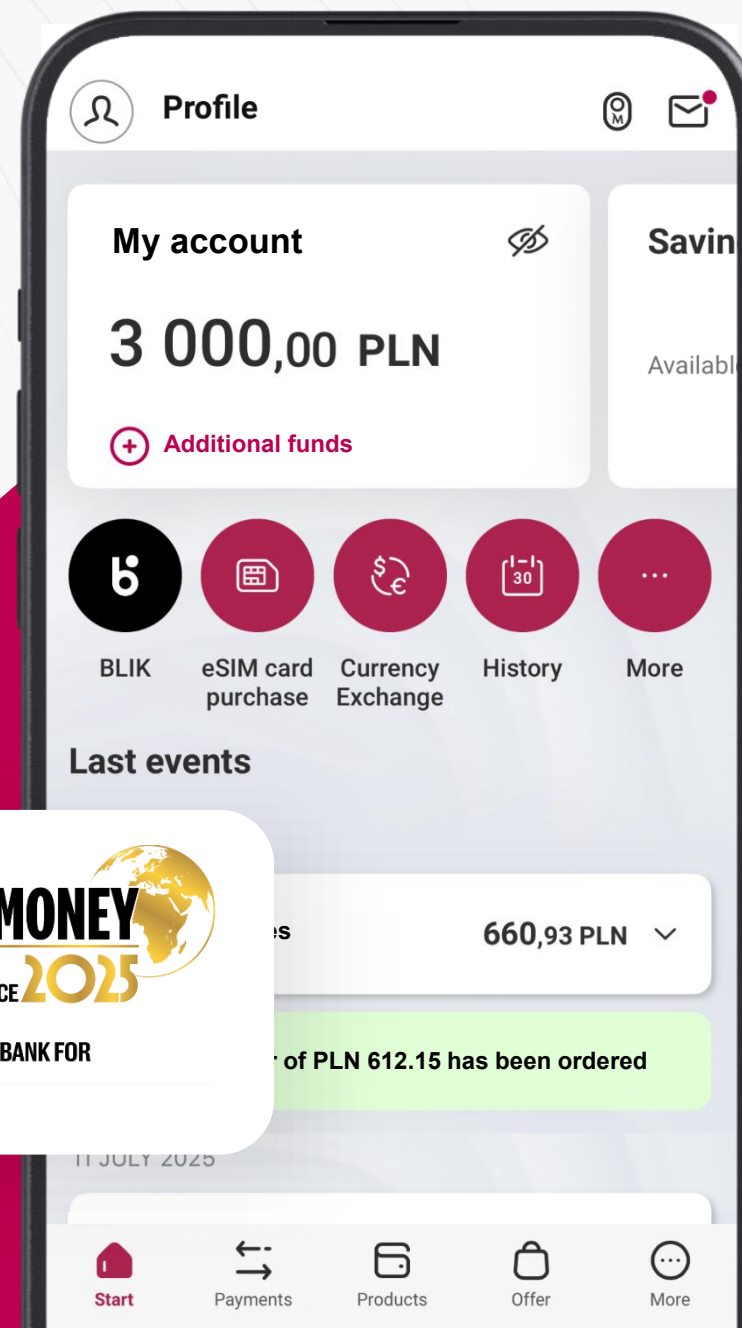


**300+ applications started on 1 July**

Applications for school starter support for the new benefit period are now available on the mobile app and Millenet. Last year, as many as 71% of customers chose to apply in the app. In e-banking, we make a wide range of public services available (300+ and 800+ applications, Active Parent, support benefit for people with disabilities, registration of a sole proprietorship and Millennium ID, which operates as part of the mojID service).



\* Retail customers and microcompanies



## Digital channels share in sales in 1H25

**86%**

Digital share in cash loan sales

**95%**

Digital share in term deposit sales

**50%**

Digital share in current account acquisition

**67%**

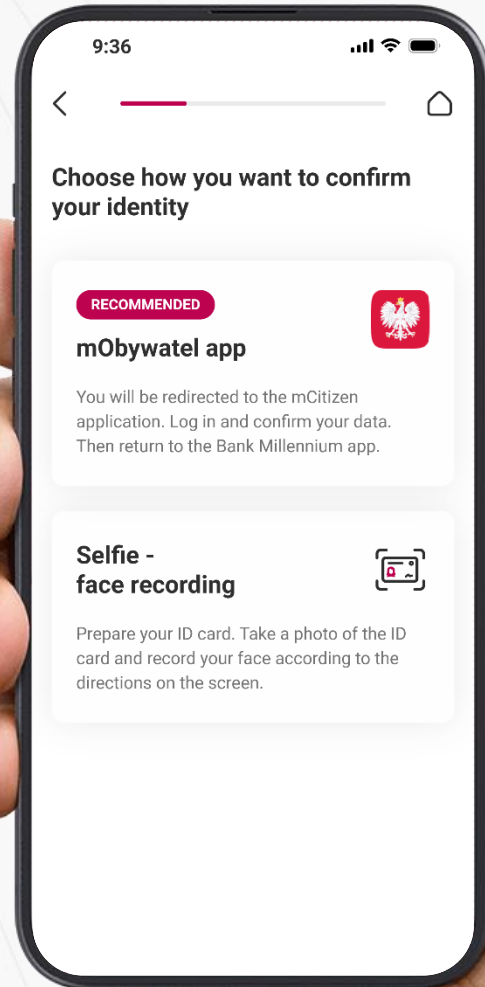
Digital share in junior account acquisition



### Human support in digital

- In line with our strategy, we are developing a collaboration between digital and traditional channels. We want to offer the best digital sales processes with contextual support. That is why we have provided the option to contact a consultant in 10 key processes. The customer chooses whether they prefer phone or chat contact. In each of these options, a bank employee supports the user directly in the app.
- In addition, customers have the option to use interactive answers to frequently asked questions without having to connect with a consultant.
- We are continuing to conduct accessibility assessments to further adapt remote channels for customers with special needs.

## User-friendly app builds our competitive advantage



### Account opening with mObywatel app

In June, we released a new method of identity verification in the mobile account opening process. We now offer 3 methods of confirming identity in remote account opening processes:

- in the mObywatel app - process in the mobile app
- with a selfie - process in the mobile app
- with a login to another bank - process



### BLIK Recurring Payments

At the beginning of April, Bank Millennium customers gained an additional BLIK service in the mobile app. BLIK Recurring Payments is a new payment method that allows you to pay cyclical obligations such as subscriptions, bills, utilities, tolls etc., with BLIK.

**Bank Millennium currently has the widest range of BLIK services on the market.**



### New features on mobile app for customers with mortgage loan

We are continuing to digitise mortgages. In 1H25, we provided new options that make it easier to manage your loan on a day-to-day basis on the mobile app:

- early repayment
- changing the date of the monthly instalment
- loan holidays
- verification and history of fulfilment of the conditions of the reduced interest rate



# Summer goals and destinations with the app



## New section in Motorways service

In May, we made automatic payments for A2 motorway tolls on the Poznań-Konin section available in the mobile app.

This way we expanded the service available in the app. Bank Millennium customers could already pay for motorway tolls without the need to stop at gates on selected sections of the A1 and A4 motorways.

The partner of the service is fintech Autopay Sp. z o. o.



## eSIM cards with Internet package

At the beginning of the holidays, we introduced the purchase of eSIM cards with internet plans for abroad. Customers can buy in the banking app data packages for countries all over the world. **We are first bank to offer this service in a mobile app.**

The internet starts to work as soon as the phone connects to the local mobile network. In the app, it is possible to check the status of purchased cards and the data used in real time.

This is another VAS made available in cooperation with Autopay Sp. z o. o.



## Convenience and security

- We have added a "Secure Travels" section to the cyber security education tab, where customers will find useful information for their holiday trips.
- We have made it possible to easily manage payments outside the EU in the app. Customers can temporarily unblock these transactions themselves for periods ranging from 1 day to 5 years.
- Customers can easily and quickly order cash to the selected outlet in PLN and in four foreign currencies: EUR, USD, GBP, CHF. Thanks to this process, users of the mobile app can fully reserve a specific amount and denominations on their own and, if their plans change, cancel the order just as easily.



# Launch of a product price comparison tool, continued growth in goodie cashback, and gift card sales.



## Launch of a price comparison tool

Searching for products and comparing their prices and cashback rates



**26%** Increase y/y

Transaction values made through goodie cashback



**26%** Increase y/y

Number of transactions made through the goodie cashback service



**37%** Increase y/y

for goodie gift cards sold



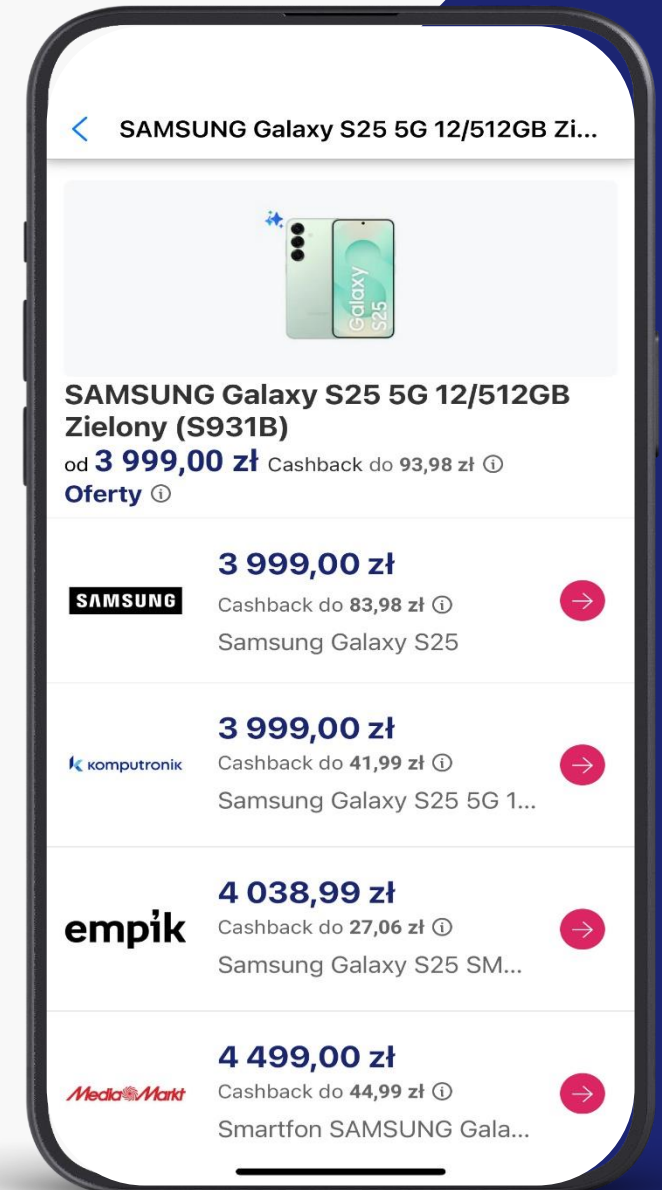
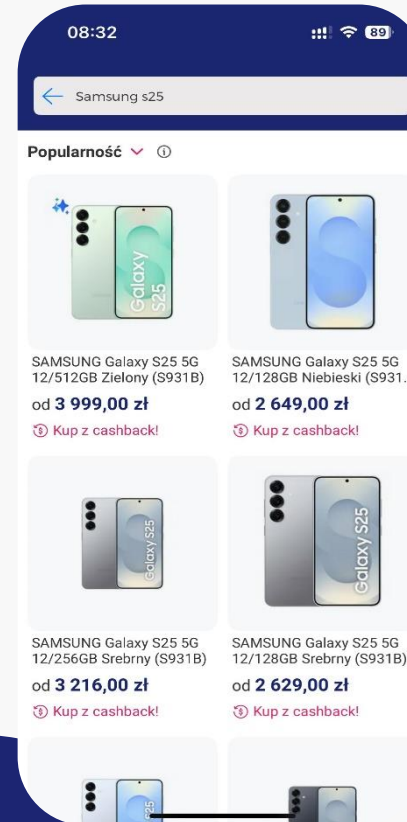
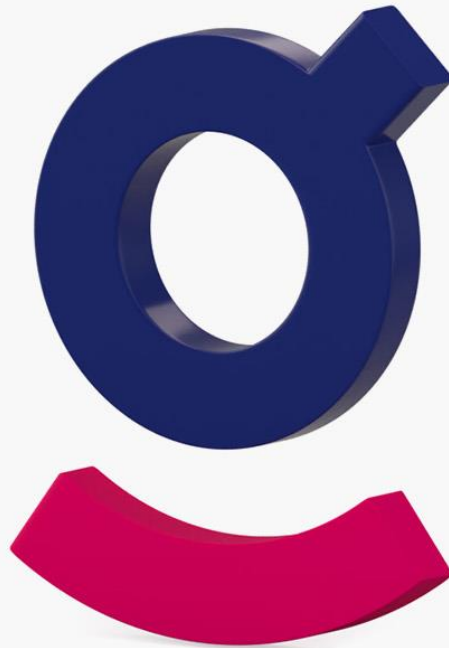
4,2



4,6



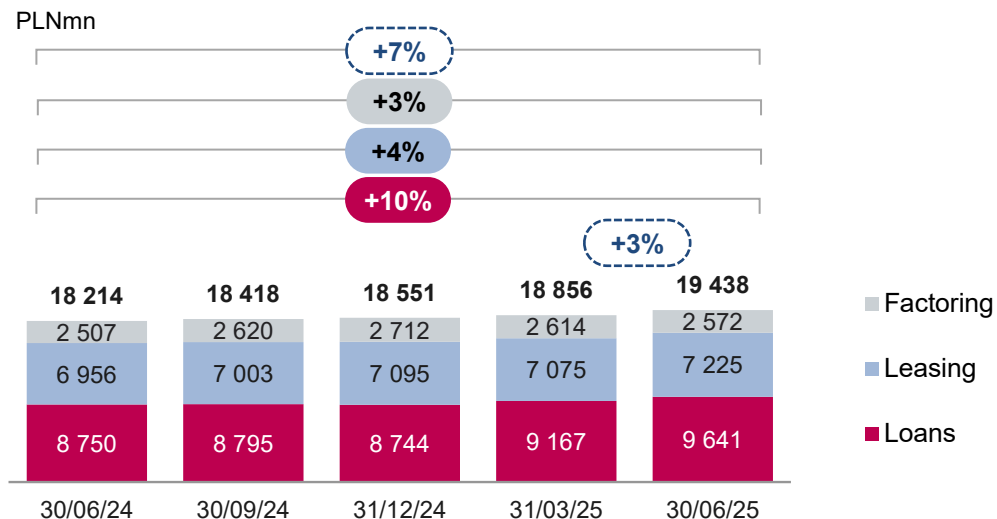
4,1



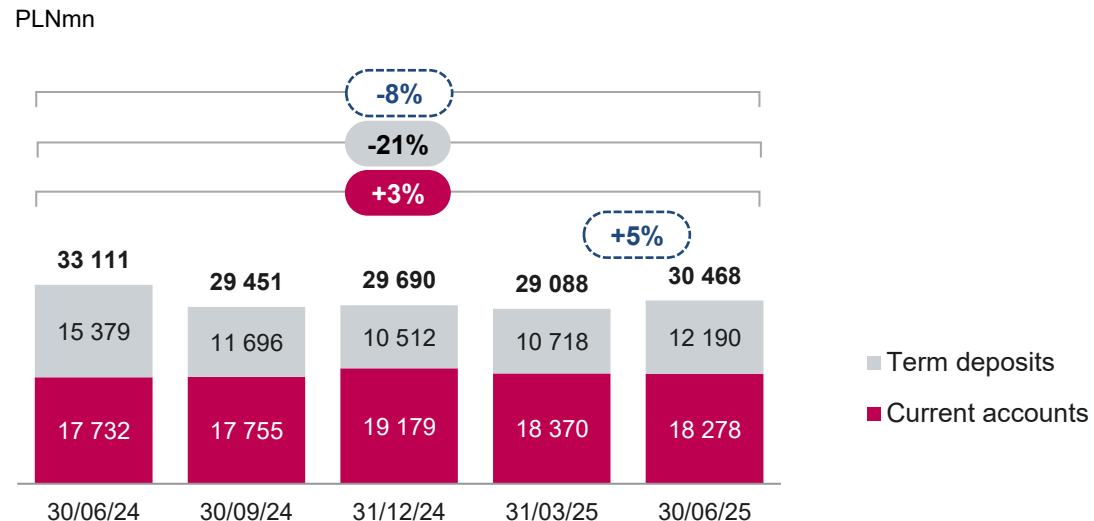
# Corporate loan portfolio growth accelerates.

Corporate deposits overall down 8% y/y due to lower term deposits but C/As up 3% y/y.

## Loans to companies (gross)



## Companies' deposits



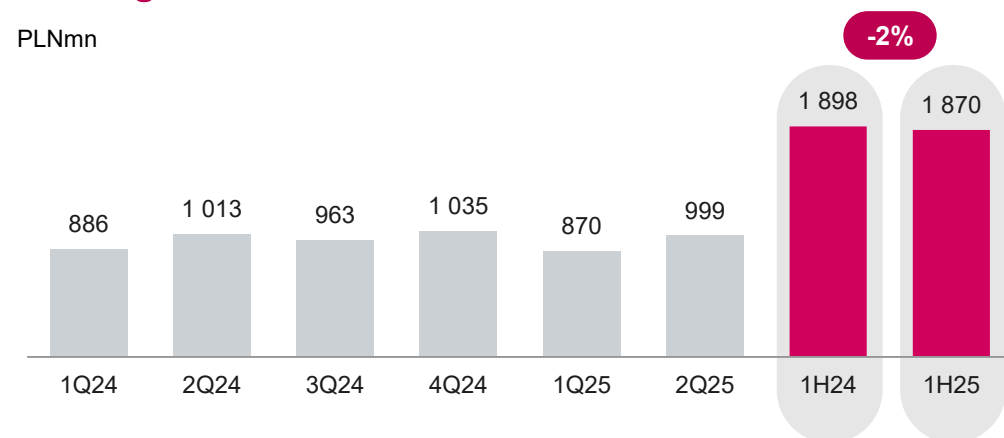
- **Loan portfolio maintains uptrend** and grew 7% y/y. On a quarterly basis, the growth was 3%.
- **Companies' deposits** contracted 8% y/y due to much lower term deposits (tighter pricing management) while C/A balances maintained positive dynamics (+3% y/y).
- Some slowdown **in transaction activity** with modest growth in trade finance.

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# Maintained growth in factoring and trade finance. Leasing contracts slightly lower.

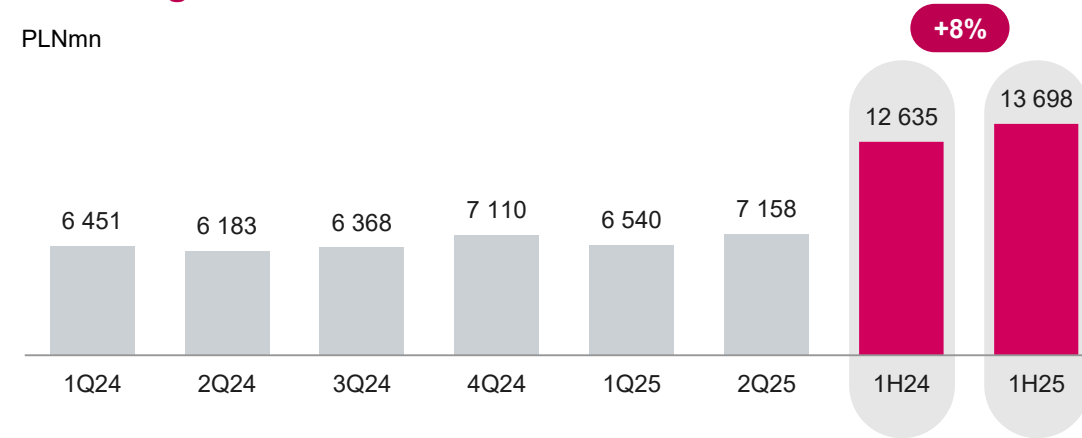
## Leasing – new sales

PLNmn



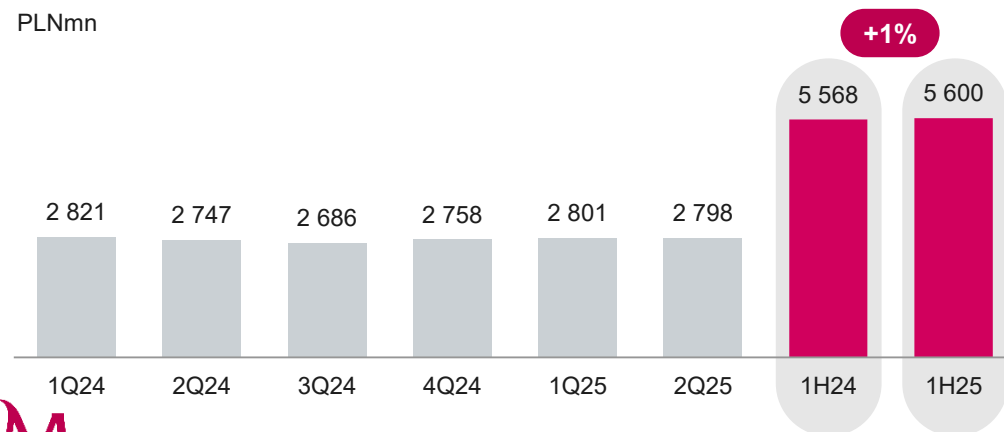
## Factoring – turnover

PLNmn



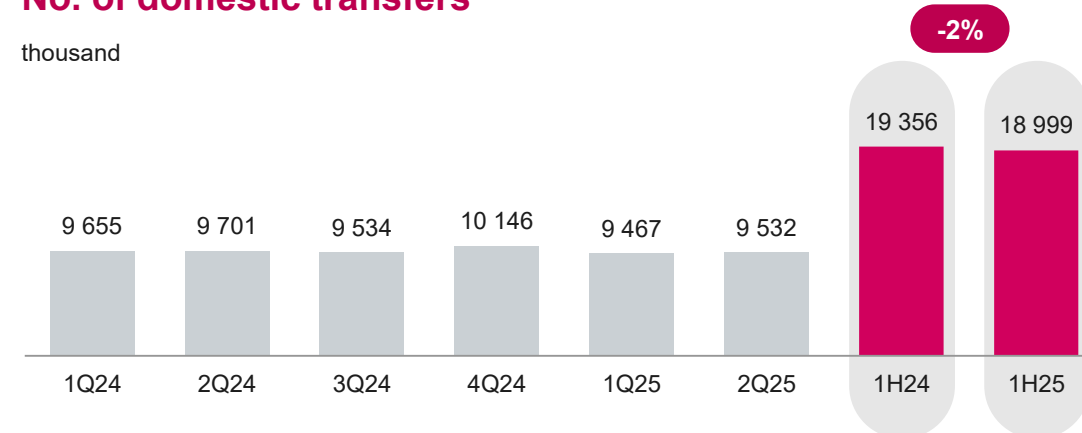
## Volume of guaranties and letters of credit

PLNmn



## No. of domestic transfers

thousand



# New for corporate

We are expanding the financing offer and support sustainable projects

## Loans with Investmax guarantees with EFI counter guarantee

### We have provided loans secured with the Investmax guarantee

Customers from the small and medium corporate segment can use the new Investmax guarantee, which facilitates access to working capital and investment loans. The guarantee secures 80% of the loan principal amount. Customers have received this opportunity thanks to expansion of the cooperation with Bank Gospodarstwa Krajowego (BGK) to include an agreement on portfolio guarantee line under the InvestEU Programme.

## KUKE S.A. guarantee for domestic investments generating exports

### Support of exporters in investments

We have provided the KUKE S.A. Guarantee for domestic investments generating exports. The guarantee may cover up to 80% of the value of the investment loan. The loan may be used both for the implementation of the investment and for the refinancing of costs incurred or repayment of loans taken for the implementation of this investment. The minimum amount of financing is PLN 10 million.

## Loan for Development

### Financial support with attractive parameters

We have expanded our offer for enterprises with the Loan for Development. The maximum amount of financing is PLN 4 million, and the repayment period can be spread over a maximum of 5 years. The loan proceeds are transferred once to the company's account, with the possibility of using them for any purpose related to business activity.

Customers whose activities will be classified as green, will enjoy preferences regarding the origination fee.

## KUKE S.A. Green Guarantee for domestic investments related to the energy transition

### New tool for companies which invest in climate protection activities

For companies that invest in particular in renewable energy sources, energy efficiency, low-emission technologies, sustainable transport and other innovative activities supporting green transformation. The guarantee may cover up to 80% of the value of the investment loan. The minimum amount of financing is PLN 10 million (or the equivalent in a foreign currency).



## Podcast series

In cooperation with the CFO Club we have prepared the "Practical aspects of ESG on the CFO's radar" series of podcasts with participation of the Bank's experts.



## ESG Questionnaire in Millenet for Corporate

In electronic banking we have implemented a digital version of the ESG Questionnaire, which is the first step in the credit process for corporate customers



## Green Academy

We have launched the next 3rd module in our proprietary Green Academy development programme for Corporate Banking Relationship Managers



# 03 Appendices

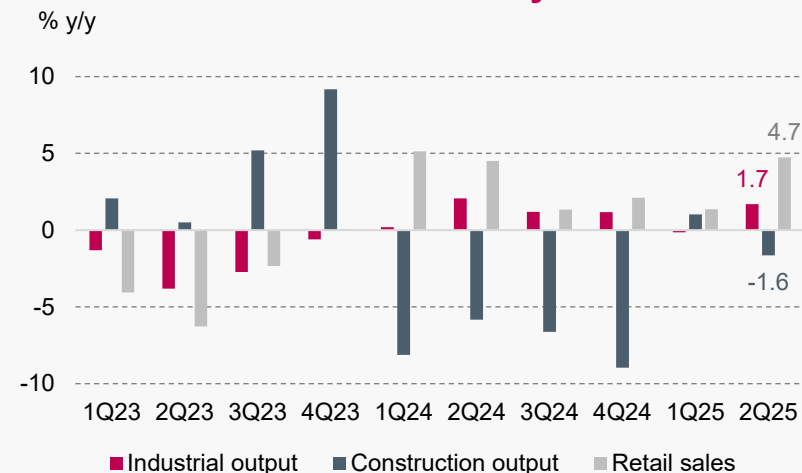
2Q25/1H25 results



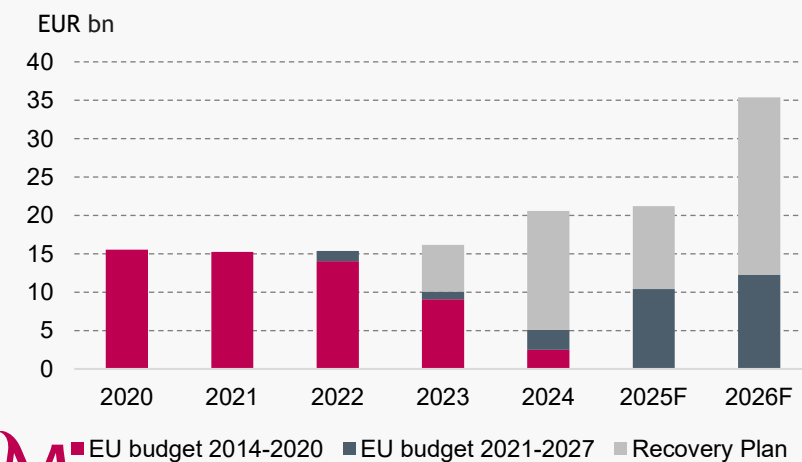


# Macroeconomic environment

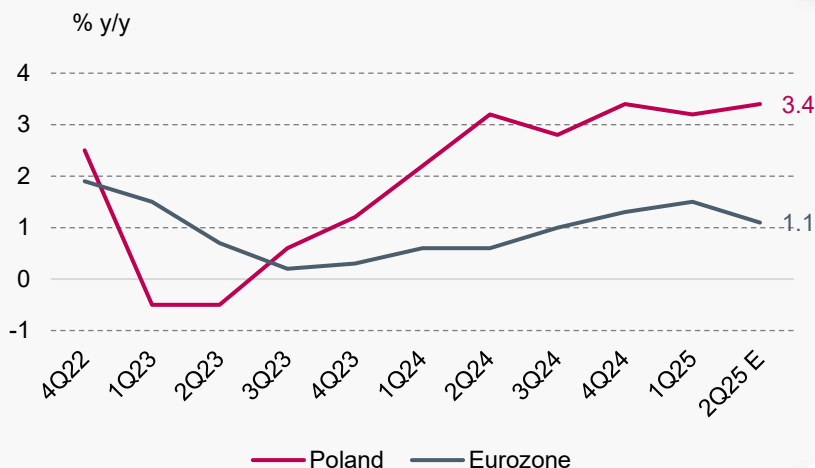
## Data from the Polish economy



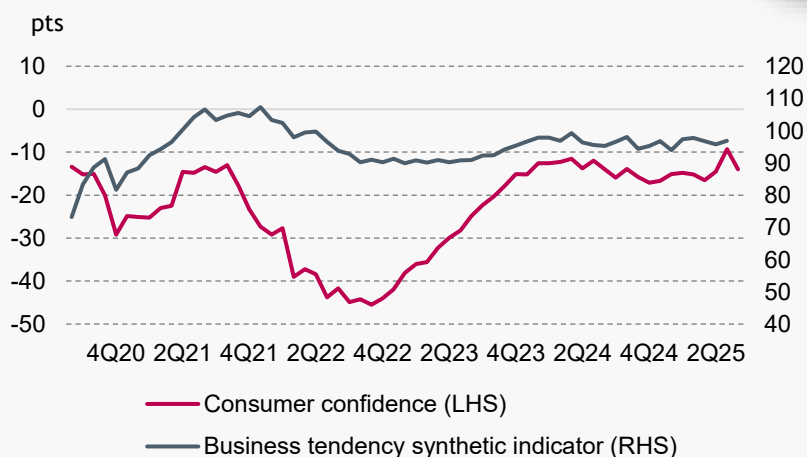
## EU funds inflow to Poland



## GDP dynamics in Poland and Eurozone



## Economic sentiment indicators in Poland



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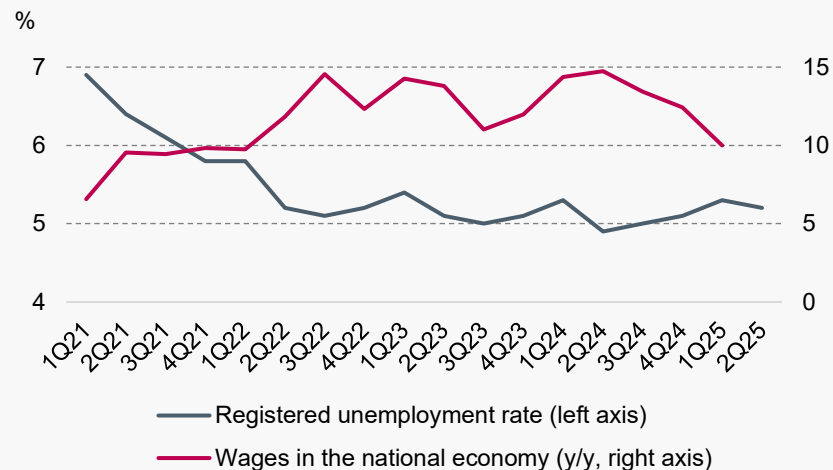
- Economic activity in Poland remained stable in 2Q25. According to estimates by the Bank's economists, GDP growth in the April–June period reached 3.4% y/y, compared to 3.2% in 1Q25. The main driver of the economy continued to be household consumption, supported by improved consumer sentiment, still dynamic wage growth, and low unemployment.
- Investment activity in corporate sector remained subdued, which may have been influenced by elevated uncertainty regarding global economic growth prospects and slower-than-expected absorption of European Union funds.

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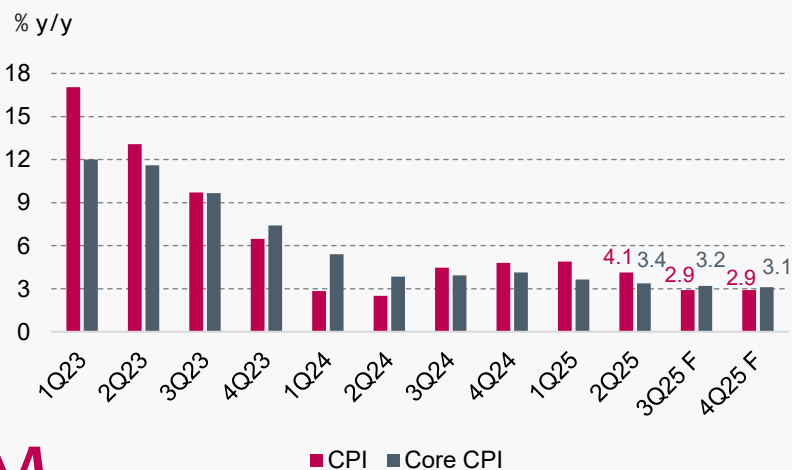
- The outlook for the Polish economy remains moderately optimistic, supported by improving sentiment in the euro area economy. However, a source of uncertainty is U.S. trade policy. According to the Bank, GDP growth in 2025 is expected to reach 3.4%, compared to 2.9% in 2024, and is projected to remain at a similar level in 2026. Nonetheless, the impact of U.S. trade policy on the condition of the global economy remains a key source of uncertainty.
- Household consumption will continue to be the main driver of the economy. However, fixed asset investments will also provide important support for GDP growth, mainly due to the expected increase in the use of EU budget funds.

# Macroeconomic environment

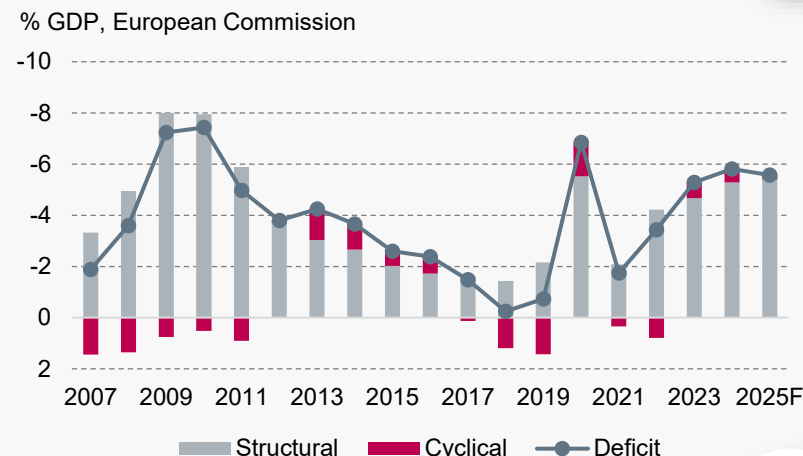
## Unemployment rate and wage dynamics



## Inflation in Poland



## Fiscal deficit



## Forecasts

		2024	2025F	2026F
GDP	%	2.9	3.4	3.4
Individual consumption	%	3.1	3.4	3.3
Investments	%	-2.2	8.0	8.8
Unemployment rate	% eop	5.1	5.2	5.1
Inflation	%	3.6	3.7	2.8
Reference rate	% eop	5.75	4.50	3.50
EURPLN	eop	4.27	4.30	4.30
USDPLN	eop	4.10	3.64	3.68

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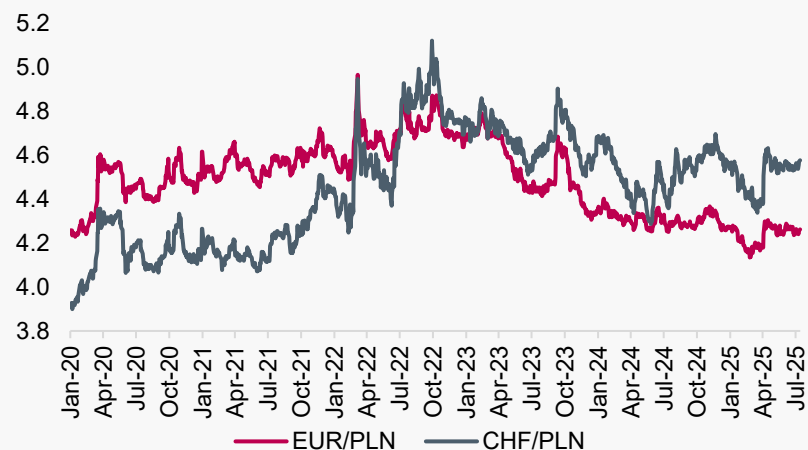
The situation in the labor market remained relatively stable in 2Q25. The registered unemployment rate declined to 5.2% in June from 5.3% in March, mainly due to seasonal factors. Wage growth is slowing compared to the previous year, although it remains above the long-term average. The CPI inflation averaged 4.1% y/y in 2Q25, indicating a slowdown compared to 1Q. Inflation in food and energy prices declined, as did core inflation, which returned to the range of acceptable deviations from the NBP's target. Disinflation in Poland is expected to continue, and starting from July this year, the headline CPI inflation rate will also return to the NBP's target range.

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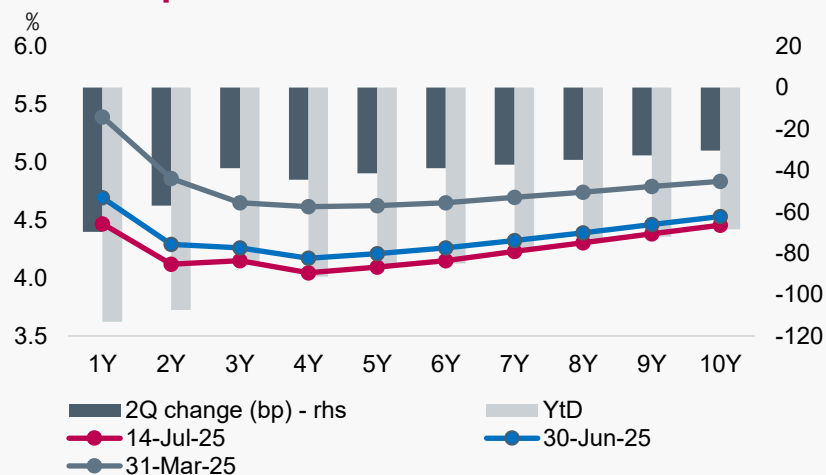
Data from the turn of 2Q and 3Q25 indicate that the impact of rising protectionism in global trade on the world economy has been smaller than expected, as businesses and consumers have gradually begun to adapt to the new conditions. Nevertheless, uncertainty regarding the durability of future trade arrangements remains one of the main sources of uncertainty to the outlook for the Polish economy. The external environment is unlikely to support an acceleration of domestic economic growth. According to the World Bank's June forecasts, global GDP growth is expected to slow from 2.8% in 2024 to 2.3% in 2025 and 2.4% in 2026.

# Macroeconomic environment

## FX evolution



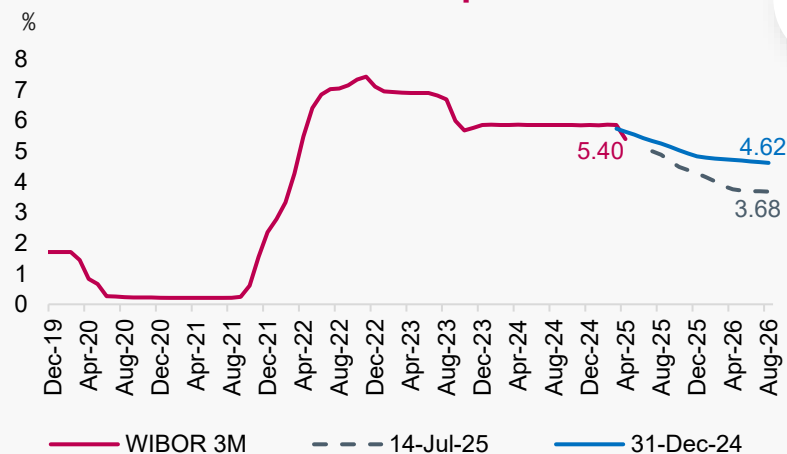
## PLN swap curve



## Yields of Polish bonds



## WIBOR 3M and market expectations



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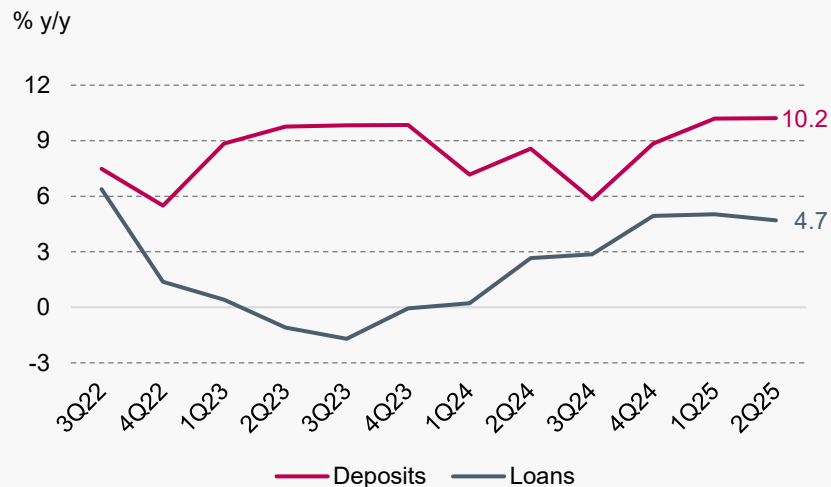
- In 2Q25, the US dollar weakened due to trade tensions, fiscal deterioration, a rating downgrade, and diverging monetary policy paths between the US and the euro area. The EURUSD exchange rate rose from 1.08 to 1.18. The zloty weakened vs. the euro from 4.20 to 4.26, influenced by the presidential elections, interest rate cuts, and a worsening current account balance. The zloty strengthened vs. the USD from 3.86 to 3.62. Bank forecasts a mild depreciation of the zloty vs. the euro, amid strong GDP growth and inflows of EU funds, with narrowing interest rate differential vs. the ECB.

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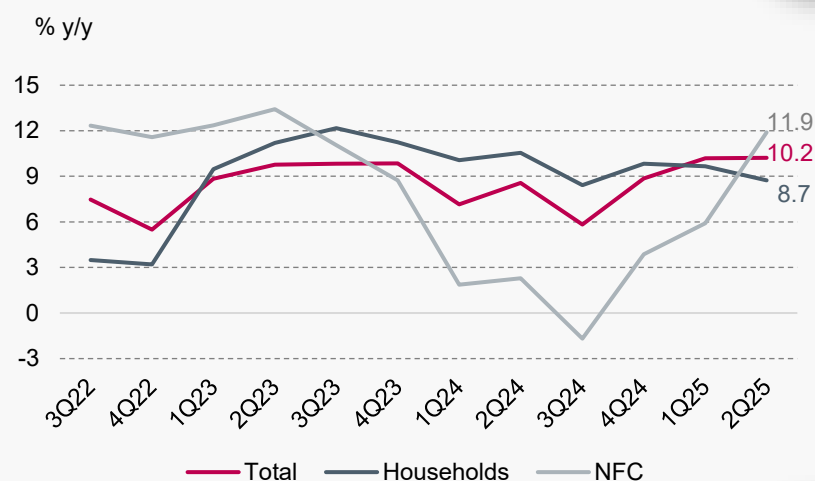
- In 2Q25 the MPC cut interest rates by 50 bp in May, in line with market expectations, and by another 25 bp in July, bringing the main rate to 5.00%. Bond yields fell by 20-65 bps, with larger declines in the FRA and IRS markets, especially for shorter tenors, resulting in a gradual steepening of the curve. The bank assumes further rate cuts to 4.50% by the end of 2025 and to 3.50% by the end of 2026. Expansive fiscal policy and low unemployment may limit the scale of cuts. The market is currently pricing in about 50 bps of interest rate cuts by the end of this year.

# Macroeconomic environment

## Growth rate of deposits and loans



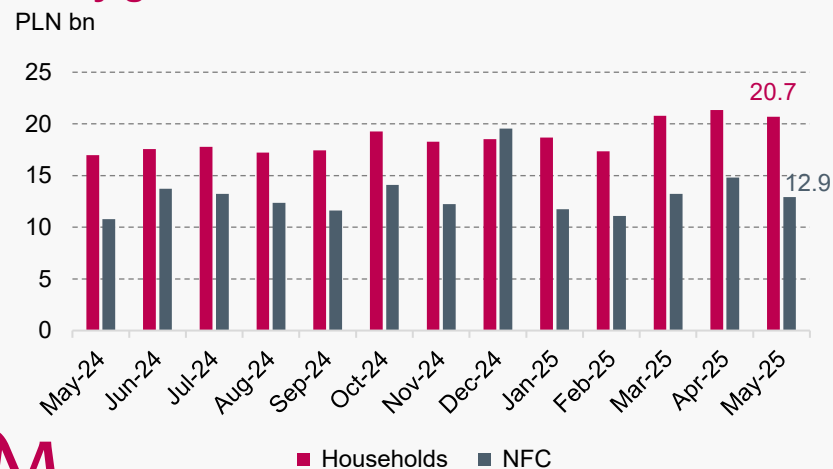
## Growth rate of deposits



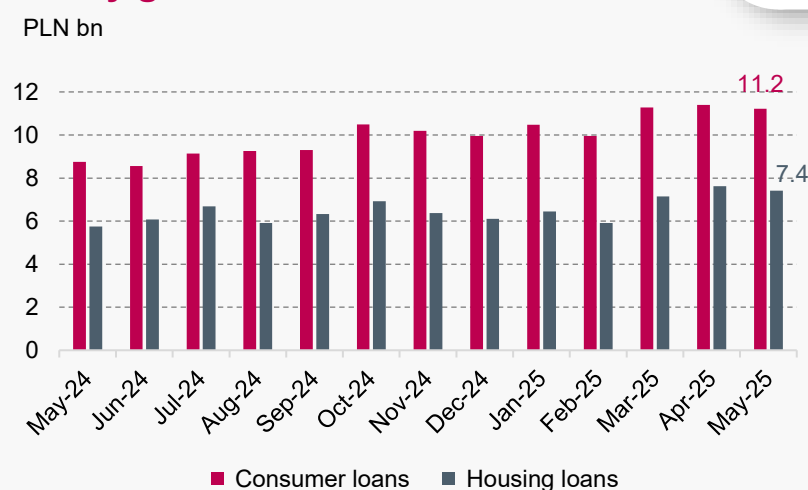
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- Deposits in the banking sector grew at a solid pace in 2Q25 (10.2% y/y), driven by high interest rates and the strong liquidity position of both businesses and consumers. The growth of household deposits slowed somewhat, however, compared to June of the previous year, their volume increased by PLN 112 billion. In contrast, the growth of non-financial corporate deposits accelerated significantly, reaching 11.9% y/y in 2Q25.
- The growth rate of loan volumes slightly decelerated in 2Q to 4.7% y/y from 5.0% y/y in the previous quarter. Slight slowdown in the value of household loan was accompanied by an increase in loans to non-financial corporations.

## Newly granted loans



## Newly granted loans to households



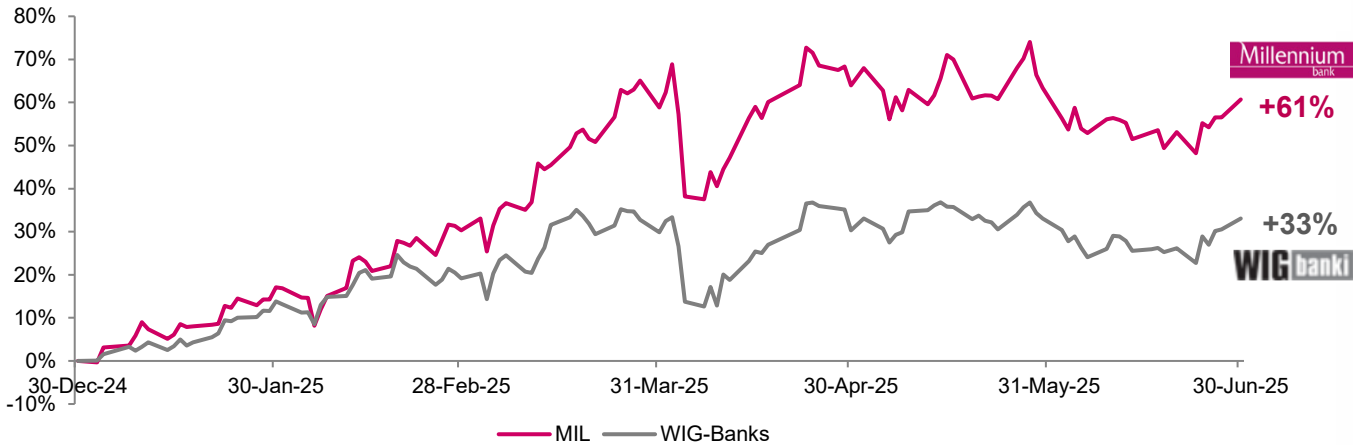
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- Credit creation trends did not undergo significant changes in 2Q25. The nominal value of newly granted loans in April–May remained relatively stable compared to previous months. However, their annual growth rate accelerated slightly, mainly in the household sector. Credit demand from the corporate sector remains moderate. The coming months are expected to bring a revival, driven in part by anticipated acceleration in fixed asset investments and a further expected decline in NBP interest rates.



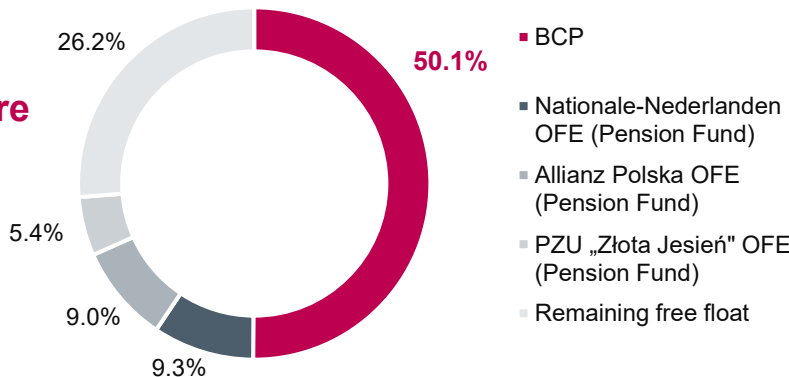
# Bank Millennium's shares gained 61% ytd

## Bank Millennium's share performance vs. WIG Banks index (1H25)



**No of shares:** 1 213 116 777 (listed 1 213 008 137) **Listed:** on Warsaw Stock Exchange since August 1992  
**Index:** WIG, mWIG40, WIG Banks, MSCI Poland **Tickers:** ISIN PLBIG0000016, Bloomberg MIL PW, Reuters MILP.WA

## Bank Millennium shareholders' structure (31.12.2024)



## Ratings of Bank Millennium

On April 10, 2025, Moody's rating agency ('Moody's') upgraded the Bank's long- and short-term deposit ratings to Baa2/P-2 from Baa3/P-3 and maintained the positive outlook on the long term deposit ratings.

Additionally, Moody's upgraded the Bank's Baseline Credit Assessment (BCA) to ba2 from ba3, its Adjusted BCA to ba1 from ba2, its junior senior unsecured (also referred to as "senior non-preferred") bond and MTN programme ratings to Ba1 and (P)Ba1 respectively from Ba2/(P)Ba2, its long-term Counterparty Risk Ratings (CRR) to Baa1 from Baa2 and its long-term Counterparty Risk (CR) Assessment to Baa1(cr) from Baa2(cr). The Bank's short-term CRRs and CR Assessment were affirmed at P-2 and P-2(cr).

On May 28, 2025, Fitch Ratings ('Fitch') upgraded the Bank's Long-Term Foreign-Currency Issuer Default Rating (LT IDR) and Long-Term Local Currency IDR (LC LT IDR) to 'BBB-' from BB+ and changed the outlook for these ratings to 'stable'. Additionally, Fitch upgraded the Viability Rating (VR) for the Bank to 'bbb-' from 'bb+' and upgraded the rating for the senior non-preferred bonds issued by the Bank to 'BBB-' from 'bb+'

**The Bank's corporate ratings, at the date of this presentation, were as follows:**

Bank Millennium's ratings	Moody's	Fitch
Long term deposit (LTR) / Issuer Default (IDR)	Baa2	BBB-
Rating outlook	LTR positive outlook	Stable outlook
Short term IDR	Prime-2	F3
Standalone BCA/Adj. BCA	ba2/ba1	
Viability		bbb-
CR rating	Baa2/Prime-2	
Shareholder support rating (SSR)		b+
SNP MREL bonds	Ba1	BBB-





# ESG Activities

## ECO promotion for mortgage loans

In May 2025, Bank Millennium introduced a new mortgage loan promotion aimed at supporting the purchase of low-energy demand properties.

Clients who meet the promotion criteria can take advantage of a reduced interest rate on their loan – 0,5 percentage point lower than the standard offer.

## EUindTech2025 conference

Bank Millennium was a partner of the EUindTech2025 conference, which took place in June in Krakow as part of the Polish Presidency of the Council of the EU.

Grzegorz Maliszewski, Chief Economist of Bank Millennium, presented the main conclusions drawn from the report "Millennium Eco-Index. The potential of eco-innovation in regions" and moderated a panel discussion entitled "Eco-innovation in regions and countries: Can Poland afford not to be eco-innovative?"

## Bank Millennium Virtual Vibes

Bank Millennium Virtual Vibes is the first music festival in Poland to take place in the metaverse on the Roblox platform. Bank Millennium became the strategic partner of the second edition of the event.

In the interactive festival zone, the bank used games and activities to demonstrate how cybercriminals operate online, additionally the participants received tips on how to respond to threats and use electronic banking safely.

## 22. Millennium Docs Against Gravity Patronage

For 20 years, Bank Millennium has been, a partner of Millennium Docs Against Gravity - the largest documentary film festival in Poland and the second largest in Europe. This year's edition was held under the slogan 'The whole world between us'.

The film 'Yintah' was awarded with the Grand Prix - the Bank Millennium award, which thus qualified for an Oscar® nomination in the Best Feature Documentary category.

## Financial ABC available in sign language

As part of its commitment to financial education for children with disabilities, the Bank Millennium Foundation has translated into sign language educational films from the Financial ABC programme, run under the patronage of the Children's Ombudsman.

The first step towards making the programme inclusive was to translate animated stories featuring Mr Sebastian and video guides for parents into sign language.

## OurPeople'25 - the sporting challenge

The sports challenge of the OurPeople'25 sports and volunteering initiative organized by the bank has come to an end. A record number of nearly 1,800 people participated in the challenge.

The points earned by the employees were converted into PLN, which will be transferred to the Bank Millennium Foundation, for a total amount of 250 thous. PLN. The money will be allocated to volunteer projects that support local communities.



# The most important awards and achievements of Bank Millennium in 1H25



## Bank Millennium Crowned Golden Bank 2025

Bank Millennium won the Golden Banker 2025 ranking, claiming the Golden Bank 2025 title for the best multi-channel service quality. For the fifth time, the bank took first place for the highest quality of service on the hotline, and for the third time in a row stood on the podium for the highest quality of service in chat and e-mail.



## Bank Millennium is one of the best employers in Poland

Bank Millennium received the title of Top Employer Polska 2025. This prestigious award, won for the second year in a row, confirms the Bank's commitment to creating even better working environment by implementing high standards in the field of human resources management and HR practices.



## Bank Millennium is again the best bank in Poland according to Global Finance magazine

The Bank was awarded the title of The Best Bank in Poland for 2025. The annual Global Finance Awards honour financial institutions that care about the needs of their customers, stand out for their diversity of offerings, long-term stability and technological innovation.



## Award for the Best Mobile Banking Application for SMEs in the Global Retail Banking Innovation Awards 2024

Bank Millennium received the award for Best Mobile Banking Application for SMEs in the Global Retail Banking Innovation Awards 2024 ranking. The competition is organized by the international financial magazine The Digital Banker, which primarily focuses on banking and economic topics. It also conducts research for financial institutions.

# The most important awards and achievements of Bank Millennium in 1H25



## Customer Relations Star 2025

The Bank was ranked second in the Customer Relations Star category in a prestigious competition held by Dziennik Gazeta Prawna. This year, 12 institutions participated in the competition. It was the 11th edition of the ranking, in which the jury evaluated the activities of commercial banks operating in Poland.



## Bank Millennium with the title of Reliable Employer 2024

Bank Millennium was awarded this title for the eleventh time in a row. The award is given to companies that take care for safety, good working conditions and development of their employees. The program selects the best employers in Poland with exemplary human resources policies. The main selection criterion is the broadly defined employment policy.



## Customer Service Quality Star 2025

For the twelfth time, Bank Millennium was among the companies honored with the Customer Service Quality Star title. The distinction is awarded based on an in-depth consumer satisfaction survey to institutions that represent the highest standards of service.



## Polish Contact Center Awards

In this year's edition of the Polish Contact Center Awards, Bank Millennium was recognized for the highest quality of service with the Silver Grand Prix. This is a huge recognition for the work of the whole Contact Center team, which won a total of 10 awards. PCCA is the most important contest in the Polish contact center and customer care/service industry.

# P&L in brief

[PLNmn]

	1H24	1H25	Change Y/Y	1Q25	2Q25	Change Q/Q
Net interest income	2 536	2 872 →	13%	1 423	1 448 →	2%
Net commission income	390	371 →	-5%	183	188 →	3%
Other non-interest income	82	174 →	113%	61	112 →	84%
Operating income	3 008	3 416 →	14%	1 667	1 749 →	5%
General and administrative costs	-994	-1 158 →	17%	-611	-547 →	-10%
Depreciation	-110	-112 →	2%	-57	-55 →	-3%
Total operating costs	-1 103	-1 270 →	15%	-668	-602 →	-10%
Net cost of risk*	-190	-80 →	-58%	-86	6 →	-107%
FX-mortgage legal risk costs	-1 124	-1 019 →	-9%	-445	-574 →	29%
<u>Operating profit</u>	281	981 →	249%	416	564 →	35%
Banking tax	-35	-200 →	-	-99	-101 →	3%
<u>Pre-tax profit</u>	247	781 →	217%	318	463 →	46%
Income tax	110	-270 →	-	-138	-132 →	-5%
Net profit	357	511 →	43%	179	331 →	85%

(\*) Cost of risk includes impairment provisions (on all stages), FV adjustment on loans and result on modification

# Balance sheet in brief

[PLNmn]

[PLNmn]

	30.06.2024*	31.12.2024	30.06.2025		Change Y/Y	
ASSETS	Cash and balances with the Central Bank	5 857	5 179	5 293	<div></div>	-10%
	Loans and advances to banks	488	435	545	<div></div>	12%
	Loans and advances to customers	74 645	74 975	74 222	<div></div>	-1%
	Amounts due from reverse repo trans.	198	194	407	<div></div>	106%
	Debt securities	50 180	54 207	61 397	<div></div>	22%
	Derivatives (for hedging and trading)	635	256	224	<div></div>	-65%
	Shares and other financial instruments	143	147	203	<div></div>	41%
	Tangible and intangible fixed assets	1 057	1 067	1 127	<div></div>	7%
	Other assets	2 331	2 494	2 539	<div></div>	9%
Total assets	135 535	138 954	145 956	<div></div>	8%	
LIABILITIES AND EQUITY	Deposits and loans from banks	585	204	135	<div></div>	-77%
	Deposits from customers	116 540	117 257	121 734	<div></div>	4%
	Liabilities from repo transactions	3	194	1	<div></div>	-80%
	Financial liabilities at fair value through P&L and hedging derivatives	645	519	682	<div></div>	6%
	Liabilities from securities issued	3 596	6 125	7 025	<div></div>	95%
	Provisions	2 264	2 952	3 545	<div></div>	57%
	Subordinated liabilities	1 562	1 562	1 561	<div></div>	0%
	Other liabilities	2 997	2 369	2 868	<div></div>	-4%
	Total liabilities	128 191	131 182	137 551	<div></div>	7%
	Total equity	7 344	7 772	8 405	<div></div>	14%
Total liabilities and equity	135 535	138 954	145 956	<div></div>	8%	



(\*) Due to changes in methods for the presentation of balance sheet data, the figures as of June 30, 2024, were not adjusted, and as a result, some positions are not comparable with the data as of June 30, 2025, and December 31, 2024 (adjusted). As far as loans are concerned, the adjustment of data for June 30, 2024, would have an immaterial impact on the presented values and year-on-year dynamics.

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