Millennium
bank

Management Board Report on the activity of Bank Millennium and Capital Group of Bank Millennium in the six months ended on June 30, 2025

This document is a translation from the original Polish version. In case of any discrepancies between the Polish and English versions, the Polish version shall prevail.

Some data and statistics presented in this document are based on management data and may differ from values presented in Consolidated report of the Bank Millennium S.A. Capital Group for 1st half 2025.

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BANK MILLENNIUM GROUP IN 1H25

Key financial indicators

NET PROFIT / ROE	COST-TO-INCOME	TOTAL ASSETS	CAPITAL RATIOS
PLN511mn ROE 13.8%	37.2% (reported) 34.2% (adjusted)	PLN146bn	T1 13.8% TCR 15.6%

Key operating statistics

OUR CLIENTS	OUR EMPLOYEES	ONLINE USERS	TRANSACTIONS
3.2mn active retail clients 38k active corpo/SME clients	6,786 FTEs	~3.0mn active digital users	**Digital share:** 86% in cash loans 95% in term deposits

Basic facts for investors

MARKET CAP.*	SHARE PRICE*	INDICES	RATINGS
PLN17.2bn (EUR4.1bn)	PLN14.3 +61% ytd +52% y/y	WIG mWIG40 WIG Banks MSCI Poland	**Moody's: Baa2** (adjusted BCA: ba1) Positive outlook **Fitch: BBB-** (VR: bbb-) Stable outlook

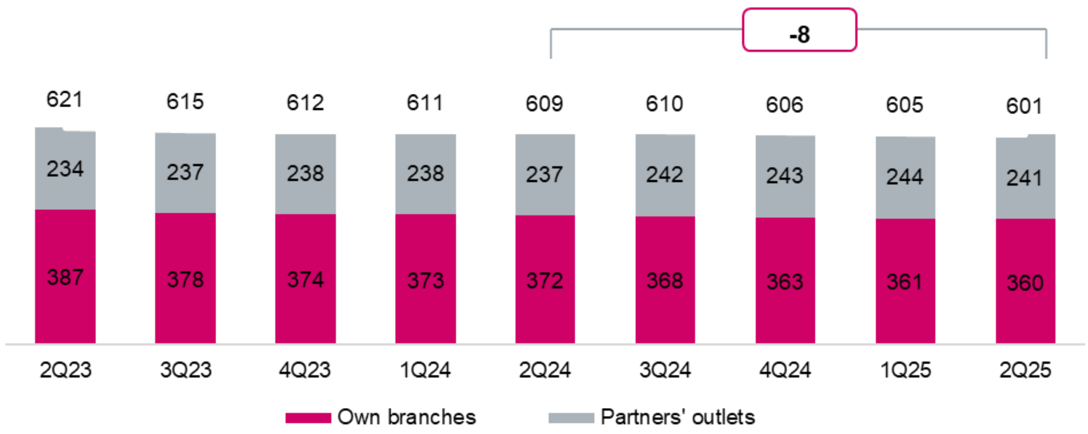
(*) on 30.06.2025

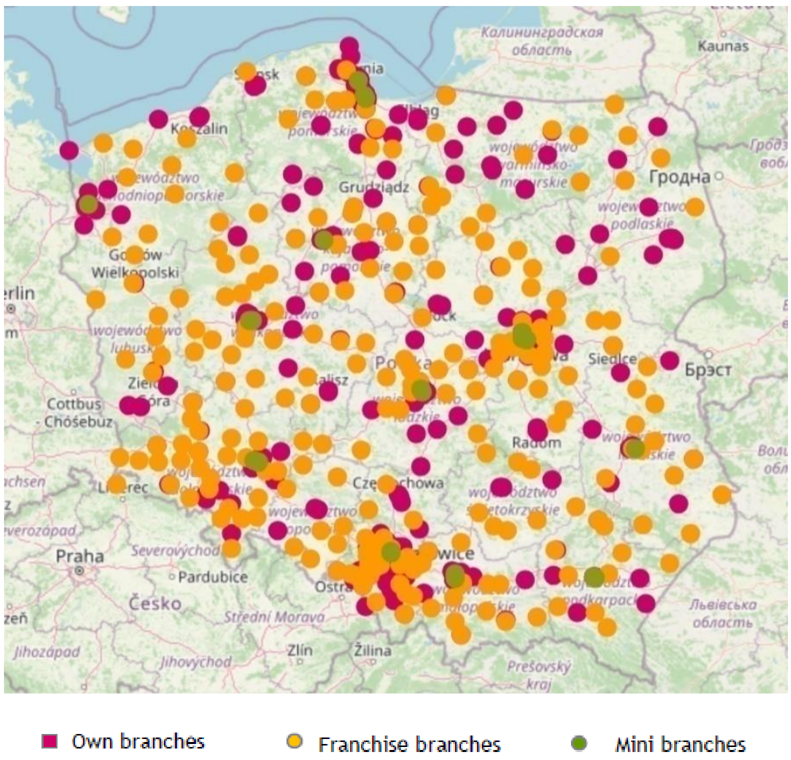
1. BANK MILLENNIUM AND MARKET CONDITIONS

1.1. GENERAL DESCRIPTION OF BANK MILLENNIUM GROUP

Bank Millennium S.A. ('Bank Millennium', 'Bank') was established in 1989 as one of the first Polish commercial banks. It is now one of the top 7 commercial banks in Poland in terms of assets and offers its services to all market segments via a network of 601 branches (including 360 own branches and 241 franchise branches), a network of personal advisors as well as electronic and mobile banking.

Bank Millennium's distribution network



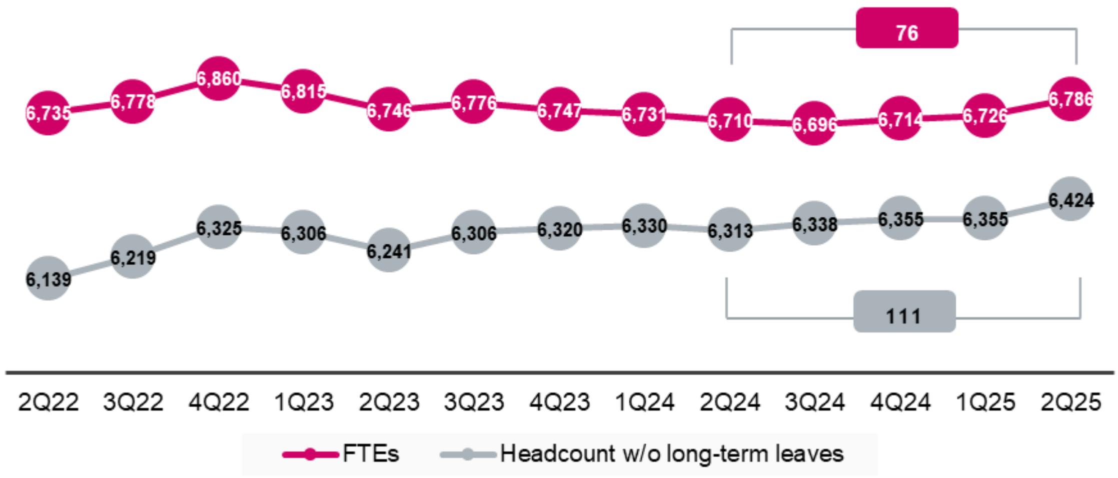


Ever since the start of its activity it has been a trendsetter in Polish banking. For example it was the first Bank to be listed on the Warsaw Stock Exchange and issued the first payment card on the Polish market. The Bank satisfies most stringent standards of corporate governance; it implements social programmes to support culture development as well as education of the youth.

Bank Millennium is a market leader in the area of innovations understood as technological novelties and process improvements. Innovation in Bank Millennium is part of its business strategy.

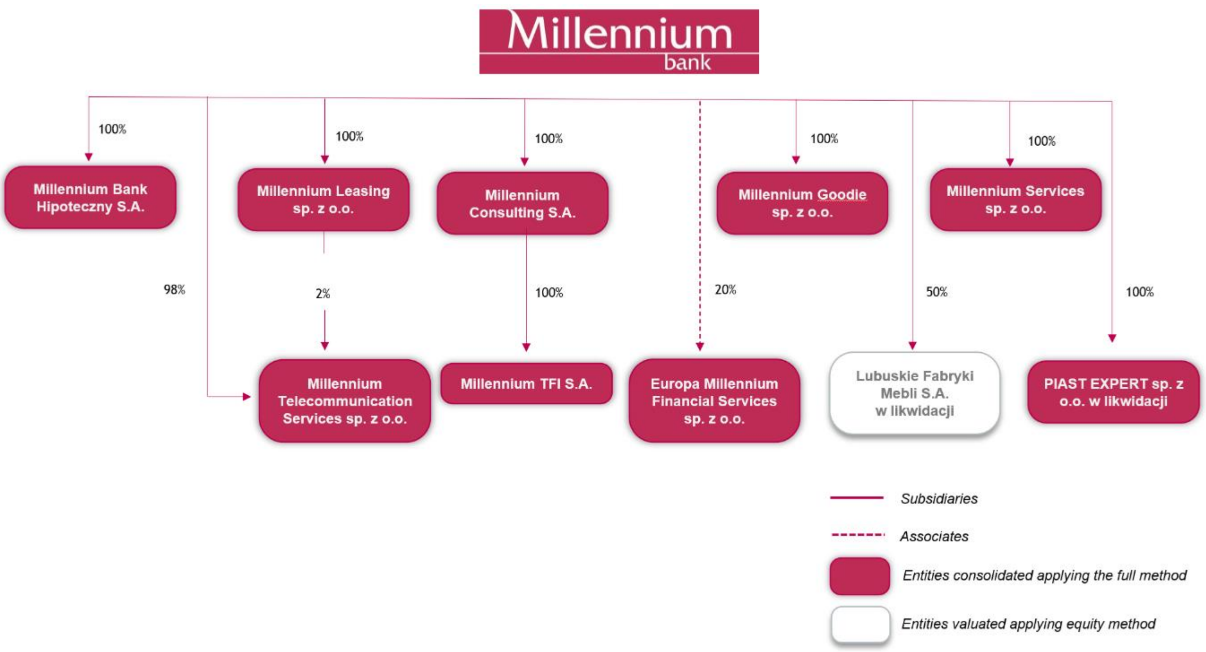
Bank Millennium, together with its subsidiaries, forms Bank Millennium Group (‘BM Group’, ‘Group’) - one of the most innovative and comprehensively developing financial groups in Poland – employing in total 6,786 persons (FTE).

Employees at Bank Millennium Group



Bank Millennium Group’s structure (30.06.2025)

Subsidiaries and Associates



Its most important companies are: Millennium Bank Hipoteczny S.A. (”MBH”) (obtaining long-term financing through the issue of covered bonds), Millennium Leasing Sp. z o.o. (leasing activities), and Millennium TFI S.A. (investment funds). Since 2016, Millennium Goodie Sp. z o.o. has been running an innovative smart shopping platform based on advanced technology together with the Bank.

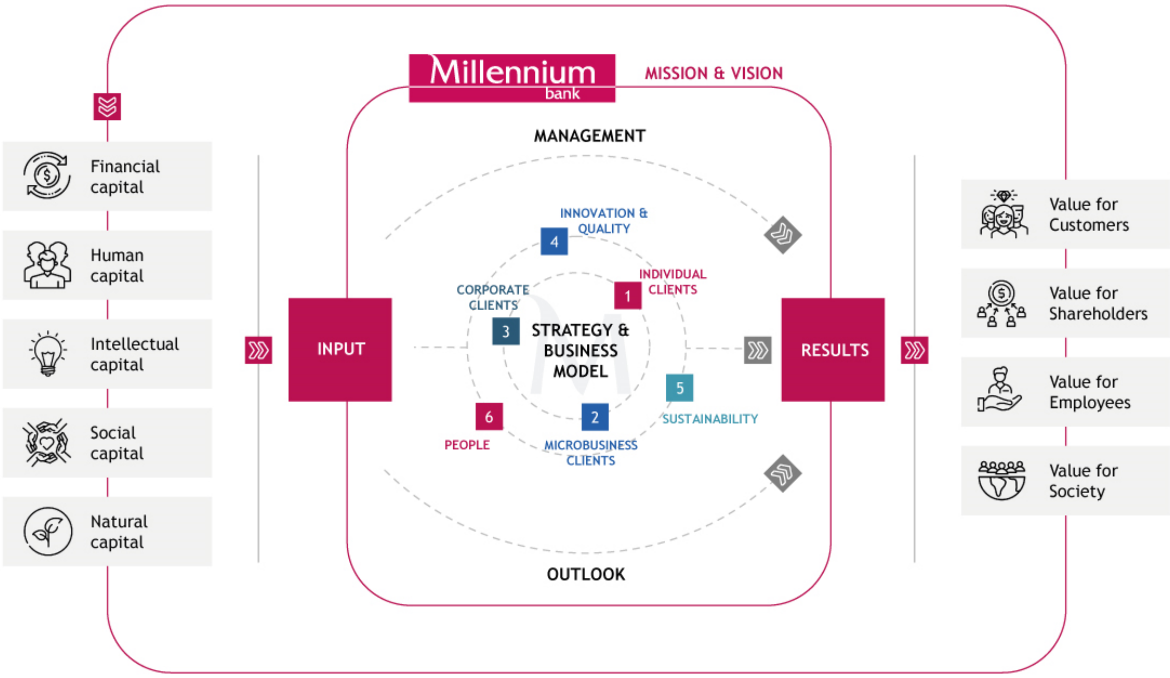
The offer of the above-mentioned companies complements the services and products offered by the Bank. The Bank holds 20% of shares in Europa Millennium Financial Services Sp. z o.o. In cooperation with Towarzystwo Ubezpieczeń na Życie Europa S.A. and Towarzystwo Ubezpieczeń Europa S.A. the Bank offers bancassurance products.

Business model

Bank Millennium operates according to a business model centred on six pillars:

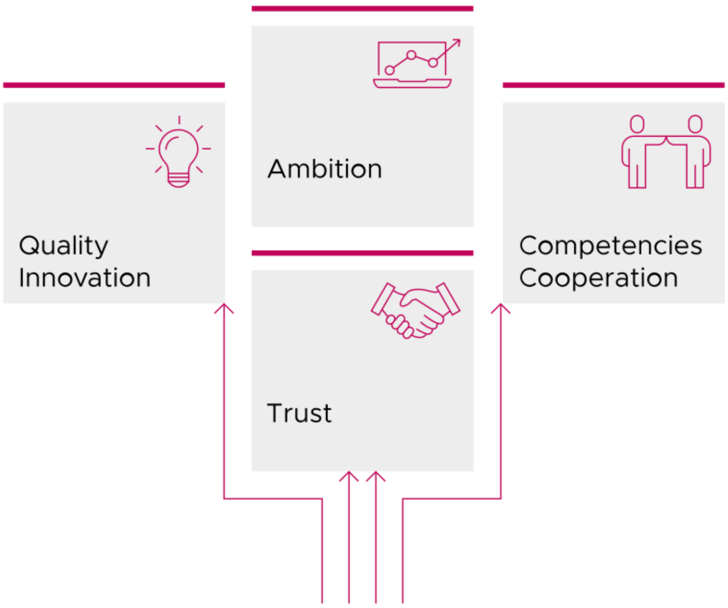
- Top quality and **extended offer for individual clients** – we are continuously strengthening the range of financial services offered to Customers, aiming also to constantly offer a best-in-class Customer Experience in all the channels, what makes us one of the fastest growing banks in loyal individual customers;
- Bank of the **1st choice for new micro-business clients** – taking advantage of the well-established retail sales and service model, we are building high innovative and efficient model for micro businesses;
- Strategic **partner supporting corporate clients development** – we are developing corporate banking segment leveraging on long-term partnerships providing to our clients personalized and digitalized services, as well as professional expertise to address challenges of the future, i.e. green transformation;
- Services supported by **innovative solutions with top tech User Experience** in digital channels (mobile-first approach) – we are among digital banking leaders, with one of the highest levels of mobile banking application penetration, setting trends in innovative financial and non-financial (Value Added Services) solutions and taking care on the best possible User Experience, hyper-personalisation and cybersecurity;
- **Sustainable organization** on the climate neutrality path – we keep our engagement for environment and society, now even scaled by dedicated strategy with defined ESG goals
- **Great place to work** for employees and for top talents – cornerstone of the business model and competitive advantage are our people and organizational culture, what is the reason behind continued effort to make us top employer, not only in the banking sector.

Bank Millennium's business model



The business model is founded on **key values**: building relationships based on trust, a passion for quality and innovation, people development and promoting cooperation as well as the ambition to always aim higher.

The Bank Millennium Group's Values



1.2. FINANCIAL RESULTS IN BRIEF

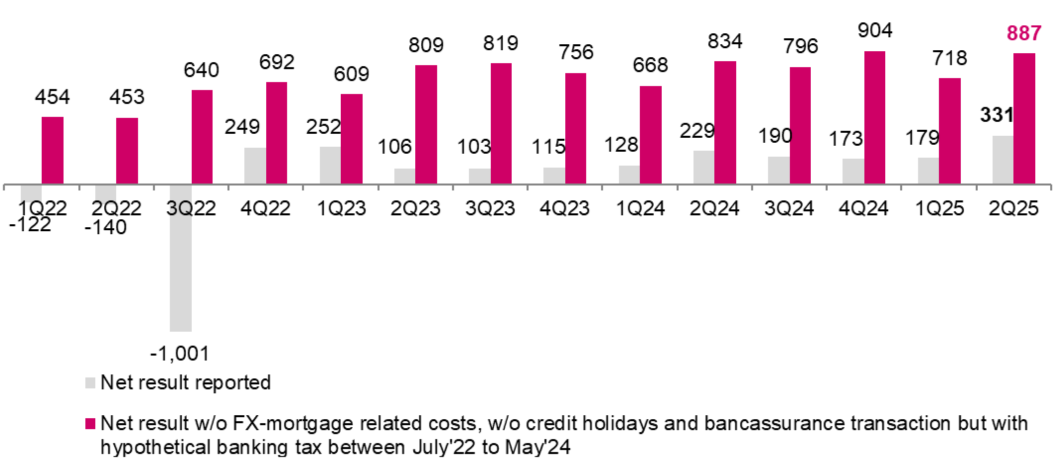
Bank Millennium S.A. Capital Group's ('BM Group', 'Group') reported net profit of PLN331 million in 2Q25 and PLN511 million in 1H25 (up 43% y/y) translating into annualised quarterly ROE of 15.3% and 13.8% ROE in 1H25. 2Q25 was characterised by a relatively high impact of both positive and negative extraordinary items (details further in this report) and the still relatively elevated costs related to FX-mortgage portfolio. In 2Q25 the latter totalled PLN619 million after tax while in 1H25 they amounted to PLN1,167 million, dropping 28% y/y.

Core operating performance remained solid however, generating the lion's share of this strong quarterly and half year result. Total loans were flat in 2Q25 but growth in the corporate book visibly accelerated (+3% q/q, + 6% y/y) with origination in the small companies segment particularly strong. In contrast, retail book showed negative q/q and y/y dynamics due to a combination of fast contracting FX-mortgage portfolio and low origination of PLN mortgages. These more than offset the continuing solid origination of consumer loans. Liquidity surplus increased further with deposits up 2% q/q and up 4% y/y while L/D ratio reached a new low of 61%. Number of active retail clients remained in a steady uptrend (3.193 million, up 4% y/y) while volume of investment products grew 9% q/q to over PLN13.0 billion.

On the FX-mortgage front, steady risk reduction continued. Quarterly number of new settlements with FX-mortgage borrowers remained above the number of newly filed claims against the Bank. To date, settlements totalled over 28,000, an equivalent of 46% of the number of loan agreements active at moment of the full roll-out of amicable settlements effort. Inflow of new FX-mortgage court cases against the Bank continued to slow (just over 1,000 cases were filed in 2Q25 against 2024 quarterly average of 1,461), the number of active claims against the Bank continued to decline while the ratio of legal risk provisions to gross active book crossed the level of 142%. 2Q25 net profit without FX-mortgage related costs would amount to PLN887 million, up 6% y/y, while 1H25 adjusted net profit would stand at PLN1,605 million, up 7% y/y.

Capital ratios decreased in the period reflecting the recognition of final CRR3 requirements. At the end of June'25, group T1 / TCR ratios stood at 13.8% / 15.6%, 5 percentage points and 4.8 percentage point above the respective minimum requirements. The T1 ratio would be at 15.0% if 1H25 net profits were included in regulatory capital. MREL ratios surpluses over minimum requirements were bolder with over 7 percentage points buffer at MRELtrea level and 2.7 percentage points at MRELtem respectively.

Quarterly net results: reported and adjusted (PLNmn)



Key Profit & Loss indicators *(PLN million)*	**1H25**	**1H24**	**y/y**	**2Q25**	**1Q25**	**q/q**
Net interest income	2 872	2 536	13%	1 448	1 423	2%
Net commission income	371	390	-5%	188	183	3%
Core income	3 242	2 926	11%	1 636	1 606	2%
Other non-interest income	174	82	113%	112	61	84%
Total operating income	**3 416**	**3 008**	**14%**	**1 749**	**1 667**	**5%**
Personnel costs	(669)	(584)	14%	(347)	(322)	8%
Other administrative costs*	(601)	(519)	16%	(255)	(346)	-26%
Total operating costs	**(1 270)**	**(1 103)**	**15%**	**(602)**	**(668)**	**-10%**
Impairment provisions and other cost of risk **	(80)	(190)	-58%	6	(86)	-107%
FX legal risk related cost	(1 085)	(1 433)	-24%	(589)	(497)	19%
Banking tax	(200)	(35)	479%	(101)	(99)	3%
Pre-income tax profit	781	247	217%	463	318	46%
Income tax	(270)	110	-345%	(132)	(138)	-5%
Net profit – reported	**511**	**357**	**43%**	**331**	**179**	**85%**
Net profit – adjusted *******	**1 605**	**1 501**	**7%**	**887**	**718**	**24%**
NIM	4.2%	4.3%	-0.1%	4.1%	4.2%	-0.1%
Cost/income reported	37.2%	36.7%	0.5%	34.4%	40.1%	-5.6%
Cost/income *adjusted* ****	34.2%	30.4%	3.8%	33.8%	34.5%	-0.7%
Cost of risk (bp)	21	50	-29	(3)	45	48
ROE*****	13.8%	11.0%	2.8%	15.3%	12.3%	3.0%

(*) Include depreciation and amortisation, (**) Impairment provisions for financial and non-financial assets including also fair value adjustment (PLN0.2mn in 1H25 and PLN3.6mn in 1H24) and loans modification effect not related to amicable settlements with FX mortgage borrowers (***) Without extraordinary items, i.e. FX mortgage loan related costs/incomes (in legal risk provisions, operating cost and other operating income/cost including indemnity from Societe Generale and tax effects) and hypothetical banking tax until the end of May 2024 and negative impact of credit holidays (-PLN201mn in 1H24); (****) Without extraordinary income or cost and with linear distribution of BFG resolution fund fee throughout the year' (*****) Reported net profits adjusted for proportional allocation of annual BFG resolution fund fee / average equity in the period.

Key Balance Sheet indicators *(PLN million)*	**30.06.2025**	**30.06.2024***	**y/y**	**31.12.2024**	**ytd**
Loans to households	55 318	56 862	*-3%*	56 935	*-3%*
Loans to companies and public sector	18 904	17 783	*6%*	18 040	*5%*
Total net loans to clients	**74 222**	**74 645**	*-1%*	**74 975**	*-1%*
Total assets*	**145 956**	**135 535**	*8%*	**138 954**	*5%*
Deposits of individuals	91 266	83 429	9%	87 567	4%
Deposits of companies and public sector	30 468	33 111	-8%	29 690	3%
Total deposits	121 734	116 540	4%	117 257	4%
Impaired loan ratio**	4.2%	4.5%	-0.3%	4.5%	-0.2%
CET1 = T1	13.8%	14.3%	-0.5%	14.8%	-1.1%
TCR	15.6%	17.1%	-1.5%	17.2%	-1.7%

(*) 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.;

(**) Impaired loan ratio = impaired loans/total gross loans

Substantial and extraordinary P&L items

2Q25 saw a combination of a larger than usual number of substantial and extraordinary items affecting the results. Of the positives ones, PLN28mn pre-tax gain on the sale of real estate was recognised in other operating income, revaluation of the stake in one of investments (PLN55 million) was booked in results on financial assets and liabilities, a seasonal a settlement with a card company (PLN37 million) lowered administrative costs, while NPL sale (cash loans and PLN mortgages) lowered cost of risk by a total of PLN86 million.

Of the negative items, FX-mortgage related costs again had a material negative impact on the results (for a comment on change of presentation and detailed breakdown refer to a separate section in this report). PLN37 million provision for consumer protection related costs burdened other operating costs line (OOC) while additional PLN14 million provision for unused holidays was recognised in HR costs (expected to be largely released by YE25).

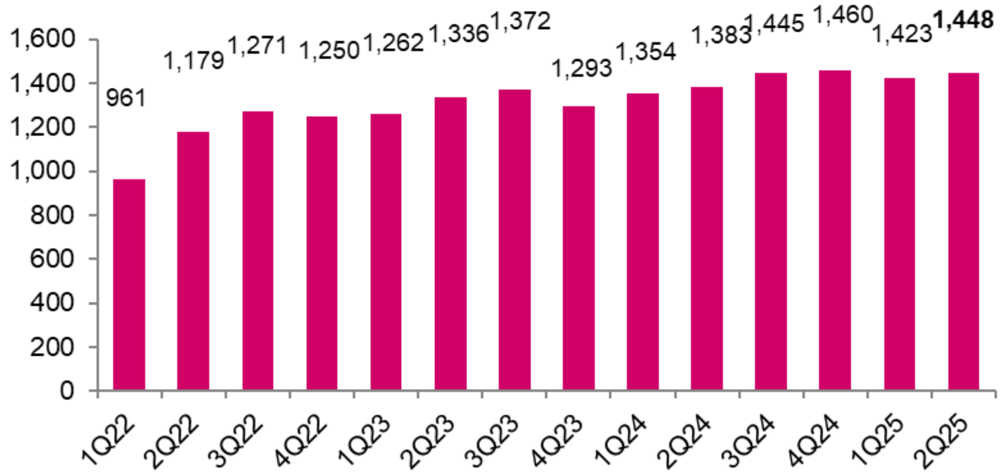
Finally, the tax line saw the income tax burden for the 1H25 calculated based on the weighted average annual income tax rate (effective tax rate - ETR) expected by the Bank in the full financial year. If the estimated ETR changes, the amounts of the income tax burden will be adjusted in the next interim period of the financial year. More details are available in Consolidated Report of the Bank Millennium S.A. Capital Group for the 1st half of 2025 (note 11 of the report).

Key developments in the period

The key developments in 2Q25 were as follows:

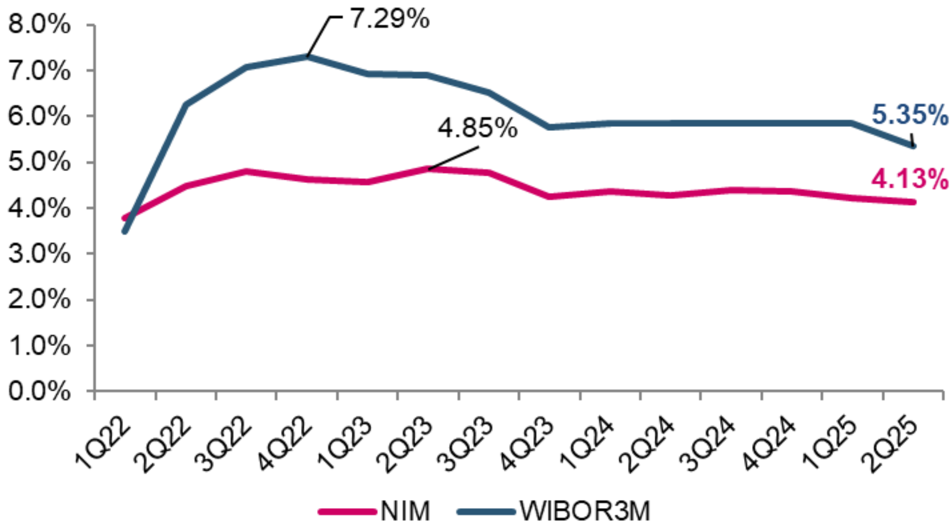
- **2Q25 NII grew 23% y/y and 2% q/q on a reported basis** while on adjusted basis (credit holiday cost in 2Q24) it was up 5% y/y; the y/y growth was driven by higher income which in turn was an outcome of higher interest earning assets (IEAs), improving yield of the bond portfolio and lower cost of deposits; the q/q growth of NII mainly an outcome of higher number of calendar days;

NII excluding cost of credit holidays (PLNmn)



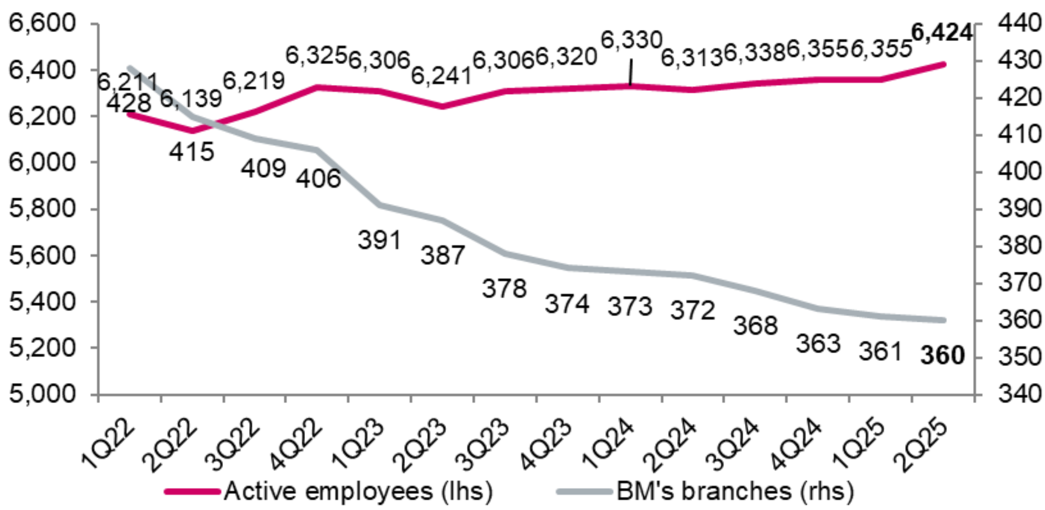
- **quarterly NIM contracted by 10bps to 413bps** reflecting, among others, the early impact of the 50bp base rate cut in May, higher IEAs (up 2% q/q) and changing asset mix; interest yield on loans and cost of deposits contracted slightly while yield on debt securities portfolio ticked up;

Net interest margin (NIM)



- **y/y cost growth in 2Q25 remained in the double digit territory** (total reported opex and D&A up 19% y/y) with regulatory costs (deposit guarantee charge and higher resolution fund contribution), IT and marketing driving the 29% y/y growth of admin costs; without BFG total costs would be up 16% y/y; in q/q terms total reported costs dropped 10%, owing largely to seasonal cumulation of BGF charges in 1Q25; growth of HR costs moderated to 18% with material impact of PLN14mn provision for unused holidays; adjusted for this, the growth rate would be 13% y/y; otherwise FTEs were higher and so were remunerations; headcount increased with the number of active employees up 111 in the last twelve months while optimisation of the physical distribution network continued (own branches down by 12 units or 3% in the last twelve months) complementing the increasing share of digital services (digital customers: 2.97mn, up 5% y/y, number of active mobile customers: 2.76mn, up 8% y/y); 1H25 reported opex was up 15% y/y but adjusted for regulatory costs (chiefly BGF charges) would be up 11% y/y;

Staff and own branches (#)



- **total loan portfolio was flat in the quarter but growth in the corporate book visibly accelerated to 3% q/q and 6% y/y)** with much higher origination driving the growth; in particular the origination of small business loans accelerated strongly (up 70% q/q)**;** leasing portfolio was up 2% q/q (new sale up 15% q/q) and up 4% y/y, while corporate loans were up 5% q/q and 10% y/y; in contrast retail loans were down q/q and y/y due to a combination of fast contracting FX-mortgage portfolio and low origination of PLN mortgages; these two factors more than offset the solid origination of consumer loans; FX-mortgages continued to shrink fast (on a reported basis down 18% q/q and down 52% y/y) on a combination of FX movements, repayments, provisioning (in line with IFRS9 part of legal risk provisions are booked against gross value of loans under court proceedings), write-downs and amicable settlements; as a result, the share of all FX-mortgages in total gross loans decreased to 1.3% (BM originated only: 1.1%) from 2.8% (2.4%) in the same period last year;

- **non-FX mortgage portfolio was flat q/q and up 1% y/y** with non-mortgage retail loans up 1% q/q and up 5% y/y; origination of cash loans, PLN1.8bn in 2Q25 (unchanged q/q) again contributed the most; BM's market share in origination of cash loans in 2Q25 stood at 11.0%, marginally below 11.5% in 2Q24; origination (disbursements) of PLN mortgages decreased q/q and y/y to PLN0.6bn (market share of 2.1%);

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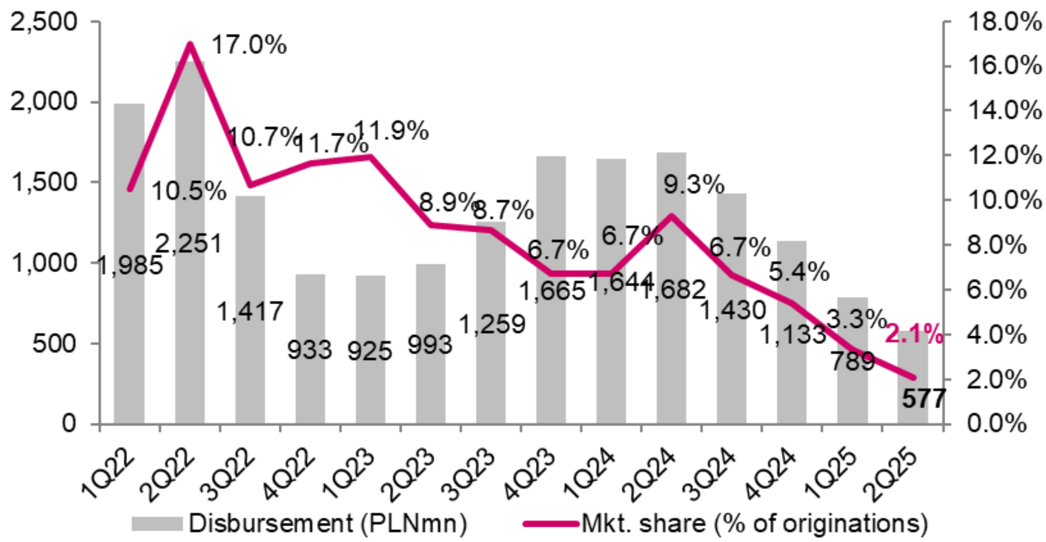
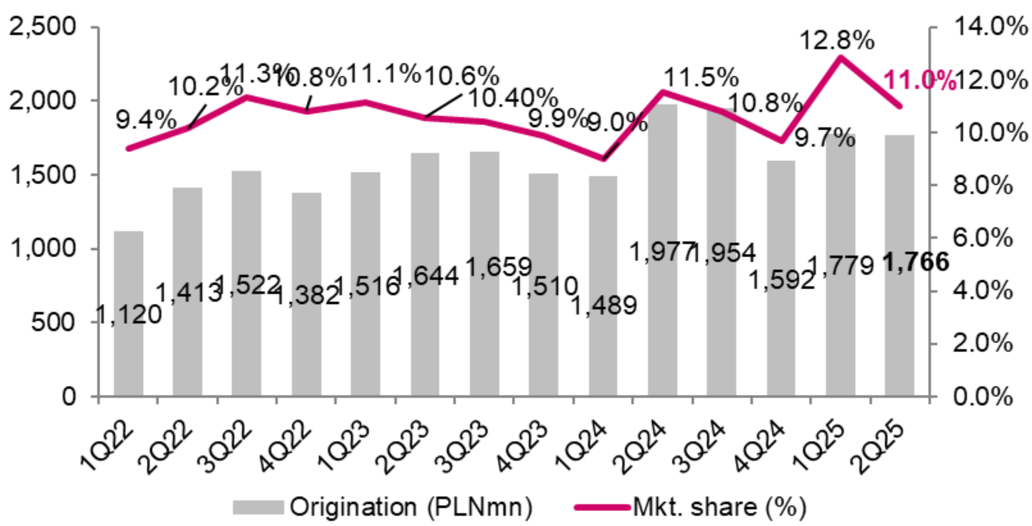
Mortgages: disbursement and market share in originations



Cash loans: origination and market share



- **loan book quality improved further in 2Q25** with total **NPL ratio at 4.2%** reflecting the sale of retail NPLs and as a result a drop of retail segment NPL ratio to 4.3% from 4.5% at the end of March'25; the continued improvement of the NPL ratio in the corporate segment (4.1% from 4.3%) also had a positive contribution to this positive trend; NPL coverage ratio increased further to 76% (74% at the end of March'25); quarterly cost of risk was positive at 3bps (1H25: negative 21bps) following a larger than usual NPL disposal (consumer as well as PLN mortgage portfolio) with resultant 31bps positive quarterly credit risk cost in the retail segment and negative 98bps risk change in the corporate one (1H25: retail -6bps, corporate -74bps);

- **customer deposits were up 2% in the quarter and up 4% y/y** with retail deposits up 1% q/q and corporate ones up 5% q/q (chiefly due to increase in term deposits as current accounts were marginally down); the share of total term deposits marginally lowered to 34%; the liquidity of the Bank remained very comfortable with L/D ratio decreasing to a new low of 61%;

- **AuM of Millennium TFI and third-party funds combined again grew at a healthy rate (9% q/q)** with y/y growth rate of 34% taking total AuM to over PLN13.0bn;

- **capital ratios decreased following the implementation CRR3 latest technical standards' implementation;** with Group TCR at 15.6% and T1 at 13.8% the surpluses over the required regulatory levels solid at 4.8 p.p. and 5 p.p. respectively; **inclusion of 1H25 net profit into the regulatory capital, subject to regulator's approval, would add over 1 p.p. to capital ratios**;

- **MREL ratios surpluses over minimum requirements remained comfortable** at over 7 p.p. for MREL trea and 2.7 p.p. for MREL tem respectively; **Long-term Funding Ratio (LTFR ratio) stood at 34% at the end of June'25** (28% at YE24) and as stated earlier the Group intends to close the gap to the 40% level recommended as of December 31, 2026 largely through issuance of covered bonds by its mortgage subsidiary Millennium Bank Hipoteczny ("MBH"); following PLN800mn worth of covered bond issues in 2024, in nam2025 MBH already placed PLN800mn issue on the market (details in the respective section).

FX-mortgage portfolio and related costs

Presentational changes

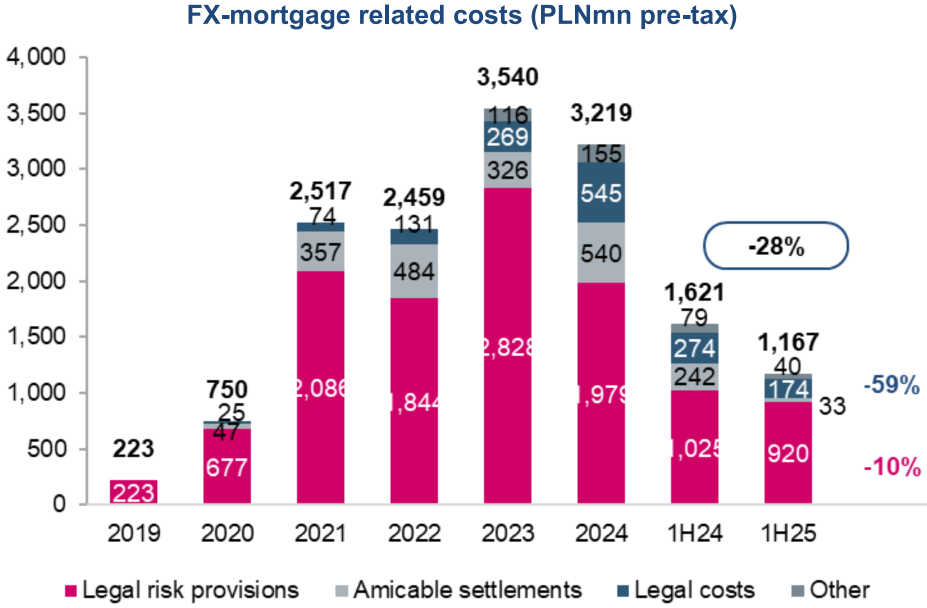
In its 1H25 financial statements, the Bank introduced some changes in presentation of financial data in order to better reflect the economic substance of the presented items, taking into account current market practice.

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').

It should be mentioned that regardless of this presentational change, the Bank was already regularly providing on a quarterly basis proper disclosure in the management reports and market presentations.

Total costs related to FX-mortgage portfolio

All-in quarterly P&L costs related to FX-mortgage portfolio originated by Bank Millennium (legal risk provisions, costs of amicable settlements as well as legal and court costs, including legal substitution costs or penalty interest, increased 13% q/q to PLN619 million pre-tax (PLN555 million after tax) and continued to be a material drag on the core business of the Group. In 1H25 these costs totalled PLN1,167 million pre-tax (PLN1,094 million after tax) and were down 28% y/y. All items were visibly lower than in the same period last year.



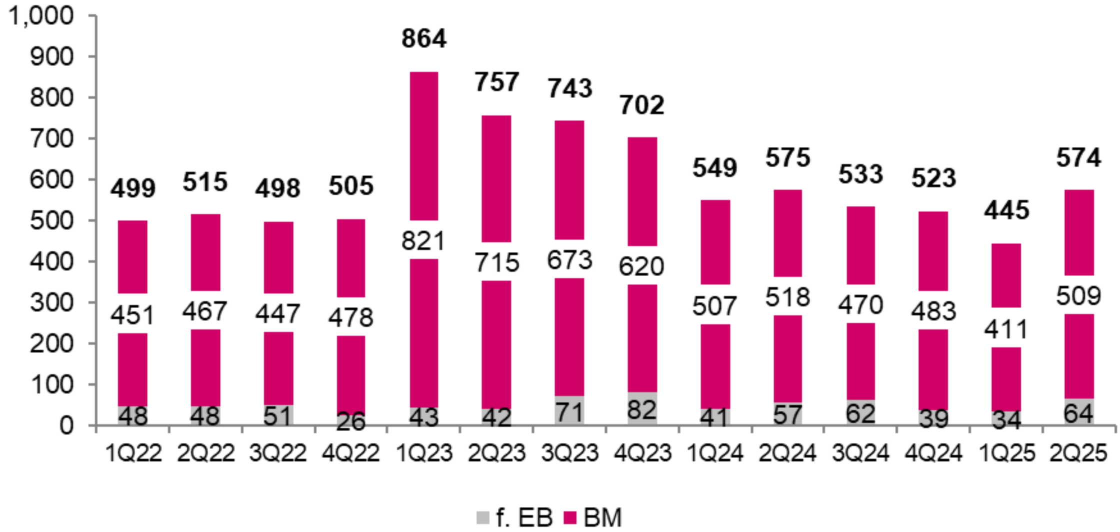
(*) without legal risk costs related to FX-mortgages originated by former Euro Bank

Legal risk provisions

Total cost of provisions against legal risk related to FX-mortgage portfolio ('FX-mortgage provisions') amounted to PLN574 million pre-tax in 2Q25 with PLN509 million (down 2% y/y) attributable to FX-mortgages originated by Bank Millennium. Post-tax cost of FX-mortgage related provisions attributable to portfolio originated by Bank Millennium totalled PLN466 million in 2Q25 vs. PLN283 million in 2Q24 with the y/y growth attributable to the recognition of the DTA in 2Q24. In 1H25, pre-tax cost of FX-mortgage related provisions attributable to portfolio originated by Bank Millennium totalled PLN920 million (PLN894 million after tax).

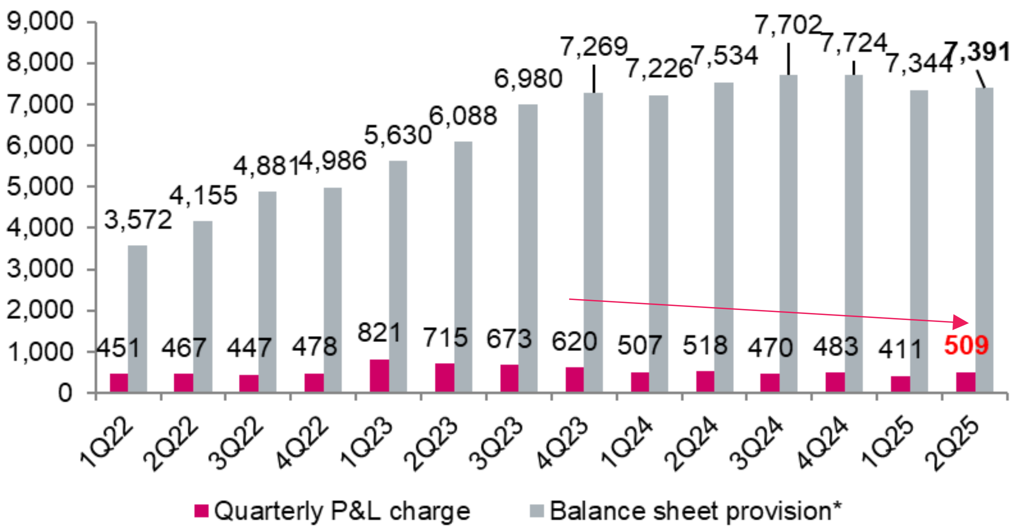
In 1H25, further provisioning was driven by updated inputs into the Bank's provisioning methodology, reflecting factors not related to the inflow of court claims, such as additional costs incurred upon invalidation verdicts of the loan agreements and present value of future losses.

Quarterly provisions against legal risk of FX-mortgage book (PLNmn)



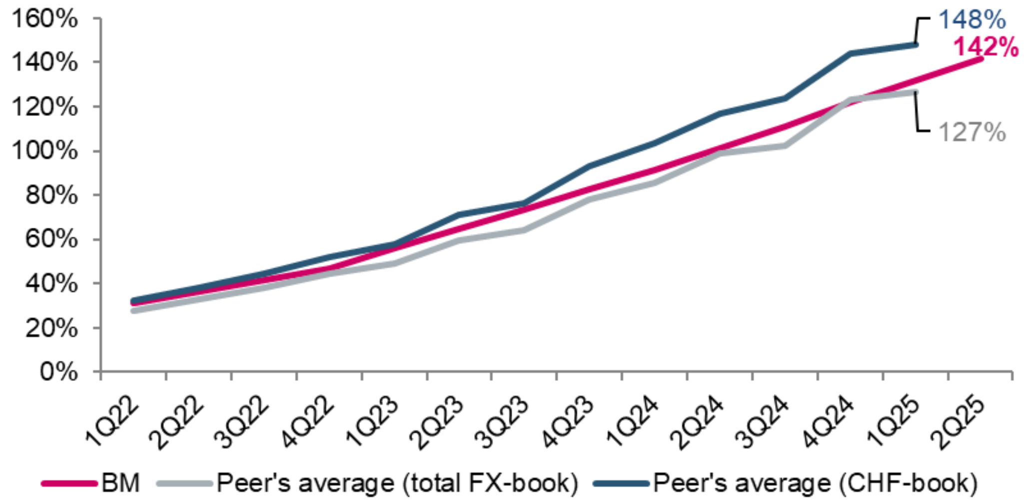
At the end of June'25, the balance sheet value of provisions for the portfolio originated by Bank Millennium was at the level of PLN7,391 million (an equivalent of 142% of the grossed-up active FX-mortgage book) and at PLN778 million for the portfolio originated by former Euro Bank. The y/y change of the balance of provisions for loans originated by Bank Millennium (drop of PLN143mn) contrasted with the respective12-month P&L charge of PLN1,874 million. This was mainly due to the much increased use of these provisions (PLN2,101 million in the last 12-months). Allocated provisions, i.e. decreasing gross balance sheet value of the respective loan books, stood at PLN4,344 million for portfolio originated by Bank Millennium and PLN475 million for portfolio originated by former Euro Bank.

Provisions against legal risk of FX-mortgage book (BM portfolio, PLNmn)



(*) actual outstanding B/S provisions not equal to the sum of P&L charges

Legal risk provision/active gross FX-mortgage loans



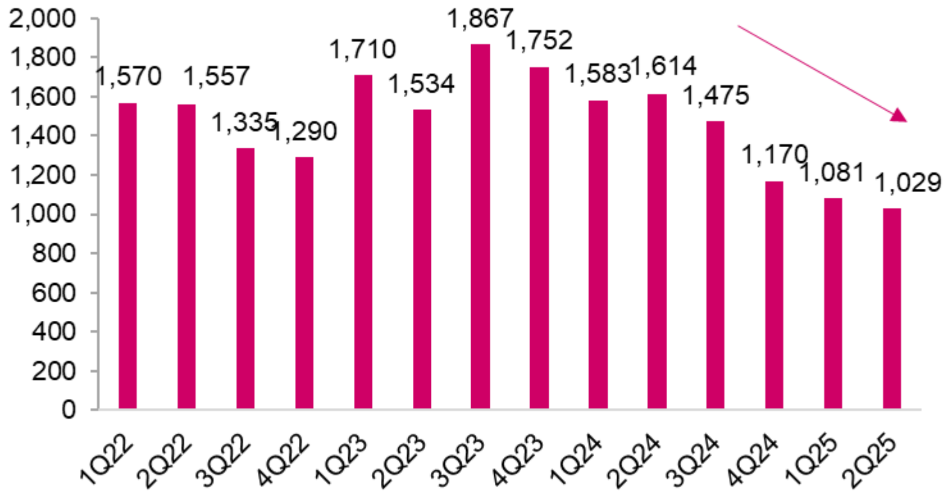
Note: legal risk provisions/active gross FX mortgage book (post IFRS9 adjustments where necessary); excl. f. Euro Bank portfolio in case of BM

Claims against the Bank/Group

On June 30, 2025, the Bank had 20,294 loan agreements and additionally 2,305 loan agreements from former Euro Bank under individual ongoing litigations (excluding claims submitted by the Bank against clients i.e. debt collection cases) concerning indexation clauses of FX mortgage loans submitted to the court. A relatively small proportion of these (~20.0%) had been filed by borrowers who had repaid their FX-mortgages entirely or converted them into PLN mortgages at the date of submitting the court case (~25% at the end of June'25), although they represent a much higher share of recently filed cases.

2Q25 was another quarter when the number of active claims against the Bank dropped q/q, reflecting slowing inflow of new cases, higher number of final verdicts and last but not least impact of amicable settlements of cases who were already during dispute in court. It is also worth noting that the number of new claims against the Bank in 2Q25 – 1,029 cases - averaged below the quarterly average of ~1,500 in 2024 and well below the 1,700+ quarterly in 2023. Moreover, since 3Q23 (quarterly peak with nearly 1,900 claims filed) the number of newly filed claims has been in a steady decline, similarly to trends observed on the market overall and among some peer banks. However, more time is required to confirm the trend.

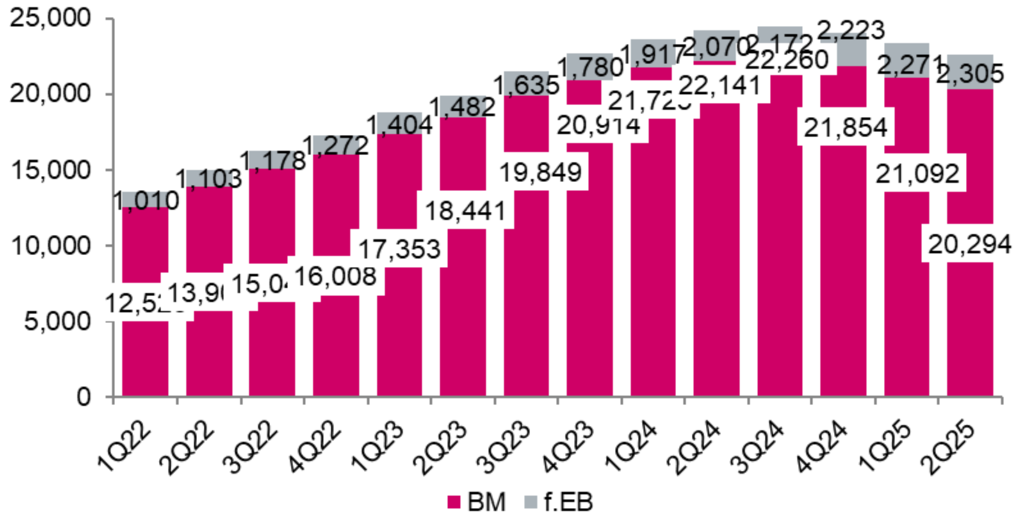
New lawsuits against Bank Millennium* (#)



(*) without claims related to FX-mortgages originated by former Euro Bank

Note: Number of claims may differ from the previously presented due to reclassification of c.150 cases.

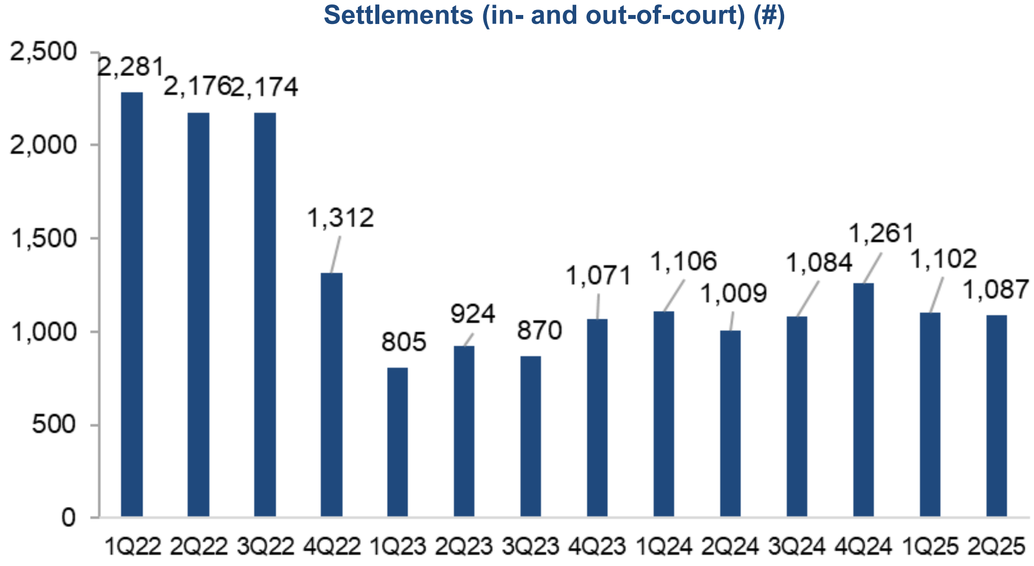
Outstanding individual lawsuits against BM Group (FX-mortgages)



Settlements with borrowers

The Bank is highly focused on reduction of its FX-mortgage portfolio and the related risk and therefore continues to actively offer its customers amicable solutions (i.a. conversions to Polish zloty, pre-payments, early repayments or collectively ‘settlements’) regarding FX-mortgages on negotiated terms. The number of settlements reached 1,087 in 2Q25 (1Q25: 1,102, 2024 overall: 4,460), a broadly similar level to this in the preceding quarter and 1Q24, and again exceeding the number of new cases filed against the Bank. Over 28,000 settlements were reached since early 2020 when a more intensive effort started. These represent nearly 46% of the number of active FX-mortgage agreements at the start of the effort. As a result of these negotiations, final court verdicts and other natural drivers, in 2Q25 the number of active FX-mortgage loans decreased by 2,245 to 20,256, following the 2,072 drop in 1Q25 and 7,852 in 2024 overall.

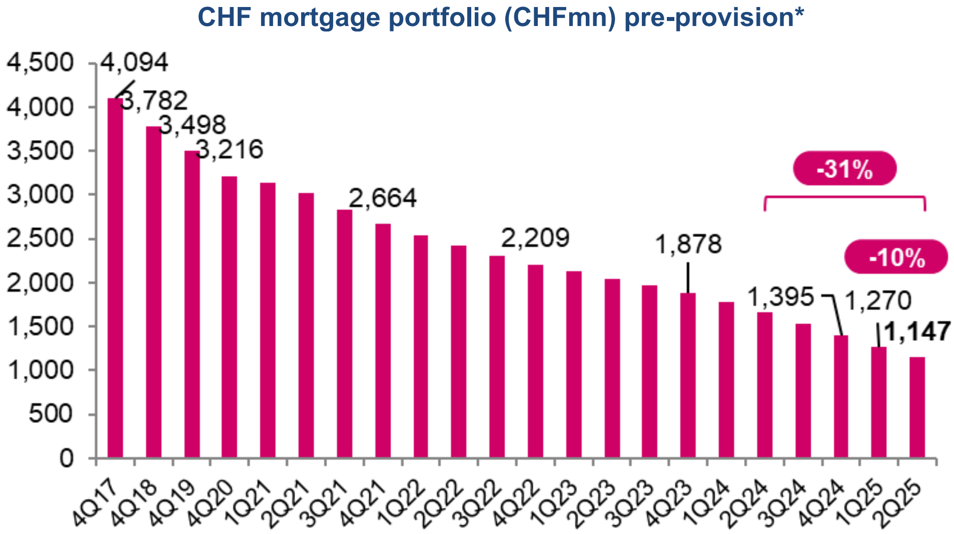
The number and share of in-court settlements remained high. In 2Q25, 579 such settlements were achieved (53% of all settlements in the period), compared to 514 in 1Q25 (47%) and 1,565 (35%) in 2024 overall.



Note: values may differ from these previously presented

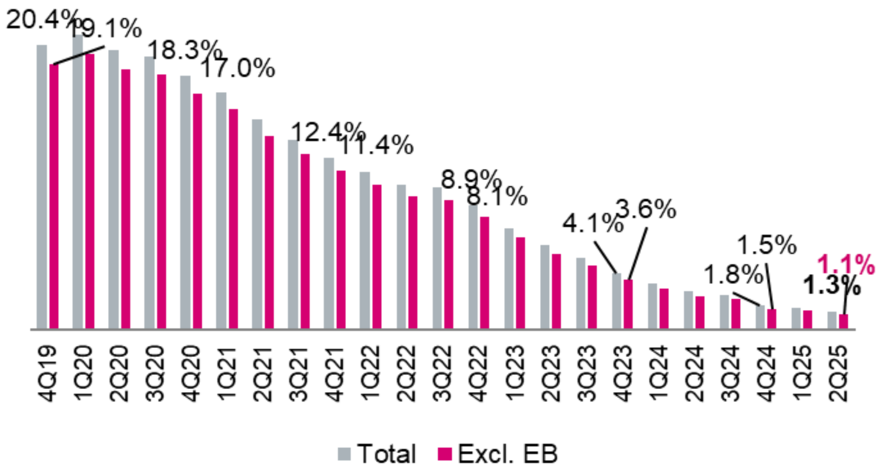
FX-mortgage portfolio

As a result of these trends, the pace of BM's FX-mortgage portfolio's contraction remained high with q/q decrease rate at 10% and the y/y one at 31% (in CHF terms, gross, w/o impact of allocated legal risk provisions). The share of total FX-mortgage book (gross loans less allocated legal risk provisions) in total Group's gross loans dropped to 1.3% at the end of June'25, while the share of FX-mortgage loans originated by BM dropped to 1.1%.



(*) Originated by Bank Millennium and without the deduction of allocated legal risk provision

FX mortgage book as % of total consolidated gross loans



Legal and court costs

Legal, court costs and additional cost of final verdicts, booked in admin costs, other operating costs and partially in the newly introduced P&L line, totalled PLN99 million this quarter (1H25: PLN174 million) and were lower than the comparable cost in 2Q24.

Results adjusted for FX-mortgage related costs

Summing it all up, excluding all FX-mortgage related costs in 2Q25 (PLN619 million pre-tax / PLN555 million after tax) the BM Group would post 2Q25 net profit of PLN887 million with respective adjusted 1H25 net profit of PLN1,605 million. This compares against adjusted 2Q24 net profit of PLN834 million and 1H24 adjusted net profit of PLN1,501 million.

More information about the risk related to the FX mortgage portfolio is presented further in the report in the “Legal risk related to foreign currency mortgage loans” section.

1.3. STRATEGY IMPLEMENTATION

Strategy of Bank Millennium and the Bank Millennium Group – “Strategy 2028: Value and Growth” is a development plan for the coming years, focused on sustained growth in the retail segment, strengthening the Bank’s position in the medium and large enterprises segment, and improving profitability. The Bank prioritizes digitalization, the expansion of its product offering, including investment and savings product, and the continuous enhancement of customer service quality.

In the second quarter of 2025, the Bank continued the implementation of strategic initiatives and actively monitored key business and financial goals.

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

	RETAIL ACTIVE CLIENTS [M]	RETAIL PRIMARY CLIENTS [%]	RETAIL DIGITAL ACTIVE CLIENTS [%]	BUSINESS ACTIVE CLIENTS [K]	CORPORATE LOANS VOLUME [PLN B]	NPS RETAIL/ CORPO [#]
2024	3.13	60.7%	92.9%	38.0	14.6	2 / 1
2Q25	3.19	61.1%	92.9%	38.5	15.2	3 / N/A*
2028 TARGET	>3.7	~70%	>95%	>50	>25	3 / 3

FINANCIAL & RISK GOALS

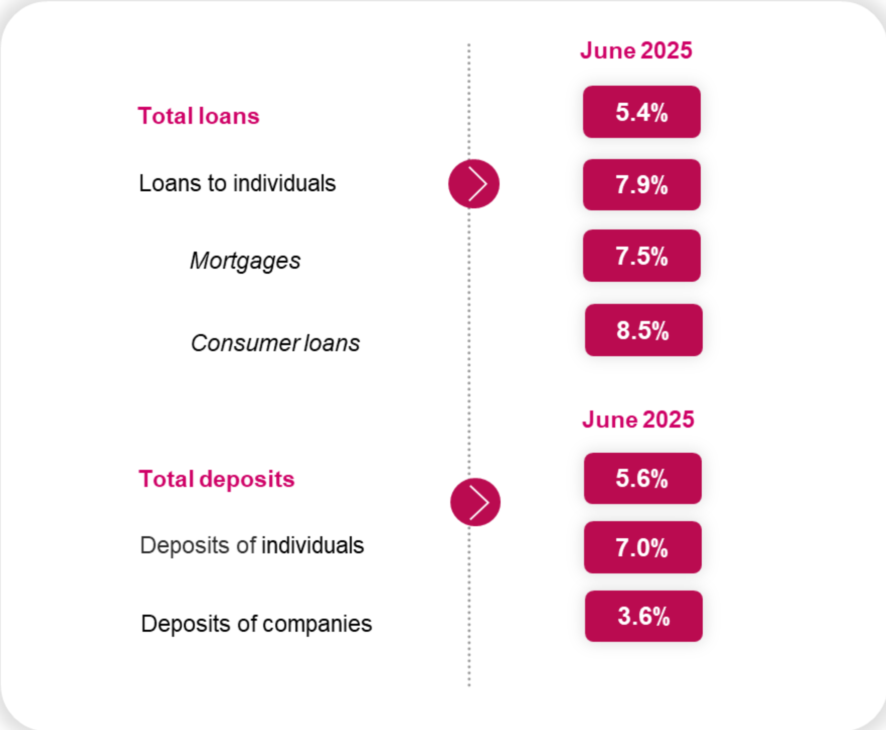
	RETURN ON EQUITY [%]	COST/ INCOME [%]	NON-PERFORMING LOANS [%]	TIER1 [%]	DIVIDEND PAYMENT [Y/N]	TOP EMPLOYER [Y/N]
2024	9.8%	37.6%	4.5%	14.8%	2024 NO	2024 ✓
2Q25	13.8%**	34.1%**	4.2%	13.8%	2025 NO	2025 ✓
2028 TARGET	~18%	~37%	<4%	~15%	2028 ✓	2028 ✓

(*) 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.

In the reporting period, Bank Millennium implemented identity confirmation in the mObywatel application in the process of opening an online account. The Bank also launched the “ECO mortgage” loan promotion, offering preferential interest rates to clients purchasing energy-efficient properties. Further progress was made in the digitalization of processes related to payment cards and mortgage loans, as well as in the implementation of solutions addressing the requirements of the Accessibility Act.

In the corporate banking segment, Bank Millennium became the first institution on the market to offer Millenet Link Lite, a cloud-based service enabling automated file exchange between corporate clients and the Bank. Additionally, in cooperation with KUKE, the Bank introduced a green guarantee product and initiated a pilot of a simplified loan facility with an unspecified financing purpose, tailored to the needs of corporate clients.

Bank Millennium's market share in main products



Source: National Bank of Poland, Bank Millennium

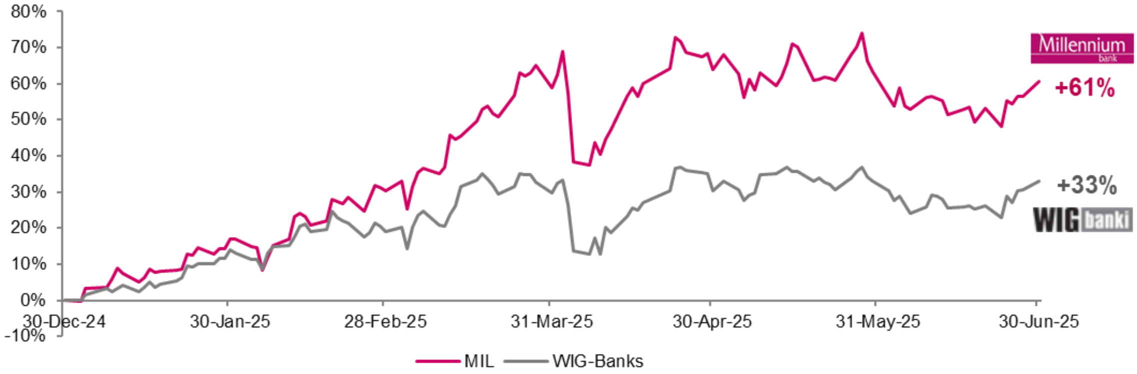
1.4. INFORMATION ON SHARES AND RATINGS

In 1H25, the volatile market sentiment eventually resulted in solid gains for global stock markets, which was also reflected on the Warsaw Stock Exchange. Despite worldwide sell-offs associated with the tariff uncertainty in April, the remaining part of the period brought positive returns for investors on WSE, particularly from banking stocks.

All in all, in 1H25 the broad market index WIG grew 32%, WIG Banks increased 33%, while Bank Millennium's shares gained 61% which made it the top performer among its peers.

During the 12 months ending 30 June 2025, the broad market index WIG grew 18%, WIG20 index of the largest companies 11%, while WIG Banks marginally outperformed the market by gaining 19%. In the same period, the share price of Bank Millennium increased significantly by 53%.

Bank Millennium: ytd share price performance vs. WIG Banks



In 1H25 the average daily turnover of Bank Millennium shares was 189% higher than in the same period last year.

Market ratios	30.06.2025	30.12.2024*	Change (%) ytd	28.06.2024**	Change (%) y/y
Number of the Bank's shares (th)	1 213 117	1 213 117	0.00%	1 213 117	0.00%
Average daily turnover in annual terms (PLN'000)	27 188	7 725	251.9%	9 422	188.5%
Bank share price (PLN)	14.30	8.9	60.7%	9.38	52.5%
Market capitalisation of the Bank (PLNmn)	17 348	10 797	60.7%	11 379	52.5%
WIG Banks	16 432	12 346	33.1%	13 818	18.9%
WIG20	2 845	2 192	29.8%	2 561	11.1%
WIG30	3 698	2 806	31.8%	3 199	15.6%
WIG - main index	104 692	79 577	31.6%	88 614	18.1%

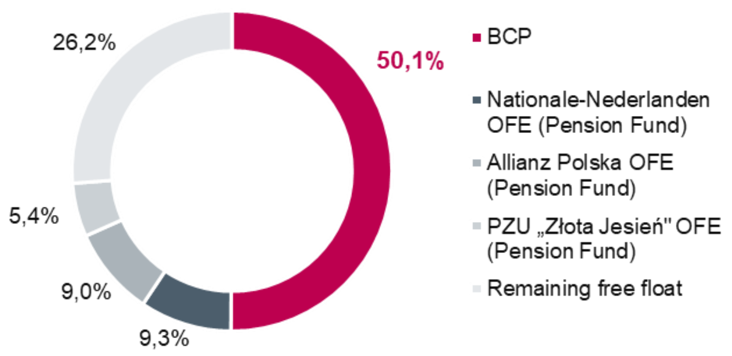
(*) the last day of quotation in 2024, (**) the last day of quotation in June 2024.

Bank Millennium shares are constituents of the following WSE indices: WIG, WIG Banks, mWIG 40, WIG Poland. Additionally, shares of Bank Millennium were reintroduced into MSCI Poland.

Bank Millennium tickers: ISIN PLBIG0000016, Bloomberg MIL PW, Reuters MILP.WA.

The Bank's strategic shareholder is Banco Comercial Portugues - the largest private bank in Portugal, which holds a 50.1% stake in Bank Millennium. The other shareholders which hold more than 5% of the share capital are Poland's largest open pension funds (OFE): Nationale-Nederlanden OFE, Allianz Polska OFE and OFE PZU „Złota Jesień”.

Shareholders' structure as on 31 December 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).

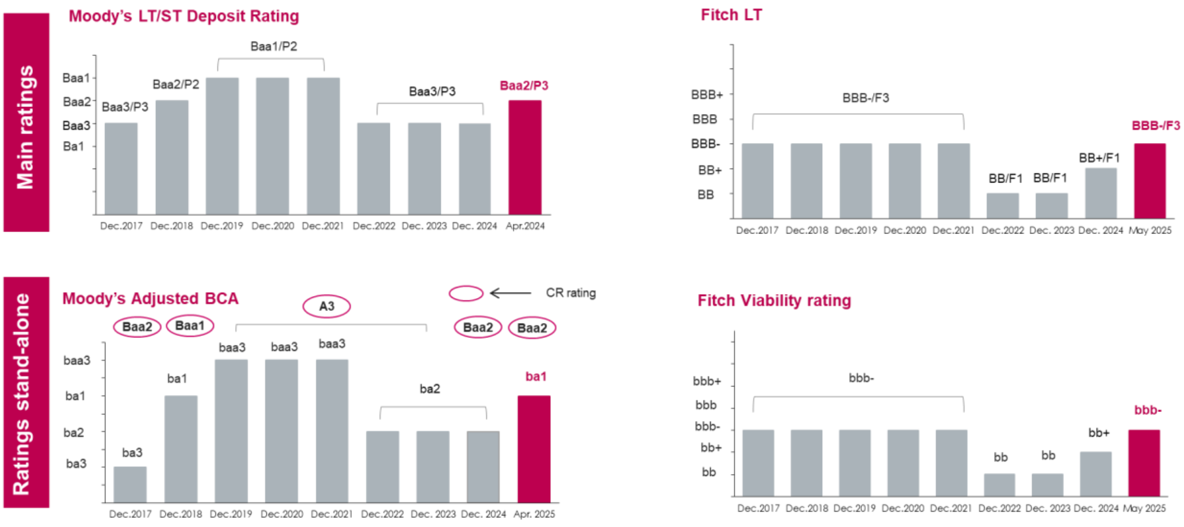
On May 28, 2025, Fitch Ratings ('Fitch') upgraded the Bank's Long-Term Foreign-Currency Issuer Default Rating (LT IDR) and Long-Term Local Currency IDR (LC LT IDR) to 'BBB-' from BB+ and changed the outlook for these ratings to 'stable'. Additionally, Fitch upgraded the Viability Rating (VR) for the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

At the date of publishing this Report, the Bank's corporate ratings, were as follows:

Rating	MOODY'S
Long-term deposit	Baa2
Short-term deposit	Prime-2
Baseline Credit Assessment (BCA)/Adj. BCA	Ba2/ba1
LT Counterparty Risk Assessment (CRA)/ST CRA	Baa1(cr)/Prime-2(cr)
Rating outlook	Positive
SNP MREL bonds	Ba1

Rating	FITCH
Long-term deposit Issuer Default (IDR)	BBB-
National Long-term	A- (pol)
Short-term Issuer Default Rating (IDR)	F3
Viability (VR)	bbb-
Shareholder Support Rating (SSR)	b+
Rating Outlook	Stable
SNP MREL bonds	BBB-

History of Bank Millennium's ratings



Source: Moody's and Fitch

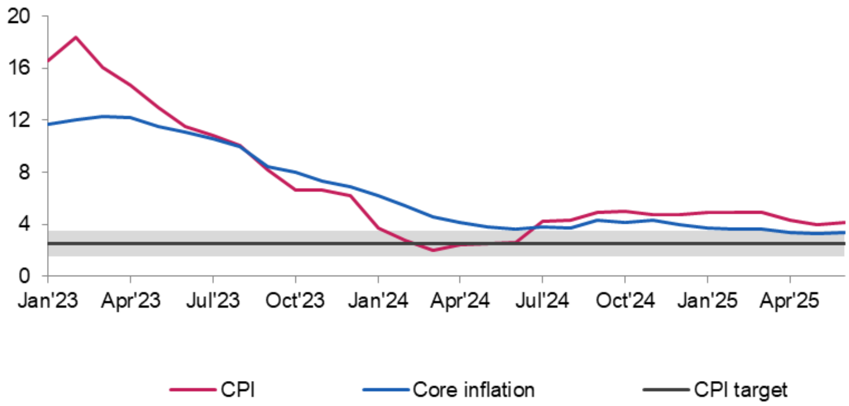
1.5. MACROECONOMIC BACKGROUND

2Q25 was characterised by stronger than expected materialisation of previously signalled risk factors and continued elevated uncertainty. Trade policy reforms implemented by the administration of US President D. Trump remained a key factor. This policy included significant increases in customs duties on imported goods, which varied according to geography and type, e.g. separate regulations for steel, aluminium and motor vehicles. These measures have been met with a response from some economies, and preliminary agreements have been reached only with few important countries.

Despite changes in global trade policy and the temporary escalation of the geopolitical situation in the Middle East in Jun'25, global economic growth in 2Q25 recorded only a slight slowdown. However, regional trends remained diverse. The eurozone was most likely in stagnation, following GDP growth of 0.4% q/q in the previous quarter. In the case of the US, estimates are more optimistic, pointing to a return to GDP growth in 2Q25 after a decline in the previous quarter. Meanwhile, in China economic growth slowed down only slightly, though it was partly supported by a transitory increase in production following the announcement of changes in the US trade policy.

Data from the end of 2Q25 and beginning of 3Q25 suggest that the impact of growing trade protectionism on the global economy turned out to be smaller than expected, and businesses and consumers began to gradually adapt to the new conditions. Nevertheless, uncertainty regarding the durability of future trade agreements remains in place. Furthermore, once the new agreements are reached, customs duties will be higher than they were before D. Trump took office. Under such conditions, it is difficult to expect the global economic situation this and next year will be better than before the redefinition of US trade policy. This assessment is in line with the latest World Bank forecasts from Jun'25, which indicate a slowdown in global GDP growth from 2.8% in 2024 to 2.3% in 2025 and 2.4% in 2026. In the case of the eurozone – Poland's largest trading partner – the forecasted growth in 2025 is expected to be similar to that in 2024, when it amounted only to 0.9%. This indicates that the external environment will not help accelerate the growth of the Polish economy.

CPI, core inflation and inflation of services' prices (% /y)



Source: Macrobond, NBP

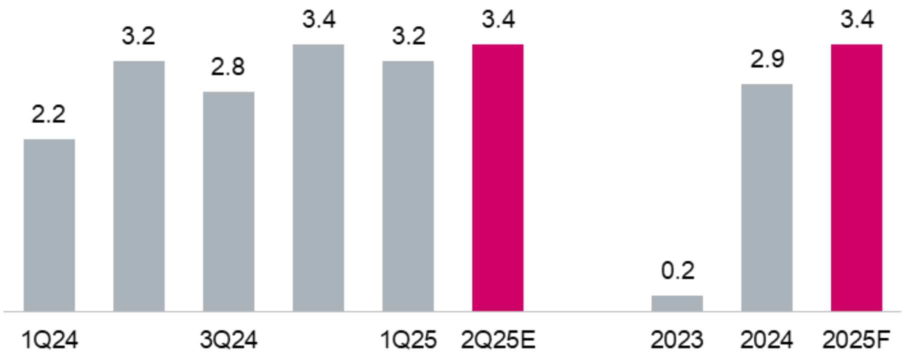
Economic activity in Poland, which has relatively weaker links with the economies most affected by protectionism in international trade, remained in 2Q25 quite stable. According to Bank's estimates, GDP grew by 3.4% y/y in Apr-Jun'25, following a 3.2% y/y increase in 1Q25. The main driver of growth was probably household consumption, which rebounded after a disappointing 1Q25. This was supported by improved consumer sentiment, continued strong real wage growth and low unemployment. However, growth was hampered by corporate investments, whose weakness is linked to uncertainty about future profits and slower than expected implementation of projects co-financed by EU funds. According to the Bank's estimates, net exports also had a negative impact, with exports growth lower than that of imports.

The improvement in consumer sentiment was probably due to lower concerns about the impact of external environment on the domestic economy as well as to slower growth in prices. CPI in 2Q25 reached 4.1% y/y vs. 4.9% in 1Q25. Both food and energy inflation fell. Core inflation also went down and amounted to 3.4% y/y vs. 3.6% y/y in 1Q25, thus returning to the range of acceptable deviations from the NBP inflation target. Improving inflation prospects prompted the Monetary Policy Council to cut interest rates: by 50 bp in May and by another 25 bp in Jul'25. The Bank assumes that the reference rate will be lowered from the current level of 5.00% to 4.50% by the end of 2025 and to 3.50% by the end of 2026.

Positive real interest rates contributed to further dynamic deposits' growth in the banking sector in 2Q25. The value of deposits in Jun'25 was PLN 45.5 bn higher than at the end of Mar'25, which represents an increase of 10.2% y/y. Amid falling NBP interest rates and improved consumer sentiment, April–May

2025 saw an increase in the value of new loans granted to both non-financial companies and households. In April and May, the total value of newly granted loans was 17.8% higher than in the same period last year.

GDP and its forecasts (% y/y)



Macrobond, Bank Millennium, E - estimate, F - forecast

According to the Bank's forecasts, GDP growth in 2025 will amount to 3.4% vs. 2.9% in 2024. Household consumption will remain the main driving factor, supported by real wage growth and previously accumulated savings. Investments in fixed assets, including those co-financed by EU funds under the National Recovery Plan and the European Union's cohesion policy, should also have a positive impact on growth. However, the rebound in investments is delayed and will probably not peak until 2026. In turn, the weak recovery in the euro area, as in 2024, is likely to continue to limit the growth potential of the Polish economy. The GDP growth forecast for 2025 did not change significantly in 2Q25, which the Bank attributes to the solid fundamentals of the domestic economy: a stable labour market, inflow of EU funds, competitive and diversified exports. For 2026, the Bank assumes GDP growth of 3.4%, the same as for 2025.

In the Bank's opinion, the disinflation in Poland will continue in 2H25 and in 2026. Forecasts indicate that average annual CPI inflation will amount to 3.7% y/y in 2025 and 2.8% y/y in 2026. A further slowdown in food and energy price growth is expected, as well as a continuation of the downward trend in core inflation. However, the pace of its decline may be slow, given the expected wage growth above the long-term average, low unemployment and persistent inflation in service prices, partly related to demographic changes. Furthermore, expectations remain for only limited fiscal consolidation in 2026. The coming quarters will likely continue to be the time of heightened uncertainty, mainly due to geopolitical factors.

1.6. FACTORS OF UNCERTAINTY FOR THE ECONOMY AND THE BANK MILLENNIUM GROUP

In 2Q25 the previously identified risk factors concerning the intensification of protectionism in international trade and the outcome of the presidential elections in Poland have materialised. The summary list below presents the most important negative risk factors for the Bank Millennium Group, regarding the macroeconomic and international situation in the second half of 2025.

- **Global political and military situation**
  These include social unrest, the possibility of escalating military action between Russia and Ukraine and prolonged tensions in the Middle East and Asia. A deterioration in the geopolitical situation could lead to negative supply shocks, increased uncertainty and risk aversion, disruptions in international trade, and an increase in public and private debt. This could result in worsening of consumer and business sentiment, leading to a slowdown in economic growth.

- **Lack of trade agreements or prolonged high import tariffs worldwide**
  Such a scenario would result in continued highted uncertainty, hampering economic and investment planning, disruptions in production, bottlenecks in supply chains and an economic efficiency decline. This could lead to weaker economic growth, primarily abroad, but also to lesser extent in Poland. This would hurt the financial results of companies, increasing credit risk and reducing demand for the Bank's products. In addition, escalating protectionist measures by the largest economies could lead to increased risk aversion and a weakening of emerging market currencies, including the PLN. Prolonged protectionism and a slowdown in global growth could also result in lower inflation and deeper-than-expected interest rate cuts, which would adversely affect the Bank's financial results.

- **Increase of political and institutional risk in Poland**
  This would result from a lack of cooperation or conflict between the president and the government, and from possible early parliamentary election. These developments could cause disruptions in economic policy, including delays in the implementation of programmes co-financed by EU funds. This factor, combined with political instability, could lead to a deterioration in the fiscal situation, a downgrade of credit ratings, an increase in risk premiums, a weakening of the PLN, a decline in the value of government bonds and increased volatility on financial markets. Different political ideas being floated regarding additional taxes or levies on banks could have a negative impact on the profitability of the banks and of Bank Millennium Group.

- **Debt problems in some economies**
  Possible debt problems in the public and private sectors in certain economies may be a risk factor for the situation worldwide. Rising debt service costs in those countries and a lack of efforts towards fiscal consolidation could result in a significant decline in risk appetite, which would also affect global investment sentiment. In an environment of high-risk premium, portfolio capital could flow out also of the Polish financial market, increasing uncertainty, weakening the PLN, raising domestic bond yields and affecting the valuation of the Bank Millennium Group.

There is also a possibility that the economic situation in Poland will develop more favourably than assumed in the baseline scenario. This could materialise if trade agreements worldwide were concluded quickly and uncertainty surrounding protectionism declined. In addition, the economic recovery would be supported by the end of military operations in Ukraine, improved economic sentiment, increased investment demand from companies, a decline in household savings and faster absorption of EU funds.

1.7. FX-MORTGAGE LEGAL RISK

On June 30, 2025, the Bank had 20,294 loan agreements and additionally 2,305 loan agreements from former Euro Bank under individual ongoing litigations (excluding claims submitted by the Bank against clients i.e. debt collection cases) concerning indexation clauses of FX mortgage loans submitted to the courts (46% loans agreements before the courts of first instance and 54% loans agreements before the courts of second instance) with the total value of claims filed by the plaintiffs amounting to PLN 4,266.5 million and CHF 339.8 million (Bank Millennium portfolio: PLN 3,772.8 million and CHF 327.8 million and former Euro Bank portfolio: PLN 493.7 million and CHF 11.9 million). The original value of the portfolio of CHF agreements granted (the sum of tranches paid to customers), taking into account the exchange rate as at the date of disbursement of loan tranches, amounted to PLN 19.4 billion for 109.0 thousand loan agreements (Bank Millennium portfolio: PLN 18.3 billion for 103.8 and former Euro Bank portfolio: PLN 1.1 billion for 5.2 thousand loan agreements). Out of 20,294 BM loan agreements in ongoing individual cases 468 are also part of class action. From the total number of individual litigations against the Bank approximately 4,140 or 20% were submitted by borrowers that had already naturally or early fully repaid the loan or were converted to polish zloty at the moment of submission.

Approximately another 860 cases correspond to loans that were fully repaid during the proceedings (as court proceedings are lengthy).

The claims formulated by the clients in individual proceedings primarily concern the declaration of invalidity of the contract and payment for reimbursement of paid principal and interest instalments as undue performance, due to the abusive nature of indexation clauses, or maintenance of the agreement in PLN with interest rate indexed to CHF Libor.

In addition, the Bank is a party to the group proceedings (class action) subject matter of which is to determine the Bank's liability towards the group members based on unjust enrichment (undue benefit) ground in connection with the foreign currency mortgage loans concluded. It is not a payment dispute. The judgment in these proceedings will not directly grant any amounts to the group members. The number of credit agreements currently covered by these proceedings is 1,559. Out of 1,559 loan agreements in class action 468 are also part of ongoing individual cases, 52 concluded settlements and 36 received final verdicts (invalidation of loan agreement). On 24 May 2022 the court issued a judgment on the merits, dismissing the claim in full. On 13 December 2022 the claimant filed an appeal against the judgment of 24 May 2022. On 25 June 2024 an appeal hearing was held, at which the Bank filed a motion to amend the composition of the group and exclude those group members who had entered into an amicable settlement. The court required the plaintiffs' attorneys to take a written position on the current composition of the group. On January 31, 2025, and then on: March 25, 2025, May 8, 2025 and June 6, 2025 the court issued orders setting aside the judgment and discontinuing the proceedings from the persons who entered into amicable settlements. Based on these orders, the number of credit agreements covered by the class action dropped from 3,273 to 1,559.

Until the end of 2019, 1,980 individual claims were filed against the Bank (in addition, 235 against former Euro Bank), in 2020 the number increased by 3,002 (265), in 2021 the number increased by 6,152 (422), in 2022 the number increased by 5,755 (407), in 2023 the number increased by 6,863 (645), in 2024 the number increased by 5,842 (656), while in the first half of 2025 the number increased by 2,110 (253).

Based on ZBP (the Polish Banking Association) data gathered from all banks having FX mortgage loans, vast majority of disputes were finally resolved against the banks. As far as Bank Millennium (incl. former Euro Bank portfolio) is concerned, from 2015 until the end of the first half of 2025, 12,303 cases were finally resolved (12,182 in claims submitted by clients against the Bank and 121 in claims submitted by the Bank against clients i.e. debt collection cases) out of which 3,732 were settlements, 110 were remissions, 81 rulings were favourable for the Bank and 8,380 were unfavourable including both invalidation of loan agreements as well as conversions into PLN+LIBOR. The Bank undertakes proper legal actions in order to secure repayment of initially disbursed capital of the loan.

The outstanding gross balance of the loan agreements under individual court cases and class action against the Bank (incl. former Euro Bank portfolio) on 30 June 2025 was CHF 1,047 million (of which the outstanding amount of the loan agreements under the class action proceeding was CHF 70 million).

If all Bank Millennium's originated loan agreements currently under individual and class action court proceedings would be declared invalid without any compensation for the use of capital, the pre-tax cost could reach PLN 6,951 million. Overall losses would be higher or lower depending on the final court jurisprudence in this regard and the consideration of additional costs in the court verdicts.

In the first half of the year 2025, the Bank created PLN 920,4 million of provisions for Bank Millennium originated portfolio and PLN 98,2 million for the former Euro Bank originated portfolio. The balance sheet value of provisions for the Bank Millennium portfolio at the end of June 2025 was PLN 7 391,1 million, and for the former Euro Bank portfolio - PLN 777,9 million.

The methodology developed by the Bank of calculating provisions for legal risk involved with indexed loans is based on the following main parameters resulting from historical observations or expert assumptions:

(i) the number of ongoing cases (including class action agreements) and potential future lawsuits;

(ii) As regards the number of future court cases, the Bank monitors customer behaviours, analyses their willingness to sue the Bank, including due to economic factors and applies the following assumptions:

a. regarding active loans (i.e., loans with an outstanding balance), the Bank estimates that approximately 13% of clients with active loans as of 30 June 2025 (respectively it was 12% as at 31 December 2024) will neither sign an out-of-court settlement nor decide to file a lawsuit;

b. regarding loans already fully repaid or converted to polish zloty, the Bank attributes a much lower probability of becoming the subject of a court case, the Bank anticipates that approximately 2,5 thousand may result in future litigation initiated by the borrowers;

(iii) the amount of the Bank's potential loss in the event of a specific court ruling, including estimated statutory interest, is based on values derived from historical observations. However, due to changes, among others, in case law (including, for example, the CJEU ruling of 19 June 2025) and in the litigation strategies of both clients and the Bank, the Bank expects that this assumption may lead to volatility in future periods.;

(iv) the probability of obtaining a specific court judgement calculated on the basis of statistics of judgments in cases where the Bank is a party;

(v) estimates involved with amicable settlements with clients, concluded in court or out of court:

a. the bank assumes a 12% probability of success in concluding a settlement as part of negotiations conducted with clients in the course of court proceedings,

b. negotiations are conducted on a case-by-case basis and can be stopped at any time by the Bank,

c. due to significant negotiation efforts already made in the past, the probability of success in these negotiations in the future is decreasing, and at the same time most customers have already contacted the Bank regarding the possible conversion of loans into PLN.

The Bank is open to negotiate case by case favourable conditions for early repayment or conversion of loans to PLN. As a result of these negotiations, the number of active FX mortgage loans originated by Bank Millennium decreased by 28,069. As of the end of the first half of 2025, the Bank had 20,256 active FX mortgage loans. Cost incurred in conjunctions with these negotiations totalled PLN 2 701,6 million.

Legal risk from former Euro Bank portfolio is fully covered by Indemnity Agreement with Société Générale S.A.

It can reasonably be assumed that the legal issues relating to foreign currency mortgage loans will be further examined by the domestic courts and the European Court of Justice which could potentially result in the further interpretations, that are relevant for the assessing of the risks associated with proceedings.

The issues related to the statute of limitations for the Bank's and the customer's restitutionary claims following the invalidation of a loan agreement remain an area that may be subject to further analysis in the jurisprudence of Polish courts. Legal interpretations in this subject may have an impact for the amount of provisions in the future.

There is a need for constant analysis of these matters. The Bank will have to regularly review and may need to continue to create additional provisions for FX mortgage legal risk, taking into consideration not only the above mentioned developments, but also the negative verdicts in the courts regarding FX mortgage loans and important parameters, such as the number of new customer claims, including those relating to repaid loan agreements.

A draft law on special solutions for the examination of cases concerning loan agreements denominated or indexed to the Swiss franc concluded with consumers has been published on the website of the Government Legislation Centre.

On July 1, 2025, the Ministry of Justice published a revised draft of the law. This draft will be subject to further legislative work.

The bill aims to create new regulations enabling courts to consider Swiss franc cases faster and more effectively. Its primary task is to relieve the judiciary, and thus increase the efficiency of the justice system and speed up the examination of Swiss franc cases.

Based on the information made public, the intention of the Ministry of Justice is for the regulations to come into force by the end of 2025.

At present, the Bank is unable to estimate the impact of the ongoing legislative work on the Bank's Financial Statements, but it does not alter the Bank's strategic approach, which remains focused on the amicable resolution of disputes with clients through the conclusion of settlement agreements.

More details on this risk and other risk factors are available in Consolidated report of the Bank Millennium S.A. Capital Group for 1st half 2025.

2. FINANCIAL SITUATION OF BM GROUP

2.1. GROUP PROFIT AND LOSS ACCOUNT

Group's operating income *(PLNmn)*	1H25	1H24	Change y/y	2Q25	1Q25	Change q/q
Net interest income	2 872	2 536	13%	1 448	1 423	2%
Impact of credit holidays on Net interest income	0	(201)	-	0	0	-
Net interest income adjusted	2 872	2 737	5%	1 448	1 423	2%
Net commission income	371	390	-5%	188	183	3%
Core income	**3 242**	**2 926**	**11%**	**1 636**	**1 606**	**2%**
Core income without credit holidays	***3 242***	***3 127***	***4%***	***1 636***	***1 606***	***2%***
Other non-interest income*	174	82	113%	112	61	84%
Total operating income	**3 416**	**3 008**	**14%**	**1 749**	**1 667**	**5%**
Total operating income adjusted	***3 442***	***3 338***	***3%***	***1 750***	***1 691***	***3%***

(*) Without fair value adjustment of credit portfolio (PLN0.2mn in 1H25 and PLN3.6mn in 1H24), which is included in the cost of risk line

(**) Without extraordinary items, i.e. FX mortgage loan related costs/incomes (in other operating income/cost including indemnity from Societe Generale) and negative impact of credit holidays (PLN201mn in 1H24)

Net interest income (NII) in 1H25 reached PLN2,872mn on a reported basis and grew 13% y/y, which partly reflect the impact of credit holidays for PLN mortgage borrowers booked in 2Q24 (a negative impact of PLN201mn). NII without this effect was 5% higher y/y (+2% q/q), mostly driven by the growth of debt securities (an increase by PLN11.2bn during 12 months) and lower cost of clients' deposits. The factors with negative impact on interest costs were cost of MREL issued bonds (EUR500mn issue in September'23 and EUR500mn in September'24) and cost of asset securitisations. Moreover, in may 2025 Monetary Policy Council cut reference interest rate by 50 b.p. which has an impact on lower market rates and lower Bank's return on loans (by c.a. 0.1 pct. point vs 1Q25).

Net interest margin (over average interest earning assets) (NIM) averaged 4.13% in 2Q25, i.e. 10 bps lower vs. the previous quarter. NIM in 1H25 was 4.18%, i.e. 14 bps lower vs. 4.32% in 1H24. The above mentioned factors (interest rate cuts and cost of MREL bonds and asset securitisation transactions) as well as growing share of bonds in assets had an adverse impact on NIM whereas decreasing cost of deposits by 17 bps during 12 months (to 2.18% in 2Q25) and some improvement in bonds yields had both a positive impact partly offsetting the earlier mentioned factors.

Net commission income in 1H25 amounted to PLN371mn and decreased by 5% y/y (up 3% q/q) mostly as a result of falling income from bancassurance activity (down 59% y/y), after the Bank sold the majority share in its bancassurance business to an external partner in 2023. Fees and commissions without this item grew 5% y/y. Commissions from loans recorded a decline too. On the other hand fees and commissions from accounts, payment cards (up 18% y/y) as well as commissions from brokerage and custody, funds management and distribution of mutual funds and other investment products (up 31% y/y) considerably increased, offsetting part of the previously mentioned declines.

Reported core income, defined as a combination of net interest and net commission income, reached PLN3,242mn in 1H25 and grew 11% y/y (inflated due to the impact of credit holidays in 2024: adjusted growth was 4% y/y and 2% q/q).

Other non-interest income, which comprises FX result, results on financial assets and liabilities (without fair value adjustment on credit portfolio) and net other operating income and costs, amounted to PLN174mn in 1H25 and grew 113% y/y including positive effects from the sale of a real estate and the revaluation of a participation in a company. Some costs related to court cases against FX mortgage loans borrowers (PLN84mn in 1H25) were booked in other operating costs and continued to negatively impact this line.

Total operating income of the Group reached PLN3,416mn in 1H25 and increased 14% y/y. Without the extraordinary income and costs mentioned above, the income would be higher, i.e. PLN3,442mn, up 3% y/y (a growth of 3% q/q).

Total costs amounted to PLN1,270mn in 1H25, translating into an increase by 15% y/y. Total costs excluding BGF fees grew 11% y/y but decreased 6% q/q due to seasonal factors.

Operating costs *(PLNmn)*	**1H25**	**1H24**	**Change y/y**	**2Q25**	**1Q25**	**Change q/q**
Personnel costs	(669)	(584)	14%	(347)	(322)	8%
Other administrative costs*	(601)	(519)	16%	(255)	(346)	-26%
of which Banking Guarantee Fund (BFG) fees	*(113)*	*(61)*	*85%*	*(18)*	*(94)*	*-81%*
Total operating costs	(1 270)	(1 103)	15%	(602)	(668)	-10%
Total costs without BFG	*(1 157)*	*(1 042)*	*11%*	*(584)*	*(574)*	*2%*
Cost/income – reported	37.2%	36.7%	0.5%	34.4%	40.1%	-5.6%
*Cost/income – adjusted ** *	*34.2%*	*30.4%*	3.8%	*33.8%*	*34.5%*	-0.7%

(*) Include depreciation and amortisation
(**) without extraordinary income or cost and with linear distribution of BFG resolution fund fee throughout the year

Personnel costs amounted to PLN669mn in 1H25 and increased 14% y/y (+8% q/q), mainly as a result of wage inflation feeding through higher base salaries and also higher provisions for bonuses, holiday leaves etc. The Group continued to adjust the number of its branches and personnel to its needs, reflecting ongoing digitalisation of banking business and the growing importance of online channels while simultaneously keeping strong geographical presence through *brick-and-mortar* outlets. At the end of June 2025, the total number of outlets stood at 601 and their number was reduced by 8 units vs. the end of June 2024. The number of Group's employees amounted to 6,786 FTEs at the end of June 2025 and it was 1% higher vs. the end of June 2024 and the end of the previous quarter. Without employees absent due to long leaves ('active FTEs'), the headcount was lower at 6,424 staff.

Employment *(FTEs)*	**30.06.2025**	**30.06.2024**	**Change y/y**	**31.03.2025**	**Change q/q**
Bank Millennium S.A.	6 509	6 411	2%	6 457	1%
Subsidiaries	277	299	-7%	270	3%
Total Bank Millennium Group	6 786	6 710	1%	6 726	1%
Total BM Group (active* FTEs)	6 424	6 313	2%	6 355	1%

(*) active FTEs denote employees not on long-term leaves

Other administrative costs (including depreciation) reached PLN601mn in 1H24 and increased by 16% y/y. One of the reasons for higher growth of this cost group was higher costs connected with contribution to Banking Guarantee Fund (BFG). At the beginning of the year the contribution to the Deposit Guarantee Fund (suspended since second half of 2022) was reapplied, which amounted to PLN37mn in 1H25. Moreover, the contribution to Banks Resolution Fund in 1Q25 was higher by PLN15mn than in 1Q24 and amounted to PLN76mn. The growth of other administrative costs without

BFG would be 7% y/y. Among the key groups of costs, the higher annual increase could be witnessed in IT and telecommunication costs. Legal and advisory costs were still a material item within other administrative costs. Legal costs resulting from negotiations and litigations with FX mortgage borrowers were a significant burden here (PLN56mn in 1H25).

Cost-to-income ratio for 1H25 amounted to 37.2% and was higher by 0.5 percentage points vs. the level in 1H24 (36.7%). Cost-to-income ratio without extraordinary items mentioned above (mainly the cost of credit holidays and legal costs related to litigations/settlements with FX mortgage borrowers), reached a relatively low level of 34.2% in 1H25 and was higher by 3.8 percentage points than in 1H24, reflecting higher contribution to the Banking Guarantee Fund as well as still material growth of other costs in the reporting period.

Net profit *(PLNmn)*	**1H25**	**1H24**	**Change y/y**	**2Q25**	**1Q25**	**Change q/q**
Operating income	3 416	3 008	14%	1 749	1 667	5%
Operating costs	(1 270)	(1 103)	15%	(602)	(668)	-10%
Impairment provisions and other cost of risk*	(80)	(190)	-58%	6	(86)	-
FX legal risk related cost	(1 085)	(1 433)	-24%	(589)	(497)	19%
Banking tax	(200)	(35)	479%	(101)	(99)	3%
Pre-tax profit	781	247	217%	463	318	46%
Income tax	(270)	110	-345%	(132)	(138)	-5%
Net profit – reported	511	357	43%	331	179	85%
Net profit – adjusted**	1 605	1 501	7%	887	718	24%

(*) Impairment provisions for financial and non-financial assets including also fair value adjustment on loans (PLN0.2mn in 1H25 and PLN3.6mn in 1H24) and loans modification effect

(**) Without extraordinary items, i.e. FX mortgage loan related costs/incomes (in legal risk provisions, operating cost and other operating income/cost including indemnity from Societe Generale and tax effects in 1H24) and hypothetical banking tax until the end of May 2024 and without negative impact of credit holidays (PLN201mn in 1H24)

Total cost of risk, which comprised net impairment provisions, fair value adjustment related to specified loan portfolios and a part of result on modifications, bore by the Group was exceptionally low and amounted to PLN80mn in 1H25, i.e. 58% lower versus the comparable period of the previous year due to much lower provisions for loans to individuals, supported by the positive result in 2Q25 from the sale of NPL's (consumer loans and PLN mortgages). In 1H25 risk charges for retail segment (including FX mortgage) amounted to PLN19mn whereas risk charge for corporate and other segments amounted to PLN61mn. In relative terms, the cost of risk (i.e. net charges to average gross loans) for 1H25 reached 21 basis points (annualised) and was 29 basis points lower than in 1H24 (50 basis points).

In 1H25 the **provisions for legal risk of FX-mortgage portfolio and other cost related to court cases and settlements with FX-mortgage borrowers** continued to be a significant burden for the Bank with a negative impact on its P&L, which reached PLN1,085mn (PLN987mn excluding loans generated by former Euro Bank as they are subject to indemnity clauses and guarantees from Societe Generale). The costs were lower by 24% than these created in 1H24 and lower by 15% vs 4Q24. Since 2Q25, as a result of changes in accounting presentation of these costs, costs directly related to negotiations of settlement and court verdicts with FX mortgage borrowers are presented in this line, in addition to the provision for the related legal risk.

At the end of June 2025, provisions for the portfolio originated by Bank Millennium were at the level of PLN7,391mn (an equivalent of 142% of the grossed-up FX-mortgage book) and at PLN778mn for the portfolio originated by the former Euro Bank.

Pre-income tax profit in 1H25 amounted to PLN781mn and was significantly higher (by 217%) vs the level of 1H24, first of all due to much lower cost of legal risk related to FX-mortgage in 1H25, even though the Bank was obliged to banking tax in the analysed period (PLN200mn vs. low value of 1H24). The Bank was not due to pay banking tax since July 15, 2022, the date of the Bank's decision to launch the Recovery Plan. On 19 June 2024 the Bank took a decision to complete the implementation of the Recovery Plan and started to pay the banking tax since June 24.

In 1H25 the Group reported **net profit** of PLN511mn, which was strongly higher (by 43%) than the profit of 1H24 despite above mentioned banking tax and much higher corporate income tax . The positive value of income tax in 1H24 resulted from the impact of DTA and CIT adjustments relating to interest income and FX differences on some FX mortgage loans declared invalid by courts' verdicts. Adjusted for the abovementioned extraordinary items (i.a. FX-mortgage related costs and associated tax impacts) the Group would achieve the net profit of much higher value of PLN1,605mn in 1H25, i.e. 7% above the adjusted net profit of PLN1,501mn for 1H24 .

2.2. BALANCE SHEET

Assets

The Group's assets as at 30 June 2025, amounted to PLN145,956mn, recording growth of 5% vs. the end of December 2024. The structure of the Group's assets as well as changes of their particular components are presented in the table below:

Group's Assets *(PLN million)*	30.06.2025	31.12.2024	30.06.2024*	Change y/y	Change y-t-d
Cash and operations with the Central Bank	5 293	5 179	5 857	-10%	2%
Loans and advances to banks	545	435	488	12%	25%
Loans and advances to clients*	74 222	74 975	74 645	-1%	-1%
Receivables from securities bought with sell-back clause	407	194	198	106%	110%
Debt securities	61 397	54 207	50 180	22%	13%
Derivatives (for hedging and trading)*	224	256	635	-65%	-12%
Shares and other financial instruments**	203	147	143	41%	37%
Tangible and intangible fixed assets*/***	1 127	1 067	1 057	7%	6%
Other assets	2 539	2 494	2 331	9%	2%
Total assets*	**145 956**	**138 954**	**135 535**	**8%**	**5%**

(*) Due to changes in accounting methods for the presentation of balance sheet data, the figures as of June 30, 2024, were not restated, and as a result, some positions are not comparable with the data as of June 30, 2025, and December 31, 2024 (restated). 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..
(**) including investments in associates
(***) excluding fixed assets for sale

The most visible moves within assets during the period of the last twelve months were growth of debt securities (by PLN11.2bn). Similar to this, during the period of the last six months, i.e. vs. 32 December 2024, the growth of debt securities is the most visible – by PLN7.2bn.

Loans and advances to clients

The structure and evolution of loans to clients of the Group is presented in the table below:

Loans and advances to clients *(PLNmn)*	**30.06.2025**	**30.06.2024***	**Change y/y**	**31.12.2024**	**Change y-t-d**
Loans to households	55 318	56 862	-3%	56 935	-3%
- *PLN mortgage loans*	*35 832*	*37 195*	*-4%*	*37 321*	*-4%*
- *FX mortgage loans*	*980*	*2 041*	*-52%*	*1 314*	*-25%*
- *of which Bank Millennium loans*	*829*	*1 793*	*-54%*	*1 127*	*-26%*
- *of which ex-Euro Bank loans*	*151*	*248*	*-39%*	*187*	*-19%*
- *consumer loans*	*18 506*	*17 626*	*5%*	*18 301*	*1%*
Loans to companies and public sector	18 904	17 783	6%	18 040	5%
- *leasing*	*7 063*	*6 808*	*4%*	*6 948*	*2%*
- *other loans to companies and factoring*	*11 840*	*10 975*	*8%*	*11 092*	*7%*
Net loans & advances to clients	**74 222**	**74 645**	*-1%*	**74 975**	*-1%*
Net loans and advances to clients excluding FX mortgage loans	*73 242*	*72 605*	*1%*	*73 661*	*-1%*
Impairment write-offs	2 457	2 601	-6%	2 514	-2%
Gross loans and advances to clients**	**76 679**	**77 246**	*-1%*	**77 490**	*-1%*

(*) Due to changes in accounting methods for the presentation of balance sheet data, the figures as of June 30, 2024, were not restated, and as a result, some positions are not comparable with the data as of June 30, 2025, and December 31, 2024 (restated). 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.

(**) Including, besides provisions for credit risk, also fair value adjustment of loan portfolio presented in fair value as well as modification. Gross loan portfolio in this case presents value of loans and advances before mentioned provisions and adjustments but after allocating legal risk provisions related to FX mortgage loans.

Total **net loans** of Bank Millennium Group reached PLN 74,222 million as of 30 June 2025, showing a slight decrease of 1% y/y (down by 1% since the beginning of the year). Loans excluding FX mortgage loans increased by 1% y/y. FX mortgage loans net of provisions decreased significantly over the last twelve months (down 52%), and the share of FX mortgage loans (excluding those taken over from Euro Bank) in total gross loans dropped substantially over the year to 1.1% from 2.4% a year earlier. This was partly due to the fact that most of the legal risk provisions reduce the gross value of the loans, apart from regular amortization, early repayments, conversions to PLN, and enforcement of court judgments.

The net value of loans to households amounted to PLN 55,318 million as of 30 June 2025, reflecting a decrease of 3% y/y (also down by 3% since the beginning of the year). The lower value of this portfolio was primarily due to the decline in the value of mortgage loans, both FX and PLN. Within the household loan segment, PLN mortgage loans amounted to PLN 35,832 million and decreased by 4% y/y (also down 4% since the beginning of the year), with a noticeable slowdown in new loans origination: disbursements of these loans in the first half of 2025 reached PLN 1.4 billion, falling by 59% y/y.

Another component of the retail loans, consumer loans, showed a positive performance. The net value of consumer loans reached PLN18,506mn as of 30 June 2025, increasing by 5% y/y (and up by 1% since the beginning of the year). The value of new cash loans disbursed in 1H25 amounted to PLN 3.55bn, representing a 2% increase compared to the first half of the previous year.

The net value of loans to companies amounted to PLN 18,904mn as of 30 June 2025, increasing by 6% y/y (up by 5% since the beginning of the year). The growth of the loan portfolio was visible both in the leasing portfolio (up by 4% y/y) and in other loans, which significantly accelerated to 8% y/y.

Debt securities

Value of debt securities reached PLN61,397mn as at 30 June 2025, which means a significant increase of 22% y/y (a growth by 13% year-to-date).

A dominant part of the debt securities portfolio (95%) were bonds and bills issued by the Polish State Treasury, other EU governments and National Bank of Poland (the central bank). The increase of debt securities portfolio was a consequence of assets/liabilities and interest margin management policy and was correlated with the much stronger growth of deposits versus loans. The share of this group of debt securities in the consolidated total assets was at 40% at end of December 2024 reflecting a strong liquidity position of the Group.

More information on debt securities and liquidity management of the Bank can be found in Chapter 6.4. of this document and in Chapter 5.4. "Liquidity Risk" of the Condensed Interim Consolidated Financial Statements of Bank Millennium S.A. Capital Group for the period of 6 months ending on 30 June 2025.

Deposits, loans and advances to banks

Deposits, loans and advances to banks (including interbank deposits) stood at PLN545mn at the end of June 2025, which means an increase by 12% y/y (a growth by 25% year-to-date). and it mainly refers to current accounts balances.

Liabilities

The structure of Group's liabilities and equity and the changes of their particular components are presented in the table below:

Liabilities and equity *(PLN million)*	**30.06.2025**	**31.12.2024**	**30.06.2024***	**Change y/y**	**Change y-t-d**
Deposits from banks*	135	204	585	-77%	-34%
Deposits from customers	121 734	117 257	116 540	4%	4%
Liabilities from securities sold with buy-back clause	1	194	3	-80%	-100%
Financial liabilities valued at fair value through P&L and hedging derivatives*	682	519	645	6%	32%
Liabilities from issue of debt securities	7 025	6 125	3 596	95%	15%
Provisions*	3 545	2 952	2 264	57%	20%
Subordinated debt	1 561	1 562	1 562	0%	0%
Other liabilities*/**	2 868	2 369	2 997	-4%	21%
Total liabilities*	**137 551**	**131 182**	**128 191**	**7%**	**5%**
Total equity	**8 405**	**7 772**	**7 344**	**14%**	**8%**
Total liabilities and equity*	**145 956**	**138 954**	**135 535**	**8%**	**5%**

(*) Due to changes in accounting methods for the presentation of balance sheet data, the figures as of June 30, 2024, were not restated, and as a result, some positions are not comparable with the data as of June 30, 2025, and December 31, 2024 (restated). 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.
(**) including tax liabilities

At the end of June 2025 liabilities accounted for 94.2%, while equity of the Group - for 5.8% of total liabilities and equity.

As on 30 June 2025 Group's total liabilities amounted to PLN137,551mn and were higher by 5% relative to their value as on 31 December 2024. The main change to liabilities resulted from considerable increase of deposits by PLN4.8bn during the first half of the year and by PLN5.2bn during the period of 12 months, as well as from issuance of debt securities (balances higher by PLN0.9bn vs. 31 December 2024 and higher by PLN3.4bn vs. 30 June 2024).

Customers' deposits

Customer deposits constituted the main item of the Group's liabilities accounting for, as on 30 June 2025, 89% of total liabilities. Customer deposits constitute the main source of financing of Group's activities and incorporate, primarily, customer funds on current and saving accounts as well as on term deposit accounts.

Total customer deposits amounted to PLN121,734mn on 30 June 2025 and grew by 4% y/y and by 4% year-to-date. Deposits of individuals reached PLN91,266mn on 30 June 2025 and posted high growth of 9% y/y (up 4% year-to-date). The growth evolved very positively in terms of its structure: term deposits from retail clients grew by 1% y/y whereas current and saving accounts of these clients grew by a high 14% y/y.

Deposits of companies and public sector, which reached PLN30,468mn on 30 June 2025, fell by 8% y/y due to strong decline in term deposits from companies caused by the tighter price management, whereas current account deposits grew by 3% y/y. Nevertheless, total deposits of this segment recorded 3% growth year-to-date.

The evolution of clients' deposits is presented in the table below:

Customer deposits *(PLN million)*	**30.06.2025**	**30.06.2024**	**Change y/y**	**31.12.2024**	**Change y-t-d**
Deposits of individuals	91 266	83 429	9%	87 567	4%
Deposits of companies and public sector	30 468	33 111	-8%	29 690	3%
Total deposits	121 734	116 540	4%	117 257	4%

Deposits from banks

Deposits from banks, including credits received, as on 30 June 2025, amounted to PLN135mn. Value of this item decreased by 34% relative to the balance as on 31 December 2024, mainly in effect of a decline in balances of term deposits from financial institutions (not significant amounts in absolute terms), but the Group did not record any credits from financial institutions.

Provisions

The value of provisions as on 30 June 2025 was PLN3,545mn. The key component of this line were provisions for legal issues, (especially claims related to FX mortgage loan agreements not including the value of provisions directly allocated to the loan portfolio), amounting to PLN3,438mn. This item recorded a significant growth by PLN1,214mn or 55% y/y (a growth by 21% year-to-date). During 1H25 the creating of new provisions for FX mortgage legal risk reached PLN1,064mn.

Debt securities issued

Securities issued by the Group amounted to PLN7,025mn as on 30 June 2024 recording significant increase by PLN3,430mn (or by 95%) relative to the balance as on 30 June 2024. The increase resulted from the issue of bonds by the Bank as well as covered bonds issued by Millennium Bank Hipoteczny - the Bank's subsidiary.

In December 2022 the Bank issued Credit Link Notes ('CLNs') in the amount of PLN242.5mn within a synthetic securitisation transaction related to corporate loans. Additionally, in 2023 as a part of synthetic securitisation transaction, the Bank issued PLN489mn worth of CLNs, while Millennium Leasing (a subsidiary of the Bank) issued PLN280mn worth of CLNs. In 2024 and in 1H25 the Bank redeemed part of its CLNs in the amount of PLN155mn. Total value of CLNs outstanding on 30 June 2025 stood at PLN857mn.

In order to meet MREL requirements, the Bank issued senior non-preferred bonds in September 2023 with a total value of EUR 500 million and in September 2024 it issued similar bonds with a total value of EUR 500 million too, both issues under the Euro Medium Term Notes Issuance Program with a total nominal value of no more than EUR 3 billion.

In 2024 The Bank's subsidiary Millennium Bank Hipoteczny (a mortgage bank) issued covered bonds of total nominal value of PLN800mn and in 1H25 it issued covered bonds of total nominal value of PLN800mn.

Subordinated debt

The value of subordinated debt amounted to PLN1,561mn as on 30 June 2025, and remained at almost the same level vs. 30 June 2024 (a slight difference results from interest accrued and paid). The subordinated debt line includes ten-year subordinated bonds in PLN at the total nominal value of PLN830mn maturing in January 2029 and ten-year bonds in PLN at the total nominal value of PLN700mn maturing in December 2027.

Equity

As on 30 June 2025, equity of the Group amounted to PLN8,405mn and recorded an increase by PLN1,061mn or 14% y/y (up 8% year-to-date). Apart from net profit generated in 12 months period (PLN873mn), the increase of equity was supported by positive impact of other comprehensive income items (PLN188mn), mainly valuation of bonds and, to lesser extent, shares and hedge instruments.

Information on capital adequacy is presented in Chapter 6.2 of this document and in Chapter 5.6 "Capital Management" of the Condensed Interim Consolidated Financial Statements of the Bank Millennium S.A. Capital Group for the 6 months ended 30 June 2025.

3. PRESENTATION OF BUSINESS ACTIVITY

3.1. HIGHEST QUALITY OF POSITIVE CUSTOMER EXPERIENCE

Bank Millennium cares about building positive customer experience at every stage of their cooperation with the bank. Quality of experience is a fundamental premise in product and service design and after-sales service – across all contact channels.

The goal set out in Bank Millennium's strategy is to strengthen its position in the TOP3 of the best banks in Poland in terms of quality, measured by NPS – both in the retail and corporate banking segments.

Activities in the first half of 2025 were focused on the implementation of the quality objective set out in the bank's Strategy. The NPS measurements for this period confirm its achievement.

For years, Bank Millennium has been consistently striving to ensure that the transition of customers to electronic service supports the quality of relations with the bank. We combine mobile app service with access to qualified telephone and branch advisors - in all business lines. The service of remote advisors has increased the convenience of access to the bank's services and products. We make sure that both customers and employees are prepared for new digital solutions. The Bank implements projects focused on the customers' perspective in the area of education and security.

Bank Millennium used research and qualitative and quantitative monitoring to support business projects. Key areas of customer experience improvement, measured, among others, by NPS indicator, are diagnosed, prioritized, and forwarded to implementations on a continuous basis.

We planned customer and employee surveys for all product lines, business lines, channels, and segments. The surveys concerned:

- satisfaction and loyalty monitoring,
- brand awareness among customers,
- evaluation of product concepts,
- employees' perspective.

An important source of information in qualitative activities is the Mystery Shopper survey carried out by the bank. In the first half of 2025, we conducted 1457 audits in our own and franchise branches.

Bank Millennium has been conducting activities that directly affect customer satisfaction. We use the model of working with the voice of the customer in the retail network, which includes:

- Results of the Mystery Shopper survey,
- CSAT,
- Google reviews,
- analysis of complaints caused by branches.

We analyse the collected voice of the customer and work to eliminate the causes of dissatisfaction to improve the customer experience even more.

At Bank Millennium, managers are supported in managing the voice of the customer by a field team of CX Leaders. CX Leaders also work with advisors and pay attention to elements that negatively affect cooperation with the client. Thanks to increased work with the voice of the customer, in 2025 we can see a decrease in the number of complaints caused by branches, a stable level of customer satisfaction in the CSAT survey and a downward trend in negative Google reviews.

Bank Millennium continues to work on simplifying the language of communication and the content of documents. We change the texts provided to customers from the moment they open an account to the information on how to operate their products.

Bank Millennium has continued to work on increasing the accessibility of its products and services for individuals with disabilities and functional needs. The Bank is working intensively with the Polish Bank Association to develop common accessibility standards. An important element of the work is to adapt bank documents to an appropriate format that will allow them to be read by people with diverse functional needs. Bank Millennium carried out training sessions during which employees could learn about the topic of accessibility and the guidelines to be followed during customer service and when creating documents.

In 2025, Bank Millennium was awarded in the most important quality rankings.

In the Golden Banker ranking, we obtained:

- the Golden Bank 2025 title for the best multi-channel service quality,
- first place for the highest quality of service on the hotline,
- podium for the highest quality of service in chat and e-mail.

In the Institution of the Year ranking, we were awarded in seven categories:

- Best service in remote channels,
- Best account opening process in the branch,
- Best mortgage service in the branch,
- Best bank for companies,
- Best mobile app,
- Best online banking,
- Best service in the branch.

Bank Millennium also received the individual CX Leader award in the Institution of the Year ranking.

3.2. RETAIL BANKING

Retail banking constitutes an important area in Bank Millennium’s activities. The Bank has a broad catalogue of universal banking products and services designed for individual clients, affluent individuals (Prestige), Private Banking and business clients. Clients have access to products and services through the branch network, internet banking, mobile and telephone banking and the network of ATMs, thereby having an opportunity to manage their finances in a convenient and safe way. In 1H25 the Bank has increased its active client base by over 67 thousand. As on 30 June 2025 the Bank provided services to more than 3.19 million active retail clients.

Personal account

Sales of current accounts to individual clients in the 1H24 were over at the level of 190 thousand. The key product supporting acquisition of new clients was Millennium 360°account. The Millennium 360° account responds to customers' digital and technology needs. It offers a wide range of opportunities for people who value high quality service and the ability to use one of the best and fastest growing mobile applications on the market. Thereby flagship account have attracted a lot of clients’ attention with growing share in Bank Millennium current accounts portfolio to over 25%.

Millennium 360° account is unconditionally free in terms of maintenance. In addition, after fulfilling a simple condition, debit card service, BLIK contactless payments and withdrawals from all ATMs in Poland and abroad are also for 0 PLN. An important factor is the "Shopping Refunds" service to the account helps customers save during ecommerce purchases. Through the bank's mobile app or Millenet, customers have access to approx. 800 online stores where they can receive up to 25% of the purchase value refunds. At the end of 1H25, the number of personal accounts in the Bank portfolio amounted to over 3.7 million. Acquisition of the Millennium 360º account in this period was supported by promotion and advertising activities including, inter alia, as follows:

- promotional activities with bonus for being active and in cooperation with external internet portals – almost than 50% personal accounts were opened online,
- continuation of referral programme „Like it. Share it", under which recommending Millennium 360° account to others may be rewarded with attractive prize,
- new advertising campaigns in TV and internet, specially with advertisements on different social media platform as it is modern channel adjusted to young clients.

Savings products

The first four months of 2025 were still a time of stable NBP interest rates and dynamic changes of retail deposits. In January-May 2025, the volume of retail deposits on the market increased by PLN54.1bn , driven mostly by growing salaries and social transfers. High interest rates sustained attractiveness of saving accounts and time deposits and tense market competition despite interest cost optimization by banks sustained relative high rates on time deposits. Current and saving accounts volumes in banking sector grew during Jan-May'25 by PLN45.4bn while time deposits increased only by PLN8.8bn. The Bank concentrated efforts on optimalisation of deposit offer on both saving accounts and time deposits and prepared numerous marketing campaigns, taking care of portfolio profitability. During 1H25, the Bank continued acquisition of new volumes as previously on Saving Account Profit (KO Profit) but also including new money time deposits with attractive interest rate accruing on new funds and retention offers addressed to selected client groups. Total retail deposits in 1H25 grew by PLN3.6bn, with PLN2.5bn increase in 1Q24 and PLN1.1bn growth in 2Q25. At the end of 1H25 retail deposits including structured deposits amounted to PLN94.3 bn and Bank's market share in May'25 reached 6.98%.

Investment products

The 1H25 was time of good but volatile situation on global capital markets. Clients were gradually increasing investments in mutual funds. The Bank continued its strategy to offer diversified portfolio of investment products including both own solutions and products offered by external partners. Depending on client segment the offer included structured products, mutual funds and bonds. Bank continued regular promotional campaigns of mutual funds focusing on handling fee for purchase of funds especially in remote channels, which steadily gain importance. In first half of 2025 Bank was consequently developing investment advisory service based on selected and adjusted Millennium TFI funds which in easy and convenient way enables customers entrance to investment products especially through regular investments even of small amounts. The Bank continued offering of structured deposits with full capital protection and guaranteed minimal profit irrespectively of market situation. Investment products volume (without structured deposits) grew in 1H 2025 by record PLN1.8 bn and reached PLN12.6 bn

Cash loans

In the first half of 2025, the Bank achieved a record sale of cash loans in the amount of PLN 3.55 bn, which was an increase of about 2.5 % compared to the same period of 2024. The high level of sales was achieved thanks to active sales in all distribution channels and effective reach with the offer to customers who have instalment loans or current account in the Bank. Good result was also achieved thanks to flexible product offer and attractive marketing communication of the promotional offer with 0% commission. The Bank continues to intensively develop convenient and cost-effective digital sales channels - over 87% of loan agreements have been finalized in electronic channels. The cash loan portfolio increased from PLN 15.1 bn at the end of 2024 to PLN 15.3 bn at the end of 2Q25. In overdrafts the Bank maintained a stable market share of the overdraft portfolio at 13.5% with a balance of PLN 1.1bn.

Payment cards

In the first half of 2025, there was a further increase in the Bank's payment card portfolio, supported by new product solutions and intensive marketing activities.

The Bank increased its payment card portfolio to 4.11 million cards (+2.7% y/y), of which the credit card portfolio reached 530 thousands cards (+2.1% y/y). At the same time, the activity of the card portfolio increased significantly, with the transaction volume amounting to PLN47.1bn (+8.6% y/y).

In June 2025 we have introduced a new process for personal account holders to order a debit card directly from the bank's mobile application.

In June 2025, we implemented option to change credit card types. Customers who require higher credit limits and better services, they don't need to apply for a new card, they can easily and conveniently exchange their current card for another card type from our current offer.

In July 2025, we launched BLIK recurring payments for our customers. This new payment method allows customers to pay for recurring obligations, that require recurring payments, such as subscriptions, utility fees.

Mortgage banking

In the first half of 2025, during these six months, the Bank concluded a total of nearly 3,200 new agreements with a total value of over PLN1.3bn. The total result for January-May placed the Bank in the 8th position on the market with a market share of almost 2.8%. Mortgage loans with a periodically fixed interest rate for the first 5 years remain on offer, and a new “Eco Promotion” offer was launched in May 2025 to increase sales of mortgage loans for sustainable properties and to meet the expectations resulting from legal regulations. The Bank's lending action was based, as in the previous year, on the offer of an unconditional 0% loan origination fee and 0% commission for early and full repayment of the loan.

The Bank continued its efforts to further reduce the portfolio of CHF loans by offering individual conditions to customers, favouring currency conversions and partial and full repayment of these loans.

Prestige and Private Banking segments – offer for affluent clients

In January 2025 Bank introduced the Millennium 360 Prestige account - a new product for affluent clients. It has been designed to provide the highest level of comfort in financial management. The added value includes convenient currency payments (without bank’s margin) as well as a dedicated insurance package. In the first half of 2025, 8.6k clients took advantage of the new account offer for affluent clients.

The number of affluent clients at the end of June 2025 reached 174.8k, an increase of 11% compared to the end of 2024.

The strategy of promoting a remote service model for affluent customers continues.

Business Client segment

The offer is addressed to individuals running sole proprietorship businesses with annual revenues up to PLN10mn.

In the first half of 2025, the number of new current accounts for business customers reached 21.2 thousand of new business accounts. 84% of business accounts were opened online during this period.

The Bank offers a broad range of transaction, banking and credit products to business clients, in particular an attractive Millennium Accounting offer, payment terminals and leasing as well as modern digital and mobile banking services.

The acquisition of business accounts was supported by strong promotional and advertising activities, including: TV spots, radio spots, display campaign and social media activities. The campaign was on air in January and February 2025. Additionally, the leaflet for business clients has been expanded to include information about value added services. In 2Q25, we refreshed the video on digital signage - we added VAS content and increased the visibility of the promotional offer.

The value of loans granted in the first half of 2025 for micro business customers was increased by 21% compared to 1H24 and reached the level of PLN 570 million. In the first half of 2025, 61% of all loan agreements were signed in Millenet or the mobile application and 95% were secured with de minimis guarantee

3.3. DIGITAL CHANNELS

We ended the first half of 2025 with 2.97 million (+5 % y/y) active digital users. As much as 2.76 million users actively use mobile app (+8% y/y). There are 2.10 million mobile only users (+17% y/y), which is 70% of all active digital users. In the first half of the year, as many as 2.25 million customers used BLIK (+ 15% y/y).

Digital share in sales and acquisition

The share of digital channels in sales is stable. The share of digital channels in cash loan sales in 1H 2025 in the number of loans sold was 86%(+2 p.p. compared to 2H 2024). At the same level stays share of digital channels in the sale of term deposits, it was% 95 per cent in 1H 2025. There is an increase in the role of digital channels in the acquisition of current accounts, which in 1H 2025 amounted to 50% (+8 p.p. compared to 2H 2024). When it comes to junior account, digital channels are responsible for as much as 67% of new accounts and here we can see the best progress (+13 p.p. compared to 2H 2024).

What's new in digital channels

- BLIK recurring payments. The new BLIK service became available on 1 April 2025. It is a new payment method for recurring obligations (bills, subscriptions). Bank Millennium now has the widest range of BLIK services on the market.
- New section in Motorways service. In May, we introduced automatic toll payment for a new A2 section Poznań-Konin. This way we were able to expand the Motorways service already available in mobile app. The service was developed with Autopay Sp. z o.o.
- New account opening process with mObywatel app. In June, we launched a new identity verification method in mobile account opening process. Now we have 3 different methods of identity verification in remote opening account processes.
- eSIM cards. 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. The service was developed with Autopay Sp. z o.o. We are first bank to offer this service in a mobile app.
- Mortgage loan - new options in the mobile app. In 1H 2025 the bank's customers gained additional options for managing their mortgage loan in the mobile app, including early repayment, change the date of the monthly loan instalment, loan holidays, verification and history of fulfilment of the conditions of the reduced interest rate

3.4. CORPORATE BANKING

In the area of corporate banking, we focus on professional and comprehensive services for companies with annual revenues exceeding PLN 5 million, as well as public sector institutions.

In order to implement the assumptions of our strategy for 2025–2028, aimed at dynamic growth of the loan portfolio and increasing the market share in servicing business entities, we have separated a dedicated product line for the small business segment. The first half of 2025 was marked by intensive work on the product offer and service model for this group of customers.

At the same time, we continued to develop services for medium and large enterprises, streamlining operational processes, expanding our product offering and implementing solutions that respond to changing market needs.

We focus on flexibility and innovation – we provide solutions based on modern technologies, supporting the automation and optimisation of the work of finance departments. We support sustainability projects by financing initiatives in the field of renewable energy, product, technological and operational innovation, as well as resource efficiency.

Simultaneously, one of our priorities is to ensure the security of our customers' information and transactions. In a constantly changing technological and regulatory environment, we continue to strengthen our data protection systems and to raise cybersecurity standards, taking care of the stability, business continuity and security of the systems we make available to our customers.

Each client of our Corporate Banking can count on a dedicated team of experts, including relationship managers, credit analysts, specialists in transactional banking, factoring, treasury products, trade finance, leasing, mergers and acquisitions, as well as experts in the field of EU funds. In the operational area, support is provided by dedicated consultants and experts in transactional systems.

CORPORATE BANKING PERFORMANCE

In the first half of 2025, new credit production increased by as much as 66% year-on-year, mainly due to dynamic growth in the area of new investment loans.

As a result, at the end of the first half of the year, the value of the loan portfolio in the corporate banking segment amounted to PLN 14.2 billion, which means an increase of 0.4 billion (i.e. 2.8%) year-on-year. This value consists of the following product groups:

- leasing PLN 5.1 billion

- current account overdrafts PLN 3.2 billion

- factoring PLN 2.4 billion

- other loans PLN 3.5 billion

At the end of the reporting period, the value of funds accumulated by corporate banking customers on accounts and deposits amounted to PLN 23.5 billion, of which PLN 11.8 billion were current accounts and PLN 11.7 billion were term deposits.

In the area of small businesses, we recorded an increase in the loans volume of 9.5% to PLN 814 million, and the deposits volume by 6% to PLN 3.8 billion.

TRANSACTIONAL AND ELECTRONIC BANKING

We continued to develop our electronic banking systems, focusing on convenience, intuitiveness and security of service for business customers. Our goal is to provide solutions that really support the daily operations of enterprises – regardless of their scale and industry. We actively involve clients in designing new functionalities, inviting them to participate in research, tests and consultations. As a result, the implemented solutions respond to the real needs of users and are adapted to the dynamically changing business environment. We place particular emphasis on effective on-boarding – a simplified process of implementation and activation of services, which allows companies to quickly start using the full capabilities of our platform.

We have introduced a number of improvements in the Millenet for Corporate system and the Millennium for Corporate mobile application.

New Millenet Link Lite service

We have launched the Millenet Link Lite service, which enables the automation of payment processing thanks to the integration of clients' financial and accounting systems with our transactional system based on the use of the client's cloud. The solution does not require the company to install any additional software, the client configures the service in Millenet for Corporate electronic banking, and exchange of data on payments is done online.

New functionalities of the Millennium for Corporate mobile app

We have provided a function that allows you to quickly resend a completed outgoing transfer – regardless of its type. Users can now perform repetitive operations more conveniently without having to re-enter recipient details or transaction parameters.

We have also introduced further improvements for card users, including changes regarding notifications and in viewing the history of transactions made with the card. We have also made it easier for visually impaired customers – high contrast mode.

Exchange office in the Millennium for Corporate mobile application

In the first quarter, we enriched the business application with a currency exchange office for small businesses. With this feature, users can execute currency buying and selling transactions at attractive rates.

The exchange office for customers from the small business sector allows to buy and sell the following currencies: EUR, USD, GBP and CHF from the PLN account. An additional function is the ability to set a notification about the exchange rate of interest to the user.

During the first three months after the launch of the exchange office, customers made over 4 thousand transactions in it.

Qualified seal

We have introduced sealing documents using a qualified seal in the processes handled in Millenet for Corporate. With the use of a qualified seal, validation will be successfully carried out both in the process of validation of electronic seals carried out by trusted third parties and in the Adobe Acrobat Reader application.

Digitalisation of customer service processes

Business customers are increasingly willing to use digital service channels, choosing solutions that provide speed, convenience and full availability of services regardless of place and time. Data from the last six months confirm the growing popularity of electronic forms of contact, submission of applications and transaction execution:

- 68% of credit agreements were signed using a qualified electronic signature,
- 77% of foreign exchange transactions were executed by clients via the Millennium Forex Trader platform,
- we issued 86% guarantees in the form of e-guarantees,
- we opened 94% of additional accounts and issued 80% of payment cards on the basis of electronic applications submitted in the Millenet for Companies system.
- the share of open withdrawals ordered in Millenet for Companies increased to 58%,
- 95% of leasing customers used Millennium Leasing eBOK,
- 74% of leasing applications (related to the handling of leased contracts and assets) were submitted electronically.

CREDIT PRODUCTS, INCLUDING GREEN FINANCE

In the first half of 2025, we consistently developed our financing offer for enterprises, responding to the diverse needs of companies – from ongoing liquidity support, through development investments, to projects related to the energy transition. We have placed particular emphasis on solutions supporting sustainable development, including financing green investments and implementing tools to assess ESG risks. At the same time, we conducted educational and information activities, helping clients better understand the available support instruments and prepare for the upcoming regulatory changes.

Financing with Bank Gospodarstwa Krajowego guarantee support – Investmax guarantee

In cooperation with Bank Gospodarstwa Krajowego we have provided customers with the new Investmax guarantee, which facilitates access to working capital and investment loans.

The guarantee is designed for entrepreneurs in the SME sector, with a particular focus on micro-entrepreneurs. It secures 80% of the loan principal, up to PLN 6,906,400 in the case of SME support and up to PLN 172,660 in the case of microfinance.

The Investmax guarantee was created through the use of national funds and funds from the InvestEU Programme, in the form of a European Investment Fund (EIF) counter-guarantee. The InvestEU programme, through a budgetary guarantee, supports the European Union's policy objectives by facilitating access to financing innovation, business growth and job creation.

KUKE S.A. guarantee for domestic investments generating exports

In the Bank's offer, we have made available 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 as well as the refinancing of costs incurred or the repayment of loans taken out for the implementation of this investment, provided that the investment has not yet been completed by the time the guarantee is granted. The minimum amount of financing is PLN 10 million (or the equivalent in a foreign currency). There is no maximum limit on the amount of the loan and guarantee.

Loan for Development

We have expanded our offer for enterprises with the Development Loan. The loan proceeds are transferred once to the company's account, with the possibility of using them for any purpose related to business activity.

The maximum amount of financing is PLN 4 million, and the repayment period can be spread over a maximum of 5 years. The loan may be secured by a de minimis guarantee (up to 60% of the loan value) or a pledge on machinery or equipment, or a mortgage on real estate along with an assignment of rights under the insurance policy. We do not require property security from companies that have a positive financial assessment.

In addition, companies whose activities will be classified as green will not pay an origination fee on the loan granted.

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

We have provided the green KUKE S.A. Guarantee for domestic investments related to the energy transition. It is addressed to companies that invest in climate protection activities, 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 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 – provided that the investment has not yet been completed by the time the Guarantee is granted.

The minimum amount of financing is PLN 10 million (or the equivalent in a foreign currency). There is no maximum limit on the amount of the loan and guarantee.

Digital ESG data collection process - ESG Questionnaire in Millenet for Corporate

Since July, we have introduced a convenient and effective digital process for collecting ESG data, which will be used to assess whether a client's transaction or business is sustainable, as well as to analyse the client's exposure to ESG risks.

In order to better label and structure green transactions, we have streamlined the process of collecting ESG data in line with the requirements of governance, taxonomic data and the information we need to properly manage our green investment portfolio.

The ESG Questionnaires also collect information on the exposure of customers' operations and investments to ESG risks, in particular on exposure to climate risks – related to both extreme weather events as well as those resulting from the challenges of transformation towards a low-carbon economy.

The obligation to collect this information results from the guidelines of the European Banking Authority on ESG risk management, which will apply to all banks from January 2026.

WE EDUCATE OUR RELATIONSHIP MANAGERS

In the interest of high quality of service and substantive support for customers, we systematically develop the competences of our Relationship Managers.

Green Academy

We have launched the 3rd module of the Green Academy programme "Credit products, including green financing".

Green Academy is a development programme for our Relationship Managers, which aims to improve their competences in the field of financing green investments and broadly understood ESG issues. The training programme consists of four modules. The planned 4th module will concern the structuring of green transactions.

Other training

We provide our Relationship Managers with up-to-date product and process knowledge – including new solutions, changes in the offer and operational improvements. We also regularly organise webinars with the Bank's economists, during which the current macroeconomic conditions and their impact on the operations of companies are discussed. The educational programme is complemented by regular training on subsidy programmes available to entrepreneurs, which allow our Relationship Managers to support clients in identifying financing opportunities for business development.

CUSTOMER EVENTS

We undertake a number of activities that enable us to expand the knowledge of our clients and build a community of entrepreneurs. Our experts provide clients with up-to-date and reliable knowledge about the economy as well as new solutions that may affect financial management.

We carry out our activities independently and together with our partners, in particular business organisations.

We were also the organiser or co-organiser and substantive support of the following initiatives:

- webinar hosted by our Chief Economist on the summary of 2024 and macroeconomic forecasts for the starting year 2025,
- meeting on the occasion of the Chinese New Year, organised as part of our cooperation with the Polish-Chinese Main Chamber of Commerce, also with a presentation by our Chief Economist,
- 2. Lower Silesian Congress of Family Businesses in Wrocław organised by the Western Chamber of Commerce – Employers and Entrepreneurs together with the Lower Silesian Chamber of Commerce,
- "Konin Business Meeting" – an event addressed to entrepreneurs from Eastern Wielkopolska,
- the annual Gala of Pomeranian Employers, where we awarded the best companies in the region,
- an event in the Summit Talks series, also in cooperation with Pomeranian Employers,
- “Business Mixer. Business Breakfast for Entrepreneurs" meeting organised in cooperation with the Legnica Special Economic Zone,
- Interzero 2025 environmental conference entitled "Responsible business in practice – sustainable development as a key to the future",
- as part of our cooperation with GS1 Polska, we conducted a training for companies from the SME sector "ESG from the perspective of the Bank and your company" and cooperated in the

preparation of digital educational material aimed at increasing the level of companies' knowledge of ESG reporting to financial institutions,
- webinar "Green transformation of companies with an Ekomax guarantee" organised by us with the participation of our experts and invited guests from Bank Gospodarstwa Krajowego.

We also continue our cooperation with the CFO Club - a development and networking initiative bringing together financial directors, chief accountants, financial controllers, often also members of management boards and business owners. Our experts took part in a webinar on technological transformation and investments in IT and in a stationary meeting in Poznań. Together with the CFO Club we also prepared the "Practical aspects of ESG on the CFO's radar” series of podcasts. The series is available on Spotify and the CFO Club website.

4. KEY SUBSIDIARIES ACTIVITY IN 1H25

In 1H25 net profit Bank Millennium Group's subsidiaries combined totalled PLN84 million. This represents a 62% growth y/y. The improvement was mostly driven by growth of net profit of Millennium Bank Hipoteczny and Millennium TFI.

The breakdown of Group's net profit by the Group's companies is presented in the table below:

Group's net profit structure *(PLN million)*	**1H25**	**1H24**
Bank Millennium	**491**	**345**
Subsidiaries combined	**84**	**52**
Millennium Bank Hipoteczny (mortgage bank)	17	3
Millennium Leasing	5	8
Millennium TFI (mutual funds management)	20	12
Millennium Service	10	11
Other consolidated companies	32	18
Summarised profits	**573**	**399**
Consolidation adjustments	-63	-42
Consolidated net profit of the Group	**511**	**357**

Millennium Bank Hipoteczny

Millennium Mortgage Bank S.A. ("MBH") began operating on 14 June 2021, with an initial capital of PLN120 million, fully subscribed by Bank Millennium S.A. The purpose of the establishment and mission of MBH is to provide the Group with stable and long-term financing of mortgage loans in the form of covered bonds secured by mortgage receivables.

In 2024, MBH began to implement its main strategic goal – the issue of covered bonds. In June, the 1st series of covered bonds with a three-year maturity and a value of PLN300 million was issued, followed by the second series of bonds with a five-year maturity and a value of PLN500 million settled in November 2024. In March 2025, MBH placed its third series of covered bonds worth PLN800 million. They had five-years maturity and floating interest coupons. All three series were placed on the domestic market of institutional investors, and their interest rate was determined as a result of bookbuilding in the form of a fixed margin over the variable WIBOR 3M rate. All series of covered bonds have been admitted and are listed on the domestic regulated market operated by the WSE. As of July 2025, MBH's covered bonds have the highest possible AAA rating obtained by Fitch Ratings.

MBH's covered bonds are secured by mortgage receivables under loans granted by the Bank. In the first half 2025, MBH carried out the eight transfer of mortgage loans and preparatory work for further transfers have been continued. These works primarily include determining the mortgage lending value of real estate ("MLV"). All loans scheduled for transfer meet a number of specific criteria, the most important of which are:

- loan currency in PLN
- earmarked for housing purposes
- ownership title with established mortgage in favour of Bank Millennium in the 1st place
- no evidence of impairment
- loan value lower than the mortgage lending value (MLV).

At the end of June 2025, MBH had PLN3.7 billion in assets, including PLN3.4 billion of high-quality mortgage loans - the share of basket 3 loans accounted for 0.15% of the total portfolio value at the end of the reporting period.

MBH maintains liquidity and solvency ratios at very high, safe levels. At the end of the reporting period, the total capital ratio (TCR) amounted to 36.0%.

In 1H25, MBH achieved a net profit of PLN16.7 million and a return on equity (ROE) of 8.0%. Cost efficiency measured with C/I ratio improved by 10 p.p. versus entire 2024 year and stood at 32%.

Millennium Leasing

Millennium Leasing sp. z o.o., a subsidiary of Bank Millennium, it was established in 1991 and is one of the longest operating leasing companies on the Polish market. Its activities cover the financing of all types of fixed assets: cars and vans, machinery and equipment for most industries, heavy transport (including road, rail and water), as well as real estate.

In 1H25, the value of leasing agreements initiated by Millennium Leasing amounted to a total of PLN 1.87 billion, which is 1.5% lower than in 1H 2024. As of 30 June 2025, the value of the capital engaged in active leasing agreements was PLN 7.1 billion, which is 4.9% higher than at the end of June 2024. The value of capital at the end of June 2025 reached a record level in the Company's history. By the end of Q1 2025 (leasing market results for 1H 2025 have not yet been published), the company achieved a 3.8% market share in leasing, compared to 3.8% in Q1 2024.

RBA in 1H25 amounted to PLN 78.5 million compared to PLN 79.4 million in 1H24, i.e. 99.2% of the target.

Gross financial result excluding the impact of securitization in 1H25 amounted to PLN 23.7 million compared to PLN 28.2 million in 1H24, i.e. 110.3% of the target.

Total gross financial result including securitization costs in 1H25 amounted to PLN 6.0 million, i.e. 126.7% of the target.

In 1H25, Millennium Leasing continued to offer leasing with a de minimis guarantee from BGK bank. In 2025, BGK granted the company the ability to cover a new pool of leasing agreements with de minimis guarantees, amounting to a record PLN 1.1 billion. The Company is the market leader in executing agreements with de minimis guarantees from BGK, with over a 64% market share as of May 2025, considering the number of signed agreements with the de minimis guarantee from BGK. In 1H25, 582 agreements were signed with a total net value of PLN 132 million.

Millennium Leasing actively developed its “green” leasing products launched in April 2023. Thanks to this offer, entrepreneurs can finance green assets comprehensively and under preferential conditions. The offer includes a wide selection of assets from 57 groups, the most important of which are machines and devices. In 1H25, the Company activated leasing agreements for sustainable assets with a total net value of PLN 68.7 million.

In the first half of 2024, Millennium Leasing continued to process lease agreements subsidized under the "Mój elektryk" (My Electrician) program. After Bank Ochrony Środowiska (Environmental Protection and Water Management) suspended the acceptance of subsidy applications in August 2024, the program was finally terminated. On February 3, 2025, the National Fund for Environmental Protection and Water Management (NFOŚiGW) launched a new "Nasze Auto" program to subsidize the leasing of zero-emission passenger cars. In the first half of 2025, Millennium Leasing concluded 29 lease agreements with customers who declared their intention to apply for these subsidies. This program is available only to customers running sole proprietorships and leasing brand new zero-emission passenger cars.

On May 30, 2025, the priority program "Improving Air Quality – Support for the Purchase or Lease of Zero-Emission Vehicles of the N2 and N3 Categories" was launched. Consultations with the NFOŚiGW regarding the details of this program's implementation are currently underway.

During this period, the company promoted Benefit Packages in the MilleFlota program. Customers can benefit from fleet management services/tools and attractive discounts on parts and services for vehicles (up to 3.5 tons). In the first half of 2025, 1,024 Benefit Packages were sold.

The Company continued the process of digitization of its services, actively promoting the electronic handling of leasing agreements via the electronic Customer Service Centre (elektroniczne Biuro Obsługi Klienta, eBOK) on the Millenet platform. At the end of June 2025, 95% of customers used eBOK. The website has been expanded to include the possibility of submitting applications, thanks to which the customer can order all standard matters regarding contracts and leased items online. In June 2025, almost 74% of such applications were submitted electronically, using the eBOK platform. Millennium Leasing is also implementing additional features and improvements, making eBOK a convenient platform for comprehensive operational cooperation with customers.

The Company continued promoting e-Signatures, enabling remote signing of leasing agreements with the use of qualified electronic signatures. The number of electronically signed agreements in the corporate customer segment remained stable. In 1H25, 53% of leasing agreements were signed electronically. Additionally, since the third quarter of 2024, the Company has continued a pilot program for remote signing of agreements through the Autenti platform, aimed at self-employed clients, adding a free qualified electronic signature for execution of leasing agreements. Current results indicate an increasing number and share of remote agreements in this customer segment.

Millennium Leasing services are sold by leasing advisors in 57 locations throughout Poland. Moreover, the Company actively cooperates with banking advisors in retail branches and in the corporate banking service network of Bank Millennium. This allows the Company to offer entrepreneurs a full range of financial services, including both leasing and banking products.

Millennium TFI investment funds

Millennium TFI S.A is a licensed financial institution operating since 2001 as an entity creating and managing investment funds. At the end of the first half of 2025, the company managed customer assets worth PLN 9 billion. The number of Millennium funds participants at the end of the first half of 2025 amounted to over 190 thousand.

The main goal of Millennium TFI's activity is to deliver attractive and effective investment solutions to Clients as well as to provide professional investment customer service. The fund managers are professionals with extensive experience and excellent insight into financial markets.

During the first half of 2025, Millennium TFI has experienced an increase of assets under management of 16,19%. This has been a consequence of a strong performance of the main equity indices (both global and local) and positive environment in bond markets.

As a result of growing uncertainty regarding an influence of new tariff policy on US growth and inflation prospects, FOMC decided to maintain its monetary policy parameters unchanged (federal funds interest rate stayed at 4,25-4,50% level). On the other hand, European Central Bank continued its monetary policy easing cycle, cutting interest rates four times by 100 bp on aggregate. Sovereign bonds on core markets moved in different directions – YTM of US 10-year benchmark decreased from 4,57% to 4,23% level in anticipation of interest rate cuts in second half of 2025, while YTM of German 10-year benchmark increased from 2,36% to 2,61% as a result of growing fears regarding strong fiscal policy loosening by the German government.

In Poland, Monetary Policy Council unexpectedly reduced interest rates by 50 bp in May (reference rate fell from 5,75% to 5,25%). Sinking CPI readings together with projections of inflation returning to target range as soon as in the second half of 2025 encouraged MPC to loosen monetary policy and supported local sovereign bond market leading to a fall of sovereign bond yield curve. As a result, returns of debt investment funds in first half of 2025 were positive in general but varied from binding strategies and exposure to interest rate risk.

In the global equity market, the main index MSCI ACWI rose 7,0% in 1H25 and Emerging Markets outperformed Developed Markets. The U.S. equity market saw sharp volatility. On April 2, new tariff announcements triggered a 12% drop in the S&P 500 within a week. However, the U.S. quickly reversed course, suspending tariffs and starting trade talks with China, which restored investor confidence and led to a strong rebound. European equities also gained (MSCI Europe 8,55%), supported by improved global sentiment and limited exposure to Middle East tensions.

In the first half of the year, the Polish stock market recorded strong growth. The broad market index (WIG) rose by slightly over 30% during this period driven mainly by large and mid-cap companies. It is worth noting that after a weak 2024 the Polish stock exchange was one of the strongest globally in the first half of 2025. The positive performance of our market was influenced by an inflow of funds from foreign investors who have once again shown interest in stock exchanges in our region. This is also evidenced by significant gains in the Czech and Hungarian markets.

In summary, the behaviour of the capital markets in the first half of 2025, both in Poland and worldwide, not only supported the growth of accumulated assets' value but also contributed to a dynamic increase in the scale of fund unit acquisitions, particularly among fixed-income strategies.

Millennium TFI S.A. currently manages three umbrella funds: the Open-End Investment Fund with 6 separate sub-funds investing on the Polish market (Millennium FIO), Specialist Open-End Investment Fund with 6 separate sub-funds investing on the global markets (Millennium SFIO) and Millennium PPK Specialist Investment Fund with 9 target date sub-funds. In the first half of 2025, Millennium TFI offered participation units in 21 investment sub-funds with different investment strategies and different risk levels.

The company’s broad offering includes also various savings products based on the investment funds it manages. The most frequently chosen by customers include retirement products, including Employee Capital Plans (PPK) and Individual Pension Account (IKE). Millennium TFI currently manages IKE programs for 24 thousand customers, with the total asset value of PLN 440 million. The assets under management of the PPK sub funds for over 31 thousand of participants reached PLN 272 million at the end of first half of 2025.

Millennium Goodie

The second quarter of 2025 was a time of intensive work related to the launch of a product price comparison service at goodie. Thanks to this solution, users of the platform have the ability to search for products and compare prices in shops participating in the goodie cashback programme and immediately get information about how much cashback they will gain.

Using the price comparison service is very simple. All you have to do is go to goodie and enter the name or description of the product in the search bar. To get additional cashback, you need to register or log in to the platform. The result is offers from various shops with prices and the amount of cashback. After going to the shop, the user makes a purchase as usual, and cashback is credited to his goodie account. The goodie price comparison service allows users to make more informed purchasing decisions. From the point of view of partner shops, the solution offers additional product display, and cashback encourages goodie users to buy. Thus, goodie combines the goals of shops and users.

In addition, in 2Q25, goodie recorded an increase in the number of transactions carried out using it by 26% y/y, which reflects the growing interest of users in the cashback service. At the same time, the value of these transactions also increased proportionally by 26% y/y. In addition, in 2Q25, sales of goodie gift cards increased by 37% y/y.

5. KEY AWARDS AND ACHIEVEMENTS 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 through 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 an 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.

Customer Relations Star

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.

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.

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 are guided by 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

For the twelfth time, Bank Millennium was among the companies honoured 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. The Polish Customer Service Quality Program has been monitoring the satisfaction levels of Polish consumers for 18 years.

Recognition in 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 centre and customer care/service industry.

Bank among Diversity Leaders

Bank Millennium was among the leaders in diversity in Poland according to the Responsible Business Forum. The Bank was among employers who continuously and strategically support diversity, build an inclusive work environment and strive towards social cohesion. The list of employers was based on the Diversity IN Check survey carried out by the Responsible Business Forum.

Bank Millennium was awarded in seven categories of the Institution of the Year ranking

The bank secured third place in the main category of Best Bank in Poland and first place in two areas related to remote customer service and the account opening process at a branch. Magdalena Suchanek, Director of the Quality Department, received an individual award in the CX Leader category, and 30 of the bank’s branches were recognized as the best in Poland.

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6. RISK MANAGEMENT

6.1. RISK MANAGEMENT OVERVIEW

The mission of risk management in the Bank Millennium Group is to ensure that all types of risks, financial and non-financial, are managed, monitored, and controlled as required for the risk profile (risk appetite), nature and scale of the Group's operations. Important principle of risk management is the optimization of the risk and profitability trade-off – the Group pays special attention to ensure that its business decisions balance risk and profit adequately.

The goals of the risk management mission are achieved through implementation of the following actions:

- Development of risk management strategies, credit policy, processes and procedures defining the principles for acceptance of the allowable level of particular types of risk,
- Increasingly wider implementation of the IT tools for risks identification, control, and measurement,
- Increasing awareness of employees as regards their responsibility for proper risk management at every level of the Group's organizational structure.

Risk management is centralized for the Group and considers the need to obtain the assumed profitability and to maintain proper risk-capital relationship, in the context of having proper level of capital to cover the risk. Within risk management system, a broad range of methods is used, both qualitative and quantitative, including advanced mathematical and statistical tools supported by adequate IT systems.

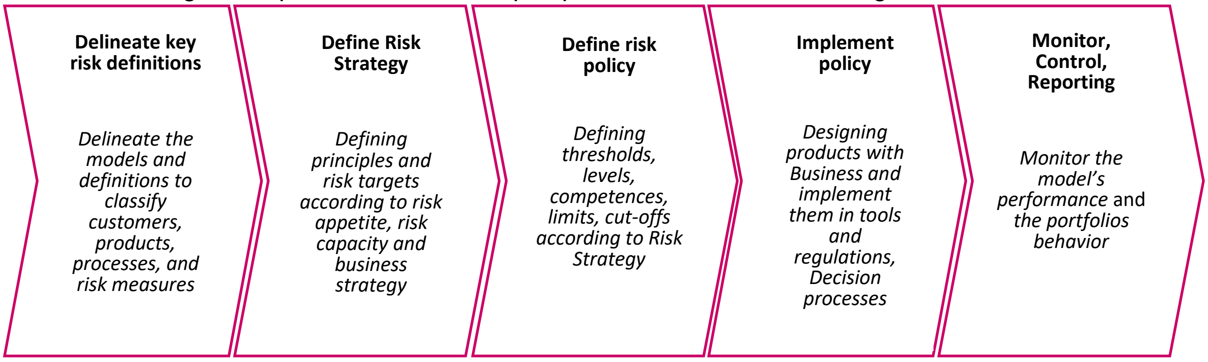
When defining the business and profitability targets, the Group considers the specified risk framework (risk appetite) to ensure that business structure and growth will respect the risk profile that is targeted and that will be reflected in several indicators such as:

- Loan growth in specific products / segments
- Structure of the loan portfolio
- Asset quality indicators
- Cost of risk
- Capital requirements / Economic capital
- Amount and structure of liquidity needed.

The risk management and control model at the Group's level is based on the following main principles:

- ensuring the full-scope quantification and parameterization of diverse types of risks in the perspective of optimizing balance sheet and off-balance sheet items to the assumed level of profitability of business activity. The primary areas of analysis encompass credit risk, market risk, liquidity risk and operational risk;
- all types of risks are monitored and controlled in reference to the profitability of operations and the level of capital necessary to ensure the safety of operations from the point of view of capital adequacy. The results of risk measuring are regularly reported as part of the management information system;
- the segregation of duties between risk origination, risk management and risk control.

The Risk management process of the Group is presented in the below diagram



The split of competence in the field of risk management is as follows:

- The Supervisory Board is responsible for overseeing the compliance of the Group's risk-taking policy with the Group's strategy and its financial plan. Within the Supervisory Board acts the Committee for Risk Matters, which supports it in realization of those tasks, among others, issuing opinion on the Group's Risk Strategy, including the Group's Risk Appetite;
- The Management Board is responsible for the effectiveness of the risk management system, internal capital estimation process, for reviewing the internal capital calculation and maintenance process and the internal control systems;
- The Credit Committee, the Capital, Assets and Liabilities Committee, and the Liabilities at Risk Committee are responsible for current management of different areas of banking risk, within the framework determined by the Management Board;
- The Risk Committee and the Processes and Operational Risk Committee are responsible for defining the policy and for monitoring and control of different areas of banking risk, within the framework determined by the Management Board;
- The Product Committee reviews proposals for the implementation and withdrawal of products and services from the bank's offering;
- The AML Committee is responsible for supervision of anti-money laundering and terrorism financing in the Bank and cooperation in combating financial crime;
- The Validation Committee is responsible for confirmation of risk models' validation results and follow-up in the implementation of the measures defined by the Models Validation Office;
- The Sustainability Committee is responsible for making key decisions regarding sustainable development in the Bank Millennium S.A. Group, in relation to environmental, social and governance factors.
- The Sub-Committee for Court Cases is responsible for expressing opinions and taking decisions in matters regarding court proceedings, for the cases when value of the dispute or direct effect for assets value as a consequence of court verdict exceeds PLN1mn or as result of multiple cases with the same nature, excluding most of the cases belonging to the restructuring and recovery portfolio of Bank's receivables managed by the Corporate Recovery Department and Retail Restructuring and Debt Collection Department;
- The Risk Department is responsible for risk management, including identifying, measuring, analysing, monitoring, and reporting on risk within the Bank. The Risk Department also prepares risk management policies and procedures as well as provides information and proposes courses of action necessary for the Capital, Assets and Liabilities Committee, Risk Committee, and the Management Board to make decisions with respect to risk management;
- The Rating Department is mainly responsible for risk rating assignment for Corporate clients (based on the evaluation of clients' creditworthiness) as well as for rating monitoring and potential revision during the period of its validity. Rating assignment process is independent from credit decision process;
- The Corporate Credit Underwriting Department, Mortgage Credit Underwriting Department and Consumer Finance Credit Underwriting Department have responsibility, within the Corporate Customer segment and Retail Customer segment, respectively, for the credit decision process, including analysing customers' financial situation, preparing credit proposals for the decision-making levels, and making credit decisions within specified limits;

- The Retail Liabilities Monitoring and Collection Department and Retail Liabilities Restructuring and Recovery Department have responsibility for monitoring repayment of overdue debts by retail customers and their collection;
- The Corporate Recovery Department develops specific strategies with respect to each debtor from recovery portfolio, which aims to maximize timely collection of the outstanding debt and minimize the risk incurred by the Group. This approach is constantly revised to reflect updated information, and the best practices and experiences regarding collection of overdue debts;
- The Treasury Control and Analyses Office has responsibility for monitoring the use of part of the Group's limits, including counterparty and stop-loss limits, the Group's FX position, results of active trading and control of operations of the treasury segment;
- The Models Validation Office has responsibility for qualitative and quantitative models' analysis and validation, independent from the function of models' development; development of the models' validation and monitoring tools; activities connected with issuing opinions on the adequacy of the models for the segment, for which they were developed; preparing reports for the Validation Committee needs;
- The Sustainability Department is responsible for supervising and coordination of the process of implementing the principles of sustainable development in the Bank and the Group;
- The Anti-fraud Sub-unit has responsibility for implementation and monitoring Bank policy execution in the scope of fraud risk management in cooperation with others Bank units. The Sub-unit constitutes a competence centre for anti-fraud process;
- The Compliance Department has the responsibility to ensure compliance with legal regulations, related regulatory standards, market principles and standards as well as internal organization regulations and codes of conduct;
- The Legal Department has responsibility for handling the litigation cases of the Bank, with support of external legal offices and legal experts whenever necessary.

The Group has prepared a comprehensive guideline document for the risk management policy/strategy: "Risk Strategy for 2025-2028". The document takes a 4-year perspective in line with the overall Bank's Strategy and is reviewed and updated annually. It is approved by the Bank's Management Board and Supervisory Board. The risk strategy is inextricably linked to other strategic documents, such as: Budget, Liquidity Plan, and Capital Plan.

The Risk Strategy bases on the two concepts defined by the Group:

1. Risk profile – current risk level expressed in amount or type of risk the Group is currently exposed. The Group also has a forward-looking view how their risk profile may change under both expected and stress economic scenarios in accordance with risk appetite,
2. Risk appetite – the maximum amount or type of risk the Group is prepared to accept and tolerate to achieve its financial and strategic objective. Three zones are defined in accordance with warning / action required level.

Risk strategy is one of the crucial features that determine the risk profile of the Bank/Group.

Risk appetite must ensure that business structure and growth will respect the forward risk profile. Risk appetite was reflected through defined indicators in several key areas, such as:

- Solvency
- Liquidity and funding
- Earnings volatility and Business mix
- Franchise and reputation.

The Bank and The Group has a clear risk strategy, covering retail credit, corporate credit, markets activity and liquidity, operational and capital management. For each risk type and overall, the Group clearly defines the risk appetite.

The Risk Management is mainly defined through the principles and targets defined in Risk Strategy and complemented in more detail by the principles and qualitative guidelines defined in the following documents:

a. Capital Management and Planning Framework
b. Credit Principles and Guidelines
c. Rules on Concentration Risk Management
d. Principles and Rules of Liquidity Risk Management
e. Principles and Guidelines on Market Risk Management on Financial Markets
f. Principles and Guidelines for Market Risk Management in Banking Book
g. Investment Policy
h. Principles and Guidelines for Management of Operational Risk
i. Policy, Rules, and Principles of the Model Risk Management
j. Stress tests policy
k. Sustainability Policy
l. Anti-money laundering and combating of the financing of terrorism policy of Bank Millennium SA.

Within risk appetite, the Group has defined tolerance zones for its measures (build up based on the "traffic lights" principle). As for all tolerance zones for risk appetite, it has been set:

- Risk appetite status – green zone means a measure within risk appetite, yellow zone means an increased risk of risk appetite breach, red zone means risk appetite breach
- Escalation process of actions/decisions taken - bodies/organizational entities responsible for decisions and actions in a particular zone
- Risk appetite monitoring process.

The Group pays particular attention to continuous improvement of the risk management process. One measurable effect of this is a success of the received authorization to the further use of the IRB approach in the process of calculating capital requirements.

6.2. CAPITAL MANAGEMENT

Capital management and planning

Capital management relates to two areas: capital adequacy management and capital allocation. For both areas, management goals were set.

The goals of capital adequacy management are: (a) meeting the requirements specified in external regulations (regulatory capital adequacy) and (b) ensuring the solvency in normal and stressed conditions (economic capital adequacy/internal capital). Completing those goals, Group strives to achieve internal long-term capital limits (targets), defined in Risk Strategy.

Capital allocation purpose is to create value for shareholders by maximizing the return on risk in business activity, considering established risk appetite.

In a scope of capital management process, there is also a capital planning process. The goal of capital planning is to designate the own funds (capital base that is risk-taking capacity) and capital usage (regulatory capital requirements and economic capital) in a way to ensure that capital targets/limits shall be met, given forecasted business strategy and risk profile – in normal and stressed macroeconomic conditions.

Regulatory capital adequacy

The Bank and the Group are obliged by law to meet minimum own funds and leverage ratio requirements, set in art. 92 of the Regulation (EU) 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions as amended and amending Regulation (EU) No 648/2012 (CRR II). At the same time, the following levels, recommendations, and buffers were included in capital limits/targets setting:

- Pillar II FX mortgage loans buffer (P2R buffer) - KNF decisions from January and February 2025 setting that buffer at 0.0%;
- Combined buffer – defined in Act on macro prudential supervision over the financial system and crisis management – that consists of:
  - Capital conservation buffer at the level of 2.5%;
  - Other systemically important institution buffer (OSII) – at the level of 0.25%, and the value is set by KNF every year;
  - Systemic risk buffer at the level of 0% in force from March 2020;
  - Countercyclical buffer at the 0% level. In accordance with the Regulation of Ministry of Finance, countercyclical buffer at 1% will be introduced from the 25th of September 2025, and then elevated to 2% from the 25th of September 2026.

In December 2024, the Bank received the letter from PFSA informing on non-imposing an additional capital charge ("P2G").

The minimum capital ratios required by the KNF in terms of the overall buffer requirement (OCR) are achieved with a large surplus at the end of the second quarter of 2025.

It should be noted that the above levels of the Group's capital ratios as at the end of June 2025 do not include the net profit for the period. Its inclusion is subject to prior permission by the PFSA. Had the 1H25 net result been included in own funds, the Group's capital ratios would have been higher by ca 125 bps.

The leverage ratio is at a safe level of 4.65%, significantly exceeding the regulatory minimum of 3%.

In accordance with binding legal requirements and recommendations of Polish Financial Supervisory Authority (KNF), the Group defined minimum levels of capital ratios, being at the same time capital targets/limits. These are OCR (overall capital requirements) as for particular capital ratios.

The table below presents these levels as at the 30 June 2025. The Bank will inform on each change of required capital levels in accordance with regulations.

Minimal level of Capital ratios	30.06.2025	
CET1 ratio	Bank	Group
Minimum	4.50%	4.50%
Pillar II RRE FX	0.00%	0.00%
TSCR CET1 (Total SREP Capital Requirements)	4,50%	4.50%
Capital Conservation Buffer	2.50%	2.50%
OSII Buffer	0.25%	0.25%
Systemic risk buffer	0.00%	0.00%
Countercyclical capital buffer	0.00%	0.00%
Combined buffer	2.75%	2.75%
OCR CET1 (Overall Capital Requirements CET1)	7.25%	7.25%
T1 ratio	Bank	Group
Minimum	6.00%	6.00%
Pillar II RRE FX	0.00%	0.00%
TSCR T1 (Total SREP Capital Requirements)	6.00%	6.00%
Capital Conservation Buffer	2.50%	2.50%
OSII Buffer	0.25%	0.25%
Systemic risk buffer	0.00%	0.00%
Countercyclical capital buffer	0.00%	0.00%
Combined buffer	2.75%	2.75%
OCR T1 (Overall Capital Requirements T1)	8.75%	8.75%
TCR ratio	Bank	Group
Minimum	8.00%	8.00%
Pillar II RRE FX	0.00%	0.00%
TSCR TCR (Total SREP Capital Requirements)	8.00%	8.00%
Capital Conservation Buffer	2.50%	2.50%
OSII Buffer	0.25%	0.25%
Systemic risk buffer	0.00%	0.00%
Countercyclical capital buffer	0.00%	0.00%
Combined buffer	2.75%	2.75%
OCR TCR (Overall Capital Requirements TCR)	10.75%	10.75%

Capital risk, expressed in the above capital targets/limits, is measured, and monitored in a regular manner. As for all capital targets, there are determined some minimum ranges for those values. Capital ratios in each range cause a need to take an appropriate management decision or action. Regular monitoring of capital risk relies on classification of capital ratios to the right ranges and then performing the evaluation of trends and drivers influencing capital adequacy.

Own funds capital requirements

The Group is during a project of an implementation of internal ratings-based method (IRB) for calculation of own funds requirements for credit risk and calculates its own funds minimum requirements using the IRB and standard method for credit risk and standard method for other risk types.

At the end of 2012, Banco de Portugal (consolidating Regulator) with cooperation of Polish Financial Supervision Authority (PFSA) granted an approval to the use of IRB approach as to following loan portfolios: (i) Retail exposures to individual persons secured by residential real estate collateral (RRE), (ii) Qualifying revolving retail exposures (QRRE). According to the mentioned approval, minimum own funds requirements calculated using the IRB approach should be temporarily maintained at no less than

80% (Regulatory Floor) of the respective capital requirements calculated using the Standardized approach.

At the end of 2014, the Bank received another decision by Regulatory Authorities regarding the IRB process. According to its content, for the RRE and QRRE loan portfolios, the minimum own funds requirements calculated using the IRB approach had to be temporarily maintained at no less than 70% (Regulatory Floor) of the respective capital requirements calculated using the Standardized approach until the Bank fulfils further defined conditions. In July 2017, the Bank received the decision of Competent Authorities (ECB cooperating with KNF) on approval the material changes to IRB LGD models and revoking the Regulatory Floor. In April 2021, the Bank received a joint supervisory decision regarding the IRB approach, issued by the ECB in cooperation with the Polish Financial Supervision Authority. This decision mainly concerned the abolition of the Bank's obligation to maintain the 1.3 multiplier imposed on LGD parameters due to the positive assessment of the implementation of the conditions of the 2017 decision.

In 2021, all credit risk models included in the rating system covered by the current supervisory approval were calibrated and rebuilt.

In 2024, these models were recalibrated in connection with the modification of the default definition, and an application for approval for their use was submitted to the Supervisory Authority.

Further work was also conducted on credit risk models for the remaining credit portfolios covered by the IRB implementation plan: other retail exposures and corporate exposures.

Internal capital

The Group defines internal capital according to Polish Banking Act, as the estimated amount needed to cover all identified, material risks found in the Bank’s activity and changes in economic environment, considering the anticipated level of risk in the future.

Internal capital is used in capital management in following processes: economic capital adequacy management and capital allocation. The Group defined an internal (economic) capital estimation process. To this end, as for measurable risk types, mathematic and statistic models and methods are used.

Maintaining economic capital adequacy means a coverage (provision) of internal capital (that is an aggregated risk measure) by available financial resources (own funds). An obligation stems from Banking Act for banks to have in place that sort of risk coverage. It was mirrored in the Group’s capital targets/limits: economic capital buffer and economic capital buffer in stressed conditions.

At the end of June 2025 above capital targets were met.

At the same time internal capital is utilized in capital allocation process, to assign an internal capital to products/business lines, calculating risk-adjusted performance measures, setting risk limits and internal capital reallocation.

Capital adequacy evaluation

Capital adequacy evolution of the Group and the Bank was as follows:

Capital adequacy measures *(PLN million)*	30.06.2025 Group	31.12.2024 Group	30.06.2025 Bank	31.12.2024 Bank
Risk-weighted assets	51 099.26	45 116.23	46 725.63	40 928.26
Own Funds requirements, including:	4 087.94	3 609.30	3 738.05	3 274.26
- Credit risk and counterparty credit risk	3 050.13	3 086.63	2 712.73	2 773.83
- Market risk	30.37	19.81	30.37	19.81
- Operational risk	979.42	500.38	966.60	478.00
- Credit Valuation Adjustment CVA	28.02	2.47	28.36	2.61
Own Funds, including:	7 963.09	7 776.35	7 608.40	7 352.52
- Common Equity Tier 1 Capital	7 026.78	6 688.43	6 672.09	6 264.59
- Tier 2 Capital	936.31	1 087.93	936.31	1 087.93
Total Capital Ratio (TCR)	**15.58%**	**17.24%**	**16.28%**	**17.96%**
Minimum required level	10.75%	12.21%	10.75%	12.22%
Surplus (+) / Deficit (-) of TCR ratio (pp)	4.83pp	5.03pp	5.53pp	5.74pp
Tier 1 Capital ratio (T1)	**13.75%**	**14.82%**	**14.28%**	**15.31%**
Minimum required level	8.75%	9.85%	8.75%	9.85%
Surplus (+) / Deficit (-) of T1 ratio (pp)	5.00pp	4.97pp	5.53pp	5.46pp
Common Equity Tier 1 Capital ratio (CET1)	**13.75%**	**14.82%**	**14.28%**	**15.31%**
Minimum required level	7.25%	8.07%	7.25%	8.07%
Surplus (+) / Deficit (-) of CET1 ratio (pp)	6.50pp	6.75pp	7.03pp	7.24pp
Financial leverage ratio	**4.65%**	**4.64%**	**4.76%**	**4.67%**
Minimum required level	3.00%	3.00%	3.00%	3.00%
Surplus (+) / Deficit (-) of financial leverage ratio (pp)	1.65pp	1.64pp	1.76pp	1.67pp

As of end of June 2025, capital ratios were lower when compared with end of December 2024 – the Tier 1 capital ratio (equal to the Common Equity Tier 1 capital ratio) by 107bps, and the total capital ratio by 166bps.
In the 2Q25, Tier 1 capital (CET1) remained virtually unchanged – it decreased by PLN2 million (0.03%). Own funds decreased by PLN79 million (1%), primarily due to a PLN76 million decrease in Tier 2 capital, which is related to the normal shortening of the maturities of issued subordinated bonds.

In the 2Q25 Capital requirements increased by 10.1% (PLN377 million), with operational risk requirements increasing by PLN272 million (38.5%) and credit risk requirements increasing by PLN87 million. The significant increase in operational risk capital requirements resulted from methodological changes resulting from the implementation of the latest draft of regulatory technical standards on operational risk published in June 2025 under CRR III. As mentioned above, it is worth noting that if the results of the first half of 2025 were included in the Own Funds, the Tier 1 ratio would improve by approximately 125bps.

MREL

The Bank manages MREL indicators in a manner analogous to capital adequacy management.

In May 2025, the Bank received a letter from the Bank Guarantee Fund regarding the joint decision of the Single Resolution Board (SRB) and the BFG obliging the Bank to meet the communicated MRELtrea requirements in the amount of 15.36% (previously 18.03% in the decision received June 2023) and 14.15% taking into account the subordination criterion and MRELtem requirements in the amount of 5.91% (as in the decision received in 2024) and 5.54% taking into account the subordination criterion.

MREL	30.06.2025	31.12.2024
MRELtrea ratio	**25.27%**	**28.06%**
Minimum required level MRELtrea	15.36%	18.03%
Surplus(+) / Deficit(-) of MRELtrea (p.p.)	9.91%	10.03%
Minimum required level including Combined Buffer Requirement (CBR)	18.11%	20.78%
Surplus(+) / Deficit(-) of MRELtrea+CBR (p.p.)	7.16%	7.28%
MRELtem ratio	**8.56%**	**8.71%**
Minimum required level of MRELtem	5.91%	5.91%
Surplus(+) / Deficit(-) of MRELtem (p.p.)	2.65%	2.80%

6.3. CREDIT RISK

Credit risk means uncertainty about the Client's compliance with the financing agreements concluded with the Group i.e., repayment of the principal and interest in the specified time, which may cause a financial loss to the Group.

- The credit policy pursued in the Group is based on a set of principles such as:
- centralization of the credit decision process;
- using specific scoring/rating models for each Client segment/type of products;
- using IT tools (workflow) to support the credit process at all stages;
- existence of specialized credit decisions departments for particular Client segments;
- regular credit portfolio monitoring, both at the level of each transaction in the case of major exposures, and at credit sub-portfolio level (by the Client segment, type of product, distribution channels, etc.);
- using the structure of limits and sub-limits for credit exposure to avoid credit concentration and promote the effects of credit portfolio diversification;
- separate unit responsible for granting rating to corporate Client, thus separating the credit capacity assessment and credit transaction granting from his creditworthiness assessment.

In the first half of 2025 the Bank Millennium Group both in the corporate and retail segments, focused on introducing changes to the lending policy aimed at ensuring the appropriate quality of the portfolio in demanding economic environment.

In the area of credit risk, the Group has focused on adapting regulations, credit processes and monitoring to changed conditions.

In the retail segment, the Group focused on adapting its lending policy to the changing macroeconomic environment. In the area of loans for private individuals and micro companies development activities were continued aimed at optimizing and digitizing the process, while adapting it to the changing market situation and the changing external regulatory environment. At the same time, the Group started to focus on implementation of changes aimed at improving the efficiency of the risk assessment process of micro companies in accordance with the current Bank's strategy.

In the 1H2025, the corporate segment was enlarged with part of the small business customer base according to the segmentation stemming from the new Strategy.

In the corporate segment, the Group continued to be focused on optimal use of capital while maintaining the current profitability and maintaining a good risk profile. The Group also carried out activities aimed at streamlining and accelerating credit processes, including decision-making processes. As in previous periods, work continued on improving IT tools supporting the credit process. A comprehensive project is being developed in order to enable a stronger presence of the Bank in the corporate segment. The Group also continued close monitoring of the loan portfolio, as well as individual monitoring of the largest exposures.

All the above changes in both the retail and corporate segment enabled the Group to maintain the risk at an acceptable level defined in the Risk Strategy.

Loan portfolio quality

By the end of June 2025, non-performing loans accounted for 4.22% of the total loan portfolio, down from 4.45% at the end of 2024. This reduction aligns with the strategic goal of lowering the NPL ratio below 4% by year-end and was achieved largely due to the sales of NPL portfolios and write-offs. The share of loans past-due more than 90 days fell from 2.19% in December 2024 to 2.10% in June 2025. The Group maintains one of the highest asset quality levels among Polish banks.

Total risk provisions now cover 75.90% of impaired loans, up from 72.89% in December 2024, even after PLN60mn in write-offs and PLN213mn in loan sales. Coverage for loans over 90 days past due rose from 148% to 152% by June 2025.

In 2Q2025, the Group revised its Significant Increase of Credit Risk (SICR) methodology for unrated portfolios, increasing stage 2 loans in the performing portfolio from 8.4% (end-2024) to 8.6% (June 2025). The main impact was on corporate exposures, with the ratio rising from 7.9% to 12.7%, though this had little effect on provisioning as the exposures reclassified to stage 2 were of short residual maturity, resulting in 12-month and lifetime ECL being effectively equivalent.

The evolution of main indicators of the Group's loan portfolio quality is presented below:

Group loans quality indicators	30.06.2025	31.12.2024
Total impaired loans (PLN million)	3 237	3 450
Total provisions (PLN million)	2 457	2 514
Impaired over total loans ratio (%)	**4.22%**	**4.45%**
Loans past-due over 90 days /total loans (%)	2.10%	2.19%
Total provisions/impaired loans (%)	**75.90%**	**72.89%**
Total provisions/loans past-due (>90d) (%)	152.36%	147.91%

(*) Purchase Price Allocation (PPA) implied consolidation of Euro Bank impaired (stage 3) portfolio at net value

The impaired loans ratio fell for retail clients from 4.40% to 4.25% (with declines of 0.61pp in other retail and 0.02pp in mortgages) and for the corporate portfolio from 4.65% to 4.13% (driven by a 0.31pp rise in leasing and a 1.15pp drop in other corporate loans). The value of foreign currency mortgage loans, after provisions, dropped about 25% (in PLN terms) year-to-date due to amortization and verdicts' execution. The ex-Euro Bank mortgage portfolio (ca. PLN633mn) is backed by a Société Générale guarantee and indemnity. Without this, the share of FX mortgages in total loans falls from 1.5% to 1.1%.

The evolution of the Group's loan portfolio quality by main products groups:

Portfolio quality by products:	Loans past-due > 90 days ratio		Impaired loans Ratio	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
Mortgage	*0.93%*	*0.95%*	*2.27%*	*2.29%*
*Other retail**	*4.57%*	*4.65%*	*7.55%*	*8.16%*
Total retail clients*	2.29%	2.28%	4.25%	4.40%
Leasing	*1.20%*	*1.11%*	*5.17%*	*4.86%*
Other loans to companies	*1.60%*	*2.43%*	*3.34%*	*4.50%*
Total companies	1.43%	1.85%	4.13%	4.65%
Total loan portfolio	**2.10%**	**2.19%**	**4.22%**	**4.45%**

(*) incl. Microbusiness, annual turnover below PLN5 million

6.4. OTHER RISKS

Market risk and interest rate risk in Banking Book (IRRBB)

The market risk encompasses current and prospective impact on earnings or capital, arising from changes in the value of the Group's portfolio due to adverse market movement (prices).

The interest rate risk arising from Banking Book activities (IRRBB) encompasses current or prospective impact to both the earnings and the economic value of the Group's balance sheet, arising from adverse movements in interest rates that affect interest rate sensitive positions. The risk includes repricing gap risk, basis risk, Client's option risk and credit spread risk (CSRBB).

The framework of market risk and interest rate risk management and its control are defined on a centralized basis with the use of the same concepts and metrics which are used in all the entities of the BCP Group.

The main measure used by the Group to evaluate market risks is the parametric VaR (Value at Risk) model – an expected loss that may arise on the portfolio over a specified period (10-days holding period) with a required probability (99% confidence level) due to an adverse market movement. The market risk measurement is carried out daily (intra-day and end-of-day), both on an individual basis for each of the areas responsible for risk taking and risk management, and in consolidated terms for Global Bank, Banking Book and Trading Book considering the effect of the diversification that exists between the portfolios.

In 1H25, the VaR remained on average at the level of approx. PLN219.4 million for the total Group, which is jointly Trading Book and Banking Book, (38% of the limit) and at approx. PLN1.7 million for Trading Book (8% of the limit). The exposure to market risk at the end of June 2025 was approx. PLN174.5 million for Global Bank (30% of the limit) and approx. PLN3.3 million for Trading Book (16% of the limit). All excesses of market risk limits are always reported, documented, and ratified at the proper competence level. In the 1H2025, no excesses of the market risk limits were recorded.

Open positions contain mainly interest rate and FX risk instruments. According to the Risk Strategy approved in the Group, the FX open position is allowed, however should be kept at low levels. For this purpose, the Group has introduced a system of conservative limits for FX open positions (both Intraday and Overnight limits) and allows keeping FX open positions only in Trading Book. In the 1H2025, the FX Total open position (Intraday as well as Overnight) remained below internal limits in place.

The variations in market interest rates have an influence on the Group's net interest income, both under a short and medium-term perspective, at the same time affecting economic value of net equity in the long term. The measurement of both is complementary in understanding the complete scope of interest rate risk in Banking Book. For this reason, apart from daily market risk measurement in terms of value at risk, the scope of the additional measurement of interest rate risk covers both earnings-based and economic value measures and their forecasts considering expected balance-sheet development, investment and hedging strategy. The results of these measurements are reported monthly, that is:

- The impact on net interest income (NII) over a time horizon of next 12 months resulting from one-off, parallel interest rate shock of 100 basis points and the supervisory outlier test (SOT NII) with a set of two interest rate risk stress scenarios.
- The impact on the economic value of equity (EVE) resulting from 100 bps and 200 bps parallel upward/downward yield curve movements as well as from supervisory outlier test (SOT EVE) with set of six interest rate risk stress scenarios.
- The interest rate sensitivity in terms of BPVx100, that is the change of the portfolio's value caused by a parallel shift of the yield curve by 1 basis point multiplied by 100,

The interest rate risk measurement is carried out across all the risk management areas in the Bank, with the particular attention on Banking Book.

The results of the above-mentioned analysis for net interest income (NII), BPVx100 and economic value measures are regularly monitored and reported to the Capital, Assets and Liabilities Committee, to Risk Committee, the Management Board and Supervisory Board.

The exposure to interest rate risk in the Banking Book is primarily generated by the differences in frequency and repricing dates of the assets and liabilities, as well as contractually used reference indexes or sensitivity of client rate to market rates. It is specifically affected by the imbalance between assets and liabilities that have fixed rate and specificities products with floating rate,, in particular by:

- The liabilities – for those whose sensitivity (i.e. pass-through rate) is reduced, as the interest rate offered to Client cannot be lower than zero. Therefore, rate cuts result in smaller scope for reduction of the respective cost. .
- The assets - for variable-rate loans the transfer of market rate movements is proportional and automatic at next repricing. On top of that due to specificity of the polish legal system, the interest rate of credits is capped (it cannot exceed two times Reference Rate of the National Bank of Poland increased by 7 percentage points).In case of some consumer- or fixed-rate loans and decreasing interest rates, the impact on Net Interest Income can be negative and can exceed the nominal rate cuts due to the multiplier effects.

Consequently, sensitivity of the Net Interest Income to interest rate changes is influenced by the absolute level of interest rates taken as a reference, in particular it tends to when market rates are low due to margin compression. Therefore, assumptions regarding the timing and magnitude of deposits repricing and automatic activation of statutory interest rate caps for loans in response to market rate movements are especially important when assessing the interest rate sensitivity and risk.

Regarding the interest rate risk in Banking Book, the following principles are in place:

- The market risk that results from the commercial banking activity transferred on the monthly basis to areas that actively manage market risk and that are measured in terms of risk and profit and loss,
- The Bank uses natural hedging between loans and deposits, complemented by fixed and floating bonds and derivatives to manage interest rate risk with the main purpose of protecting the net interest income, while reducing the variability of market value of the portfolios recognised through Profit and Loss or Other Comprehensive Income (OCI).

The results of the IRRBB measurement as of the end of June 2025 indicate that in the EVE perspective the Group is the most exposed to the scenario of interest rates increase, while in the earnings perspective – to a decrease. Although, a simultaneous maintenance of supervisory limit for the SOT NII and SOT EVE metrics remains a key challenge for the Group, as well as for the entire banking sector, the results for outlier stress test scenarios (SOT) as of June 2025 show that even under the most severe outlier stress test scenario, the decline of both EVE and NII for Banking Book is below supervisory limit of i.e. below 15% of Tier 1 and 5% of Tier 1, respectively.

In case of internal metrics for net interest income’s sensitivity, that is results under a scenario of parallel shift of interest rates by 100 basis points over a 12 months horizon after 30 June 2025 is presented in the table below (for the worst scenario, that is decrease of interest rates). The results remained within internal limits in place.

Sensitivity of NII for position in Polish Zloty:

- 100 bps change of interest rates (worst scenario)	30.06.2025	31.12.2024
PLN million	-44	4
% of last 12 months	-0.74%	0.08%

Sensitivity of NII for position in significant currencies:

- 100 bps change of interest rates (worst scenario)	30.06.2025	31.12.2024
PLN million	-84	-27
% of last 12 months	-1.43%	-0.49%

The above results of internal metrics for sensitivity of NII for the next 12 months after 30th June 2025 in Polish Zloty in Banking Book are conducted under the following assumptions:

- static balance sheet structure as of that reference date (no change during the following 12 months),
- reference level of net interest income if all assets and liabilities with variable interest rate already reflect market interest rates levels as of 30th June 2025 (for example, the NBP Reference rate was set to 5.25%, i.e. includes cut by 50bps in 2Q2025),
- application of a parallel move of 100bps in the yield curve up and down is an additional shock to all market interest rates levels as of 30th June 2025 and is set at the repricing date of the assets and liabilities that happens during the 12 following months,

Apart from reference date for the analysis that is set in the context of a lower interest rate environment in Poland (decision of the Monetary Policy Council to cut interest rates in 2Q25), the increase in the NII sensitivity metric observed in June 2025 compared to the one published for the end of 2024 is primarily due to a revision of methodology for non-maturity products. As part of this process, the sensitivity of non-maturing deposits (NMD) to interest rate cuts was reduced, resulting in a more limited scope of adjustment in case of interest rate cut shocks. It means that not the entire decrease in interest rate shock is expected to be reflected in lowering of the cost of funding. This adjustment for NMD was applied only for internal NII measures (+/- 100 bps shock) and aims to provide a more conservative and realistic representation of interest rate risk in the banking book, in line with Bank's pricing policy as well as prevailing market practices.

Liquidity risk

Liquidity risk reflects the possibility of incurring significant losses because of deteriorated financing conditions (financing risk) and/or of the sale of assets for less than their market value (market liquidity risk) to meet the funding needs arising from the Group's obligations.

The process of the Group's planning and budgeting covers the preparation of a Liquidity Plan to make sure that the growth of business will be supported by an appropriate liquidity financing structure and supervisory requirements in terms of quantitative liquidity measures will be met.

In 1H25, the Group continued to be characterized by solid liquidity position. All the supervisory and internal liquidity indicators remained significantly above minimum limits in place. The steps taken as part of standard and binding risk management procedures have proved sufficient for managing liquidity in the current market environment.

In 1H25, the Group maintained Loan-to-Deposit ratio well below 100%. This ratio was equalled 61% at the end of June 2025 (64% at the end of December 2024). The liquid assets portfolio is treated by the Group's as liquidity reserve, which will overcome crisis situations. This portfolio consists of liquid debt securities issued or guaranteed by Polish government, other EU's sovereigns, European Union and multilateral development banks', supplemented by the cash and exposures to the National Bank of Poland. At the end of June 2025, the share of liquid debt securities (including NBP Bills) in total securities portfolio amounted to 99.9% and allowed to reach the level of approx. PLN61.0 billion (42% of total assets), whereas at the end of December 2024 was at the level of approx. PLN53.9 billion (39% of total assets).

Main liquidity ratios	30.06.2025	31.12.2024
Loans/Deposits ratio (%)	61%	64%
Liquid assets portfolio (PLN million)*	60 986	53 646
Liquidity Coverage requirement, LCR (%)	414%	371%

(*) Liquid Assets Portfolio: The sum of cash, nostro balance (reduced by the required obligatory reserve), unencumbered liquid securities portfolio, NBP-Bills and short-term, due from banks (up to 1 month).

Total Clients' deposits of the Group reached the level of PLN121.7 billion (PLN117,3 billion at the end of December 2024). The share of funds from individuals in total Client's deposits equalled to approx. 75.0% at the end of June 2025 (74.7% at the end of December 2024). The maintenance of high share of funds from individuals had a positive impact on the Group's liquidity and supported the safe compliance of the supervisory measures.

The main source of financing of the Group remains its deposits base, with a large, diversified, and stable funding from retail, corporate and public sectors. The source of medium-term funding included mainly subordinated debt, own EUR bonds issue and covered bonds issued by Millennium Mortgage Bank.

The level of deposit concentration is regularly monitored and did not have any negative impact on the stability of the deposit base in 1H2025. However, in case of significant increase of the share of the largest depositors, the additional funds from the depositors are not treated as stable. Despite of that, to prevent deposit base fluctuations, the Group maintains the reserves of liquid assets in the form of securities portfolio as described above.

The Group carried out ongoing monitoring and reporting of key supervisory liquidity indicators, including daily calculation of Liquidity Coverage Requirement (LCR) and monthly of Net Stable Funding Requirement (NSFR). In 1H25, the regulatory minimum of 100% for both LCR and NSFR was fulfilled by the Group. The LCR was at 414% at the end of June 2025 (371% at the end of December 2024). The liquidity position was kept due to increase of the retail Clients' deposits that guaranteed safe level of liquid assets portfolio. The NSFR was kept above supervisory minimum of 100% in each of the reporting month.

In accordance with the Recommendation of the Polish Financial Supervision Authority (KNF) on the Long-Term Funding Ratio (LTFR or WFD), the Group monitors and reports this indicator on a regular basis as part of its internal liquidity risk management framework. The Group acknowledges the supervisory expectation to reach a minimum for LTFR of 40% by December 2026. Although supervisory threshold is not yet binding, the Group actively monitors long-term market funding opportunities and takes proactive measures to align its funding structure with the expected requirement. The LTFR has been gradually increasing and reached 34% in June 2025 (28% at the end of December 2024).

Additionally, the Group employs an internal structural liquidity analysis based on cumulative liquidity gaps calculated on an actuarial basis (i.e., assuming a certain probability of cash flow occurrence). In 1H2025 the internally defined limit of 12% total assets was not breached, and the liquidity position was confirmed as solid.

Stress tests as regards structural liquidity are conducted at least quarterly to understand the Group's liquidity risk profile, to make sure that the Group can meet its commitments in the event of a liquidity crisis and to contribute to preparing a contingency plan regarding liquidity and management decisions.

The liquidity risk management process is regulated in the internal policy that is a subject of the Bank's Management Board approval.

The Group has also an excess of liquidity in foreign currencies (in particular in EUR and USD) which has increased in recent years due to the significant decrease of the CHF loan portfolio, the conversion of part of provisions for legal risk to CHF and the issue of two senior non-preferred bonds in a total amount of EUR 1 billion. Consequently, the management of FX liquidity is focused on efficient investment of the surplus and diversification of the risk, which has led to the creation of an investment portfolio in EUR, mostly concentrated in several western European countries' sovereign debt in EUR.

The Group has also emergency procedures for situations of increased liquidity risk – the Liquidity Contingency Plan. The Liquidity Contingency Plan establishes the concepts, priorities, responsibilities, and specific measures to be taken in the event of a liquidity crisis. The Liquidity Contingency Plan is tested and revised at least once a year.

Operational risk

Operational risk management is based on the processes structure implemented in the Group and overlapping the traditional organizational structure. Current management of the specific processes, including the management of the profile of process operational risk, is entrusted to Process Owners, who report to all other units participating in the risk management process and are supported by these units.

To manage the fraud risk, the Group has in its structure a special organizational unit to develop, implement and monitor the Group's policy for management of this risk in cooperation with other organizational units of the Group and in accordance with its internal regulations. Fraud Risk Management Sub-unit in the Security Department is a centre of competence for the fraud prevention process.

Non-Compliance risk

Lack of legal compliance of internal regulations and the ensuing risk of legal or regulatory sanctions, material losses or reputation risk, is one of the areas threatening the banking activity. By monitoring compliance with both internal and external regulations, Bank Millennium considers it to be particularly important:

- preventing money laundering and financing of terrorism;
- ensuring consistency of Bank Millennium's internal normative acts with binding laws as well as recommendations and guidelines issued by supervisory authorities,
- counteracting and managing conflicts of interest,
- observance of ethical principles,
- monitoring personal transactions and protecting confidential information related to Bank Millennium, financial instruments issued by the Bank as well as information connected with purchase/sale of such instruments.
- monitoring and ensuring compliance of the products and services including those covered by MiFID II.

Bank Millennium undertakes appropriate actions for the purpose of ongoing and continuous tracking of changes occurring in binding legal regulations as well as recommendations and guidance given by supervisory authorities, both national as well as of the European Union. To ensure compliance of the Bank's operation with the applicable laws, the Compliance Department undertakes several activities such as:

1. ensuring functioning of the monitoring compliance with external regulations,
2. analysing new products and services,
3. measuring compliance risk in processes operating at the Bank,
4. issuing opinions,
5. participating in key implementation projects, and
6. staff training.

The Bank's operations may generate a conflict of interest between Bank's interests and the interests of Customers. The Bank's main principle is to take all reasonable steps to identify and to counteract the conflict of interest between the Bank and its Customers, as well as between individual Customers, and to establish rules ensuring that such conflicts have no adverse impact on Customers' interests.

The Bank Millennium Group undertakes also appropriate actions to ensure conduct concerning personal transactions, which is compliant with standards and laws. These actions and measures are meant to, according to the circumstances, to restrict or prevent performance of personal transactions by Relevant

Persons in situations, which may cause a conflict of interest or be involved with access to confidential information or to data about Customers' transactions.

Shares of Bank Millennium are admitted to public trading on the Warsaw Stock Exchange. Such status requires special attention and observance of the obligation to maintain highest standards for transparency of financial markets. The policy of Bank Millennium is to maintain strict control as regards protection of the flow of confidential information (including in accordance with the requirements of Regulation No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on abuses on the market abuse, MAR). The Bank prohibits the use and disclosure of confidential information in any form. Purchasing and selling the Bank's shares, derivative rights concerning the Bank's shares or any other financial instruments thereto related is forbidden during closed periods.

The Anti-Money Laundering and Counter Terrorism Financing programme (AML/CTF), applied by Bank Millennium, is a comprehensive system of identification of threats related to money laundering/terrorism financing crimes.

Actions launched under this programme include in particular:

- application of due diligence measures to Customers, depending on the AML risk level and based on „Know your Client" (KYC) principle – the key concept of the program,
- transactions registration and reporting,
- identification of suspicious transactions,
- cooperation with the General Inspector of Financial Information,
- verification of customers and transactions in terms of sanctions.

Bank Millennium periodically adjusts its scenarios to the analysis of suspected transactions, considering up-to-date patterns and trends (sectors, cash-flow routes, Customer behaviour) for effective identification and reporting of transactions suspected of money laundering. Implemented internal policies, procedures, organizational solutions and employee training programmes ensure efficient operation of the programme.

Bank Millennium, with view to protecting Customers who invest their funds in investment products or financial instruments with varied degree of risk, strictly monitors compliance of these products, their offering and handling process with relevant internal regulations, laws, and external guidelines – on the domestic and European Union level. The Bank has mechanisms and internal regulations allowing for anonymous reporting of violations of law and internal regulations and ethical standards (the so-called whistleblowing) to the Chairman of the Management Board, and in the case of notification concerning a Member of the Management Board - to the Supervisory Board. The Bank will verify each application, ensuring that the reporting person will be protected by acts of repressive, discriminatory, and unfair nature.

7. IMPORTANT CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY EVENTS

7.1. ANNUAL GENERAL MEETING OF BANK MILLENNIUM S.A.

On 27 March 2025, the Ordinary General Meeting of Bank Millennium S.A. ('OGM') took place. The meeting was attended by shareholders representing 79.62% of the Bank's shareholders equity, including BCP (50.10%), NN OFE (9.70%), Allianz OFE (8.97%), and PZU "Złota Jesień" OFE (5.41%).

The OGM approved, among other matters (details: report_no_rb_17_2025_bmgm_resolutions2025), the financial and non-financial reports for the year 2024, the report on the activities of the Supervisory Board for the year 2024 and conducted an assessment of the remuneration policy at Bank Millennium. Furthermore, the meeting reviewed the Supervisory Board's report on the remuneration of members of the Management Board and the Supervisory Board of the Bank, approved amendments to the Bank's Statute, and authorized the Management Board to increase the Bank's share capital under the targeted capital framework without the ability to exclude the pre-emptive rights of existing shareholders in whole or in part. Additionally, the OGM established a motivation program and determined the principles for its implementation, as well as concluded to dissolve the reserve capital.

7.2. CHANGES IN THE SUPERVISORY AND MANAGEMENT BOARDS OF BANK MILLENNIUM S.A.

On 27 March 2025, the Annual General Meeting of the Bank elected the Supervisory Board for a new three-year term.

The following individuals have been appointed to the Supervisory Board:

1. Nuno Manuel da Silva Amado
2. Miguel de Campos Pereira de Bragança
3. Olga Grygier-Siddons
4. Alojzy Nowak
5. José Miguel Bensliman Schorcht da Silva Pessanha
6. Miguel Maya Dias Pinheiro
7. Lingjiang Xu
8. Agnieszka Kłos-Siddiqui
9. Katarzyna Sułkowska
10. Małgorzata Bonikowska
11. Izabela Olszewska
12. Anna Mankiewicz-Rębkowska

These persons do not conduct any activity competitive to the Bank, neither as shareholders or participants of competitive companies, nor as members of the governing bodies of such companies. The newly appointed members of the Bank's Supervisory Board are not listed in the register of insolvent debtors. Information on the education, qualifications and professional careers, including the activities performed, of the Supervisory Board members is contained in professional CVs, accessible through the Bank's website: Supervisory Board - About the Bank - Bank Millennium.

Furthermore, the Management Board of the Bank informs that on 27 March 2025 a meeting of the Bank's Supervisory Board appointed by the General Meeting of Shareholders also took place. The Supervisory Board was constituted by appointing Ms. Olga Grygier-Siddons as the Chairperson of the Supervisory Board, Mr. Nuno Manuel da Silva Amado as the Deputy Chairman of the Supervisory Board, and Ms. Katarzyna Sułkowska as the Secretary of the Supervisory Board.

During the same meeting, the Supervisory Board determined that the Management Board of the Bank for the new, three-year term of office will consist of 7 persons and also appointed as of March 27, 2025: Mr. Joao Bras Jorge as Chairman of the Management Board, Mr. Fernando Bicho as Deputy Chairman of the Management Board, and Mr. Wojciech Haase, Mr. Antonio Pinto Junior Mr. Jarosław Hermann, Ms. Halina Karpińska and Ms. Magdelena Zmitrowicz as members of the Management Board.

These persons do not conduct any activity competitive to the Bank, neither as shareholders or participants of competitive companies, nor as members of the governing bodies of such companies. The newly appointed members of the Bank's Management Board are not listed in the register of insolvent debtors.

Information on the education, qualifications and professional careers held by the members of the Management Board is included in professional CVs, accessible through the Bank's website: Management Board - About the Bank - Bank Millennium.

7.3. ACTIVITIES IN THE ESG AREA: ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

Bank Millennium conducts business in a responsible and ethical manner, with the environment and local communities in mind. Sustainability plays an important role in our strategy and is one of the key success factors, with business and ESG goals forming a cohesive whole. The Bank supports UN Sustainable Development Goals and is a signatory of the 10 UNGC principles and Diversity Charter.

The most important ESG activities carried out in the second quarter of 2025

ECO promotion for mortgage loans for properties with low energy demand

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

The key condition for the promotion is that the EP index, i.e. the annual demand for non-renewable primary energy for the purchased property, does not exceed:

- 83,9 kWh/(m2*year) for a house or a flat in a building with up to 2 dwellings, if the application for a building permit or notification of construction was made by the end of December 2020 and 63 kWh/(m2*year), if the application for a building permit or notification of construction was made from 1 January 2021,
- 81,85 kWh/(m2*year) for a dwelling in a building with more than 2 dwellings, if the application for a building permit or notification of construction was made by the end of December 2020 and 58,5 kWh/(m2*year) if the application for a building permit or notification of construction was made from 1 January 2021.

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. The promotion covers both the primary and secondary markets, making it accessible to a wide audience.

This initiative is part of Bank Millennium's strategy to counteract the negative effects of climate change.

22. Millennium Docs Against Gravity

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. The festival is a review of the best documentary films, a meeting place for outstanding filmmakers from around the world, and a forum for discussing the current, most important issues and challenges. This is the most important cultural project supported by the bank.

This year's edition was held under the slogan 'The whole world between us' and attracted a record audience of over 181 thous. viewers, including 108 thous. in cinemas and 73 thous. online.

The winner of 22. Millennium Docs Against Gravity awarded with the Grand Prix - the Bank Millennium award, was the film 'Yintah', which thus qualified for an Oscar® nomination in the Best Feature Documentary category. Since 2024, the festival has been included in the list of events eligible for this award, which has greatly increased the prestige and significance of the festival's main prize, the Grand Prix - the Bank Millennium Award.

On the occasion of the 20th anniversary of the patronage of the Millennium Docs Against Gravity festival, Bank Millennium has prepared a unique image spot in which it talks about cooperation with the festival over these two decades. The spot can be accessed through the following link: https://www.youtube.com/watch?v=I3FvjRWP-po.

The Bank Millennium Foundation makes materials from the Financial ABC available in sign language

As part of its commitment to financial education for children with disabilities, the Foundation has translated educational films from the Financial ABC programme into sign language, run under the patronage of the Children's Ombudsman. This is the first step towards making the programme more inclusive.

It is important to the Foundation that every child, regardless of their abilities, has free access to financial knowledge. The first step towards making the programme inclusive was to translate animated stories featuring Mr Sebastian and video guides for parents into sign language. Through these activities, the Foundation aims to create an educational environment that is accessible and welcoming to all children, regardless of their individual needs.

As part of the Financial ABCs programme, the Bank Millennium Foundation has, since 2016, carried out 3,612 educational workshops in kindergartens across Poland, attended by 88,812 children.

More about the Bank Millennium Foundation: www.bankmillennium.pl/o-banku/fundacja.

Sports and volunteer programme Our People '25

The sporting part of the OurPeople'25 challenge organised by the bank came to an end in June. For two months, Bank Millennium employees collected points in the OurPeople sports challenge by participating in various physical activities. They covered 201 thous. km on wheels, 196 thous. km on foot and performed almost 930 thous. minutes of various types of exercise (fitness, yoga, surfing, sailing, gym, team sports, etc.), burning 24 million calories and saving over 9 tonnes of CO_2. A record number of nearly 1,800 people participated in the challenge.

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

The bank has been implementing the project for many years as an initiative aimed at encouraging physical activity on the one hand, while drawing attention to key social issues through employee volunteering on the other.

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.

Bank Millennium Virtual Vibes is a concept that combines the music of artists liked by the young generation with the world of games, i.e. the two main passions of GEN Z. In the interactive festival zone, the bank used games and activities to demonstrate how cybercriminals operate online. After completing a task, participants received tips on how to respond to threats and use electronic banking safely. In the virtual branch of the bank, it was possible to store the game currency in a digital vault.

The slogan ‘The festival that listens to you’ emphasised openness to the needs of the community and the idea of co-creating experience with the audience.

Sponsoring of the 31st Bydgoszcz Opera Festival

Bank Millennium was a sponsor of the 31st Bydgoszcz Opera Festival organised by Opera Nove in Bydgoszcz. The festival, held since 1994, is one of the most important events on the cultural map of Poland. This is the largest review of the most interesting achievements of musical theatres in the country, both domestic and foreign, during which artists and people of culture meet enthusiasts of various musical genres: opera, operetta, musical, ballet, both classical and modern.

“Se(a)ns sztuki” – film series on art and society

Zachęta – National Gallery of Art, together with the Bank Millennium Foundation, invited viewers you to a new film series Se(a)ns sztuki – a project that combines cinema with reflection on art and culture. The repertoire included both single screenings of cinema hits and smaller thematic blocks – devoted, among others, to artists and cultural institutions, the aesthetics of everyday life, visual memory or the role of art in a changing society. The screenings were accompanied by lectures, discussions with the artists and presentations of works from the Zachęta collection.

The project is open and accessible – addressed to both art lovers and those for whom the screening will be an opportunity to visit the gallery for the first time. The support from the Bank Millennium Foundation enables the organisation of events at a high substantive and organisational level, and at the same time strengthens the accessibility of culture and the development of visual competences of recipients of all ages.

Patronage of Kinooceany - Portuguese Film Week

Bank Millennium has become a patron of Kinooceany – Portuguese Film Week, which takes place in four Polish cities: Katowice, Łódź, Warsaw and Gdańsk. The event aimed to familiarise the Polish audience with contemporary and historical Portugal through cinema and meetings with artists.

The programme included arthouse cinema, films by directors from the classic pantheon and the most important contemporary filmmakers, meetings with filmmakers, critics and researchers from both Portugal and Poland, as well as accompanying events. By becoming a patron of Kinooceany, Bank Millennium continues its mission of supporting valuable cultural projects.

Partnership with the European Economic Congress 2025

Bank Millennium became a partner of the European Economic Congress 2025, which took place in April in Katowice. The European Economic Congress (EEC) is the largest business event in Central Europe, covering the full spectrum of issues most important for social and economic development.

João Bras Jorge, Chairman of the Management Board of Bank Millennium took part in the following sessions: The banking sector and the future of Europe, during which discussions focused i.a. on the evolution and prospects of the Polish banking sector compared to other EU countries, as well as the competitiveness and resilience of the European economy and the challenges it faces.

Magdalena Zmitrowicz, Member of the Bank Millennium Management Board participated in a session entitled Banks and ESG, covering topics such as the role of the banking sector in implementing ESG requirements in companies, as well as opportunities and efforts towards cooperation and education in this area.

Participation in 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. EUindTech is a conference organised by the Institute of Mineral and Energy Economy of the Polish Academy of Sciences and the Małopolskie Voivodeship devoted to the discussion about the current state of development of the community, technological challenges and future trends in the area of changes in the industry. EUIndTech2025 gathers a wide range of representatives of EU institutions, national and local administration, international organisations, as well as representatives of science and industry.

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?". Participants discussed how to support industrial transformation, break down barriers and strengthen the position of countries and regions. The discussion also covered issues related to building resilience and competitive advantage of businesses in the context of challenges related to security, economy, energy and climate change.

Partnership with the Economic Education Congress

The Bank Millennium Foundation was a partner of the Economic Education Congress 2025 – a nationwide forum dedicated to the exchange of experiences and cooperation in the field of financial education, cyber security and entrepreneurship.

Iwona Jarzębska, President of the Bank Millennium Foundation, took part in a debate on the role of saving in economic education entitled „Saving – an evergreen topic in economic education, but does it still mean the same thing?"

Conference: 'Responsible business in practice – sustainable development as the key to the future'

As part of the event, Magdalena Trzynadlowska, Director of the Sustainability Department at Bank Millennium, took part in an expert debate entitled 'Sustainable development – cost or strategic advantage?'. The discussion focused on key issues related to ESG as a potential source of strategic advantage and a foundation for long-term success, rather than merely a burden for organisations. Participants considered whether consumers and investors really reward responsible companies, and which business models best combine environmental concerns with profitability.

Podcast series of the CFO Club and Bank Millennium entitled "Practical aspects of ESG on the CFO's radar"

The latest episode of the CFO Club and Bank Millennium podcast series entitled ‘The role of banks in ESG – why are banks asking businesses so many new questions?’ featured Kinga Ladachowska, Product Manager at Bank Millennium, responsible for sustainable products for corporations. The programme answers, among other things, the question of what information an entrepreneur must disclose in order to meet ESG criteria in the eyes of a financing provider.

8. REPRESENTATIONS OF THE MANAGEMENT BOARD

8.1. PRESENTATION OF ASSET AND FINANCIAL POSITION OF THE CAPITAL GROUP OF BANK MILLENNIUM IN THE FINANCIAL REPORT

According to the best knowledge, the Condensed Interim Consolidated Financial Statement of the Capital Group of Bank Millennium S.A., in 6-month period ending 30th June 2025 and the comparable data as well and the Condensed Interim Unconsolidated Financial Statement of Bank Millennium S.A. for the period of 6 months ending 30th June 2025 and the comparable data, were prepared in line with the accounting principles, and reflect, truly, reliably, and clearly, the asset and financial position of the Capital Group and its financial result. This semi-annual Management Board Report on the activity of Bank Millennium S.A. and the Group contains a true picture of development, achievements and condition of Bank Millennium and the Capital Group of Bank Millennium S.A., including a description of the main risks and threats.

8.2. SELECTION OF AN ENTITY AUTHORIZED TO FINANCIAL REPORTS AUDITING

The entity authorized to audit financial reports, reviewing this Condensed Interim Consolidated Financial Statement of the Capital Group of Bank Millennium S.A. for the 6-month period ending 30th June 2025 and the Condensed Interim Unconsolidated Financial Statement of Bank Millennium S.A. for the 6-month period ending 30th June 2025 - was selected in accordance with the binding regulations of law. The entity and chartered accountants who performed the review, met all the conditions required to issue an unbiased and independent review report, as required by the national law.

SIGNATURES:

Date	Name and surname	Position/Function	Signature
28.07.2025	Joao Bras Jorge	Chairman of the Management Board	signed with a qualified electronic signature
28.07.2025	Fernando Bicho	Deputy Chairman of the Management Board	signed with a qualified electronic signature
28.07.2025	Wojciech Haase	Member of the Management Board	signed with a qualified electronic signature
28.07.2025	Jarosław Hermann	Member of the Management Board	signed with a qualified electronic signature
28.07.2025	Halina Karpińska	Member of the Management Board	signed with a qualified electronic signature
28.07.2025	António Pinto Júnior	Member of the Management Board	signed with a qualified electronic signature
28.07.2025	Magdalena Zmitrowicz	Member of the Management Board	signed with a qualified electronic signature

GLOSSARY

Adjusted BCA - Adjusted Baseline Credit Assessment

AML - Anti-Money Laundering

AuM - Assets under Management

BCA - Baseline Credit Assessment

BFG (Bankowy Fundusz Gwarancyjny) – The Polish Bank Guarantee Fund that secures bank deposits and finances financial institution restructuring.

BLIK (BLIK mobile payment system) – A Polish mobile payment system based on one-time codes generated in a banking app.

BPV - Basis Point Value

CRR / CR Assessment - Counterparty Risk Rating / Assessment

CRR3 - Capital Requirements Regulation III

CTF - Counter-Terrorism Financing

DTA - Deferred Tax Asset

eBOK (Elektroniczna Baza Obsługi Klienta) – An electronic system allowing leasing clients to access contract and payment information online.

EMTN - Euro Medium Term Note Programme

ESG - Environmental, Social, Governance

ETR - Effective Tax Rate

EVE - Economic Value of Equity

FOMC - Federal Open Market Committee

FTE - Full-Time Equivalent

IEA - Interest-Earning Assets

IKE (Indywidualne Konto Emerytalne) – A tax-advantaged retirement savings account in Poland.

IRB Method (Internal Ratings-Based) – A method allowing the Bank to calculate capital requirements using internal credit risk models.

IRRBB - Interest Rate Risk in the Banking Book

ISIN - International Securities Identification Number

KNF (Komisja Nadzoru Finansowego) – The Polish Financial Supervision Authority overseeing the financial market.

KYC - Know Your Customer

KUKE (Korporacja Ubezpieczeń Kredytów Eksportowych) – An institution supporting Polish exports through guarantees and insurance.

L/D - Loan-to-Deposit ratio

LCR - Liquidity Coverage Ratio

LGD - Loss Given Default

LT IDR / LC LT IDR - Long-Term Issuer Default Rating / Long-Term Local Currency Issuer Default Rating

SICR Methodology (Significant Increase in Credit Risk) – A process for identifying significant credit risk increases in line with IFRS 9.

MiFID II - Markets in Financial Instruments Directive II

MREL - Minimum Requirement for Own Funds and Eligible Liabilities

MRELtem / MRELtrea - MREL temporary / MREL transitional

NFOŚiGW (Narodowy Fundusz Ochrony Środowiska i Gospodarki Wodnej) – Polish institution financing environmental protection projects.

NII - Net Interest Income

NIM - Net Interest Margin

NPL - Non-Performing Loans

NSFR - Net Stable Funding Ratio

OCR - Overall Capital Requirement

OSII Buffer - Other Systemically Important Institution Buffer

P2G (Pillar 2 Guidance) – A supervisory capital add-on to enhance Bank’s resilience to risk.

PPK (Pracownicze Plany Kapitałowe) – A voluntary retirement savings system co-financed by employees and employers.

Retail credit exposures (RRE, QRRE) – RRE secured by residential property, QRRE are revolving exposures like credit lines.

SICR - Significant Increase in Credit Risk

SOT - Supervisory Outlier Test

T1 - Tier 1 Capital Ratio

TCR - Total Capital Ratio

VaR - Value at Risk

VAS - Value-Added Services

VR - Viability Rating

WFD - Weighted Funding Duration

WSE - Warsaw Stock Exchange

2nd Fillar Buffer (P2R) – An additional capital buffer set by the Polish Financial Supervision Authority to strengthen credit loss resilience.