

The Digital Transformation Journey Continues



BANKING TRANSFORMATION AFRICA

15 - 16 November 2022

Cape Town International Convention Centre
South Africa

In partnership with

ITSCREDIT

Jorge Octávio

Digital transformation
Millennium Bim's journey:
Lessons learned

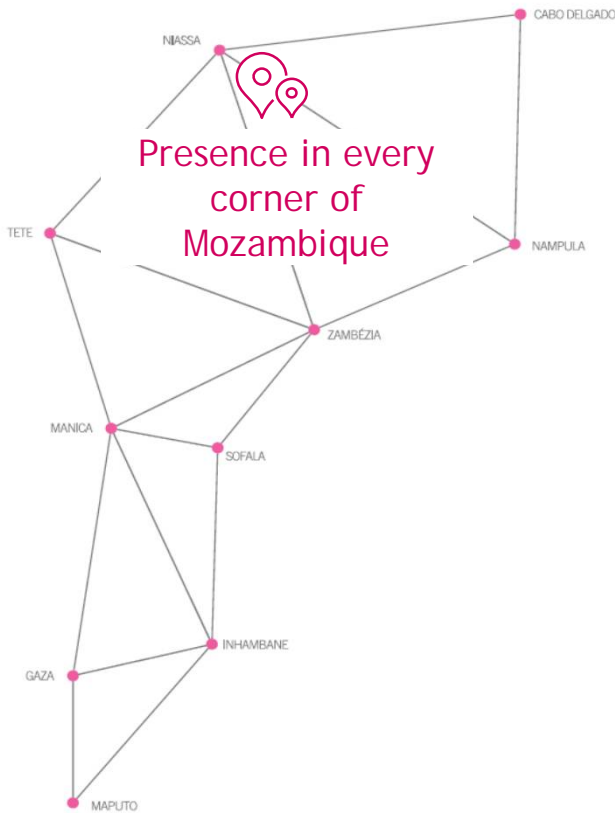
Millennium
bim

www.bankingtransformationafrica.com



Who are we?

Millennium Bim is a Universal Bank that chose to segment its approach to Market, building different platforms to serve different sets of customers with adjusted value propositions, supported by a national presence and state of art digital channels to serve its customers needs



Our Core Values were chosen in an internal process involving all our employees:



Customer Focus



Innovation



Responsibility



Excellence



Trust

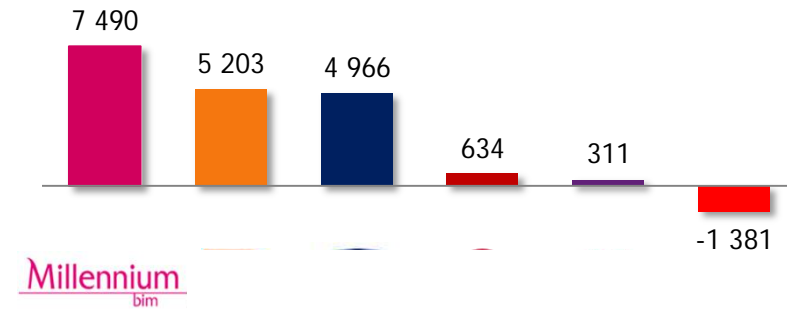
Benchmark

In a solid, profitable and resilient banking system Millennium bim stands out



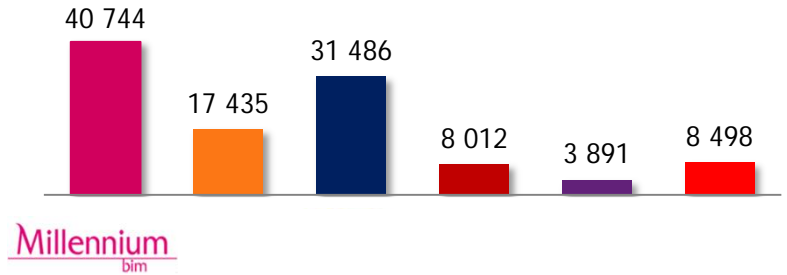
Net Result

MZN Milhões



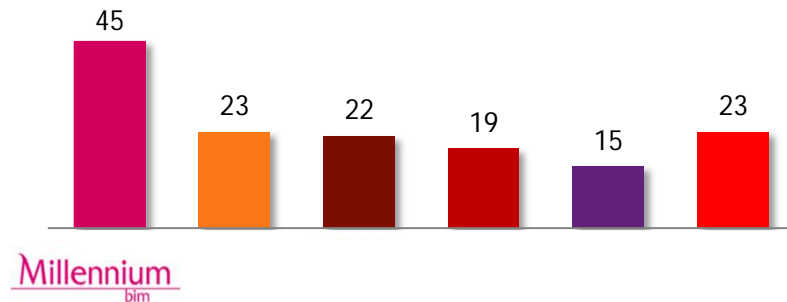
Equity

MZN Milhões



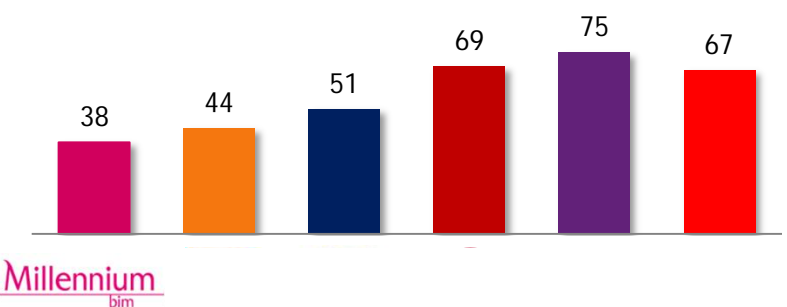
Solvency Ratio

%



Efficiency Ratio

%



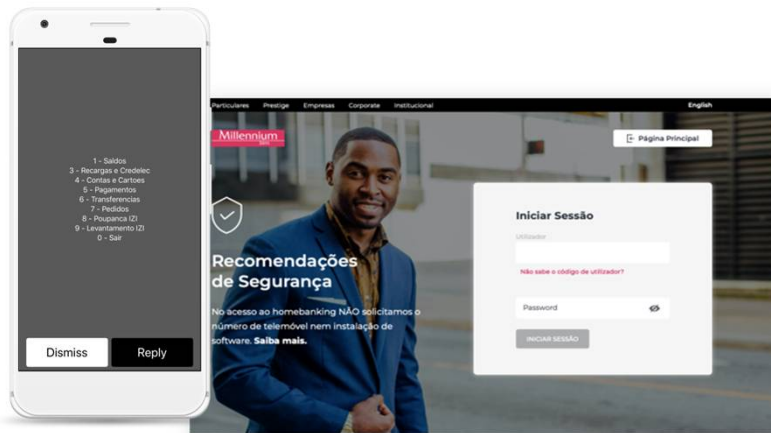
Digital transformation groundwork

Millennium BIM has been in a digital transformation journey from 2012, implementing customer focused solutions aimed to offer proximity, ease of access, safety, speed, efficiency, low cost and reliability through innovation

Internet Banking has a greater strategic significance for companies while Mobile Banking has primary importance for individuals

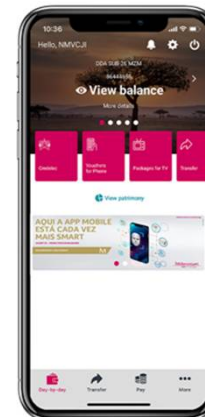
► **2013**

IZI and Internet Banking (Companies & Individuals)



► **2015**

SmartIZI



► **2019**

IZI in WhatsApp



► **2021**

PayIZI



Methodology, principles and digital transformation best practices are the key steps enabling Bim to evolve its business efficiently with quality and reliability.

Methodology, principles and digital transformation best practices

On its pursuit for digitization, Millennium BIM prioritizes scalable initiatives aimed at quickly generating value, driving on fast, minimalistic, viable outcomes that can be improved over time on a step-by-step iteration model; and, more importantly, measuring and tracking the impact and value creation of all digital initiatives.

► this approach monitors six broad markers of digital progress:



Weight of digital transformation initiatives on the annual IT budget



Return on digital investments



Cyber security (& IT quality KPIs)



Time-to-market of digital apps



Percentage of leaders' incentives linked to digital



Top technical talent attracted, promoted and retained

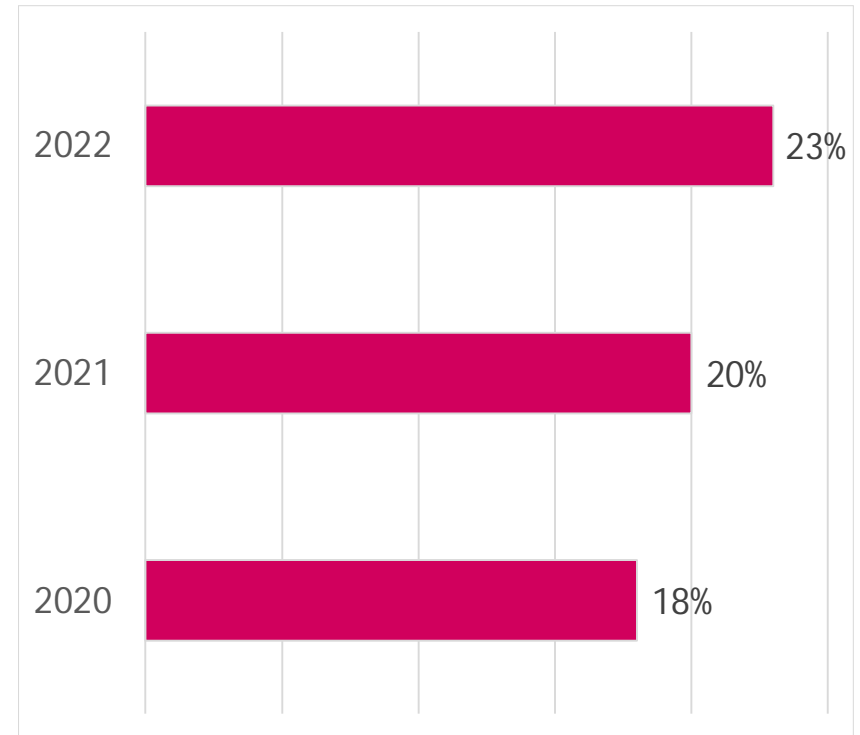
Digital transformation is a continuous process, subject to several iterations, and like any other investment, needs to have clear goals and a permanent monitoring of KPIs

Weight of digital transformation initiatives in annual IT budget



Over the last few years, we witnessed a continuous increase on the weight of digital transformation initiatives in the annual IT budget.

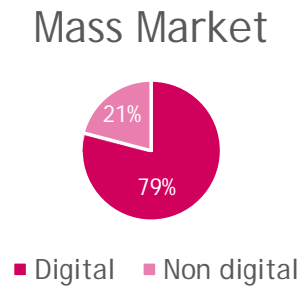
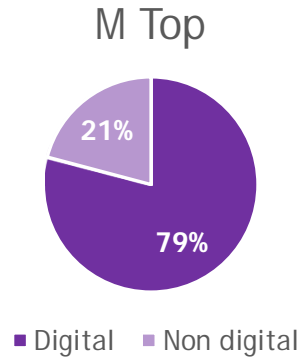
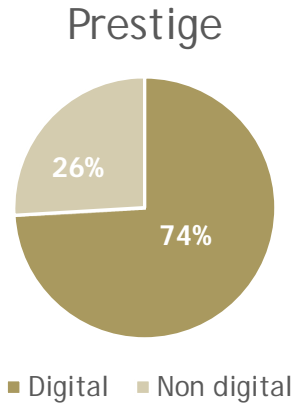
This growing trend, although aligned with international best practices, is an evidence of Bim's commitment to the digital transformation journey.



Return on digital investments

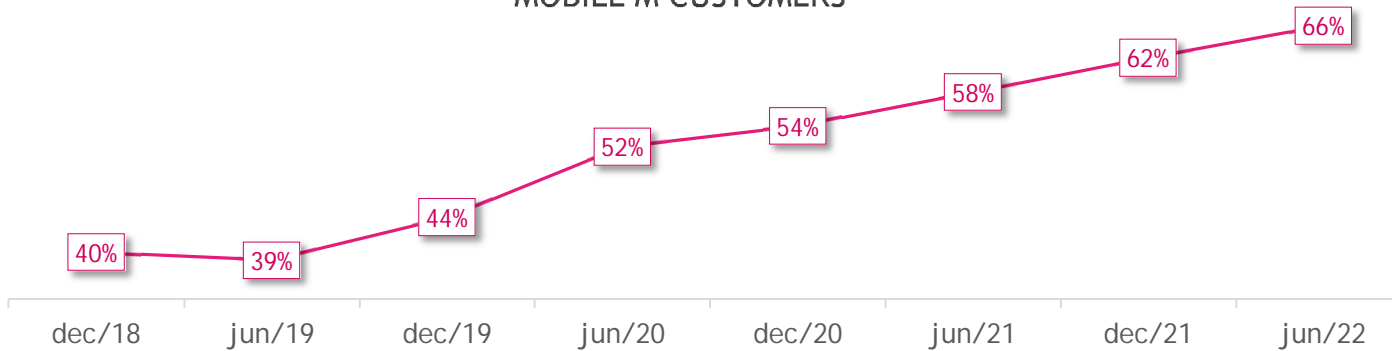


Segment Profitability



Digital customers are more than three times as profitable as non-digital ones

MOBILE M CUSTOMERS

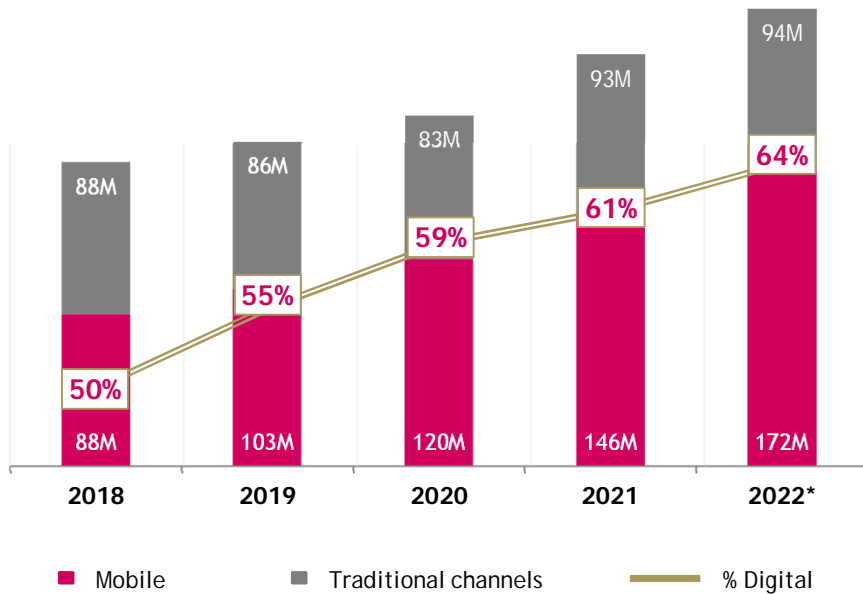


66% of active M customers use Mobile, originating more than 146 million transactions in 2021. Based on YTD data from mobile channels we anticipate a 18% growth in 2022 with more than 173 million transactions.

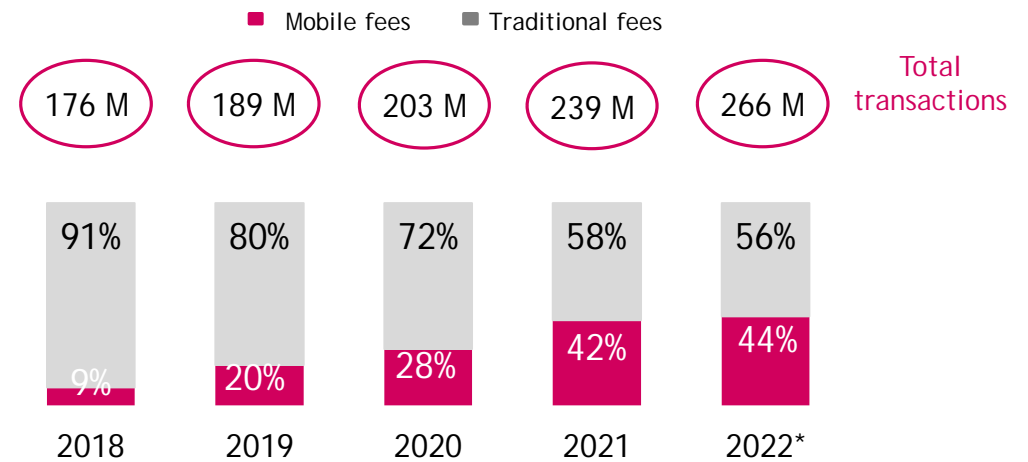
Return on digital investments



% digital transactions



Fees from digital vs traditional channels



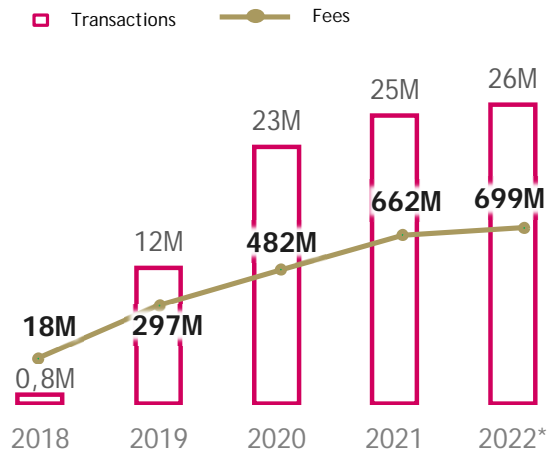
In 2021 Mobile fees represented 42% of total fees (28% in 2020). In the first nine months of 2022, Mobile fees represented 43% of total fees.

*2022 estimate

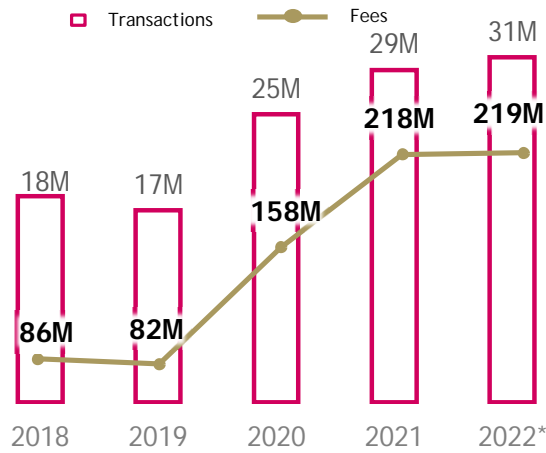
Return on digital investments



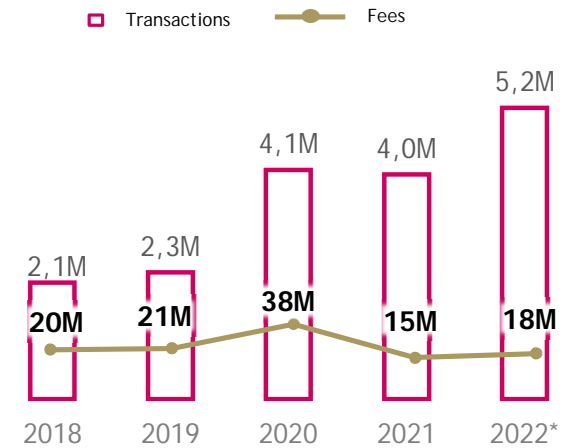
Interoperability (mobile wallets)



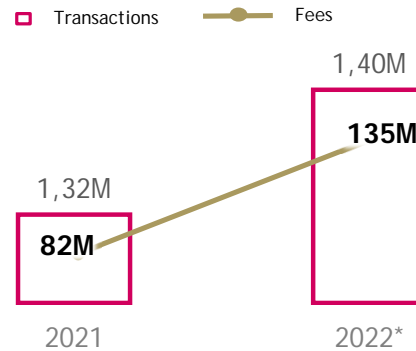
Top ups



Mobile ATM withdrawal & POS payments



IZI Micro Credit

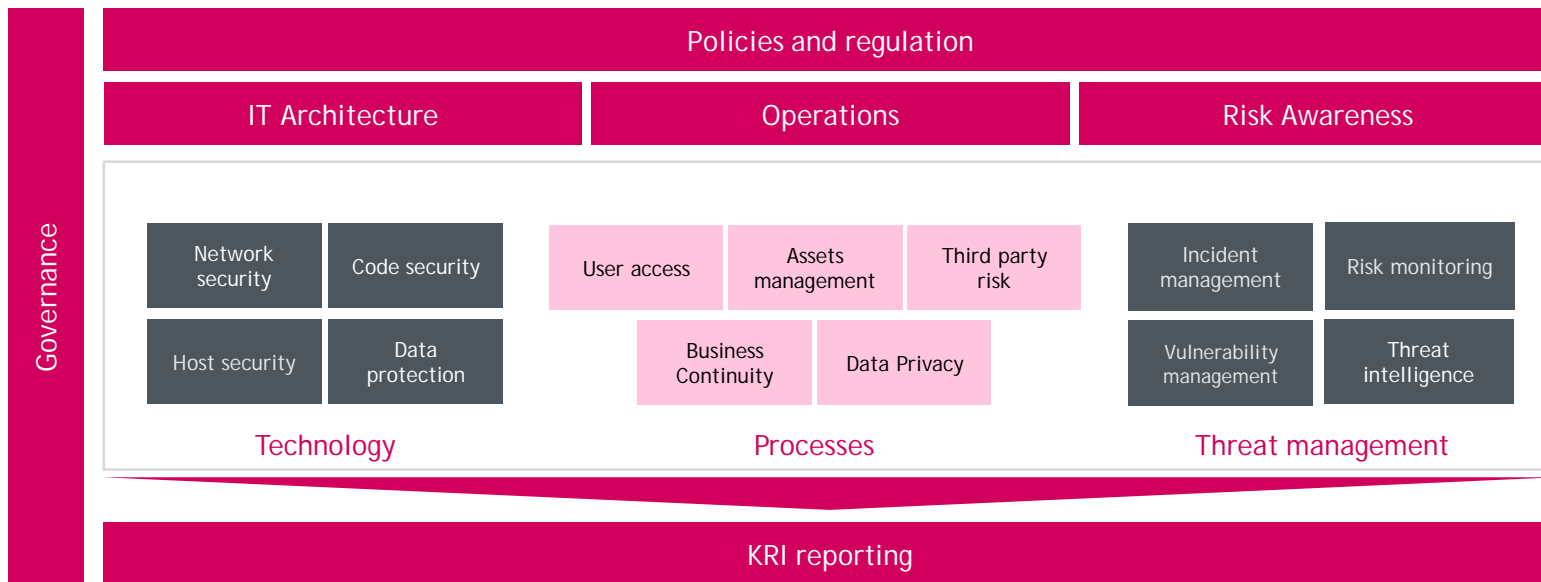


* 2022 Estimate

Cyber security (& IT quality KPIs)



In this new era, cybersecurity requires a holistic approach: one that addresses people, skills, technology, processes and governance. It's critical to map every key external and internal risk, with the ultimate goal of keeping customers and bank assets safe as well as maintaining business resilience

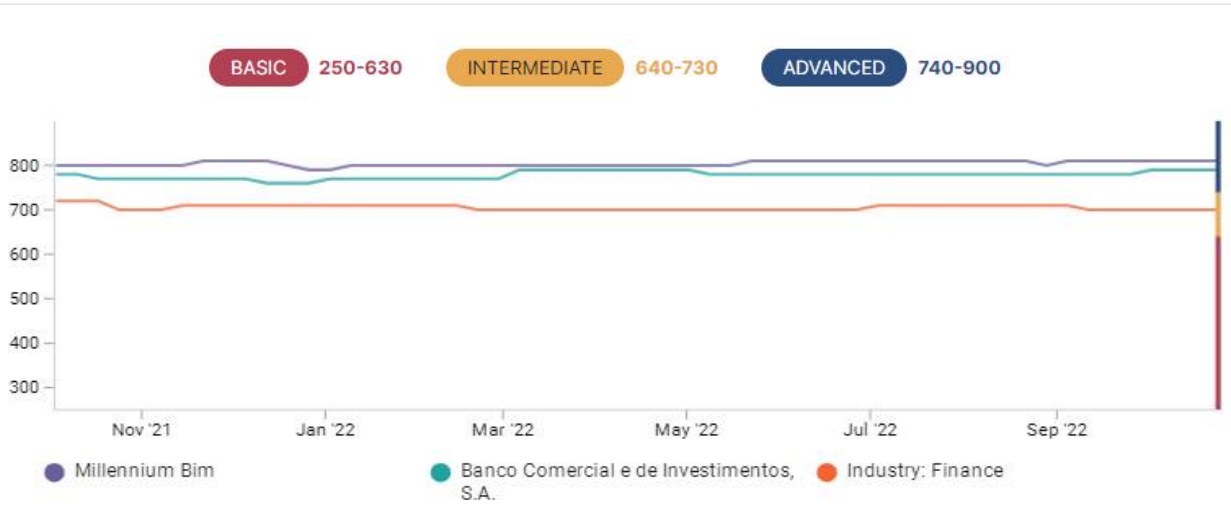


Cyber security (& IT quality KPIs)



BITSIGHT Security Rating

Millennium bim stands amongst the best 1,2% (out of 3682) Banks ranked by BitSight



Current Comparison

 Millennium Bim	<p>Second best bank in Mozambique</p> Industry: Finance
Security Rating October 24, 2022 810 Advanced	790 Advanced
	700 Intermediate

Rating Overview

Rating Overview Panel shows how well this company is managing each risk vector. Click on a risk vector to see more details about the risk.

Compromised Systems

- Botnet Infections A
- Spam Propagation A
- Malware Servers A
- Unsolicited Communications A
- Potentially Exploited A

Diligence

- SPF Domains A
- DKIM Records A
- TLS/SSL Certificates A
- TLS/SSL Configurations A
- Open Ports A
- Web Application Headers A

User Behavior

- File Sharing A
- Exposed Credentials** N/A

- Patching Cadence A
- Insecure Systems A
- Server Software A
- Desktop Software N/A
- Mobile Software N/A

Public Disclosures

- Security Incidents/Breaches A

Cyber security (& IT quality KPIs)



initiatives and certifications



Implementation of multi-factor authentication for customer access to Internet Banking; Mobile (IOS and Android) through OTP



Cyber security external and internal audits.



Vulnerability checks and audits by Integrity



Adherence to international certifications such as **PCI - DSS**.
Customer and business protection through VbV.



Intrusion tests to internal and external network performed by Trustwave.



IBM QRadar SIEM - security events detection and management



VISA VAA/VRM implementation
E-commerce on/off switch available for digital customers.



Security Rating Bitsight Technologies



SIMSwap security check for every transaction with any cell phone company in Mozambique.

Security vulnerability management datamart and dashboard



Social engineering protection through contact center calls requesting additional security information prior to perform «risky» transactions.

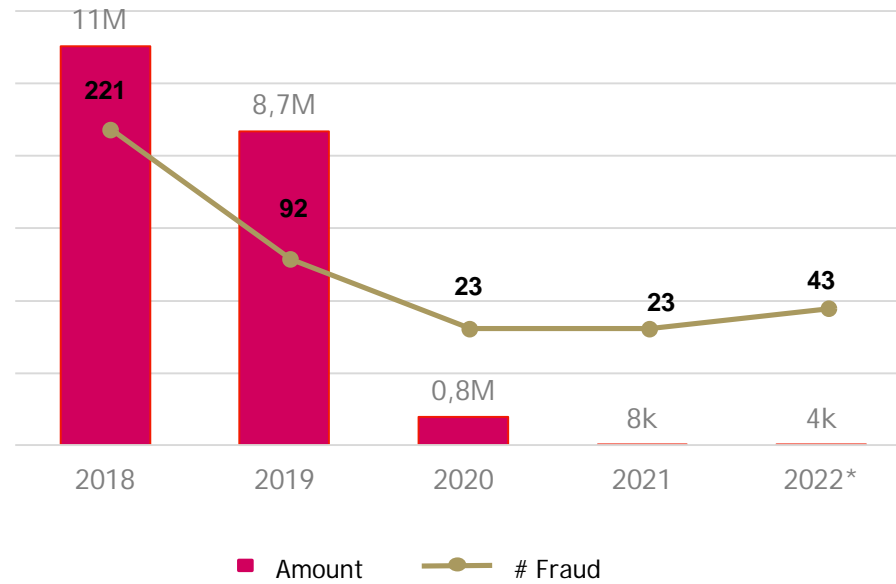


Internal procedures and policies in accordance with ISO 27001 Standard

Cyber security (& IT quality KPIs)



Digital fraud evolution



* 2022 Year end estimate

AQUI É AINDA MAIS IZI

SMART IZI

MICROCRÉDITO IZI
ACTUALIZAÇÃO DE DADOS
PAGAMENTOS
TRANSFERÊNCIAS
E MUITO MAIS

Compartilhe o IZI até dia
20 de Setembro de 2023



Baixe já o seu aplicativo



Millennium
bim Prestige
AQUI CONSIGO



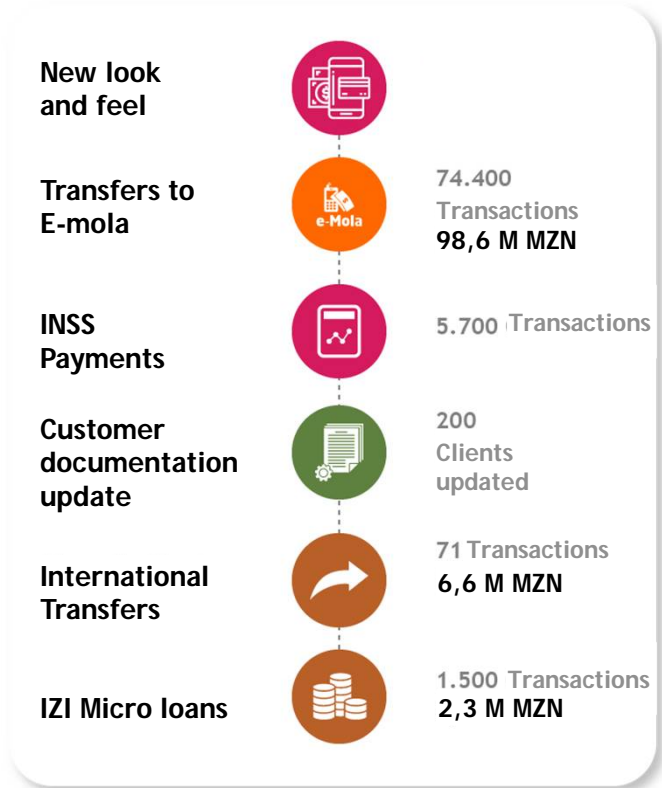
Time-to-market of digital apps

BIM as shown proficiency quickly translating ideas into tools that can be used on the business front line. In a fast-changing world, delay means yielding advantage to the competition or, worse, producing a tool that is obsolete before it's ever used.

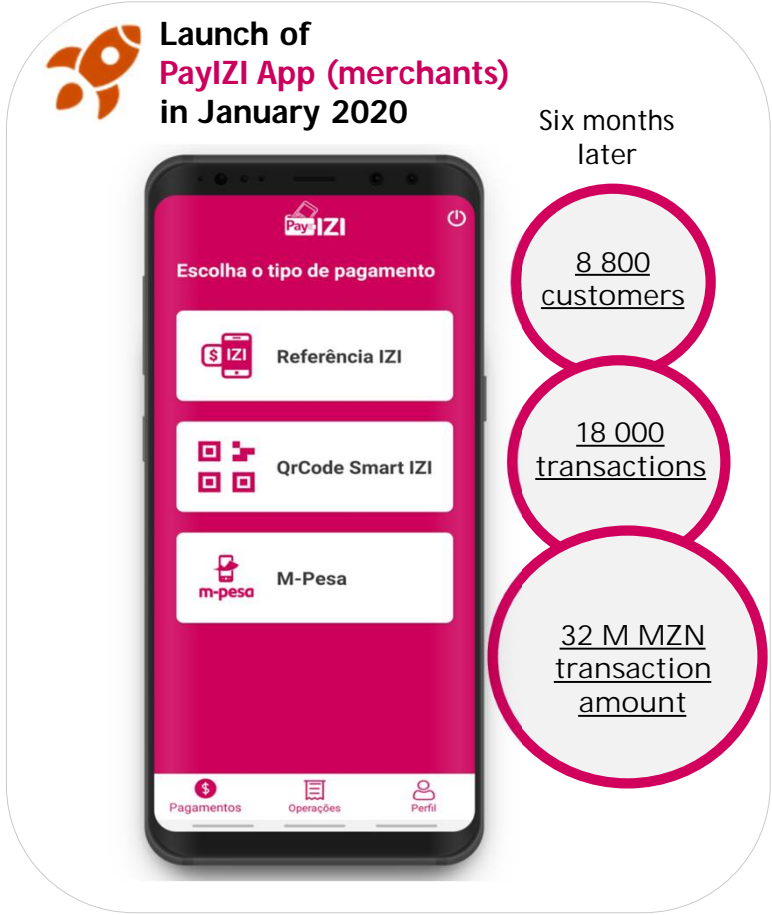
Launch of New Internet banking in November 2020



Update Timeline SmartIZI App (individuals)



Launch of PayIZI App (merchants) in January 2020

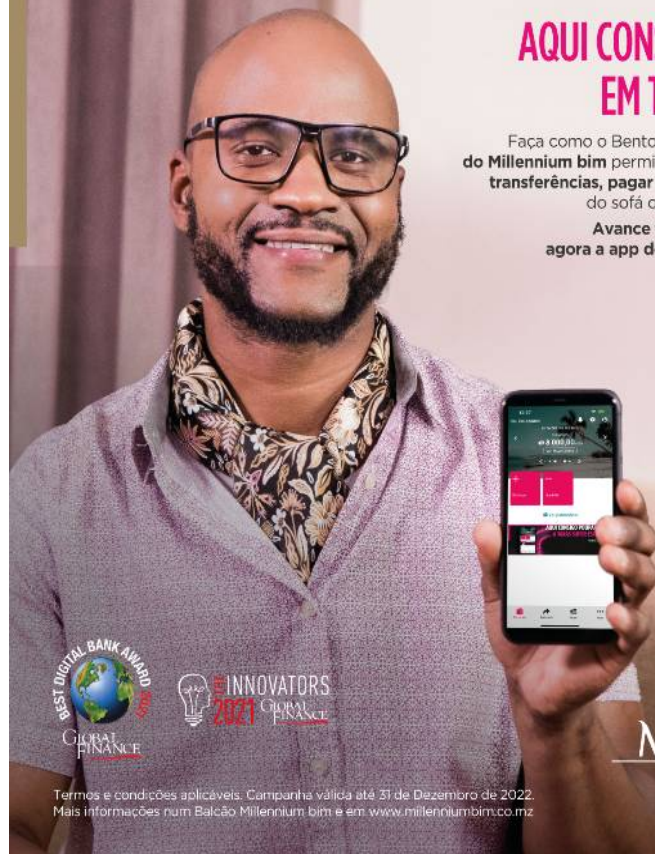


SOMOS O MELHOR BANCO DIGITAL

AQUI CONSIGO INOVAR
EM TODO O LADO

Faça como o Bento. O aplicativo **Smart IZI** do **Millennium bim** permite-lhe ir ao Banco, fazer **transferências**, **pagar as suas contas** sem sair do sofá ou onde quer que esteja.

Avance também e descarregue agora a app do Melhor Banco Digital.



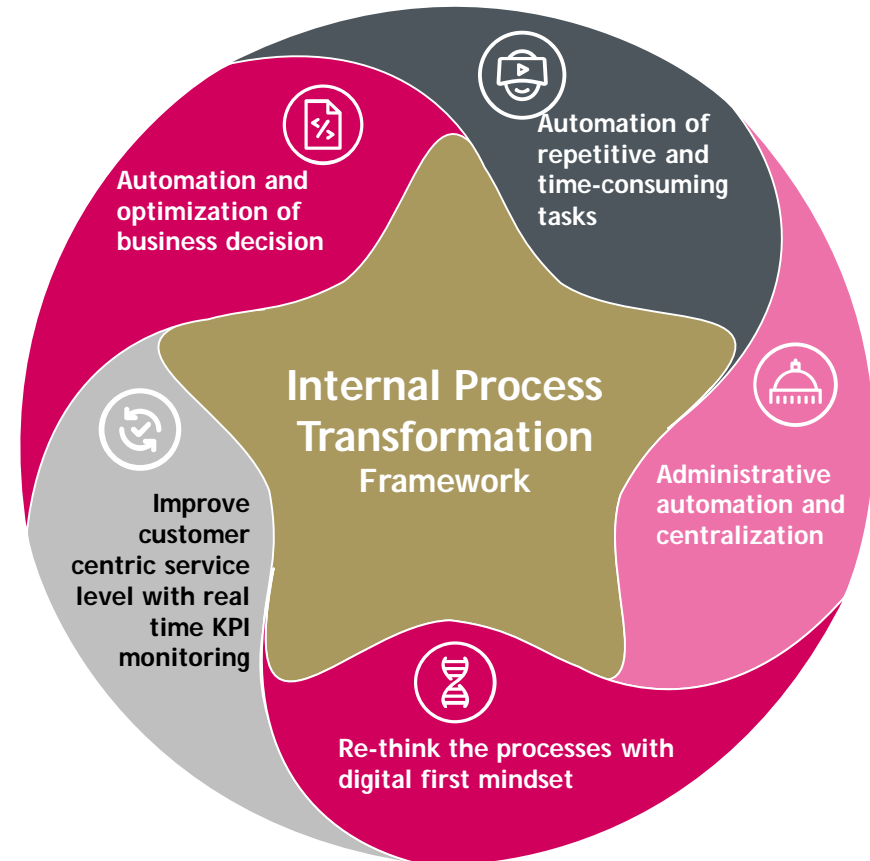
Termos e condições aplicáveis. Campanha válida até 31 de Dezembro de 2022.
Mais informações num Balcão Millennium bim e em www.millenniumbim.co.mz

Millennium
bim Prestige
AQUI CONSIGO

Lessons learned - Internal process automation and reengineering

Prioritize your processes in terms of Risk, added value to customer service and differentiation;

Design your Internal Process Transformation Framework, train and set up a redesign team. Empower it;



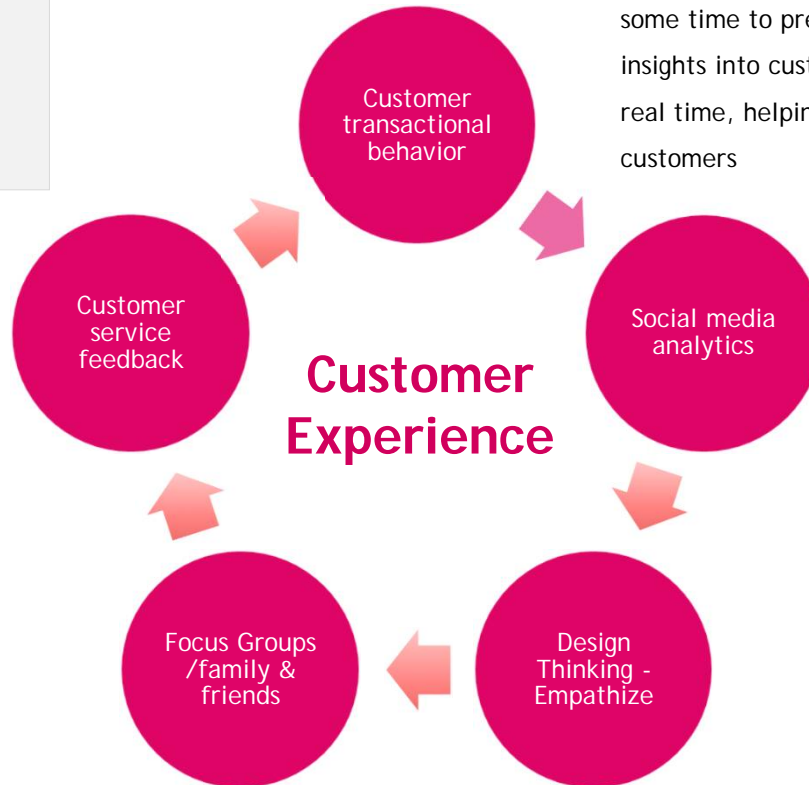
Lessons learned - Customer feedback in product development

Get your customer feedback right.

All the time.

Customer service feedback: we believe a good complaint management process focused on resolving customer grievances, identifying areas for improvement and developing better products or services, can add great value to customer experience

Focus groups: During product development, we use focus groups to gather feedback and opinions from existing or prospective customers and also family and friends



Customer transactional behavior: behavioral analytics is used for some time to prevent or detect fraud, but we believe it can bring new insights into customer experience, being actionable, accurate and in real time, helping to provide a streamlined experience for our customers

Social media analytics: it is important to use insights from social research to evolve the way we understand customer interactions across service channels. By bringing social listening into the existing customer service operating model we expect to better understand customers and develop innovative approaches to enhance their experience

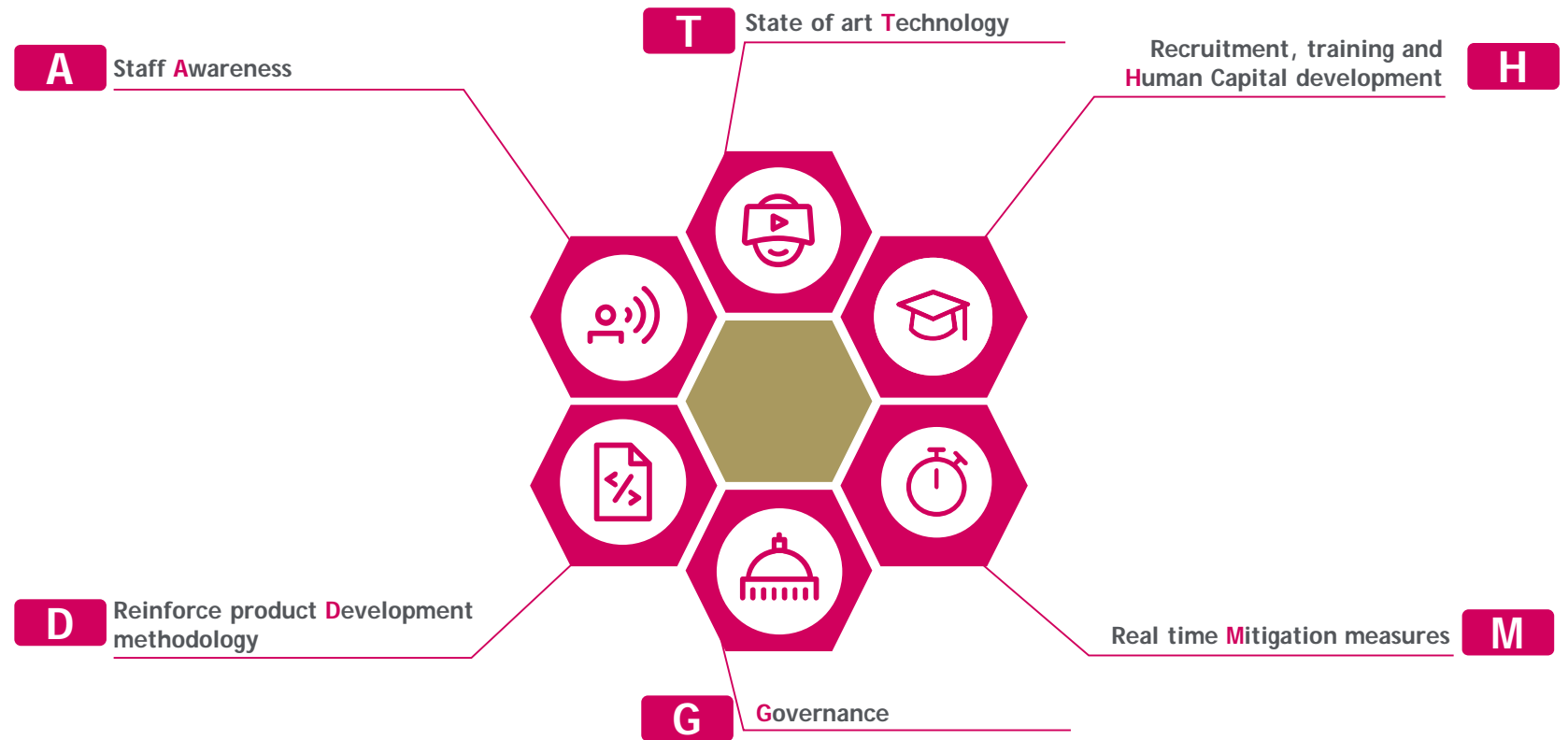
Design thinking - Empathize: During the empathize phase, we spend time observing and engaging with real users (or people who represent our target group)—conducting interviews, seeing how they interact with an existing product, and generally paying attention to facial expressions and body language

Lessons learned - Cyber security

*Build risk awareness,
hire, train and retain*

*Choose the right
technology and set up
real time monitoring
and frequent external
audits,*

*Red team-blue team
exercises to tune up
reaction procedures*



Cyber attacks are inevitable

But the continuous investment in training and human capital development, added with the general employee awareness and investment in real time monitoring, will help mitigate cyber risk by developing an active defense model.

Lessons learned - Innovate or perish

See failure as a learning journey, not a wall

Continue to invest in digital channels development extending the offer of products and services to businesses and individuals growing on and retaining customers through differentiated and innovative offers

*Contactless payments tap on phone (any debit or credit contactless card)
Payments from/to any of the mobile wallets (M-pesa, E-mola, M-Kesh)
QR Code payments*

*Business management tools
Single or multidevice architecture
And much more...*



AQUI TORNAMOS O SEU NEGÓCIO MAIS IZI

PAY IZI



Campanha válida até 30 de Junho de 2022

Millennium
bim

AQUI CONSIGO

*Our digital transformation journey so far
was nothing but the groundwork that will
allow us to play a role in the future*