

“Deliver more value 28”

2025-28 Strategic Plan

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Executive summary

“Deliver more value 28” sets a new bar for Millennium bcp's aspirations towards customers, people and shareholders. Millennium bcp is starting this cycle from a strengthened position that allows the Bank to confidently aim for a compelling profitability level (ROE >13.5%) and a material distribution to shareholders (up to 75%¹), while preserving a robust capital position (>13.5% CET1).

The Strategic Cycle now ending consolidated an unrivaled path of transformation that led to early **achievement of the ambitious financial targets set forth**, cementing the group's **competitive position** in its markets, across most segments, **excelling in profitability** (ROE of 15.3% in 2023) and **balance sheet robustness** (CET1 of 16.5%² in 9M2024). Ultimately, these results are reflected in the upward trajectory in **share price** (+229%, September 2024 vs. December 2020) and investment grade **ratings** (3-4 notches since 2018). Millennium bcp has done so strengthening its **leadership in customer centricity**, while solidifying its technology foundations.

In Portugal, the bank was successful in significantly **boosting revenues** (+50% vs. 2021), exploring previous strides in technology to increase **digital and mobile adoption**. In Poland, the Bank **completed the recovery plan** and restored **profitability**, despite sizeable recognition of FX mortgage provisions, while maintaining a **stable performance** in Mozambique in a challenging environment.

Millennium bcp has **consistently grown business volumes** as a group (+4% CAGR since 2018) and in each business unit, with particular emphasis in Poland, notwithstanding the 65% reduction of NPEs since 2018. This evolution allowed Millennium bcp to consolidate a **competitive position** across most of the segments, in **markets that offer a structural**

advantage in the upcoming cycle with GDP growth above EU-27 average, sizeable EU funding packages for Portugal and Poland, and substantial investments in large projects for Mozambique.

Looking to the future, the Bank is well-positioned to navigate 3 main trends: (i) the likely **downward trajectory of interest** rates and its implications to profitability, (ii) the **evolving customer behavior** with increased demand for **innovation** and **personalization** in the **rise of AI**, and (iii) the **growing cybersecurity risks** with increasing sophistication of attacks and an **evolving regulatory context** (e.g., DORA).

In this context, Millennium bcp is launching a new Strategic Plan for 2028, “Deliver more value 28”. In this plan, the Bank aspires to **deliver more value to all stakeholders**: for **customers** with a leading position in experience across markets, for **talent** with a satisfaction of >75/100 and >25% share of people promoted per year, and for **shareholders** with tangible returns and distribution. This will require an evolution of priorities (i) seeking growth options in **attractive value pools with right-to-win**, increasing portfolio balance towards the **SME segment**, (ii) innovating **selectively in adjacencies**, and (iii) strengthening **credit risk** capabilities.

In Portugal, Millennium bcp aspires to be the **relationship bank** with the **best experience**, **human and digital enabled**, for families and

1. Of cumulative net income of €4.0-4.5bn in 2025-28 subject to supervisory approval and achievement of Plan's relevant capital and business targets in Portugal and in the international area and fulfillment of CET1 target. Including payout and share buyback, 2025 through 2028.

2. Official ratio, without the Q3'24 net income, of 16.2%.

companies, ambitioning to capture 150-200k new active customers and +€4bn credit to companies (stock) by 2028. ActivoBank aims to **lead customer acquisition in A/B digital first arena**, with distinctive digital daily banking and value for money proposition, reaching 700k active customers in 2028.

In Poland, Bank Millennium aims to be the **reference bank** in acquisition and development of **primary relationships** with **SMEs and individuals**, embracing **innovation** and delivering **top-quality services**, reaching 3.7mn active customers, growing corporate lending stock at 14% p.a., and increasing the share of **primary retail clients to 70%**.

In Mozambique, Millennium bim will be focused on reinforcing its position as **the main bank for families and companies** and the reference bank for **international investors**

in Mozambique's economy, with **strong risk controls**, targeting 1.7mn active customers and ~20% market share in lending to companies and individuals.

These priorities will enable Millennium bcp to deliver more value, visible **in the main targets set for 2028**. As a group, the bank aspires to deliver a **healthy organic growth**, achieving **business volumes of >€190bn**, **>8mn active customers** with a **mobile share of >80%**, maintain an execution discipline with **cost-to-income <40%** and **cost of risk of <50bps**, reinforce the ESG commitment aiming for a **top quartile position in S&P Global CSA rating**, ultimately achieving **superior returns** with **RoE of 13.5%**, keeping a sizeable capital buffer with a **CET1 ratio of >13.5%** and **shareholder distribution of up to 75%³** of the cumulative net income of €4.0-4.5bn in 2025-28.

3. Subject to supervisory approval and achievement of Plan's relevant capital and business targets in Portugal and in the international area and fulfillment of CET1 target. Including payout and share buyback, 2025 through 2028.

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Trajectory and market outlook

The Strategic Plan 2021-24 successfully concluded Millennium bcp's recovery period with high profitability, solid capital, early achievement of targets and market recognition. Supported by differentiating capabilities around customer centricity and technology, and solid competitive positions across markets with expected tailwinds, the bank is well-positioned to succeed in an evolving banking context.

The 2021-24 cycle now ending **concludes a period of recovery for Millennium bcp** that culminates in a **sound performance** anchored on a **proven track record** and **robust balance sheet** with a **sizeable capital buffer**. Millennium bcp successfully **executed its transformation** benefiting from its symbiotic combination of **human touch and technology**, lowering the number of branches (by 25% since 2018) and increasing the penetration of mobile in the customer base (+37 p.p. to 71%, since 2018), while **strengthening the franchise**, growing the number of active customers (+42% to 6.9 million, since 2018), and making the **operating model more efficient**, increasing productivity levels (by 25%, since 2018).

This trajectory materialized in a **resilient balance sheet**, lowering NPE by 65% and improving CET1 by 4.5 p.p., and in a **profitability leap**, multiplying net income by ~3x and increasing ROE by 10 p.p..

In this context, the group **surpassed its targets one year ahead of schedule**, grounded on superior execution and mobilization acumen, ultimately achieving **strong profitability** (>15% ROE) while **strengthening its balance sheet** (16.5%⁴ CET1 ratio, <3.5% NPE) and **increasing efficiency** (<40% C/I).

The demonstrated track record and improved financial position was **ultimately recognized by external stakeholders**, with above-market valuation uplift (229% share price uplift in

4. Official ratio, without the Q3'24 net income, of 16.2%.

2020-24 vs. STOXX Banks EUR 97% in the same period), and upgraded ratings to investment grade (+3-4 notches).

Looking to the future, the Bank is well-positioned to navigate 3 main trends. The first being the **likely downward trajectory of interest rates** and its implications to profitability. Millennium bcp has a strong **retail deposit franchise** and a **normalized cost of risk**, setting the Bank in a favorable position in an envisaged environment of **normalized interest rates** and **expanding lending** volumes. The second being the **evolving customer behavior** with increased **demand for innovation** and **personalization** in the **rise of AI**. Millennium bcp benefits from a **leadership position in digital adoption and customer satisfaction**, which enables the Bank to solidify primary relationships. The third trend being growing cybersecurity risks with increasing sophistication of attacks and an

evolving regulatory context (e.g., DORA). Millennium bcp has **progressively invested in a modernized tech and data architecture**, enabling swift compliance with regulatory evolutions and leading fraud protection.

The Bank presents a **competitive position** across the markets with untapped opportunities, namely in the business segment in Poland (~4% market share in companies) and Mozambique (~7% market share in credit to private companies).

The three main geographies present **structural advantages given the favorable outlook** in the horizon of the plan compared to EU average (higher GDP growth in the European footprint, aligned or lower domestic credit as a percentage of GDP) boosted by upcoming exogenous effects such as European recovery and resilience facilities or expectations of large-scale investments.



Ambition and strategy for the next cycle

In the new Strategic Cycle 2025-28 Millennium bcp aspires to deliver more value to its customers, its people and its shareholders. The Bank defined group targets aiming to achieve superior performance with tangible returns.

“Deliver more value 28” is Millennium bcp’s strategy that aims to reinforce the ability to address the expectations of its customers, its employees and its shareholders, after a period characterized by a structural effort to restore the financial sustainability of the business.

To customers, Millennium bcp aims to create a distinctive and engaging customer experience through symbiotic usage of human touch and technology, promoting loyalty. **To people**, the Bank is focused on attracting and retaining critical profiles, upskilling the talent base and rewarding performance to achieve an even more productive organization. **To shareholders**, Millennium bcp aspires to deliver profitability above cost-of-capital through the cycle, distributing relevant returns while ensuring balance sheet resilience.

In the new Strategic Cycle, Millennium bcp aims to **achieve a superior performance** by pursuing **compelling profitability** through organic growth in attractive pools, increasing portfolio balance towards SMEs, while focusing expansion efforts and innovation in adjacent opportunities with right-to-win (e.g., credit to new-to-bank customer and climate transition) and strengthening credit risk capabilities.

The Bank’s ambition is to **consolidate an edge in customer experience and trust**, combining human touch and technology to excel in delivery, productivity and resilience. Additionally, Millennium bcp aims to deliver **tangible returns**, leading in families and companies in Portugal, doubling the business segment in Poland and consolidating as leading and robust universal bank in Mozambique.

Millennium bcp's first objective for the new Strategic Cycle is to **sustain healthy organic growth**, with three targets, reaching **>€190bn of business volumes** (+4% p.a. from 9M2024 to 2028), **>8 million active customers** (+16% from 9M2024 to 2028), and **>80% penetration of mobile** (+9 p.p. from 9M2024 to 2028), with a strategy focused on targeted customer acquisition and exploring the potential of its relationship model to increase primacy.

The second objective is to **keep the execution discipline**, with two targets, maintaining **cost-to-income below 40%**, supported on systematic deployment of new technologies and operating model redesign to increase productivity (+30% business volumes / total FTEs in 2028 vs. 9M2024), and cost-of-risk below 50bps, preserving rigor in credit risk requirement and strengthening risk capabilities in domains such as new-to-bank customers.

The third objective is to **reinforce ESG commitment**, with the goal of being in the **top quartile in S&P Global CSA** namely through: (i) sustainable financing, particularly supporting the climate transition, (ii) talent well-being and diversity including professional development, and (iii) strengthened culture of rigor and accountability across geographies, adapted to the evolving regulatory frameworks.

The fourth objective is to **maintain a robust capital position**, with a **CET1 ratio above 13.5%**, building on organic generation of capital to allow tangible value distribution to shareholders and preparedness towards regulatory requirements.

Finally, the fifth objective is to **deliver superior returns**, with two targets, achieving a **RoE of >13.5%**, and **distributing up to 75%⁵** of the cumulative net income of €4.0-4.5bn in the period of 2025-28.

Main targets for strategic cycle 2025-28

Millennium bcp consolidated

	Metrics	2028
Healthy organic growth	Business volumes Portugal	>€190bn >€120bn
	Number of customers Portugal	>8mn >3mn
	Mobile customers Portugal	>80% >75%
Execution discipline	Cost-to-income Portugal	<40% <37%
	Cost of risk Portugal	<50bps <45 bps
ESG commitment	S&P Global CSA (percentile)	Top quartile
Robust capital	CET1 ratio	>13.5%
Superior returns	RoE	>13.5%
	Shareholder distribution	Up to 75% of cumulative net income of €4.0-4.5bn in 2025-28 ⁵ subject to supervisory approval and achievement of Plan's relevant capital and business targets in Portugal and in the international area and fulfillment of CET1 target

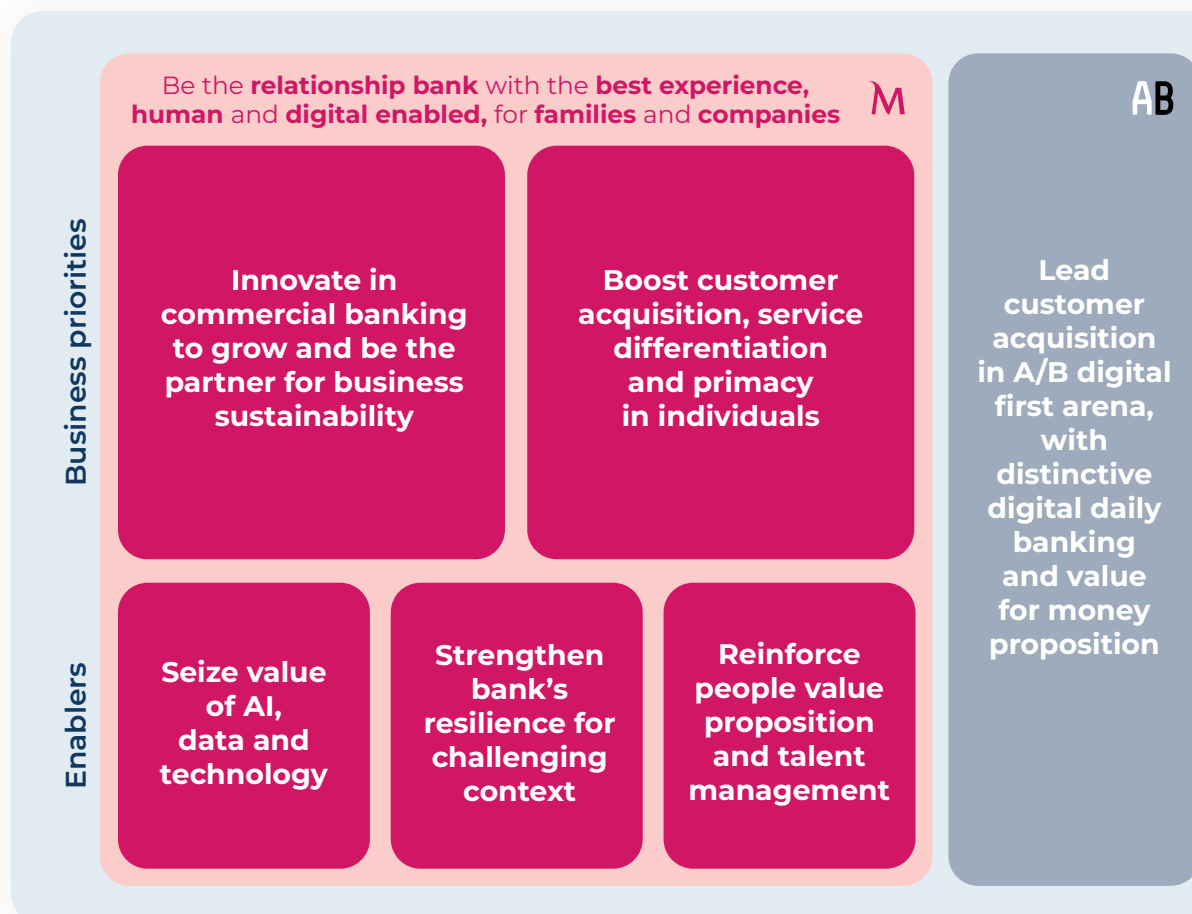
5. Subject to supervisory approval and achievement of Plan's relevant capital and business targets in Portugal and in the international area and fulfillment of CET1 target. Including payout and share buyback, 2025 through 2028.

6. Including payout and share buyback, 2025 through 2028.



Main priorities in each geography

Main strategic opportunities for Portugal





Innovate in commercial banking to grow and be the partner for business sustainability

Millennium bcp has been the trusted partner for companies' recovery and transformation, having been a consistent leader in credit to businesses during the previous Strategic Plan. Now, Millennium bcp aims to reinforce its position in selected segments with right-to-win, namely small and medium companies, and innovate its model to address their needs (e.g., supply chain financing, climate transition investments).

Throughout the past years, Millennium bcp has **consistently supported Portuguese businesses and corporations** (~18% market share in credit to companies, being recognized as the best bank for companies⁷), fostering their operation and development in a context of economic uncertainty and shifting paradigms. This foundation allows Millennium bcp to **set growth aspirations in commercial banking** through an elevation of servicing and experience, expanding digital access to key products, while tailoring support to the upcoming structural investments fueled by the wave of EU funds for companies and climate transition to be the **partner for businesses sustainability** (~20% market share in credit to companies in 2028⁸).

In this setting, Millennium bcp plans to **transform its receivables and supply chain financing propositions**. This will be enabled by offering state-of-the-art tech capabilities integrating factoring, treasury management and short term financing. This platform should allow for bulk invoice management and invoice-by-invoice digital advancements, and foster integration with the broader ecosystem.

Understanding the key needs of its clients, the Bank is elevating its **servicing and experience**

across segments through the scale-up of a **new website for companies**, enabling a digital-first service. In particular, this entails the **evolution of digital cash management offering**, end-to-end contracting of broad credit products (e.g., short-term credit, cards) and enhanced process management (e.g., uploading documents to relationship manager through website).

This leap in digital service enables the **activation of a broader share of existing business clients**, which increasingly prefer fast, digital assistance. Millennium bcp looks to provide a distinctive service model to **small businesses**, aiming to double the stock of credit for this segment.

Foreseeing a need for short- and long-term financing to complement ongoing EU funding (Portuguese Recovery and Resilience Plan, Portugal 2030 and PEPAC) packages, Millennium bcp will provide tailor-made support for funding benefactors, once more acting as the **partner of choice for transformation of Portuguese businesses and corporations**. The bank will pursue this with a continuous focus on adopting instruments to maximize capital efficiency for envisaged opportunities.

7. Most utilized bank by companies as per Data-E (Barómetro Serviços Financeiros Empresas 2024).

8. Considering non-financial, non-public sector.

Anticipating a significant opportunity in climate transition, particularly enhanced by upcoming EU funding, Millennium bcp is aiming to further heighten its capabilities and expertise to **step up its role supporting sustainability investments**. This opportunity aims to generate additional ~€2bn credit production through the cycle and includes structuring and financing the key opportunities while partnering with suppliers to build integrated solutions to collaborate with businesses in their adaptation to the climatic context (e.g., energetic decarbonization, management of physical risks).

Additionally, to execute the **uplift in companies credit volumes** during the upcoming period, Millennium bcp aims to (i) **streamline credit processes for corporate clients** improving service quality and decision-making efficiency, and (ii) **evolve its pricing models** to capture full value-generation potential, while continuously calibrating risk capabilities.



Boost customer acquisition, service differentiation and primacy in individuals

Millennium bcp comes from a solid competitive position in the mass market and affluent segments being a leader in digital experience. Moving forward, Millennium bcp will double-down in customer acquisition, further elevate engagement with mass personalization, and promote loyal and primary relationships.

In the previous Strategic Plan, Millennium bcp focused on consolidating its solid position as relationship bank, further strengthening **digital capabilities** in onboarding and adoption, engagement (e.g., money management), and sales (e.g., cards and lending).

During the next Strategic Plan, Millennium bcp will place a strong emphasis on **customer acquisition**, tailoring entry offerings and commercial models to target segments, **customer experience**, promoting personalized interactions with advanced digital journeys and native products, enhancing service levels in branches and call center, and innovating in the value proposition for affluent, and **primacy and loyalty**, revisiting daily banking and insurance propositions.

Millennium bcp aims to **grow the customer base** by **revamping its focus on youth and families** with higher competitiveness of daily banking entry offers and innovating in lending with a flexible proposition and exploring full potential of family banking features. The Bank also recognizes the importance of **immigrants** in the Portuguese market. Consequently, it aims to reinforce its relationship with immigrants settling in Portugal, namely those seeking entrepreneurial endeavors as well as the ones looking to enjoy (early) retirement. The Bank will invest in streamlining digital account opening processes, facilitating cross-border transfers, and providing advisory on wealth management.

Transversely, Millennium bcp will invest in **digital marketing** to target these customers, revamp the **worksite propositions**, benefiting from its extensive relationships with companies, and tailoring **service points** for affluent immigrants.

As vehicles to support customer acquisition, Millennium bcp aims to expand its **personal lending capabilities**, exploring **digital marketing** to directly target clients without a previous relationship with the bank as well as widening **embedded lending solutions in selected verticals**, following inroads in the health sector, and reinforce its **mortgage origination model** through partnerships.

In **customer experience**, Millennium bcp has already made significant progress in the digital channel, namely increasing digital transactions by 33 p.p. (from 54 to 87%, since 2018) and being #1 bank in NPS of digital clients. In the new Strategic Cycle, Millennium bcp aims to bring these capabilities to the next level, delivering **personalized interactions** (offering, content and timing) at scale to **drive digital engagement** and **sales**, increasing digital conversion through advanced journeys (e.g., investments products) and **native products serving flexible needs**.

Additionally, as a core element of customer experience, Millennium bcp will **transform branch service levels**, improving waiting times and promoting higher focus on

customer education and advisory for complex products, supported by an increased level of digitization and accessibility (e.g., expedited in-branch account opening). The Bank will also **upgrade its contact center capabilities** aiming to increase first contact resolution and reduce handling times, through dynamic call system, smart routing, speech analytics, and a redesigned operating model.

Finally, Millennium bcp is determined to **excel in the value proposition for the affluent segment**. Millennium bcp has always been well-positioned with a recognized brand (Prestige) and leading capabilities in diversification and advisory. In the new Strategic Cycle, Millennium bcp aims to **scale adoption of digitally enabled advisory services**, integrating the full spectrum of customer needs (insurance, investments), and **expand the relationship manager model** with tiered service levels (e.g., physical vs. remote, dedicated vs. in pool) tailored to each affluent sub-segment and increasing dedicated coverage.

In **primacy and loyalty**, Millennium bcp aims to develop a **program** with augmented benefits associated with transactionality and overhauling its **daily banking** offerings through **innovative bundle configurations** with targeted features and add-ons.

As a core product in a comprehensive financial relationship, Millennium bcp is committed to continue **innovating its insurance proposition**, extending **bundling** capabilities and digital channels, and **redesigning product propositions** especially in **health and term-life**. Furthermore, responding to the demographic ageing (30% of the population with 65+ by 2030), Millennium bcp wants to **support the senior segment** in living better their retirement period, fostering access to liquidity with tailored decumulation solutions.



Lead customer acquisition in A/B digital first arena, with distinctive digital daily banking and value for money proposition (ActivoBank)

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Supported by a growing customer base predominantly comprised of tech-savvy individuals, ActivoBank is entering the next cycle ready to solidify its leadership position in customer acquisition in the digital A/B segment, while decisively extending its value proposition to lending and diversification.

In the last Strategic Cycle, ActivoBank **grew the customer base by >50%** (since 2021) reaching **~400 thousand active customers** in 2024, of which 40% in A/B segment, **launched daily banking bundles** to promote primacy, and **tripled personal lending production**.

In the new Strategic Plan, ActivoBank is committed to **increase and lead acquisition of affluent-to-be digital-first customers** with tailored digital onboarding journey that leverages advanced personalization techniques to ensure comprehensive yet seamless account opening processes. The Bank will launch targeted member-get-member campaigns, mobilize influencer networks in specific segments, and revamp worksite propositions. This strategy is meant to allow ActivoBank to achieve **>700 thousand active clients** of which >45% digital affluent-to-be.

ActivoBank aims to continue promoting **first bank relationships with clients**, redesigning its digital journeys to promote engagement and conversion, introducing innovative product offerings, directly and through partnerships, in

personal lending (flexible formats with adequate risk levels), mortgage and investment products (simplified and customizable solutions), and strengthening daily banking and loyalty propositions. All in all, ActivoBank projects to **grow >60% in customer funds, >70% the lending book** (including personal lending and mortgage), and **double the adoption of bundles**.

Additionally, the Bank is set to **transform its service model** by **digitizing** service activities, **simplifying** processes and **deploying and scaling GenAI** enhanced tools to support both customers and call center operators. Streamlining operations and further enhancing the availability of digital channels across journeys, will enable ActivoBank to provide a **more responsive and efficient banking experience**.

Finally, ActivoBank will evolve the **business intelligence** and mobile app features to **enable mass personalization**, while **strengthening development** capabilities to optimize time-to-market.



Seize value of technology, data and AI

Millennium bcp has been on a transformative journey that implied building the foundational elements of a modern tech stack using the latest technology, such as cloud computing, real-time data architecture, AI, and a modular micro-services and event-based architecture, to rearchitect, modernize and expand its technological backbone. These steps combined with an expansion of the digital lab model, allowed the bank to position itself as a leader in digital banking. Looking ahead, Millennium bcp aims to further harness these technological advancements to support business development priorities while enabling a substantial productivity uplift and ensuring future-proof resilience.

Millennium bcp is committed to **unlock further “value”** from the tech platforms developed to increase its **competitive advantage**.

This will encompass supporting the delivery of **business plan objectives** and reinforcing the **bank’s distinctiveness in customer experience** with the expansion of its **proprietary digital experience platform** integrating a new generation of back-end personalization engines coupled with modular interfaces to embed relevancy in every client interaction, ultimately driving conversion and customer loyalty.

Moreover, the Bank plans to advance tech capabilities across five dimensions: **process redesign and simplification** for efficiency, agility and speed through an end-to-end approach, AI augmented workflows and departmental one-stop platforms; **(Gen) AI deployment expansion** to increase productivity and improve experience with a scalable and safe set up; **data architecture** transformation via **AI-driven technology migration**, to address evolving regulatory expectations and high impact use cases at speed and scale, while capturing **data quality by design** benefits; continued **Tech modernization** to expand

future proof architecture and infrastructure, gaining superior **efficiency, agility and tech resilience**; and **IT factory transformation** to step up agility and performance with **multi-track operating model setup and latest (Gen)AI and tech** integration into development processes.

Millennium bcp aims to capture the next level frontier of automation and agility by leveraging new combinations of existing and emerging technologies to advance its **automation efforts across even more complex processes**, such as lending for companies, with an **end-to-end transformation approach**, and accelerating **digitalization of servicing journeys** (>70% of retail servicing journeys digitalized by 2028). The incorporation of **(Gen)AI and renewed workflows modular platforms**, in sync with **departmental one-stop platforms** consolidating tailored actionable data and tools, will accelerate execution towards the Bank objective of building a **programmable backoffice and processes fabric**, not only addressing current limitations and inefficiencies, but also contributing to further differentiate quality of service and turn built-in agility into a new competitive advantage.

An important unlock to additional automation will be **scaling up capabilities in GenAI**, establishing an **Operating Model designed for a new scale-focused phase**, that encompasses value-centric demand management, responsibilities, and risk controls, ensuring safe and compliant deployments. The bank aims to **scale GenAI adoption** through a **strategic prioritization of use cases across business operations, compliance and customer experience**, with bold targets defined such as achieving >75% of documents processing GenAI enabled. These will be supported by **extensive training** and a set of **proprietary platforms** and **tech accelerators** already proven through successful pilots. The **‘Agent Lab’, a self-service platform that empowers teams** to experiment, build, and deploy GenAI solutions while embedding best practices, governance and reusable patterns, to democratize but simultaneously enforce effective and responsible GenAI application, and **‘Sourcery’ a solution specialized in code migration industrialization**, now evolving to support a more transversal role across the Bank’s software development practice, will be pivotal to catalyze the transformation. Continued **improvement of these platforms and optimized integration with selected market tools** will remain key to materialize **value capture and speed advantage**.

On **data transformation**, the bank plans to **scale the adoption of its cloud-based Enterprise Data Platform (EDP)**, implemented in the previous cycle combining best-of-breed technologies to offer optimal performance across both traditional batch type data processing as well as real-time advanced analytical and AI use cases. The key objectives are to achieve **>70% of core data migrated to the EDP, rearchitecting into a modern domain-driven data model and expanding the centralized golden source**, while aligning with BIRD/ iREF standards, and **automate key regulatory reporting processes**. The bank will also continue to drive **strategic, high-impact use cases and data products, such as Customer Engagement, Mass Personalization and Loyalty Programs**.

Finally, strengthening the **Data Governance framework**, broadening **coverage** and ensuring it supports the evolving architecture,

integrating advanced practices such as ML based data quality checks, genAI-enabled lineage tracking and real-time data profiling mechanisms, is essential to meet future regulatory and operational needs. A domain-oriented governance model, combined with end-to-end control over critical data elements and key metrics, will promote more consistent use of concepts and efficient, trustworthy data usage across the organization, fostering compliance, agility, and resilience.

In tech modernization, continuous renewal **of applications not allowing tech debt to accumulate**, while managing **economically viable migrations to the new stack, will be a priority**. Core banking transformation path, particularly **workload migration and slimming options** will be evaluated under a holistic and structured approach, with **GenAI as a lever** to unlock economic feasibility and mitigate the inherent risk of modernization efforts, building on results already achieved with GenAI assisted selective migrations. Additionally, the **evolution of the infrastructure** will also be central to this front covering both **on premises infrastructure** and advancement of the **cloud setup into a multi-cloud geometry** to address more stringent resilience requirements.

Finally, it will be pivotal to evolve the **IT factory setup**. This will encompass achieving a step change in delivery speed and agility, empowering developers with enhanced **self-service capabilities** and renewed **Gen AI augmented software development life cycle**. Additionally, the bank foresees evolving the **multi-track setup of its operating model**. This path will require **growing the bank’s tech bench further**, with **internalization** and selective **talent hiring aiming** to seamlessly navigate **generational transitions**.

All in all, the plan represents an **ambitious agenda** balancing the **enablement of value** in the short-term with **systematic investing with a mid-term horizon** to guarantee compliance with evolving **regulatory requirements, safeguard the bank**, and advance towards a **nimbler and future-ready tech stack that supports further differentiation**.



Strengthen bank's resilience for challenging context

Millennium bcp has ahead an evolving regulatory landscape, maintaining its commitment to meet resulting expectations. Additionally, the Bank will enhance its focus on resilience and risk management, facilitating a secure centralization of its innovation.

The evolution of **regulatory and risk landscape** imposes more complex and stricter guidelines and expectations in topics such as Fraud, AML and KYC, ESG, and cybersecurity, there is a need to further reinforce and optimize the Bank's defenses and compliance measures.

Consequently, Millennium bcp is set to **significantly invest in enhancing its capabilities** in fraud, AML and KYC. By deploying advanced tools and models, the Bank is aiming to enable real-time monitoring and detection and bolster resilience against financial and non-financial crimes, while preserving customer experience and service.

To ensure best-in-class **cybersecurity** and **tech resilience** capabilities, Millennium bcp aims to minimize and anticipate incidents, enable quick time to detection, and ensure fast response and recovery (including zero base recovery for selective perimeters and for more catastrophic scenarios). The Bank will reinforce processes and capabilities to mitigate third-party exposures and ensure readiness to comply with regulatory requirements, particularly DORA expectations.

Recognizing the **importance of ESG** topics today and in the coming years, Millennium bcp is committed to ESG principles. The Bank is focusing on **sustainable financing**, aiming

to provide over €2bn (production) in energy transition financing during the next cycle. In the **social** dimension, Millennium bcp will prioritize **employee development** and **well-being** while promoting diversity and inclusion. Finally, in the governance dimension, Millennium bcp will reinforce its **framework across geographies** by strengthening a culture of rigor and accountability adapted to the evolving regulatory framework and responsible business practices, and additionally **strengthening resilience across subsidiaries** in response to emerging risks. Finally, the Bank will promote and embed ESG considerations into strategic and operational decision-making (e.g., implementing the Group's Sustainability Master Plan initiatives).

Additionally, to support compliance with regulatory expectations, Millennium bcp is committed to evolve its **risk organization**, increasing staffing, streamlining risk data reporting roles, and enhancing the model risk management framework to promote efficiency and refining **subsidiary oversight** for decisive yet autonomous governance.



Reinforce people value proposition and talent management

Millennium bcp prepares for the next cycle a forward-looking talent management strategy designed to shape a future-ready workforce to ensure sustained growth and competitiveness in the evolving Portuguese landscape, with a strong emphasis on appreciating people and rewarding over-performance.

Millennium bcp will **reinforce key areas** in talent, particularly on technological, digital and AI fields, as well as risk and compliance roles, boosting its capacity for innovation and resilience. Targeted recruitment efforts will focus on **attracting top-tier talent**, ensuring the **right expertise** is in place to navigate complex and ever-changing market landscapes and **deliver superior value** to all stakeholders.

In parallel, Millennium bcp will strengthen internal capabilities through **selective insourcing of technology roles**, allowing for more resilience, control and efficiency in the modernization.

Beyond external hiring, Millennium bcp is committed to **developing internal talent** through dedicated **training programs**. Such programs include the AI Academy for data modeling, Risk Academy for new profiles in internal control areas and Leadership development to enable capabilities in leadership, creating a strong foundation for future growth. Through reskilling and upskilling initiatives on emerging topics and fostering a culture of continuous learning and adaptability, Millennium bcp will **empower its people** to succeed in the future.

Aiming to preserve a competitive cost position, Millennium bcp is invested in further **optimizing its operating model** through automation and process streamlining, while enabling organizational flexibility to accommodate

potential **attrition**, paving the way for a **more productive workforce**.

Appreciating its people stands as a key pillar of Millennium bcp's new cycle ambition. The Bank will continue evolving its development plan to emphasize the contribution of high-performing teams, aligning this with fair recognition and growth opportunities. Building on previous initiatives to enhance variable compensation, this effort will be supported by transparency, regular feedback, and clearer performance-based incentives. By creating an environment where excellence is incentivized and rewarded, Millennium bcp aims to heighten appreciation for its current workforce, driving increased engagement, and fostering a **meritocratic culture** with >30% of employees promoted per-year.

Committed to **advancing gender equality** within the organization, Millennium bcp will maintain an equitable hiring approach and ensure ongoing career development opportunities for all employees, cultivating an engaged and diverse workforce (e.g., approximately 45% share of women in promotions to management positions).

Finally, prioritizing a healthy work-life balance will continue to be a key pillar throughout the next cycle to **enable a motivated workforce** capable of driving the Bank towards future success.

Main strategic opportunities for Poland:

Be the reference bank in acquisition and development of primary relationships in the SME market and individuals, embracing innovation and delivering top-quality services

Over the last few years, Bank Millennium successfully tackled multiple challenges including geopolitical tensions, inflation, credit holidays and negative impacts from FX mortgages. The Bank was able to outperform most of its strategic ambitions, confirming the long-standing track record of successful execution. The Bank is now in a solid position to pursue growth in core battlegrounds but also in new fields to achieve sustainable value creation.

Bank Millennium stands out in the Polish banking sector for delivering exceptional customer experiences, consistently ranking among the **Top 3 in Net Promoter Score**. Over the last five years, the Bank has achieved notable growth, with total assets and active retail customers increasing by an average of 9% and 10% per year, respectively. This growth has cemented Bank Millennium's strong position in retail banking, with over **3 million active customers**, and has established a **solid footing in corporate asset financing** (leasing, factoring) and a **highly profitable business model**. Despite challenges such as geopolitical tensions, high inflation, credit holidays, and the legacy of FX mortgages, the Bank has outperformed many of the objectives set in its previous strategic plan. This resilience is underpinned by Bank Millennium's distinctive strengths, including an **effective customer acquisition strategy, superior service quality, a leading digital customer experience, and advanced technological capabilities**. These core competencies will continue to drive the bank's performance and future success.

Poland's **economy has consistently demonstrated robust growth**, even during global economic downturns, a trend anticipated to persist with annual **GDP growth of 3-4%** projected until 2028. This growth is expected to be accompanied by stabilizing inflation, rising disposable incomes, and low unemployment rates. The banking sector remains financially strong and attractive, characterized by solid

capital ratios, good credit quality, and high liquidity. Business volumes within the sector are expected to grow steadily. As interest rates are projected to gradually decline and then stabilize, there will likely be a shift on the relative importance of liabilities and assets as primary revenue drivers. Additionally, **growth in the corporate segment** is forecasted to outpace that of the retail sector in both volumes and net revenues. The strategy of Bank Millennium aims to explore the potential of these evolving trends. Concurrently, the Bank will continue to adopt a proactive approach in identifying, managing, and mitigating key risks, including navigating a dynamic legal and compliance landscape, managing the impacts of the WIBOR reform, and adhering to increasingly stringent capital and funding requirements.

Bank Millennium's strategy for 2025-28 is centered on continuous innovation and bold growth. By embracing innovation and digitally delivering top-quality services, the Bank aims to become the **primary bank for individuals and companies** in Poland. Bank Millennium plans to sustain robust growth in retail banking by leveraging primary relationships with clients and to **double the business scale in corporate banking**. Bank Millennium is committed to ambitious growth targets, maintaining strong **cost discipline** with a cost-to-income ratio of ~37% by 2028, focus on **risk management** with a non-performing loan ratio <4% by 2028, and ensuring **capital solidity** with a Tier 1 ratio of ~15% by 2028. The Bank aims to secure

sustainable profitability with a RoE of ~18% by 2028, generating value for shareholders and **resuming dividend distribution from 2027**, contingent on the regulatory environment.

In corporate banking, the Bank aims at reaching **50 thousand business customers** and **doubling its corporate loans portfolio** to over PLN25 billion, while maintaining **top 3 position in corporate NPS**. Bank Millennium aims to drive mid-corporate **acquisition** with a targeted approach and **primacy** through increased penetration of key products while leveraging superior customer experience; to **upgrade sales and service model for mid-corporates** redesigning sales processes with enhanced SLAs, introducing a new CRM system, and strengthening salesforce capabilities (more RMs and Business Analysts); to **grow investment loans** through fast-track approval, targeting specific industries; to **unlock the full-potential of leasing** leveraging cross-selling and expanding agent network; and to **revamp the service model for small businesses** offering differentiated, digital-first service model and improved value proposition.

In retail banking, the Bank will continue to grow with the target to reach **3.7 million active customers**, with ~70% share of primary retail customers and strengthening **top 3 position in retail NPS**. Bank Millennium is committed to boost **acquisition** in selected segments improving digital end to end processes; to **build primacy** enhancing

daily **banking products**, and **augmenting personalization** in customer approach and offering; to **further grow customer funds** expanding savings and investments products promoting regular accumulation; to **become a bank of first choice for Small Office / Home Office** businesses providing market leading offering and digital experience; to **strengthen leadership in customer experience** through continuous improvement; and to **evolve the distribution model** further digitizing customer journeys, ensuring omnichannel experiences, and optimizing the physical sales network.

The strategy will be enabled by **relevant investments in the Bank's most important assets: people and technology**. Bank Millennium will be positioned as the **most attractive employer for top talents** across strategically important areas. On the technology side, the Bank will continue implementing **innovative technological solutions**, namely the cloud journey to become a data-driven organization or the general adoption of AI, aiming to reach **over 95% share of digitally active clients**.

Finally, **sustainability will play a central role** in the strategy as the Bank will support clients in their transition to a low-carbon economy (PLN5 bn in sustainable finance origination), in addition to executing the Bank's current sustainability targets and commitments (Carbon Neutrality by 2030, Net Zero by 2050, community engagement, best-in-class governance).

Main strategic opportunities for Mozambique:

Be the main bank for families and companies and the reference bank for international investors in Mozambique economy, with strong risk controls

Millennium bim holds the top #2 position in both funds and lending with leading efficiency ratios, solvency and capital situation, strong top-of-mind brand and a wide distribution network across the whole country. In a context of uncertainties but with potential to be economically favorable in Mozambique considering previsions of GDP development and confirmation of large projects, the Bank enters the new cycle with the ambition to consolidate its position with individual and company customers.

To lead in serving individuals, Millennium bim will invest in **innovative value propositions** centered on **client experience** through both physical and digital channels. This includes the growth of the client base supported by more efficient processes across client journeys and the evolution of digital offerings. The Bank aims to offer improved client service, built on the evolution of commercial choreography, enabling more systematic and personalized contacts, enhancing the proactivity of account managers.

In companies, Millennium bim will **reinforce growth with tailored value offering focused on service quality**. The Bank plans to increase

penetration within the ecosystems of large corporate clients' suppliers by investing in digital supply chain finance solutions and increasing the share of wallet in low-risk segments. To increase presence in exporting clients, the Bank will create value propositions with specific solutions supported by a high level of service excellence and specialized teams.

Lastly, to continue enhancing resilience, Millennium bim is committed to **strengthening control processes** to enable proactive response and management of risks through the reinforcement of second and third lines of defense and improving tools for monitoring fraud and cyber incidents.

Concluding thoughts and targets for 2028

Main targets for strategic cycle 2025-28

Millennium bcp consolidated

	Metrics	2028
Healthy organic growth	Business volumes Portugal	>€190bn >€120bn
	Number of customers Portugal	>8mn >3mn
	Mobile customers Portugal	>80% >75%
Execution discipline	Cost-to-income Portugal	<40% <37%
	Cost of risk Portugal	<50bps <45 bps
ESG commitment	S&P Global CSA (percentile)	Top quartile
Robust capital	CET1 ratio	>13.5%
Superior returns	RoE	>13.5%
	Shareholder distribution	Up to 75% of cumulative net income of €4.0-4.5bn in 2025-28 ⁹ subject to supervisory approval and achievement of Plan's relevant capital and business targets in Portugal and in the international area and fulfillment of CET1 target

As Millennium bcp materializes the benefits of a proven recovery path, the focus for the next Strategic Cycle is on **preserving balance-sheet robustness** and **delivering attractive profitability levels**. The new strategic plan, “Deliver more value 28”, is aimed at our **customers, employees, and shareholders**. Achieving a record **€4.0-4.5bn cumulative net income over the cycle** and a significant **shareholder distribution of up to 75%** (subject to supervisory approval and achievement of the Plan's relevant capital and business targets in Portugal and in the international area and fulfillment of CET1 target), Millennium bcp is setting the stage for a new era of growth and prosperity.

9. Including payout and share buyback, 2025 through 2028.

The Bank will accomplish these goals while maintaining a **strong capital position** (CET1 >13.5%), ensuring it has the resources to meet regulatory requirements and with a sizeable buffer to withstand uncertainties, namely on an environment of growing geopolitical instability and heightened cyber risks.

All geographies are expected to contribute with **tangible returns**, provided a stable regulatory and macro environment. Our growth agenda is designed to counteract the impact of interest rate reductions, aiming to reach **8mn active customers** and **expand business volumes to >€190mn**, all while keeping a **disciplined cost management** (C/I <40%).

In Portugal, we anticipate operating within a moderately positive economic environment, allowing us to **increase our market share** among **individuals and companies** to approximately **20%**. We aim to achieve an **attractive cost-to-income ratio** (<37%)

and maintain a **sustainable cost-of-risk** (<45 bps). These targets will fortify a leadership position and enhance our competitive edge in the market.

The “Deliver more value 28” plan will require significant resource mobilization, a step change in technology CapEx and the **allocation of additional profiles** to growth and **resilience areas**, alongside additional insourcing initiatives. A key focus will also be on **boosting productivity** through automation, GenAI, and simplification efforts.

Successfully implementing the “Deliver more value 28” plan will bring Millennium bcp to a **superior level of performance and readiness for the future**. We are confident that this strategic roadmap will enable us to achieve **sustainable growth, deliver exceptional value to our stakeholders**, and continue building a legacy of excellence and trust in the banking landscape.

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