

Bank Millennium Group 1Q25 results

May 12, 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), in particular financial and current reports.

Financial data presented hereby is on consolidated Bank Millennium Group level.

Data is based on published financial reports with following pro-forma adjustments:

- The Bank altered its presentation of margin on derivatives that is not meeting formal hedge accounting principles and from Jan 1, 2021 all margin from derivatives is included in the reported NII.*
- According to current understanding of IFRS9 standard, small part of credit portfolio is fair valued through P&L. As fair value adjustment of this portfolio has similar economic effect to impairment adjustment, in this presentation it was excluded from 'total operating income' and added to cost of risk line.*
- Starting from 3Q22 a part of costs of amicable settlements with FX-mortgage borrowers is presented in 'results from modifications' and these costs are not included in the cost of credit risk in this presentation.*
- Cost of credit holidays is presented in interest income/NII. For comparison purposes, in this presentation NII/NIM and other figures are presented also before such an impact.*

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.



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01

Financial performance

1Q25 results



Main financial achievements in 1Q25

Reported net profit growth of 40% y/y in 1Q25 despite increasing regulatory and tax costs. Strong asset quality, liquidity and capital.




PROFITABILITY

- Considerable **40% y/y** growth of reported 1Q25 net profit to **PLN179mn** despite high regulatory costs and high base (no bank tax in 1Q24); net profit excluding extraordinary items at PLN718mn (+7% y/y)
- **NII up 5% y/y in 1Q25, NIM at 4.23%**
- Reported opex up 12% y/y but adjusted for regulatory costs up 7%; **cost-to-income ratio** (adjusted) at **34.5%** (reported: 41.1%)
- Cost of credit risk at **45 bps**
- **NPL** ratio at **4.5%**



CAPITAL & MREL

- **Capital ratios up despite initial impact of CRR3**—consol. Tier1 / TCR ratios at 15.2% / 17.3%; **comfortable capital surplus** of 6.4 p.p. / 6.6 p.p. respectively
- **Cancellation of P2R buffer** by the regulator in Jan'25 (solo: 1.47%) and in Feb'25 (cons.: 1.46%); **annulment of P2G buffer** in Dec'24
- **Solid buffers over MREL requirements** maintained
- **LTFR at 33% and on track to the target YE26 level**; new **PLN800mn** issuance of **5-year covered bonds** by **Millennium Mortgage Bank**

Key profit & loss items

[PLNmn unless otherwise stated]

	1Q25	1Q24		Change Y/Y	4Q24		Change Q/Q
Net interest income	1 423	1 354	→	5%	1 505	→	-5%
Net commission income	183	200	→	-9%	188	→	-3%
Total operating income	1 626	1 417	→	15%	1 551	→	5%
Total costs	-668	-598	→	12%	-596	→	12%
Costs without BFG	-574	-537	→	7%	-596	→	-4%
Loan loss provisions	-87	-120	→	-28%	3	→	-
Other modifications	-10	-21	→	-50%	-58	→	-82%
FX mortg. legal risk provisions*	-445	-549	→	-19%	-523	→	-15%
Banking tax on assets	-99	0	→	-	-99	→	-
Net profit	179	128	→	40%	173	→	4%
Net profit adjusted**	718	668	→	7%	904	→	-21%
NIM	4.23%	4.36%	→	-0.13 pp	4.37%	→	-0.14 pp
Cost/income reported	41.1%	42.2%	→	-1.2 pp	37.4%	→	3.7 pp
Cost/income adjusted**	34.5%	31.8%	→	2.7 pp	31.5%	→	3.0 pp
Cost of risk (bp)	45	63	→	-18 bp	1	→	44 bp
ROE (reported)	9.1%	7.4%	→	1.7 pp	9.0%	→	0.1 pp
ROE (linear BFG charge)***	12.3%	10.1%		2.2 pp	8.1%		4.14%



(*) Legal risk provision cost related to portfolio of FX-mortgages originated by Bank Millennium was PLN411mn in 1Q25, PLN483mn in 4Q24 and PLN507mn in 1Q24

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

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

Other key indicators

[PLNmn unless otherwise stated]

	Mar. 25	Mar. 24		Change Y/Y	Dec. 24		Change Q/Q
Active retail customers (ths)	3 163	3 003	→	160	3 126	→	37
On-line and mobile (ths)	2 949	2 774	→	175	2 905	→	44
Customers funds	131 349	122 190	→	7%	128 330	→	2%
Deposits	119 436	113 184	→	6%	117 257	→	2%
Deposits of individuals	90 348	81 060	→	11%	87 567	→	3%
Loans	74 541	73 911	→	1%	74 981	→	-1%
FX-mortgage loans excl. f. EB	1 023	2 138	→	-52%	1 127	→	-9%
Loans without FX-mortgages	73 347	71 494	→	3%	73 667	→	0%
L/D	62.4%	65.3%	→	-2.9 pp	63.9%	→	-1.5 pp
LTFR*	33.0%	-	→	-	28.0%	→	5.0 pp
Impaired loan ratio**	4.5%	4.6%	→	-0.1 pp	4.5%	→	-0.0 pp
Coverage ratio	74.0%	73.2%	→	0.8 pp	72.9%	→	1.1 pp
CET1 = T1	15.2%	14.9%	→	0.3 pp	14.8%	→	0.4 pp
TCR	17.3%	18.0%	→	-0.7 pp	17.2%	→	0.1 pp
MREL TREA	27.7%	23.7%	→	4.1 pp	28.1%	→	-0.4 pp






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

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

Strategy: At the start of the way to Millennium 2028

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					
	RETAIL ACTIVE CLIENTS	RETAIL PRIMARY CLIENTS	RETAIL DIGITAL ACTIVE CLIENTS	BUSINESS ACTIVE CLIENTS	CORPORATE LOANS VOLUME	NPS CORPO/ RETAIL	RETURN ON EQUITY	COST/ INCOME	NON- PERFORMING LOANS	TIER1	DIVIDEND PAYMENT	TOP EMPLOYER
	[mn]	[%]	[%]	[k]	[PLNbn]	[#]	[%]	[%]	[%]	[%]	[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 
1Q25	3.16	59.7%	93.2%	38.0	14.7	2 / N/A*	12.3%**	34.5%**	4.5%	15.2%	2025 NO	2025 
2028 TARGET	>3.7	~70%	>95%	>50	>25	3 / 3	~18.0%	~37%	<4%	~15%	2028 	2028 



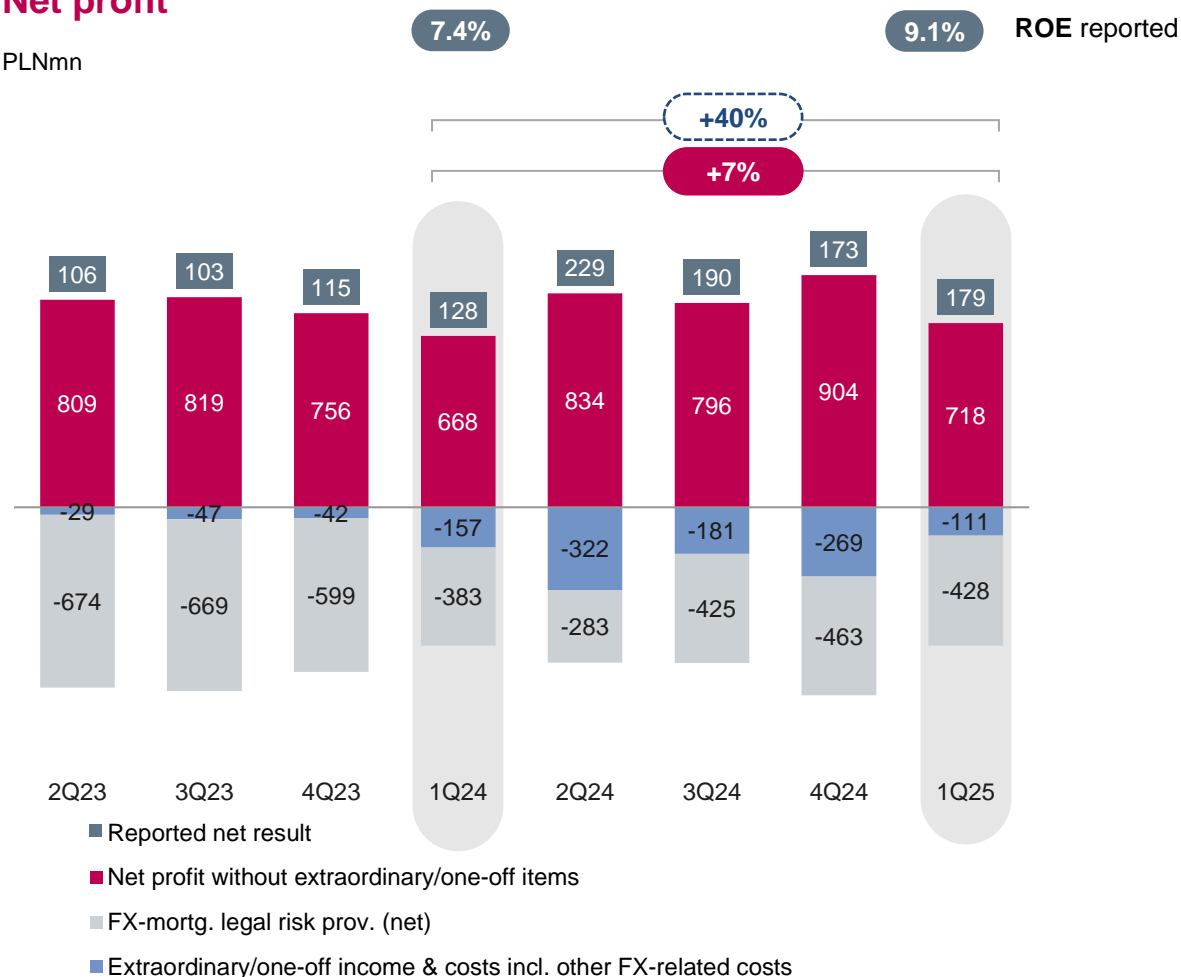
(*) NPS for retail banking segment reported on quarterly basis and for corporate banking segment on annual basis; (**) Financial indicators reported cumulative after each quarter, i.e. year-to-date, versus 2024 full year result.

Reported 1Q25 net profit of PLN179mn (+40% y/y), adjusted at PLN718mn (+7% y/y).

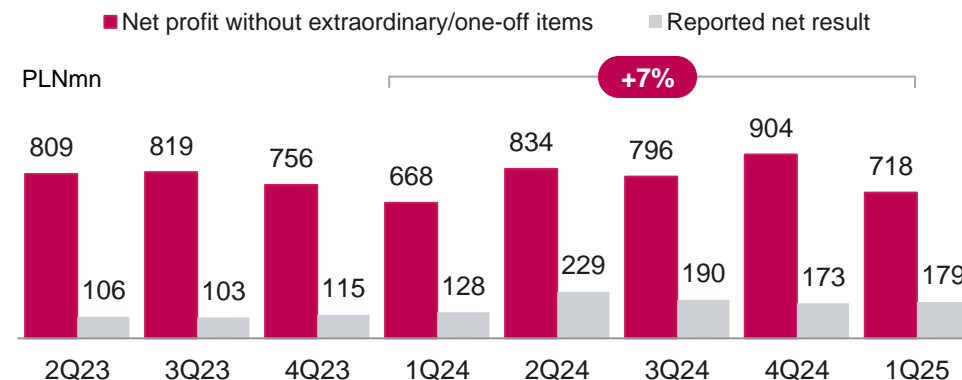
Reported ROE of 9.1%.

Net profit

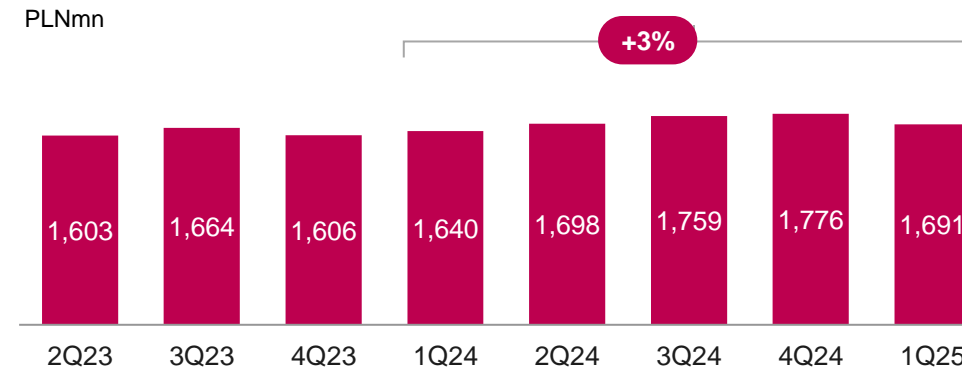
PLNmn



Net profit w/o extraordinary* items



Operating income w/o extraordinary items**



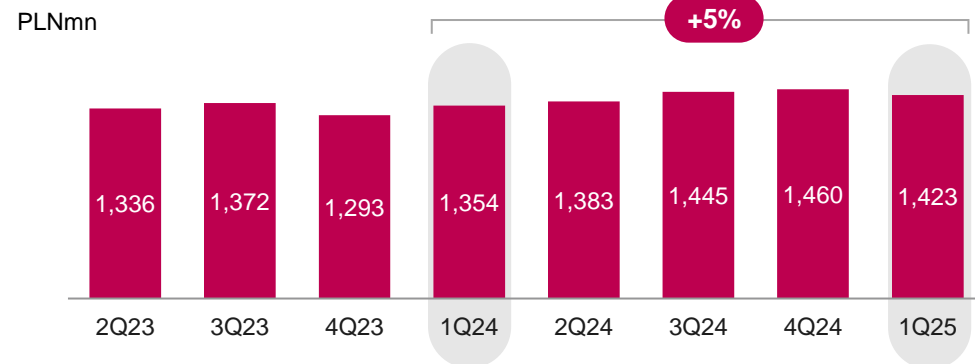
(*) Extraordinary items: FX-mortgage related costs (tax adjusted) and hypothetical bank tax until the end of May 2024 and cost of credit holidays and its adjustments: PLN-9mn in 4Q23 and PLN-201mn in 2Q24 and a release of PLN44mn in 3Q24 and PLN45mn in 4Q24

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

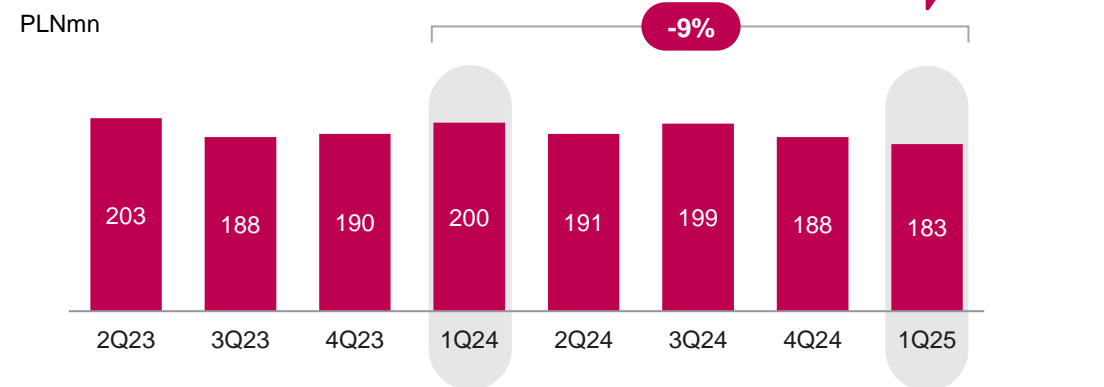
NII contracted quarterly but still 5% higher than a year ago.

NIM in 1Q25 at lower level of 4.23%. Fees and commissions lower, but without bancassurance, they grew 6% y/y.

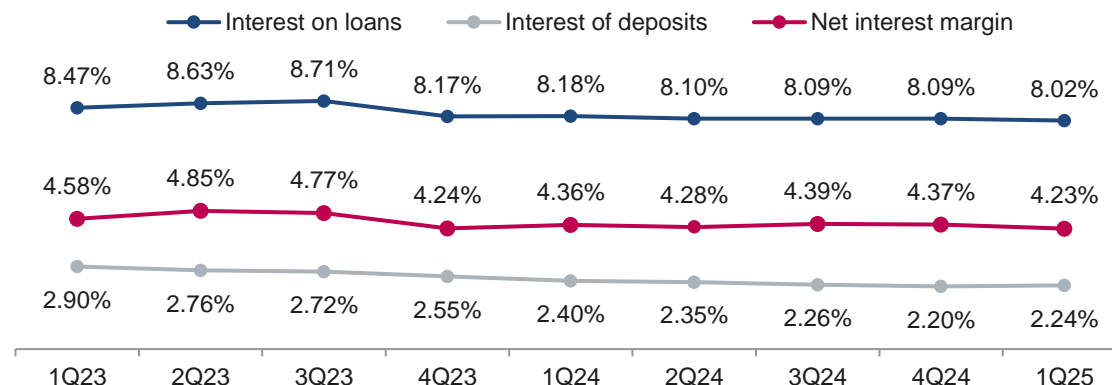
Net interest income*



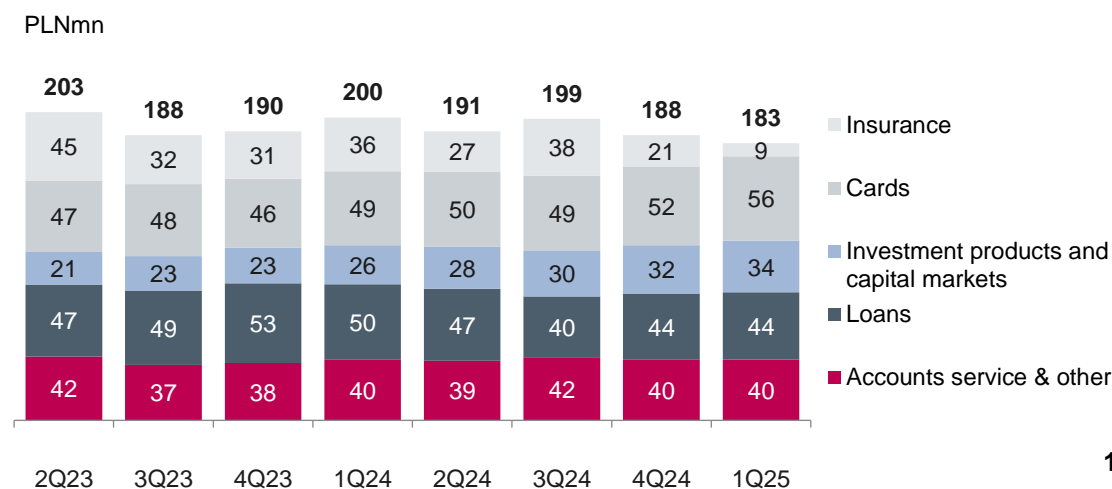
Net fees



Interest on loans* and deposits (quarterly average)



Fee income structure



(*) 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 12% y/y (up 7% w/o BFG). Other admin. costs up only 1% y/y.

Lower legal costs in 1Q25 had impact on lower cost growth. C/I at a bit higher level in 1Q25 of 34.5% with the impact of higher BFG resolution fund and guarantee fund cost reapplied since the beginning of the year.

Operating cost

PLNmn

Cost/income
adjusted*

31.8%

29.0%

30.8%

31.5%

34.5%

+12%

+1%

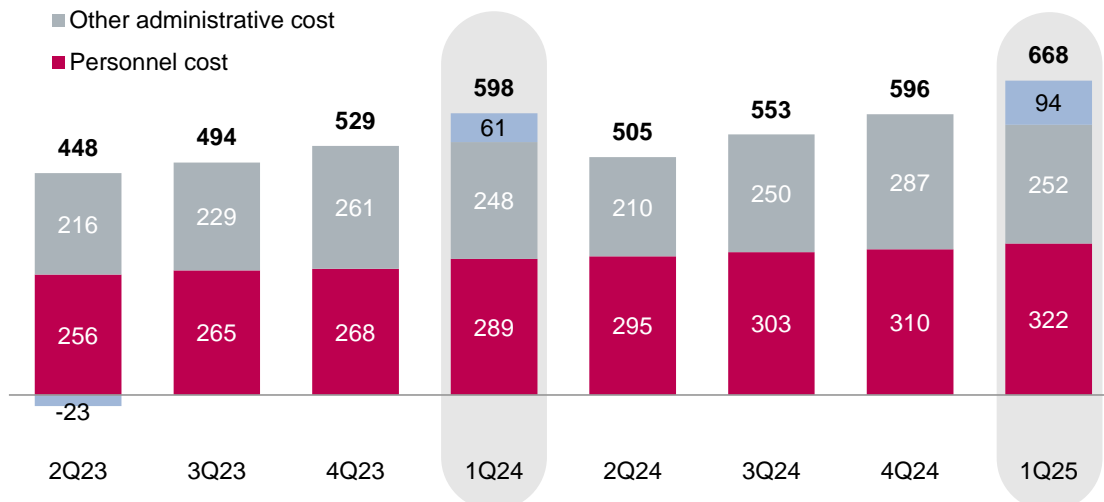
+11%

Total

■ BFG cost

■ Other administrative cost

■ Personnel cost

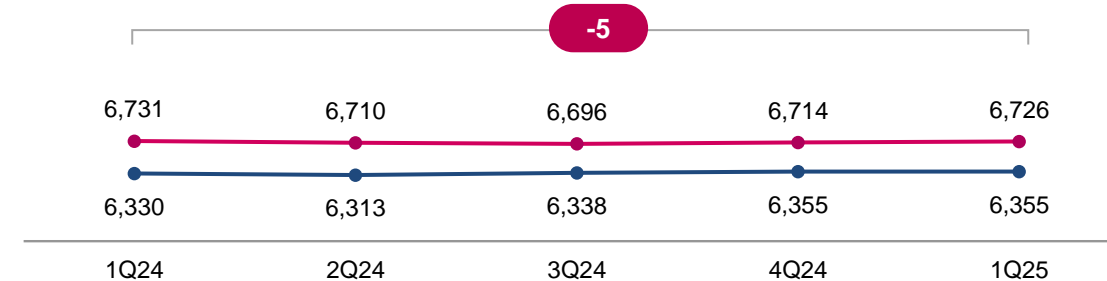


Employees

—● Employees (FTE)

—● Headcount w/o long-term leaves

-5

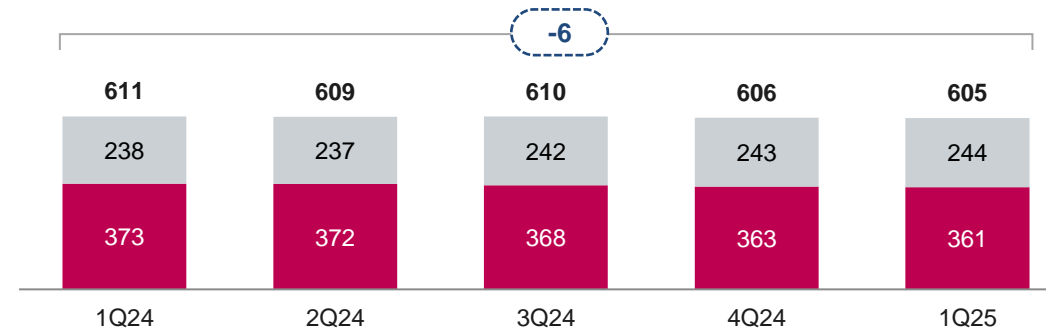


Branches

■ Own

■ Partners' outlets

-6



Strong credit quality with improving trend in consumer loans.

CoR at relatively low level of 45bps in 1Q25.

Coverage ratio

73%

74%

Cost of risk*

bps

Total loans

63

45

Retail

67

44

Companies

47

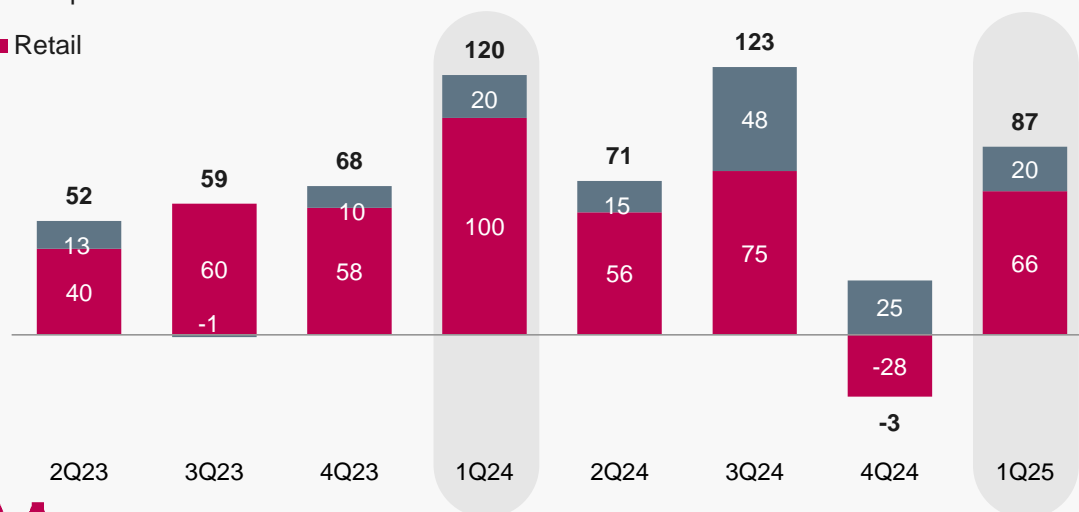
50

PLNm

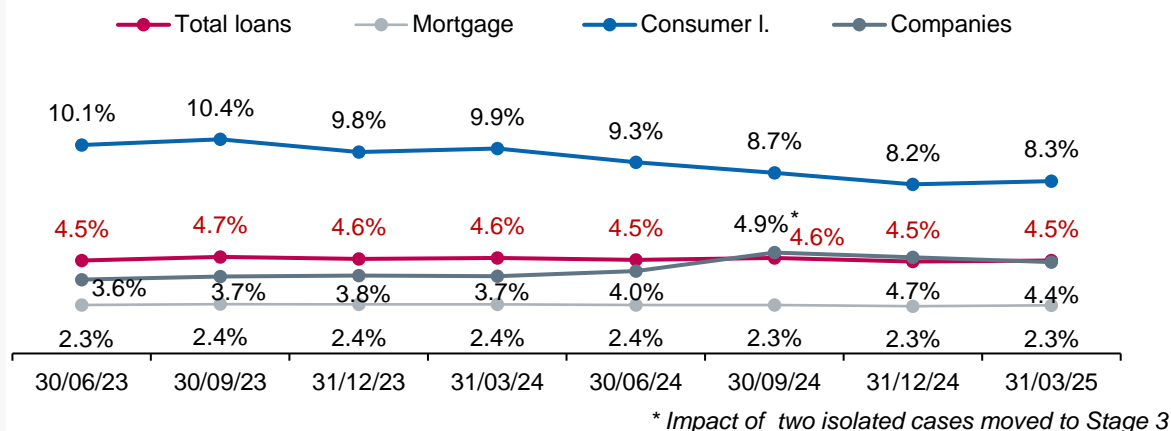
-28%

■ Companies and other

■ Retail

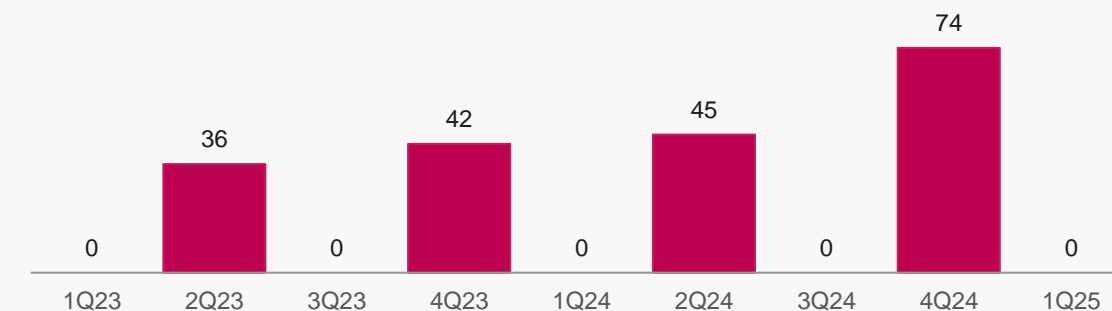


Impaired loans (IFRS9 stage 3 & POCI)



Result from sale of NPLs (pre-tax)

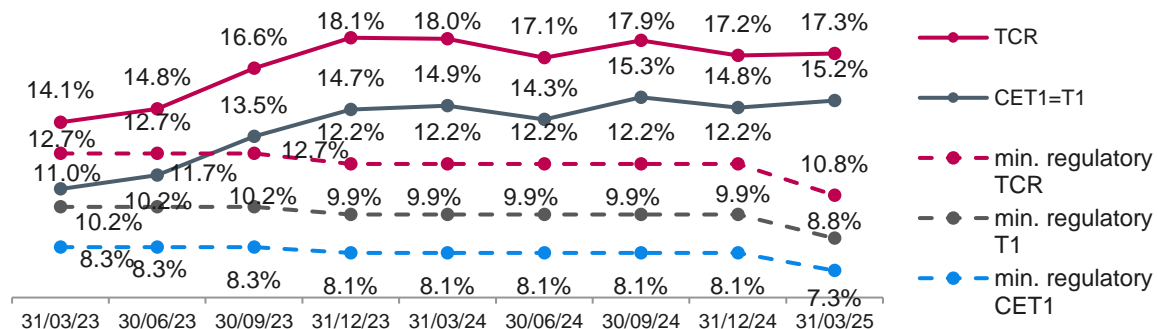
PLNm



Capital adequacy ratios up despite initial CRR3 impact

Group capital ratios

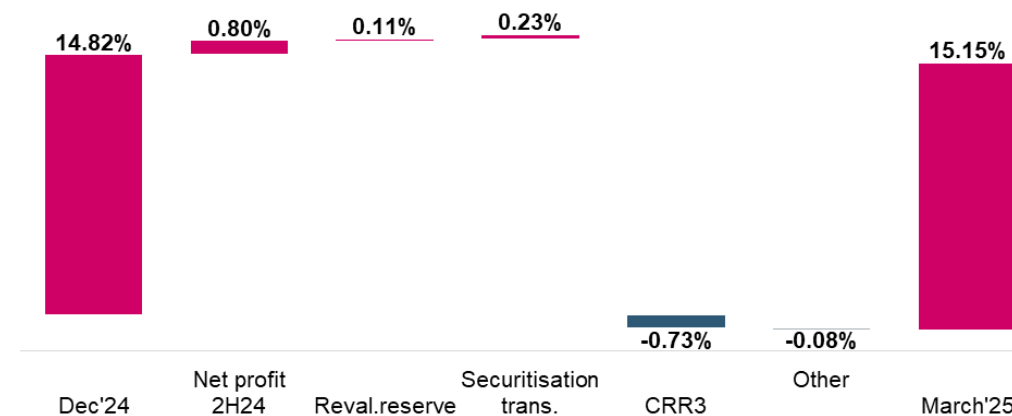
Excess of capital broader in 1Q25 following P2R withdrawal and 2H24 profit inclusion



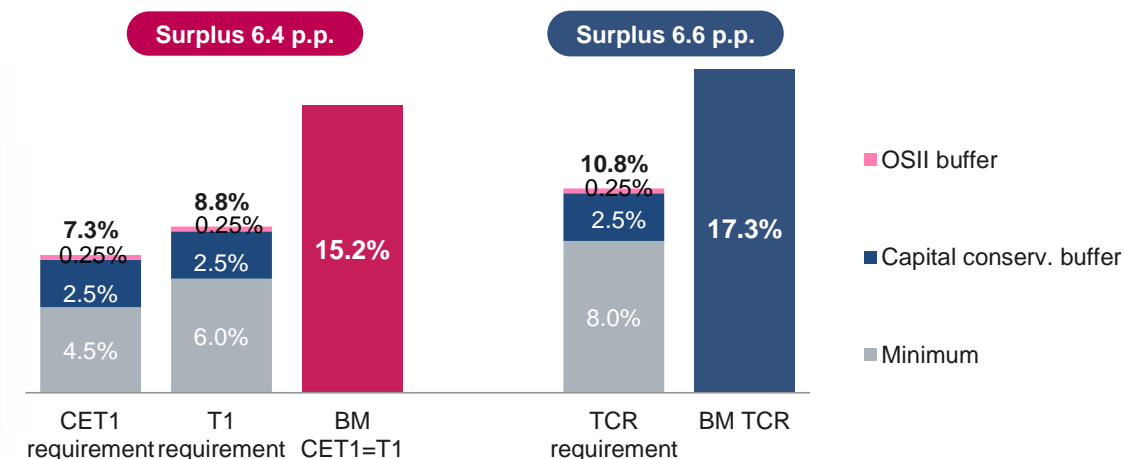
Key points

- **Higher T1 capital ratio in 1Q25 by 33bps** owing to the inclusion of 2H24 net profit, impact of securitisation transaction from Dec'24 and improved valuation of bond portfolio offsetting higher RWAs and initial CRR3 impact.
- **CRR3 initial negative impact on capital ratios at 73bps (T1) and 86bps (TCR)**, with final impact still to be assessed following release of all regulatory technical details.
- Capital release following two PFSA's decisions in 4Q24 - **P2G ratio at 0%** (prev. 1.6%) and **P2R ratio at 0%** (prev. 1.46% cons./1.47% solo)
- Countercyclical capital buffer to be introduced in 2H25 (+1 p.p.)

Consolidated T1 ratio evolution in 1Q25



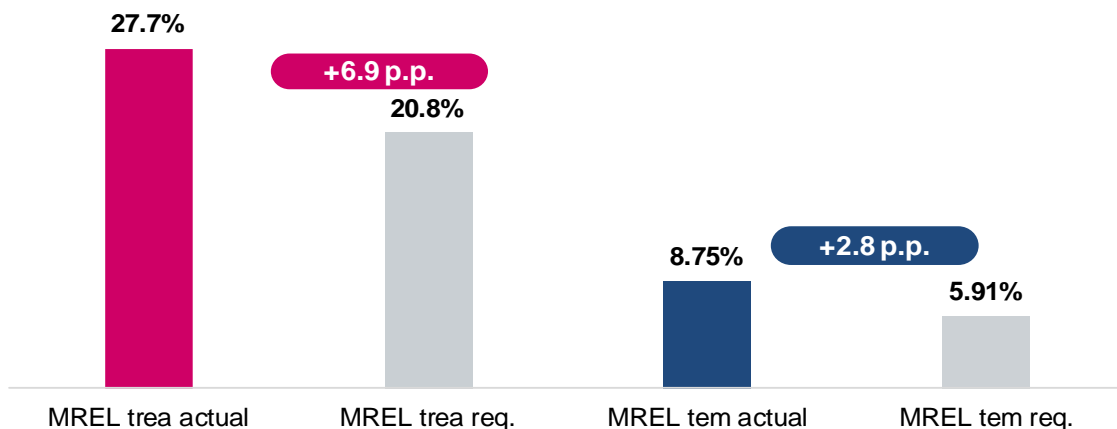
Capital requirement vs. actual ratios on 31 Mar. 25 (Group)



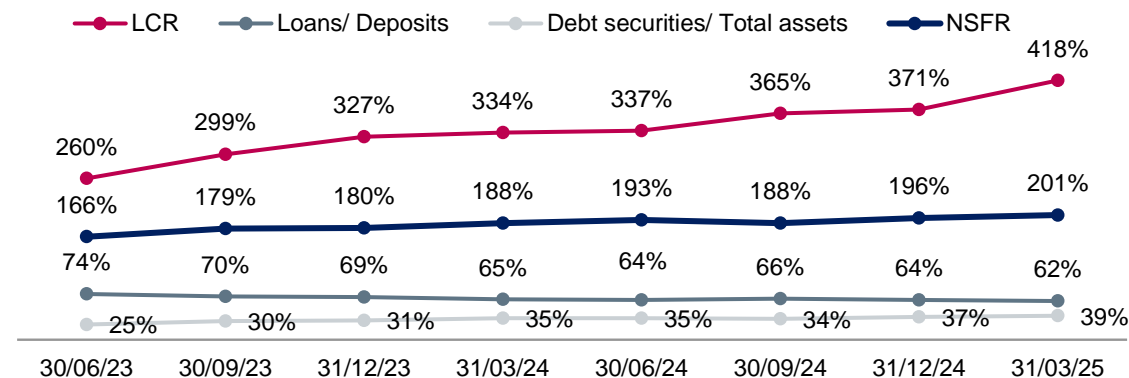
Significant surplus of MREL and liquidity ratios

MREL

Solid surplus of MREL ratios post Sept'24 EMTN issue



Liquidity indicators



Near-term outlook

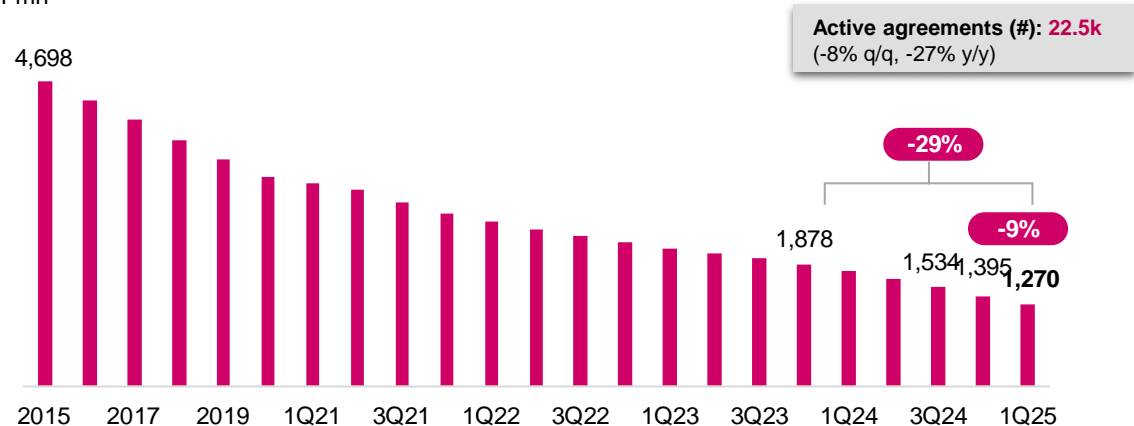
- **Significant MREL surplus** over the minimum requirements following the issue of EUR 500mn SNP green bonds in September 2024
- **Elimination of P2R buffer, *ceteris paribus*, expected to have a positive impact on future MREL requirements**
- **Long-term Funding Ratio ("LTFR"), at 33% at the end of March'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 29% y/y.

Outstanding legal provisions at PLN7.3bn. Legal risk provisions / outstanding active gross FX-mortgages at 132%.

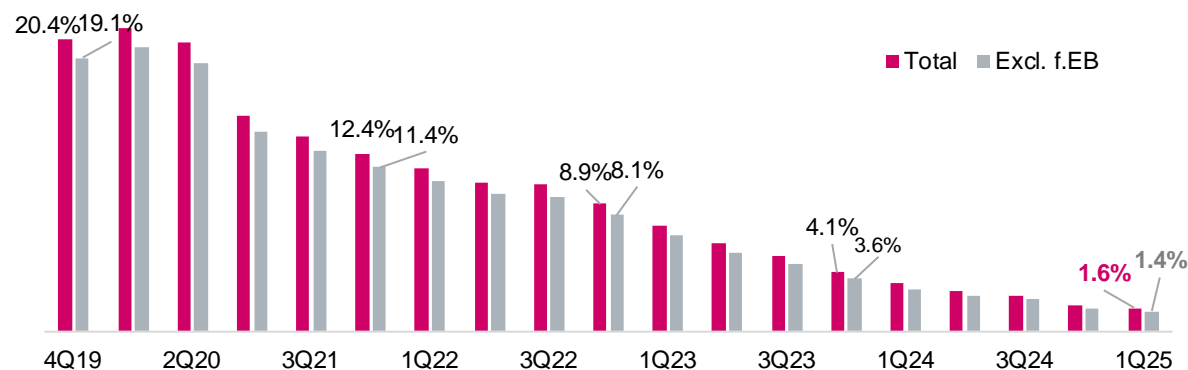
FX-mortgages* (gross, before legal risk provisions)

CHFmn



FX-mortgages as % of total consolidated gross loans

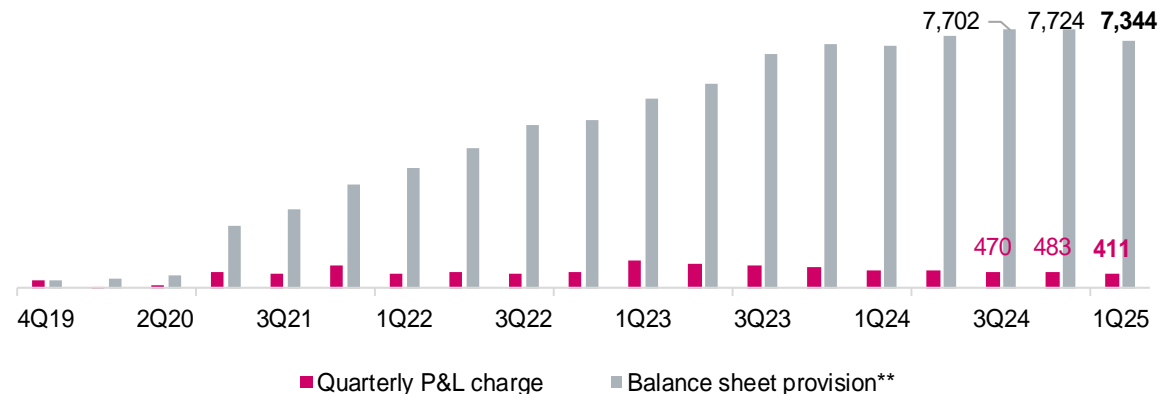
(gross less allocated legal risk provisions)



Provisions against legal risk*

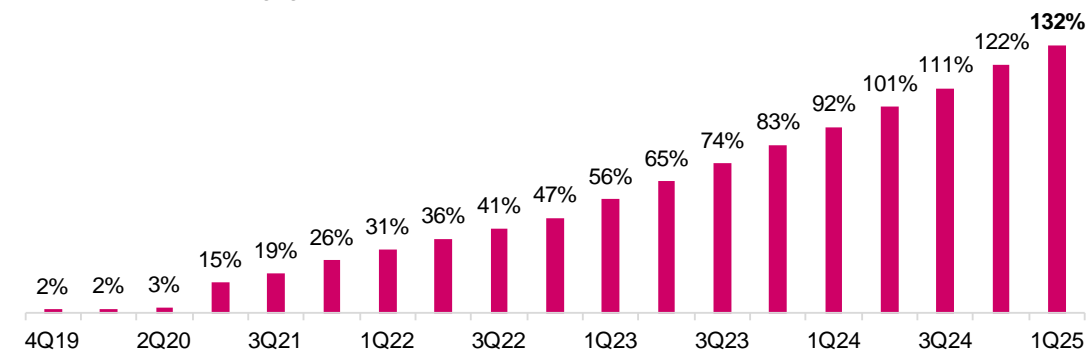
PLNmn

Outstanding provisions: **PLN7.3bn**
Total provision cost to date: **PLN10bn**



Outstanding provisions against legal risk

As % of active FX-mortgage book



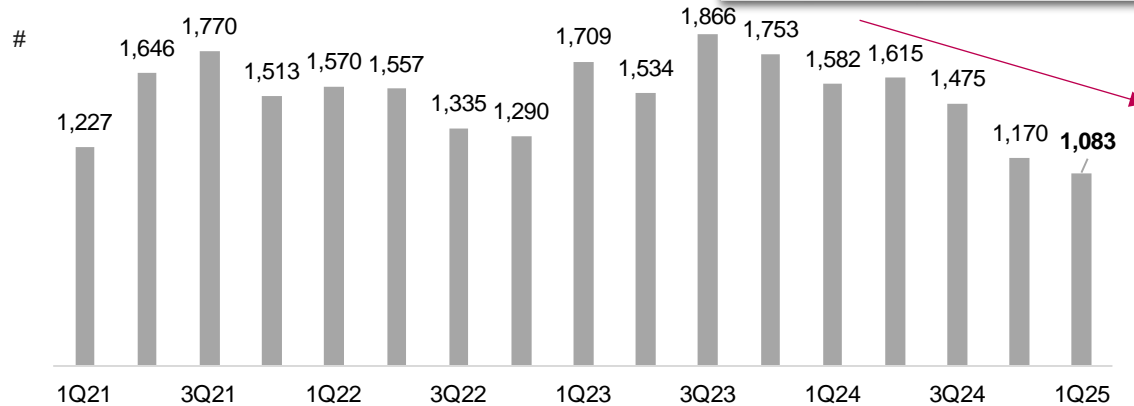
(*) Excluding f.Euro Bank; (**) actual outstanding B/S provisions may differ from the sum of P&L charges due to FX movements and utilisations among others

Lowest quarterly inflow of new claims in the last 3 years and below # of settlements.

Amicable settlements reached to date at nearly 27k, equivalent to 44% of active agreements at YE19.

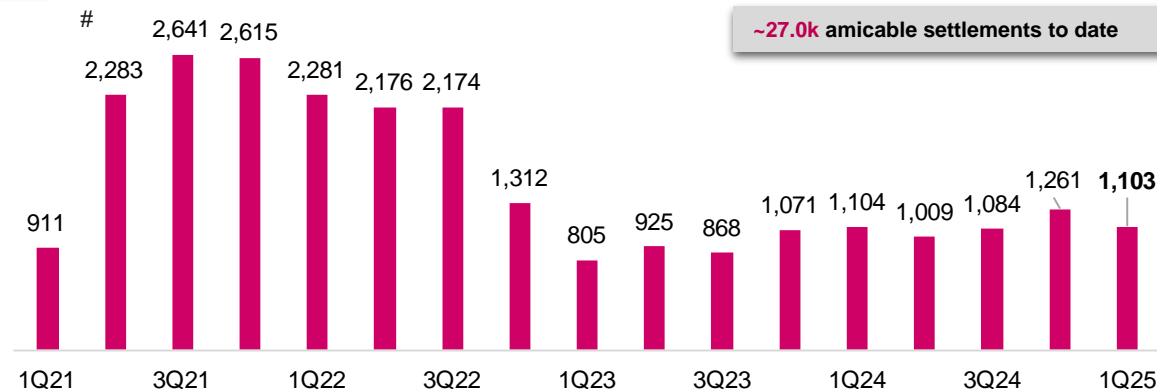
New individual indexation lawsuit cases*

21.1k individual active cases against BM
(o/w repaid ~22%)



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

~27.0k amicable settlements to date



Portfolio of legacy FX-mortgage loans**

000s

104***

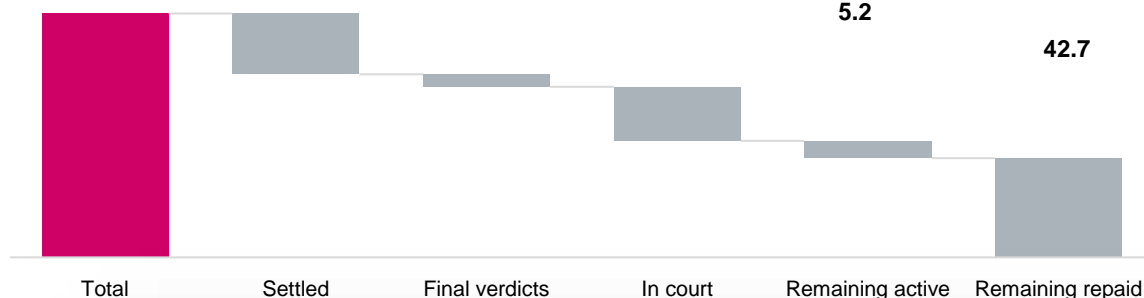
27

6.5

22.4****

5.2

42.7



Legal risk provisions – methodology and sensitivity

Main assumptions

- **88%** of active loans assumed to end up in court
- **24%** of closed loans that have an economic justification (excluding amicably settled loans) assumed to have sued or will sue in the future
- **12%** of in-court cases to be settled amicably

Key sensitivities:

- **1,000** new court cases over the number already assumed in the methodology – **PLN188mn**
- **1%** change of costs incurred in connection with judgements or settlements – **PLN74mn**

M

Taking into consideration the above-mentioned information regarding court cases (active and already closed after verdicts), realised settlements and assumptions regarding future number of court cases and settlements, as well as the historical number and original amount of loans granted, it can be said that **the already materialised risk (reflected in the provisions and in the losses already booked through the P&L) accounts for 60% of the historical number of loans granted and for 73% of the original disbursed capital.**

(*) 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

1Q25 results



Main business achievements in 1Q25

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



BUSINESS VOLUMES EVOLUTION

- Total deposits grew **6%** y/y
- Consumer loans grew **7%** y/y
- Corporate loans grew **4%** y/y
- Growth of investment funds portfolio by **32%** y/y
- High liquidity surplus **>PLN45bn**
- Loans to deposit ratio at **62%**

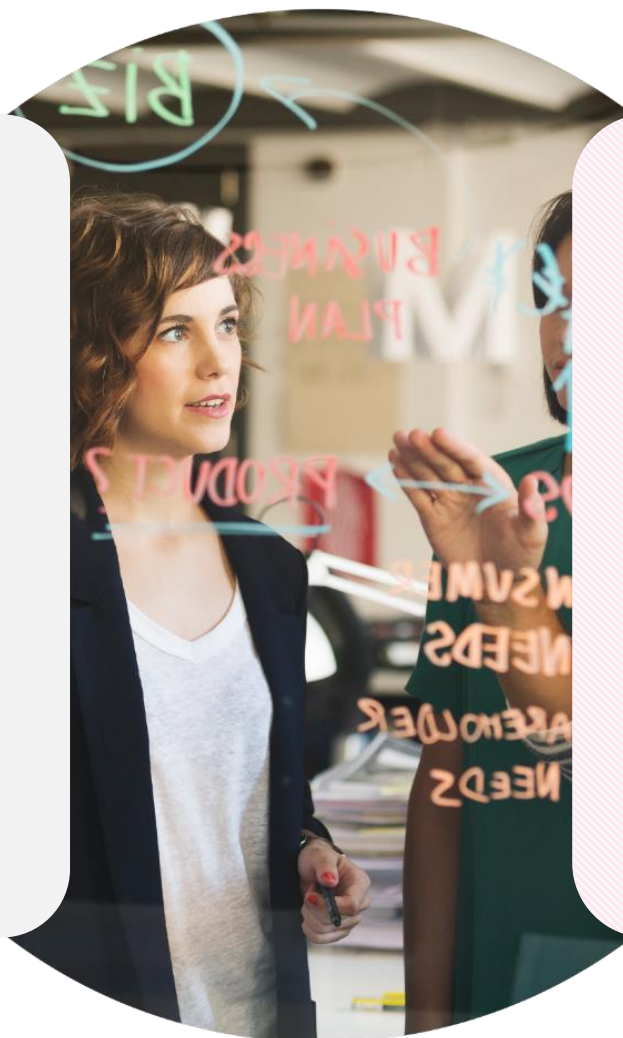


MAIN COMMERCIAL HIGHLIGHTS

- **Active retail clients of 3,163 ths.**; **94%** customers are digitally active

1Q25 sales:

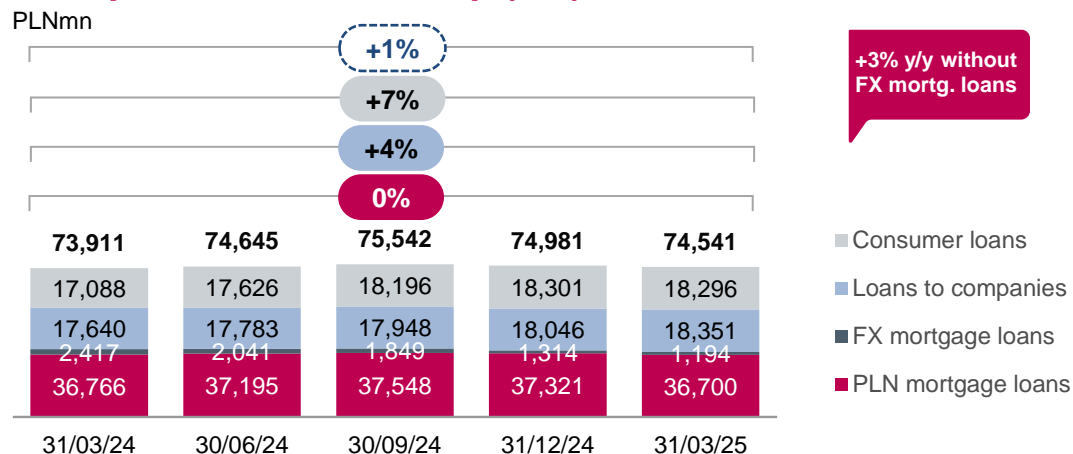
- **Cash loans PLN1.8bn** (+19% y/y)
- **Mortgage loans PLN0.8bn** (-52% y/y)
- Leasing **PLN0.9bn** (-2% y/y)
- Factoring turnover **PLN6.5bn** (+1% y/y)



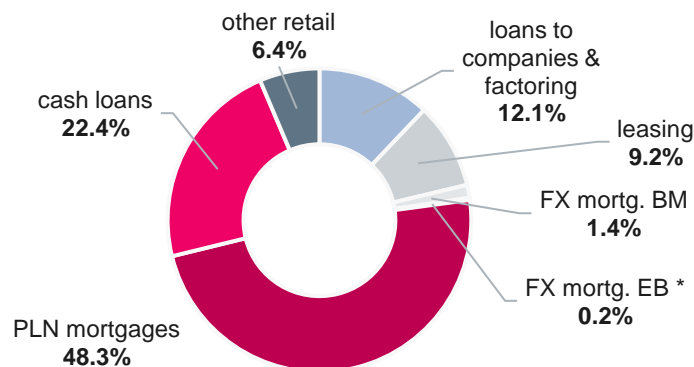
Loan growth driven by consumer and corporate loans.

FX mortgage down by PLN1.2bn y/y. Deposits grew 6% y/y. Investment products maintain strong growth momentum (+32% y/y).

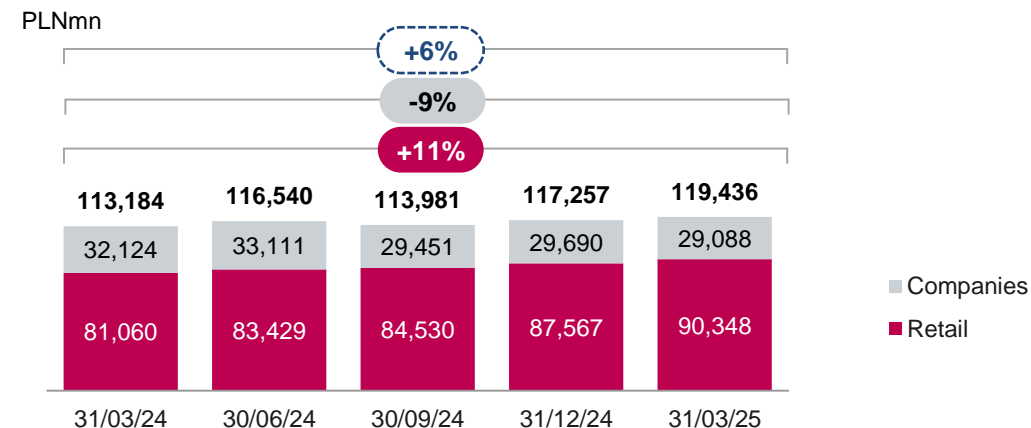
Loan portfolio of the Group (net)



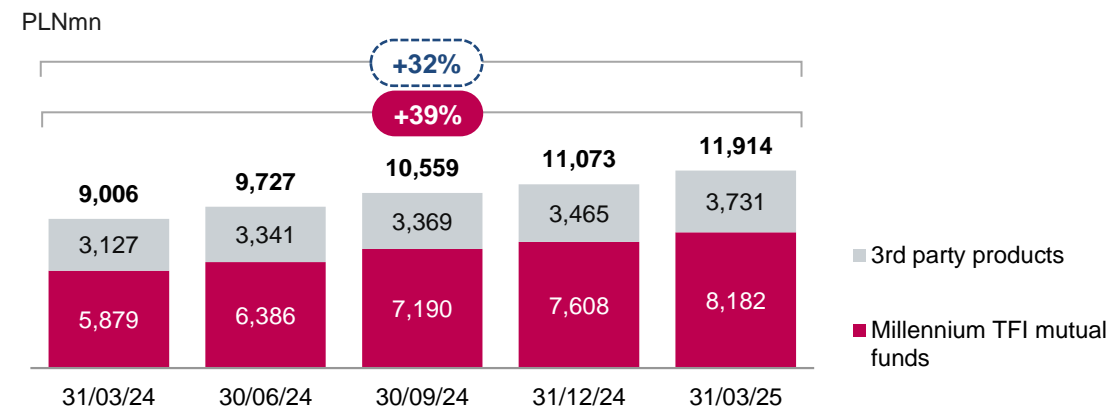
Structure of loan portfolio (gross)**



Customer deposits



Investment products

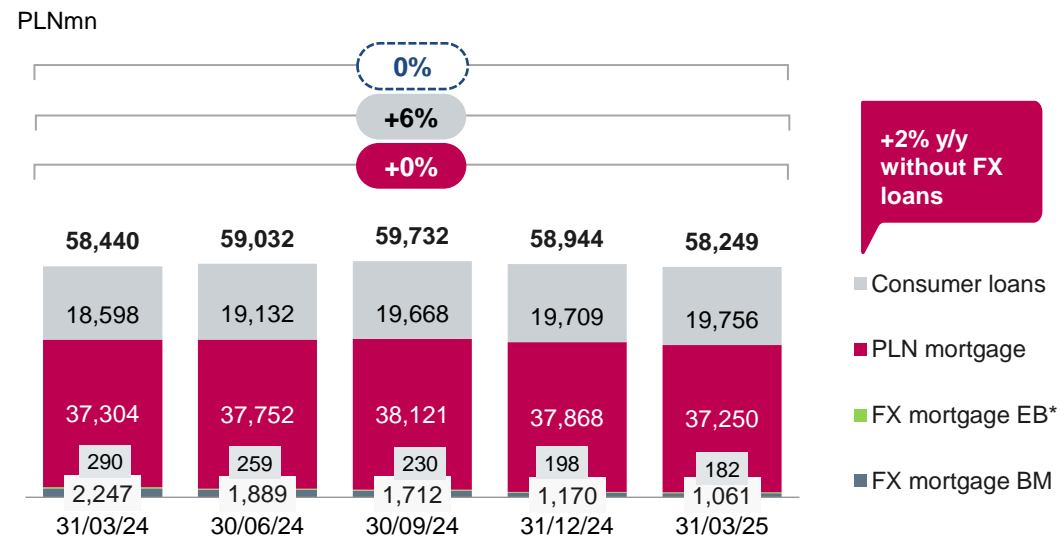


(*) Covered by SocGen guarantee and indemnity

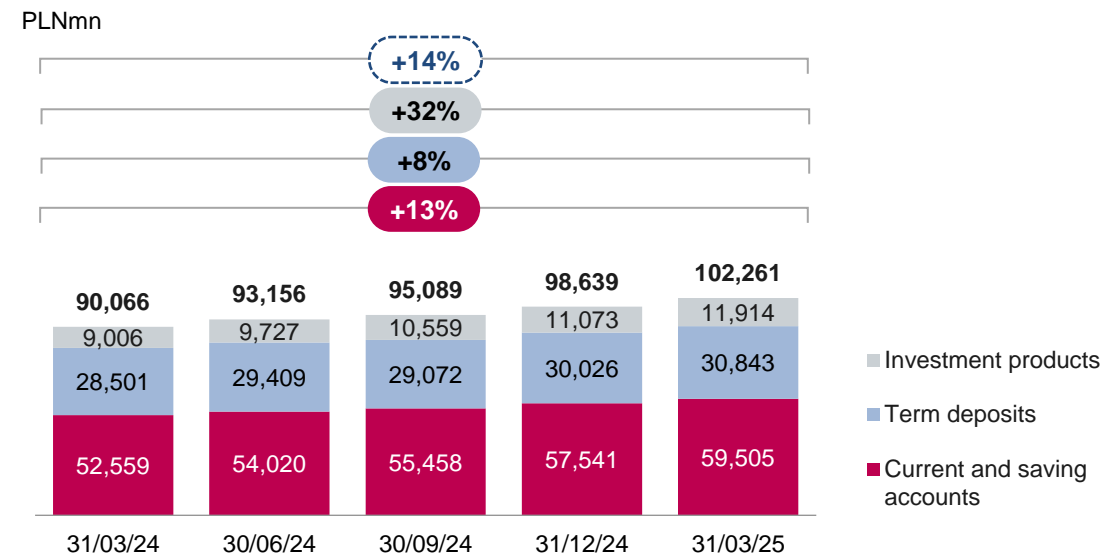
(**) Net of legal risk provisions

Consumer loans keep growing, mortg. lending decelerates. High growth of customer funds.

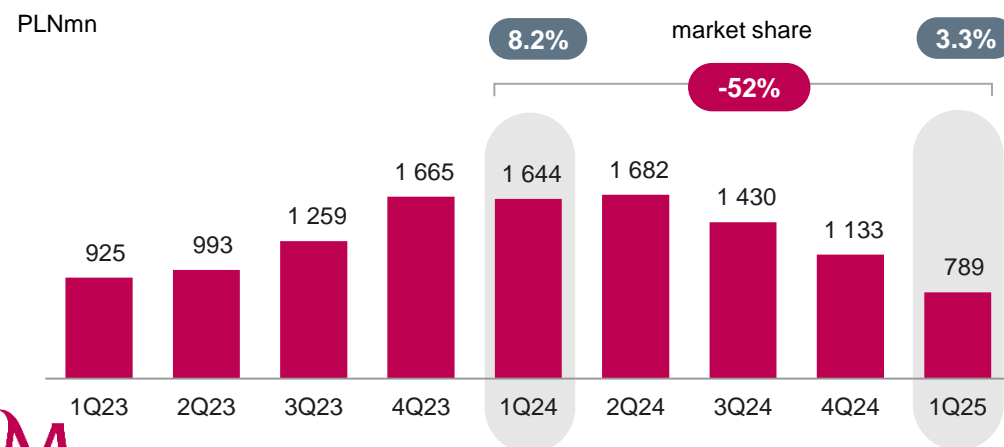
Retail loans (gross)



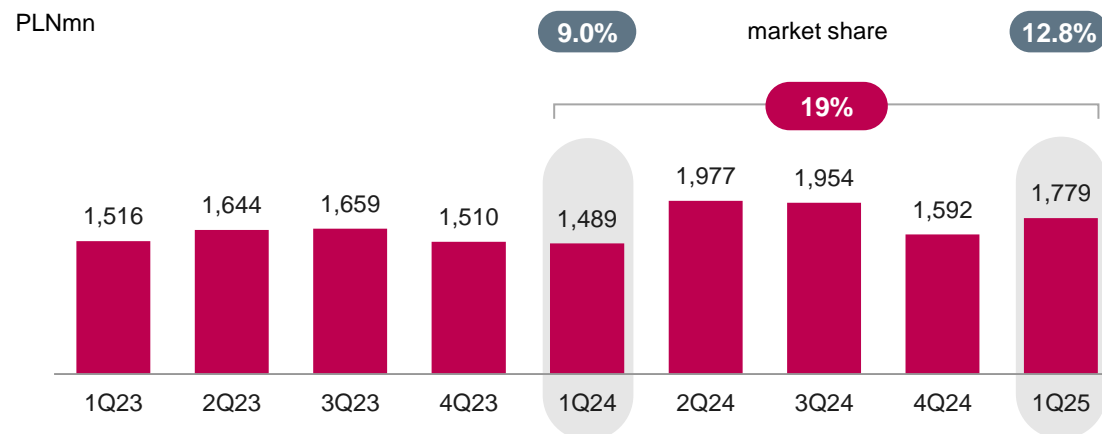
Retail customer funds



Mortgage loans new sales (**)



Cash loans new sales

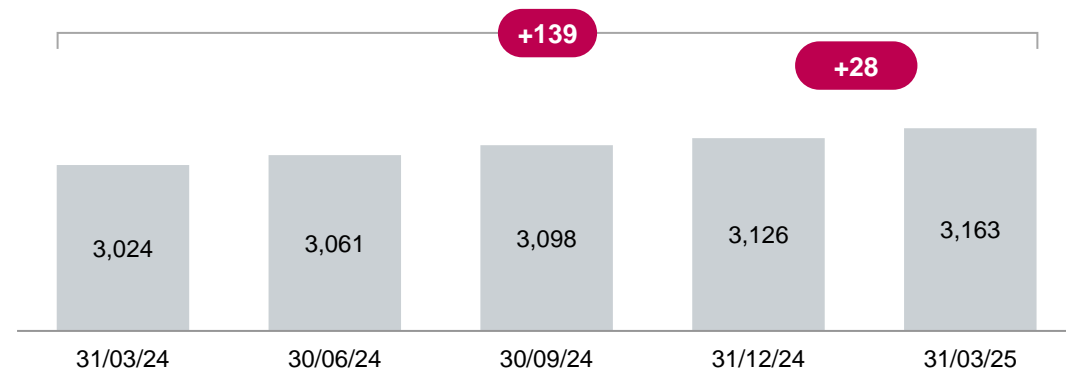


(*) Loans originated by f. Euro Bank – covered by 100% indemnity and 80% guarantee agreement with SocGen (**) Disbursements; market share as % in value of new agreements

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

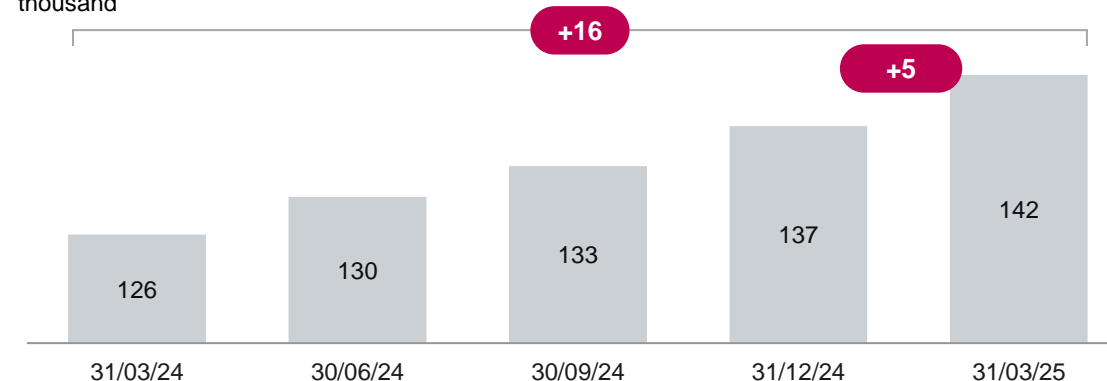
Active retail clients*

thousand



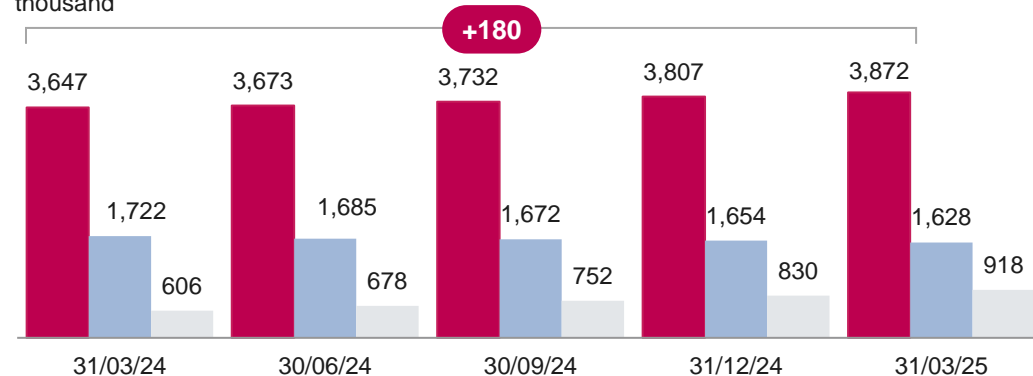
Active micro-business clients*

thousand



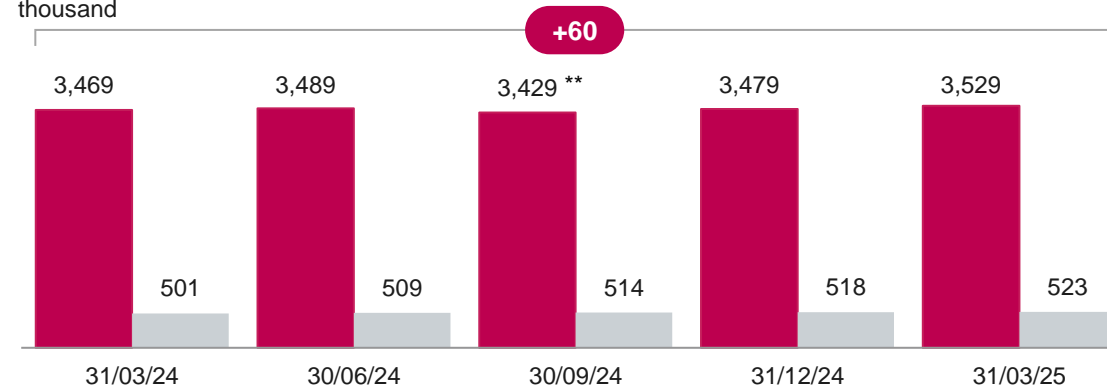
Number of current accounts*

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 app as a main channel for access of banking service



2.95mn +6% y/y

Active digital users*



2.72mn +7% y/y

Active mobile app users



2.07mn +13% y/y

BLIK users in 1Q2025

+25%

BLIK transactions
in 1Q2025 vs.
1Q2024



4.8



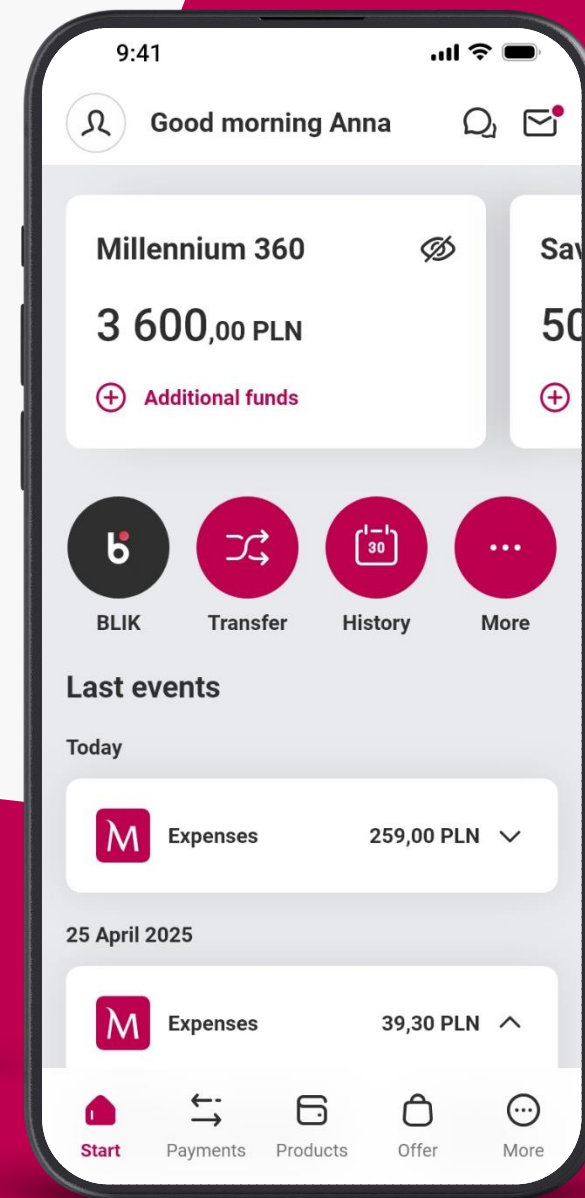
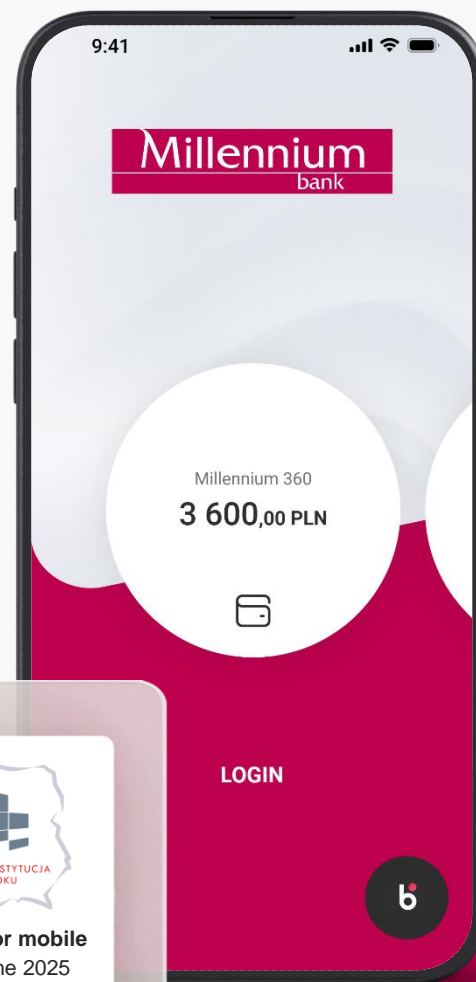
4.8



4.9

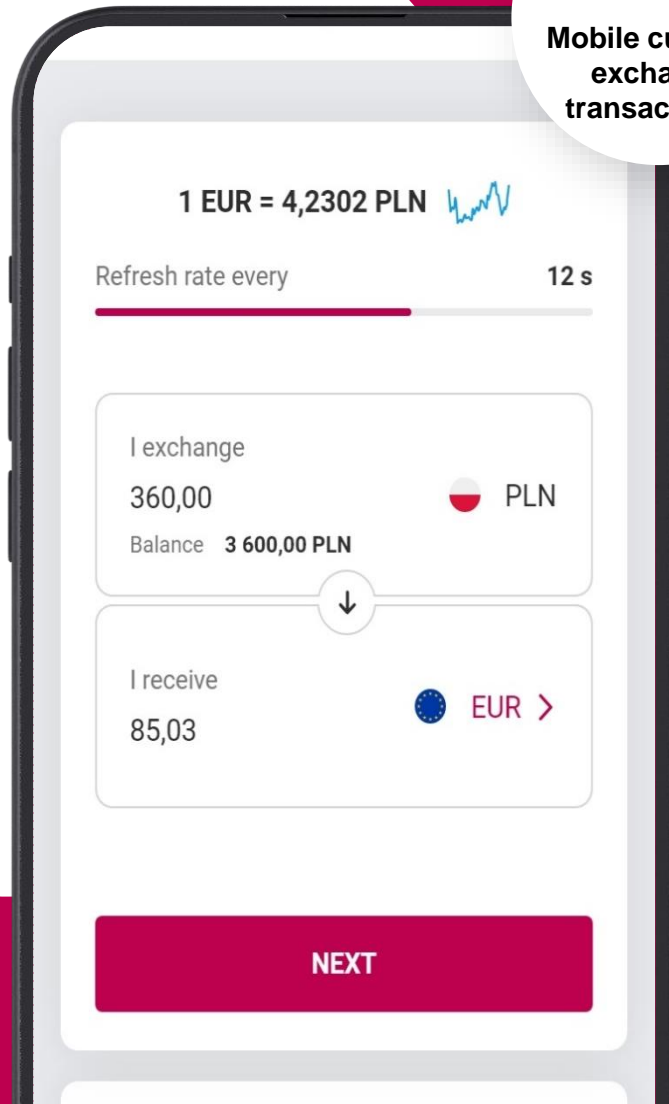


2. prize for mobile
app in the 2025
ranking "Institution
of the Year"



* Individual and Microbusiness customers

1.3mn

Mobile currency
exchange
transactions*

Digital share in current accounts acquisition increases



Cash
Loans

84%

Digital share in
cash loan sales
in 1Q25



Accounts

49%

Digital share in
current account
acquisition in
1Q25



Term
deposits

95%

Digital share in
term deposit in
1Q25



Junior
Accounts

63%

Digital share in
junior account
acquisition in
1Q25

+32% y/y

Parking tickets purchase
on mobile app

+24% y/y

BLIK P2P transfers

+48% y/y

BLIK contactless
transactions

* Since the launch of the service

Convenience and security

BLIK recurring payments

On 1 April 2025, 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, utilities, tolls and other recurring payments. Bank Millennium currently has the widest range of BLIK services on the market

Cybersecurity section on the app

A new expanded educational section with security rules is available in the mobile app as of version 4.100. The educational content takes a simple look at good practices and scenarios of the most popular scams. Customers can also quickly use the app's security-enhancing features, including: daily limits management, temporary card blocking, biometrics login and authorisation.

Mortgage loan – new features for mobile users

Customers with a mortgage loan can conveniently manage their liability on the mobile app. In 1Q25, they gained additional options, including the option of early repayment of the loan and change the date of their monthly instalment.

406,000

Children included in 800+ applications submitted via Bank Millennium digital channels from 1st of February

800+
RODZINA



Continued growth in goodie cashback, increase in sales of goodie gift cards



28% increase y/y

in the number of active users of the goodie cashback service



22% increase y/y

Transaction values made through goodie cashback



26% increase y/y

Number of transactions made through the goodie cashback service



30% increase y/y

for goodie gift cards sold



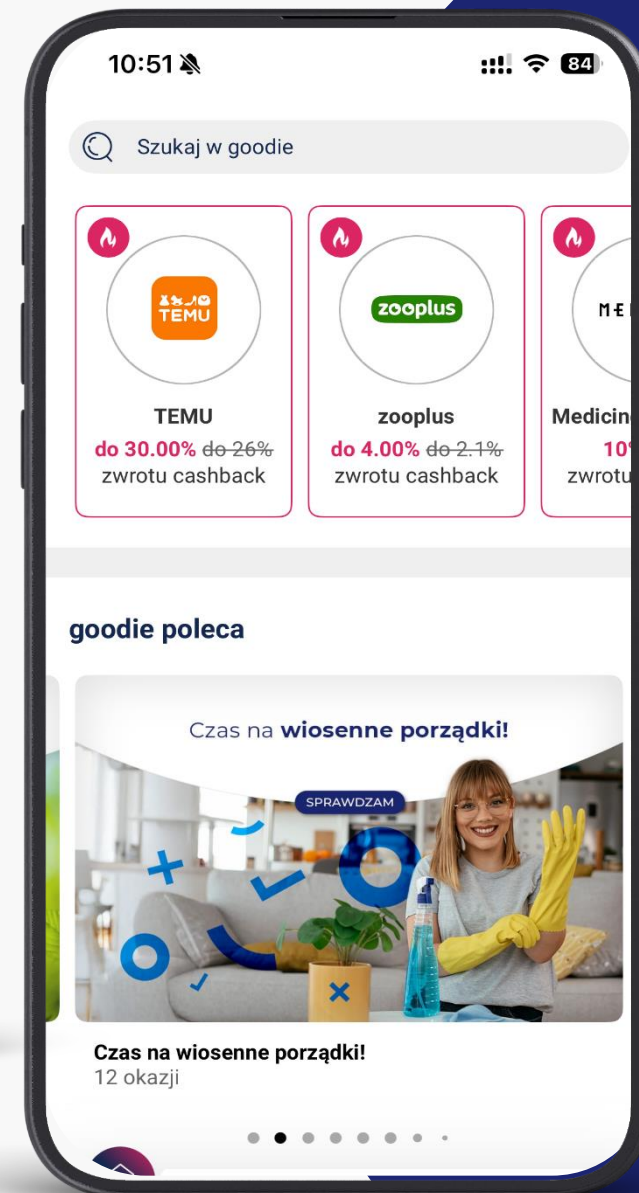
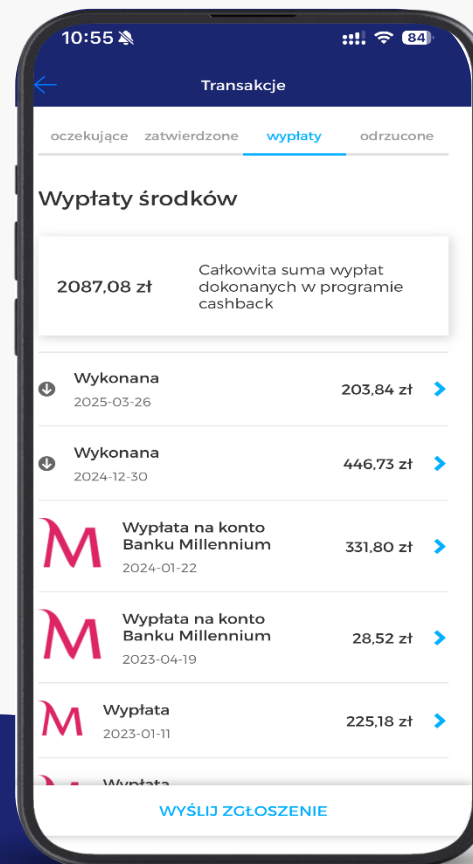
4.2



4.6



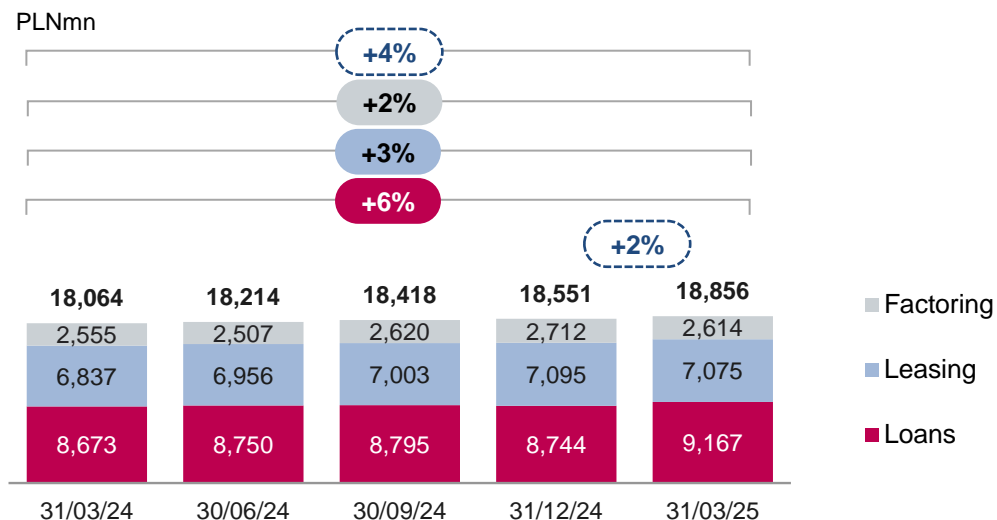
4.1



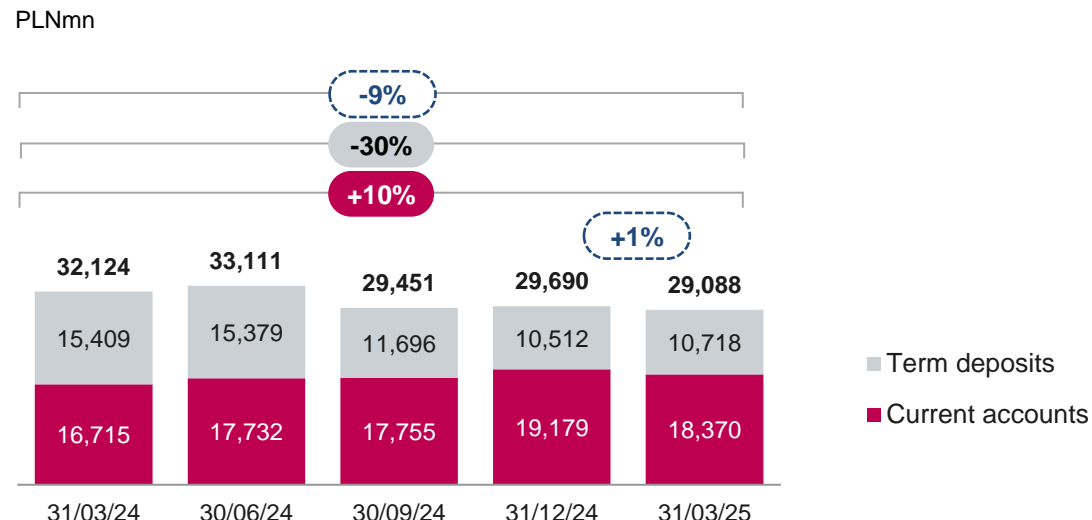
Corporate loan portfolio buildup in a steady growth.

Corporate deposits overall down 9% y/y due to lower term deposits but C/As up 10% y/y.

Loans to companies (gross)



Companies' deposits



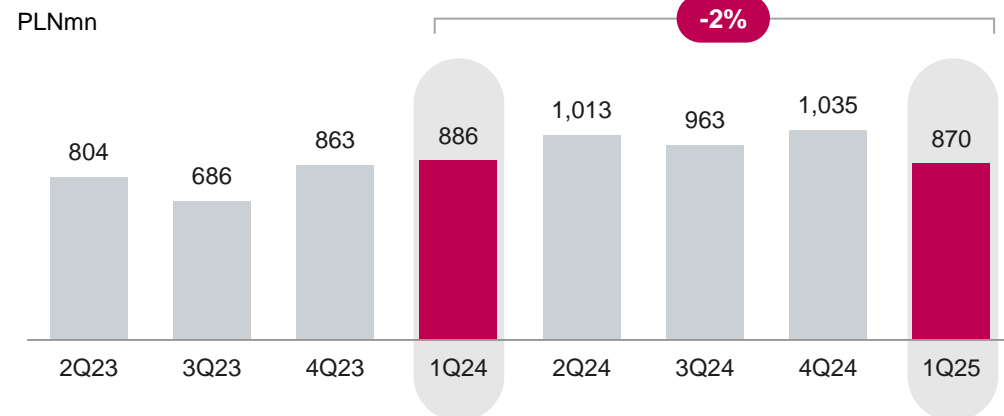
- **Loan portfolio maintains uptrend** and grew by 4% y/y.
- **Companies' deposits** contracted 9% y/y due to much lower term deposits (tighter pricing management) while C/A balances maintained strong dynamics (+10% y/y).
- Some slowdown **in transaction activity** mostly of seasonal nature.

”

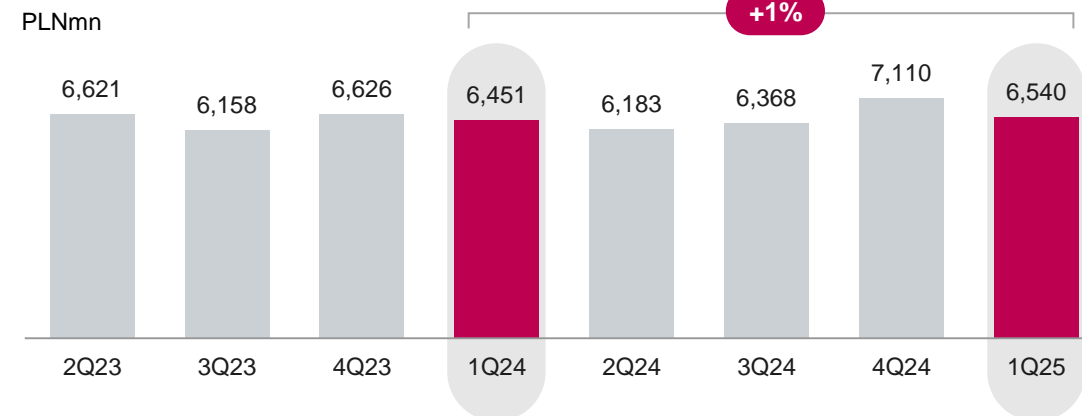
Leasing contracts seasonally lower, growth maintained in factoring.

Weaker clients' transactions in 1Q25.

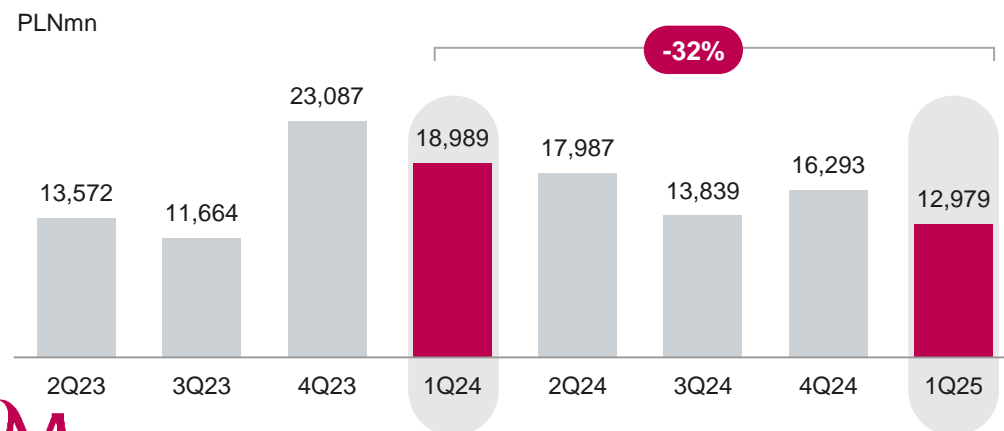
Leasing – new sales



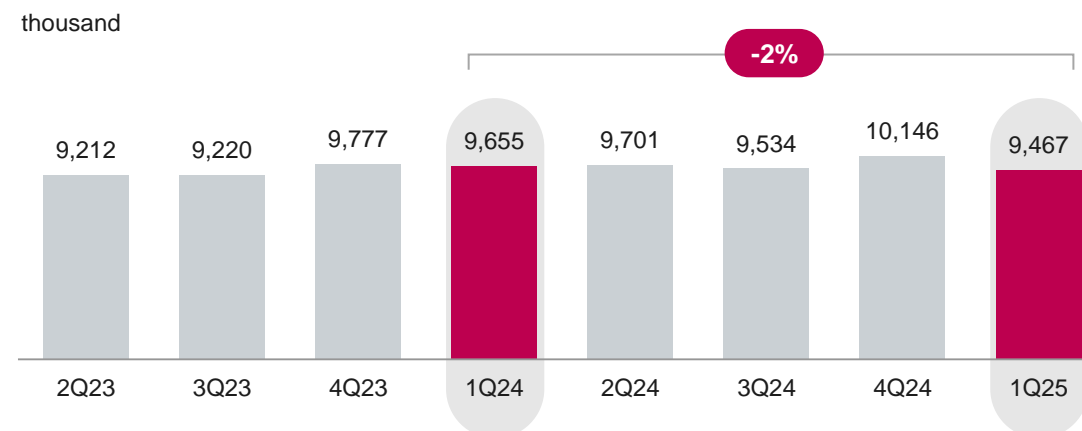
Factoring – turnover



Volume of FX transactions



No. of domestic transfers



New for companies

Support in automation of financial and accounting processes, new offering of guarantees and expert podcasts



Millenet Link Lite
Nowa usługa dla przedsiębiorców



www.bankmillennium.pl

Millenet Link Lite

Automatic importing of files with payments using cloud computing

We have launched the Millenet Link Lite service, which allows companies to automatically exchange files with the bank via the cloud. This is the first such solution on the market, which enables integration with financial and accounting systems of institutional clients using the client's cloud computing resource. The solution does not require the company to install any additional software, the client configures the service in Millenet electronic banking.

**Kredyty
z gwarancjami
Investmax
z regwarancją EFI**





Dofinansowane przez
Unię Europejską

Loans with Investmax guarantees with EFI counter guarantee

We have provided loans secured with the Investmax guarantee

Our customers from the small and medium corporate segment can now 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.



**Cykl podcastów
Praktyczne aspekty
ESG na radarze CFO**



www.bankmillennium.pl

Podcast series

"Practical aspects of ESG on the CFO's radar" with participation of the Bank's experts

In cooperation with the CFO Club we have prepared the "Practical aspects of ESG on the CFO's radar" series of podcasts. In particular episodes our experts talk among others about double materiality, CSDDD directive, financing green transition, state aid for financing ESG.

77%



FX transactions concluded through the Millennium Forex Trader platform

85%



guarantees were issued in the form of e-guarantees

35%



of corporate customers use the mobile app

69%



loan agreements signed electronically

95%



of leasing customers use eBOK service to manage leasing agreements

In the eBOK service customers can submit any matter related to their agreement for online processing, and the service is integrated with the Bank's online banking.

New tools for micro- and small business

Currency exchange in mobile app

Bank Millennium is making currency exchange available for micro-businesses in a mobile app for companies. The simple and intuitive tool, which allows customers to exchange currency online 24/7, is in fact a complex ecosystem of multiple IT solutions. In the background, we have used cloud-based solutions to ensure that rates are always up-to-date.

New financing for Small Business

A “New Financing” feature has been added to Millenet for Companies, which enables a client in the Small Business segment to send an enquiry for a cash loan or other type of financing, without having to visit a branch. The initiative supports the bank's strategic objectives in the new Small Business segment.

Bank Millennium for Companies mobile app is still on the top of rating ranking of banking apps for corporate clients



4.2



4.3



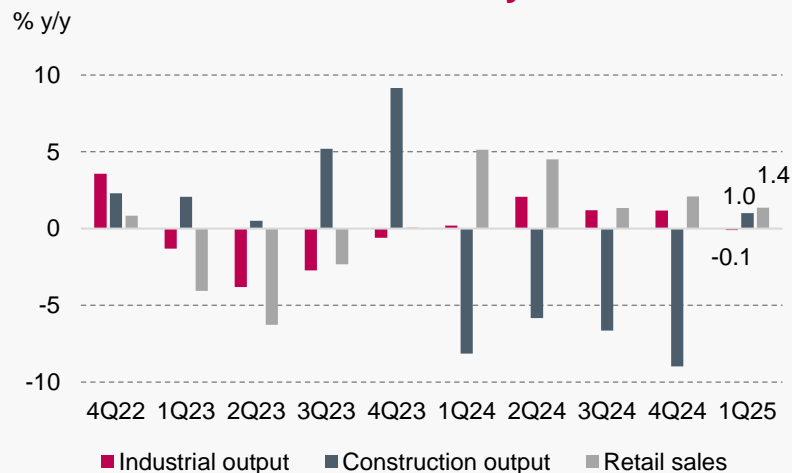
03 Appendices

1Q25 results

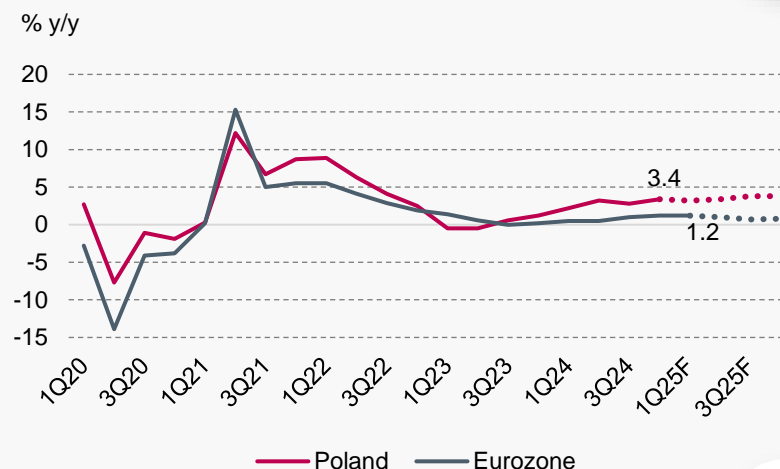


Macroeconomic environment (1/4)

Data from the Polish economy



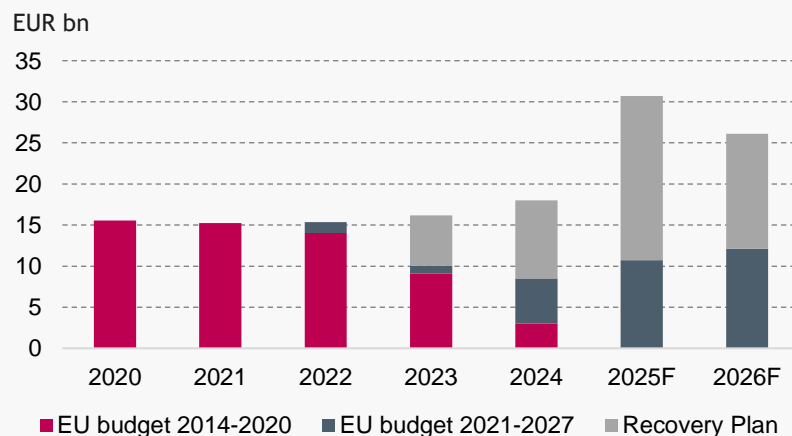
GDP dynamics in Poland and Eurozone



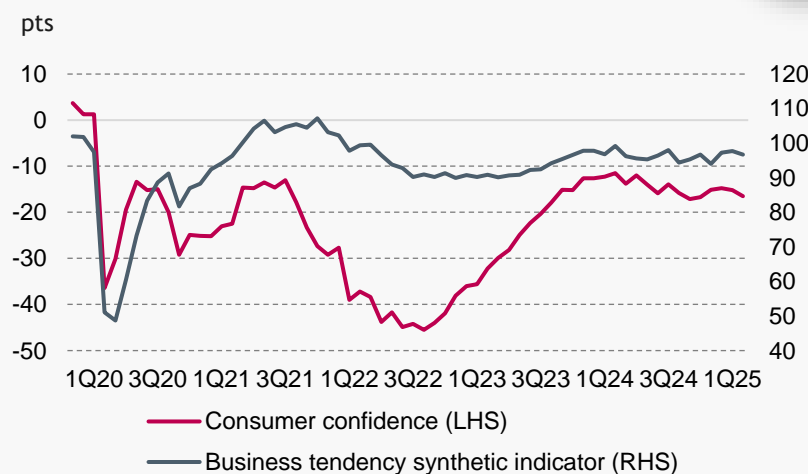
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- The beginning of 2025 was a period of growth of the Polish economy, although it turned out to be slightly slower than expected a quarter ago. According to the Bank's estimates, GDP increased in 1Q25 by 3.2% y/y vs. 3.4% y/y in 4Q24.
- Consumption was the main pillar of the growth. However, its growth rate is expected to go down to ca. 2.6% y/y from 3.5% y/y a quarter earlier, due to slower growing real wages. In addition, in a highly uncertain environment, consumers continued to be cautious in their spending, despite the still strong labour market, with the registered unemployment rate at 5.3% in Mar'25, similar to a year earlier.

EU funds inflow to Poland



Economic sentiment indicators in Poland

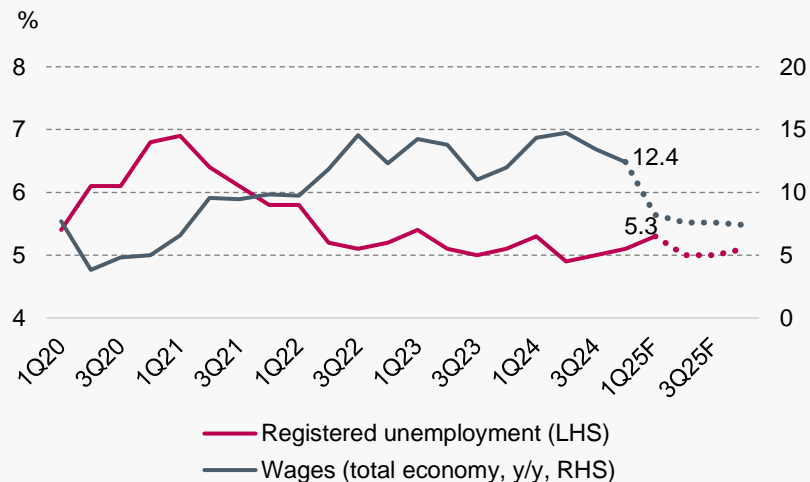


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- Outlook for the Polish economy in next quarters deteriorated because of negative effects of the trade wars on the global growth. According to the Bank, GDP growth in 2025 will amount to 3.5% vs. 2.9% in 2024, and the main driver should be household consumption supported by rising wages in real terms and accumulated savings.
- Investments in fixed assets, should also have a positive impact on growth due to project co-financed by the National Recovery Plan and the European Union's cohesion policy. However, the weak recovery in the euro area, as in 2024, is likely to limit the growth potential of the domestic economy.

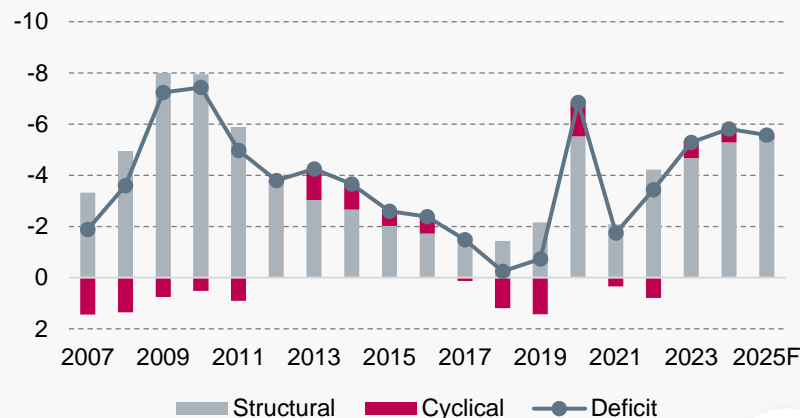
Macroeconomic environment (2/4)

Unemployment rate and wage dynamics

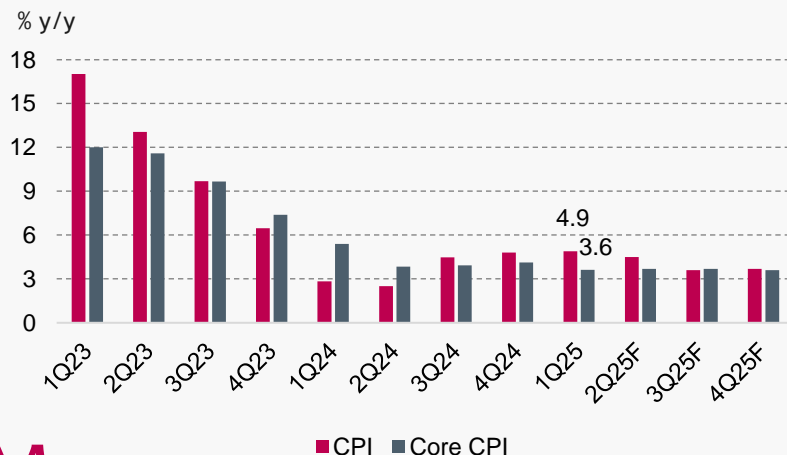


Fiscal deficit

% GDP, European Commission



Inflation in Poland



Forecasts

		2023	2024	2025F
GDP	%	0.2	2.9	3.4
Individual consumption	%	-0.3	3.0	3.1
Investments	%	12.7	-2.2	6.7
Unemployment rate	% eop	5.1	5.1	5.1
Inflation	%	3.6	11.4	4.2
Reference rate	% eop	5.75	5.75	4.50
EURPLN	eop	4.35	4.27	4.30
USDPLN	eop	3.94	4.10	3.74

”

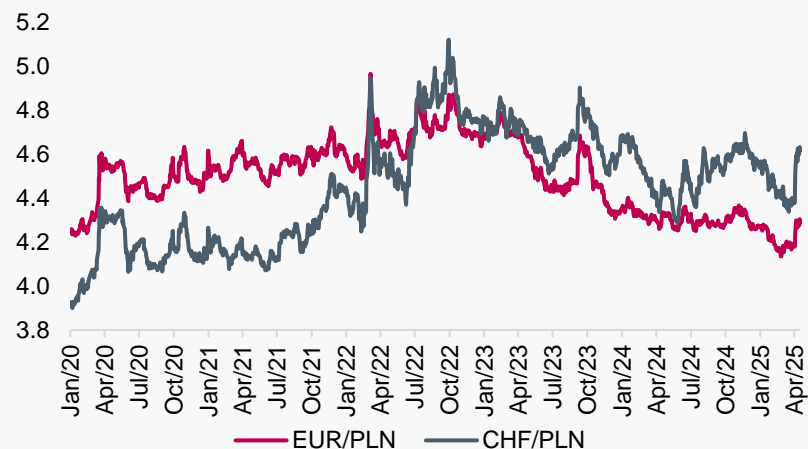
- Situation in the labour market was relatively stable in 1Q25. Unemployment rate stood at very low level (5.3% in March 2025), while wage dynamics slowed because of smaller increase of minimum wage and lower demand for labour.
- CPI inflation increased slightly in 1Q25 and amounted on average to 4.9% y/y vs. 4.8% y/y in 4Q25. These data turned out to be significantly lower than the forecast, mainly due to the revision of weights in CPI index by the Central Statistical Office. Elevated inflation was maintained by supply-side factors – a quick increase in energy and food prices.

”

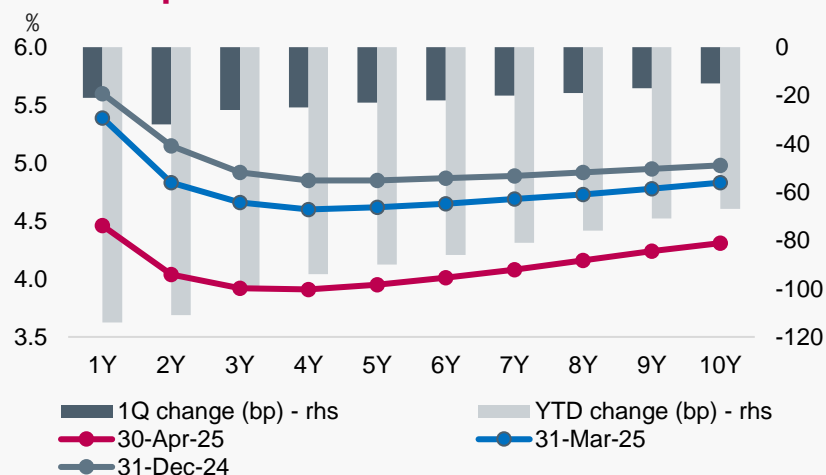
- The coming quarters will continue to be a time of great uncertainty. This will be influenced by various geopolitical factors, such as the rise of protectionism in international trade, changes in fiscal and migration policies around the world, armed conflicts, and political stability issues in some countries.
- The effects of changes in American trade policy have global reach, but due to the links in goods' trade, the impact of higher US tariffs on European economies, including Poland, will probably be significantly smaller than, for example, on China, other Asian economies, or Canada and Mexico.

Macroeconomic environment (3/4)

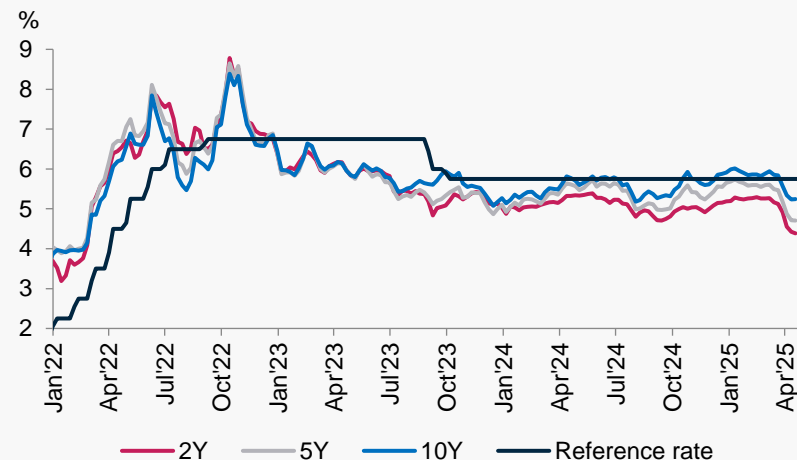
FX evolution



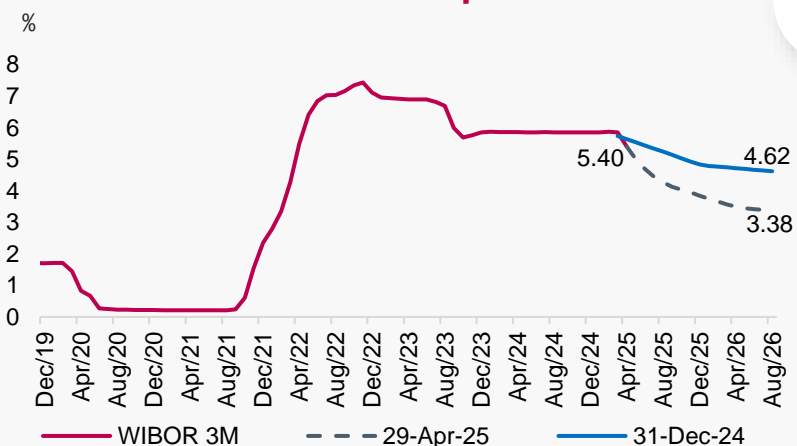
PLN swap curve



Yields of Polish bonds



WIBOR 3M and market expectations



”

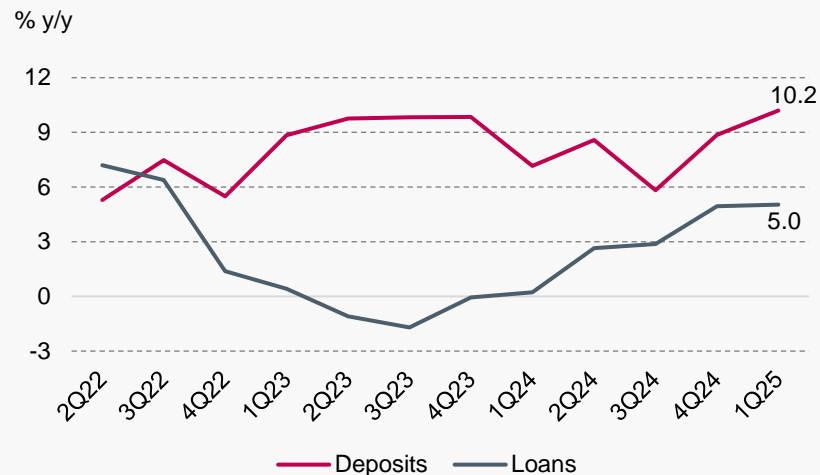
- The zloty was stronger in 1Q25 approaching 4.12 vs. the euro amid optimistic outlook on European economy after German fiscal spending plan announcement and hopes for resolving conflict in the Ukraine. This happened despite gradual dollar appreciation in the international markets. US tariffs increases resulted in zloty and dollar weakening. The Bank's forecasts assume stabilisation of the Polish currency in the next quarters supported by solid GDP growth, still high rate differential vs. the euro are with large inflows of EU funds offsetting some deterioration in the current account.

”

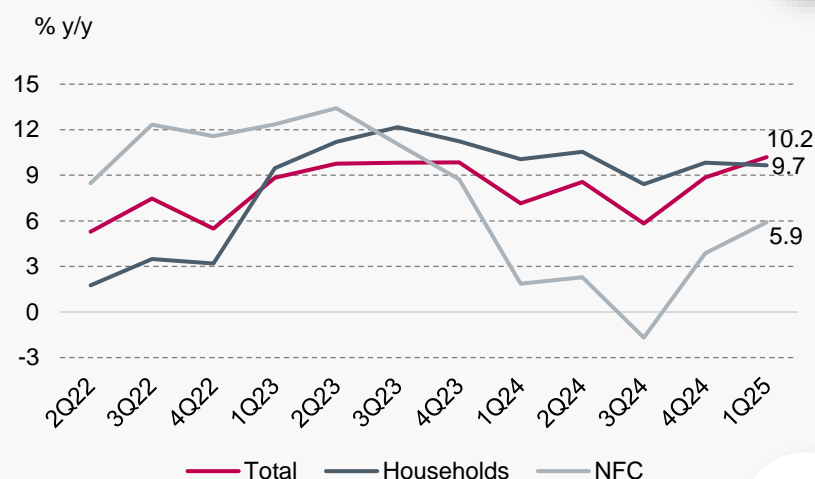
- Market rates recorded small declines in 1Q25 with MPC keeping rates unchanged with hawkish stance. In April NBP Governor communicated a dovish pivot pointing to a lower CPI path. This resulted in larger decline in market rates. On May 7, the MPC cut rates by 50 bps, as expected. The Bank assumes interest rate cuts from the current level of 5.25% to 4.50% at the end of 2025 and to 3.50% at the end of 2026. Expansionary fiscal policy and low unemployment will be arguments for a smaller scale of NBP rates cuts in 2025 than priced in by the market (until year-end by 175 bp).

Macroeconomic environment (4/4)

Growth rate of deposits and loans



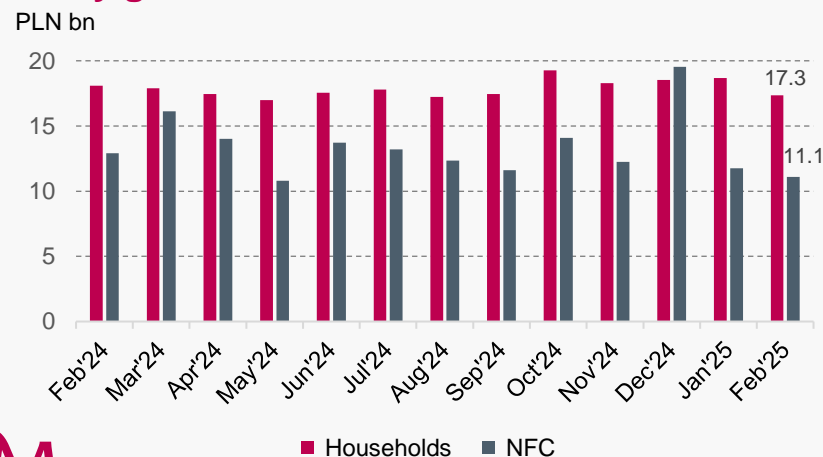
Growth rate of deposits



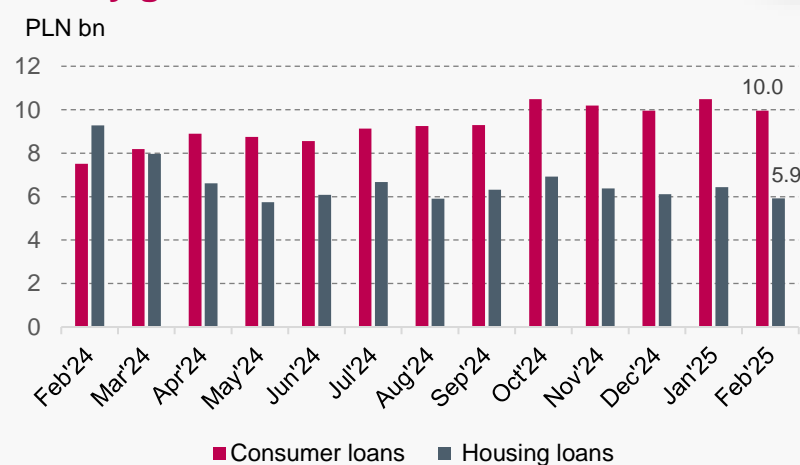
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- High interest rates were conducive in 1Q25 to further rebuilding of household savings. The value of their deposits in the banking sector in Mar'25 was PLN 28.9 bn higher than at the end of 2024. On the other hand, deposits of non-financial corporations decreased by PLN 19.5 bn q/q, which is in line with seasonal changes observed in the past.
- Despite this decline, the y/y increase in the total value of deposits in the banking sector was still fast. It stood at 10.2% y/y in Mar'25 vs. 8.9% y/y in Dec'24. In the case of loans, in the period from Jan-Feb'25, a decrease in the value of new contracts was recorded.

Newly granted loans



Newly granted loans to households

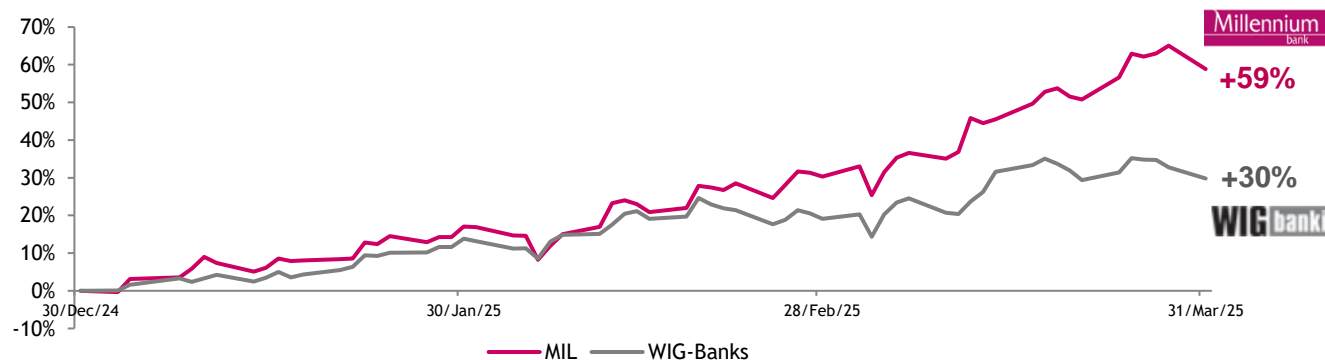


”

- In 1Q25, overall credit creation in the economy was stable taking into consideration nominal values. While annual dynamics of newly granted loans to households and non-financial companies has moderated. Subdued demand for loans from corporate sector reflects low investments activity.
- In Bank's opinion, deposits in the banking sector will continue to grow in 2025 driven by solid financial situation of households and liquidity of Polish companies. Credit growth is expected to recover, mostly due to corporate investments.

Bank Millennium's shares gained 59% ytd

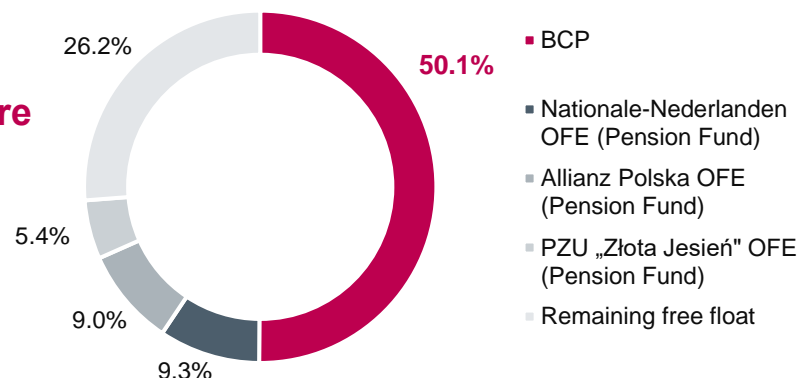
Bank Millennium's share performance vs. WIG Banks index (1Q25)



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 **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).

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	BB+
Rating outlook	LTR positive outlook	Positive outlook
Short term IDR	Prime-2	B
Standalone BCA/Adj. BCA	ba2/ba1	
Viability		bb+
CR rating	Baa2/Prime-2	
Shareholder support rating (SSR)		b+
SNP MREL bonds	Ba1	BB+



ESG activities

Publication of the ESRS Sustainability Report

In the first quarter of this year, **Bank Millennium published its first sustainability report in accordance with the new ESRS** (European Sustainability Reporting Standards), introduced as part of the EU CSRD (Corporate Sustainability Reporting Directive). In accordance with the new guidelines, the report has been prepared on the basis of the results of the so-called double materiality assessment.

Annual report of the Bank Millennium Foundation

Bank Millennium Foundation published the 2024 Annual Report. It summarises the **Foundation's key activities in the past year**, i.e. financial education of children and the implementation of initiatives for local communities as part of employee volunteering. The Bank Millennium Foundation, acting under the slogan "We multiply social capital", has been supporting, for 35 years, projects that engage in activities for the benefit of local communities.

Record limit of BGK's de minimis guarantees in Millennium Leasing

Millennium Leasing has been given the opportunity to cover leasing agreements with **de minimis guarantees up to a record total amount of PLN 1.1 billion**. The company signed an annex to the agreement with Bank Gospodarstwa Krajowego (BGK). Thanks to the new pool of funds, Millennium Leasing will be able to offer the programme to even more entrepreneurs.

"NaszEauto" programme for sole proprietorships at Millennium Leasing

Millennium Leasing has opened the opportunity for customers to participate in the **"NaszEauto" programme to subsidise the purchase of electric cars**. This is another step that expands Millennium Leasing's offer with solutions that respond to the current needs of customers and enable companies to replace their cars with zero-emission ones

Providing companies with loans secured by the Investmax guarantee

Bank Millennium customers from the small and medium-sized enterprises segment (including micro-entrepreneurs) can take advantage of **the new Investmax guarantee, which facilitates access to working capital and investment loans**. This is possible thanks to the extension of cooperation with Bank Gospodarstwa Krajowego (BGK) with an agreement on a portfolio guarantee line under the InvestEU Programme.

Extension of partnership with WWF Poland Foundation

Bank Millennium and the WWF Polska Foundation have announced the extension of their long-standing cooperation. **For the next three years, the Bank will financially support the activities of this independent environmental organisation.**

The cooperation has been extended for another three years and will cover lynx protection activities, including monitoring of this predator in the forests of north-eastern Poland.

The most important awards and achievements of Bank Millennium in 1Q25



Bank Millennium named Golden Bank 2025

Bank Millennium won the Golden Banker 2025 ranking, winning 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

The competition is organised by the international financial magazine The Digital Banker.

P&L in brief

[PLNmn]

	1Q24	1Q25	→	Change Y/Y	4Q24	→	Change Q/Q
Net interest income	1 354	1 423	→	5%	1 505	→	-5%
Net commission income	200	183	→	-9%	188	→	-3%
Other non-interest income	-137	20	→	-	-98	→	-
Operating income	1 417	1 626	→	15%	1 595	→	2%
General and administrative costs	-544	-611	→	12%	-537	→	14%
Depreciation	-54	-57	→	4%	-59	→	-4%
Total operating costs	-598	-668	→	12%	-596	→	12%
Net cost of risk *	-120	-87	→	-28%	3	→	-
Other modification	-21	-10	→	-50%	-63	→	-82%
FX legal risk provision	-549	-445	→	-19%	-523	→	-15%
<u>Operating profit</u>	129	416	→	222%	410	→	-1%
Banking tax	0	-99	→	-	-99	→	0%
<u>Pre-tax profit</u>	129	318	→	146%	311	→	-1%
Income tax	-1	-138	→	-	-139	→	0%
Net profit	128	179	→	40%	173	→	4%

(*) Cost of risk includes impairment provisions (on all stages), FV adjustment on loans and result on modification (except for a part related to amicable settlements with FX mortgage borrowers)

Balance sheet

[PLNmn]

[PLNmn]

	31.03.2024	31.12.2024	31.03.2025		Change Y/Y	
ASSETS	Cash and balances with the Central Bank	4 937	5 179	4 834	<div></div>	-2%
	Loans and advances to banks	427	435	628	<div></div>	47%
	Loans and advances to customers	73 911	74 981	74 541	<div></div>	1%
	Amounts due from reverse repo trans.	431	194	451	<div></div>	5%
	Debt securities	48 248	54 207	58 304	<div></div>	21%
	Derivatives (for hedging and trading)	669	368	355	<div></div>	-47%
	Shares and other financial instruments	148	147	148	<div></div>	0%
	Tangible and intangible fixed assets	1 040	1 146	1 112	<div></div>	7%
	Other assets	2 327	2 494	2 392	<div></div>	3%
Total assets	132 138	139 152	142 764	<div></div>	8%	
LIABILITIES AND EQUITY	Deposits and loans from banks	558	317	365	<div></div>	-35%
	Deposits from customers	113 184	117 257	119 436	<div></div>	6%
	Liabilities from repo transactions	380	194	0	<div></div>	-100%
	Financial liabilities at fair value through P&L and hedging derivatives	621	525	524	<div></div>	-16%
	Liabilities from securities issued	3 324	6 125	6 874	<div></div>	107%
	Provisions	1 822	2 901	3 212	<div></div>	76%
	Subordinated liabilities	1 559	1 562	1 559	<div></div>	0%
	Other liabilities	3 608	2 499	2 784	<div></div>	-23%
	Total liabilities	125 056	131 380	134 755	<div></div>	8%
	Total equity	7 082	7 772	8 009	<div></div>	13%
Total liabilities and equity	132 138	139 152	142 764	<div></div>	8%	

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Next events:

29-07-2025: 1H25 results

24-10-2025: 3Q25 results

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