



# corporate responsibility 09

corporate

reponsibility09





5

Introduction



13

Dialogue with stakeholders



14

Dialogue with Clients



7

Letter from the Chairman of the Bank Millennium Management Board



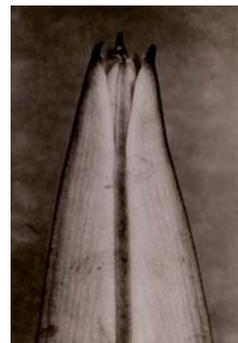
32

Investor relations



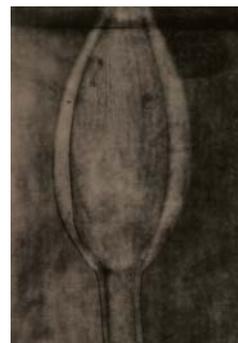
9

Mission, values and corporate culture



36

Dialogue with Business Partners



38

Dialogue with Employees



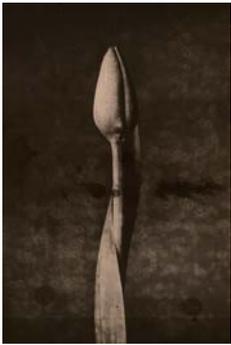
43

Transparency  
and security



71

Activities  
benefiting society



53

Good  
place to work



72

Activities  
for the society



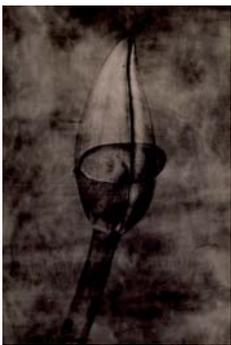
54

Human Resources  
Development



74

Promoting  
education



60

Social activity



78

Promotion of  
culture



65

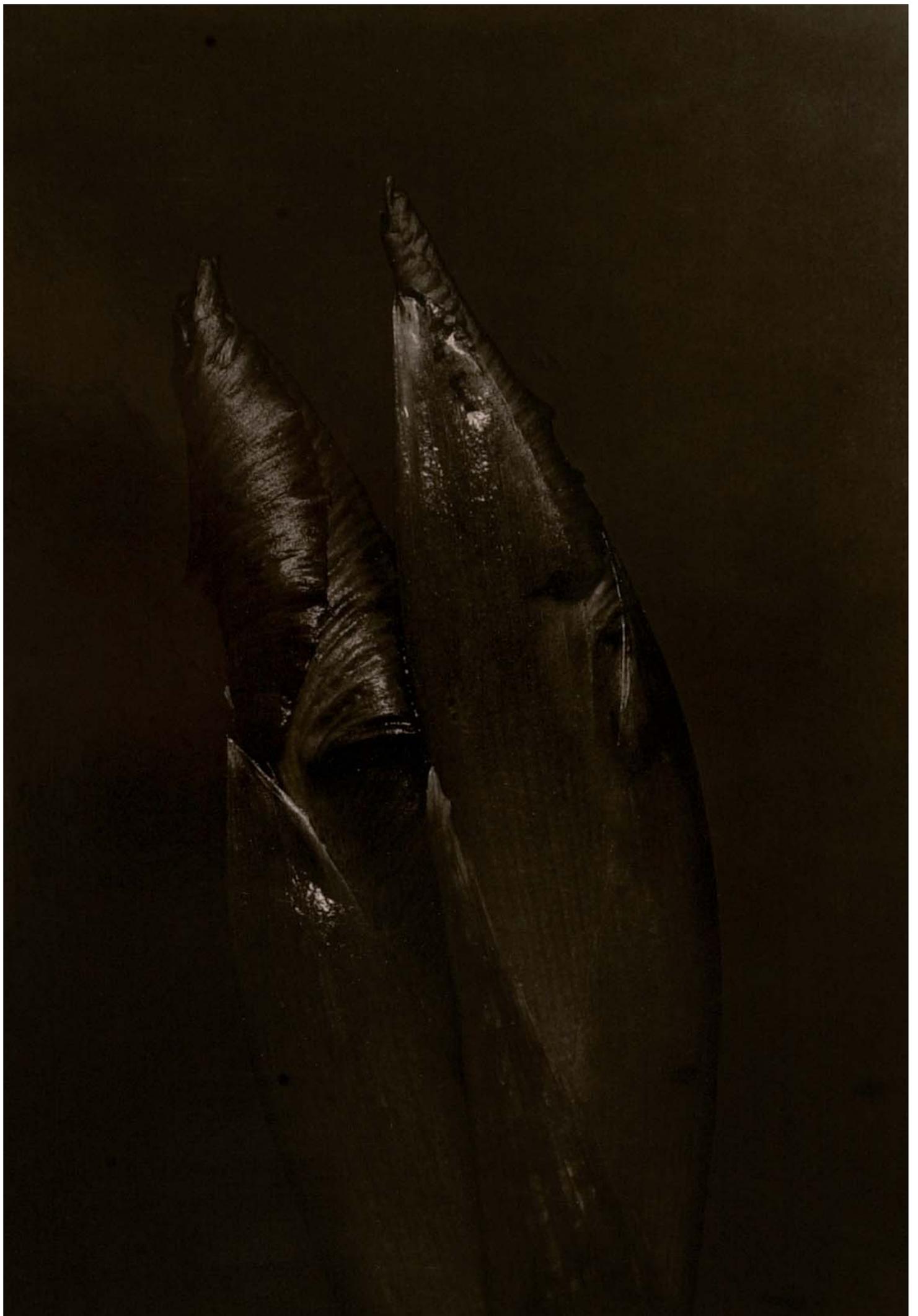
Bank's impact  
on the natural  
environment



82

Charitable  
activities

corporateresponsibility09



# Introduction

- It is the fourth time Bank Millennium presents a document describing activities resulting from implementation of corporate social responsibility policy principles. Implementation of these principles constitutes a component of the Bank's corporate culture.

This year, the layout of the publication is similar to previous editions and allows its readers to compare information on various areas discussed in the document. Wherever possible, the scope of information presented in the report has been extended to illustrate the Bank's activities towards drawing the report in compliance with GRI standards.

The document "Corporate Responsibility 2009" is published together with the Bank Millennium "Annual Report 2009" supplementing information contained in the latter report.



# Letter from the Chairman of the Bank Millennium Management Board

Dear Readers,

We present to you the fourth annual report summarising the Bank Millennium activities related to fulfilment of its corporate social responsibility principles.

The year 2009, described in the report, was one of the most difficult years in our twenty-year history. Global economic crisis, having a strong impact also in Poland, significantly affected conditions of our operations. We were forced to redefine our business strategy and introduce necessary organisational changes to adjust the Bank to operate under changed market environment.

While carrying out these activities we had to adhere to principles of corporate responsibility philosophy. In our action we were consistent and responsible. Dialogue with stakeholders was specifically important as a means to inform about our plans, decisions made and challenges faced by the Bank.

In the difficult change process carried out in the last year we managed to maintain balance between business, social, cultural and economic factors. As we believe that actions the Bank carried out will constitute foundation for its future development.

Sincerely



**BOGUSŁAW KOTT**

*Chairman of the Bank Millennium Management Board*



# Mission, values and corporate culture

■ Year 2009 was one of the most difficult years in the Bank's history. Global financial crisis significantly changed business operation conditions. For the Bank, the year 2009 was a period of implementation of its new, revised medium-term strategy "Millennium 2010", involving focus on effective credit risk management, optimised use of the bank's branch network and cross-selling capacity, development of relationships with SME Clients and implementation of organisational change and savings programmes. Thus, the Bank adjusted its operations to changed economic reality. Implementing this programme the Bank ensured provision of principle information about the programme implementation to all stakeholder groups.



The Bank's motto "Life inspires us" accompanying the Bank's daily operations in the past year formed an obligation to satisfy client needs for comprehensive bank service and to recognize active relations with them as the most important objective from the Bank's point of view.

The values linked to the Millennium brand continue to retain their currency:

- **Trustworthiness** – the Bank must observe high ethical standards and take responsibility for its actions;
- **Openness to the customer** – learning and meeting customers' expectations and needs;
- **Ethics and Responsibility** in action;
- **Excellence** – high quality of services rendered;
- **Innovativeness** – striving and searching for new customer service and financial market solutions;
- **Respect for stakeholders.**

The achievement of the Bank's operating strategy in 2008 materially hinged on the development of the situation on the international and Polish economic market. Despite the sharp turmoil on the market the Bank steadily followed its program while observing the standards and values associated with its mission statement.

**VISION**

We are part of a financial group with a trans-national identity whose actions are focused on value creation in core business areas in markets with distinct profiles based on excellent quality and innovation in the creation and distribution of financial products and services.

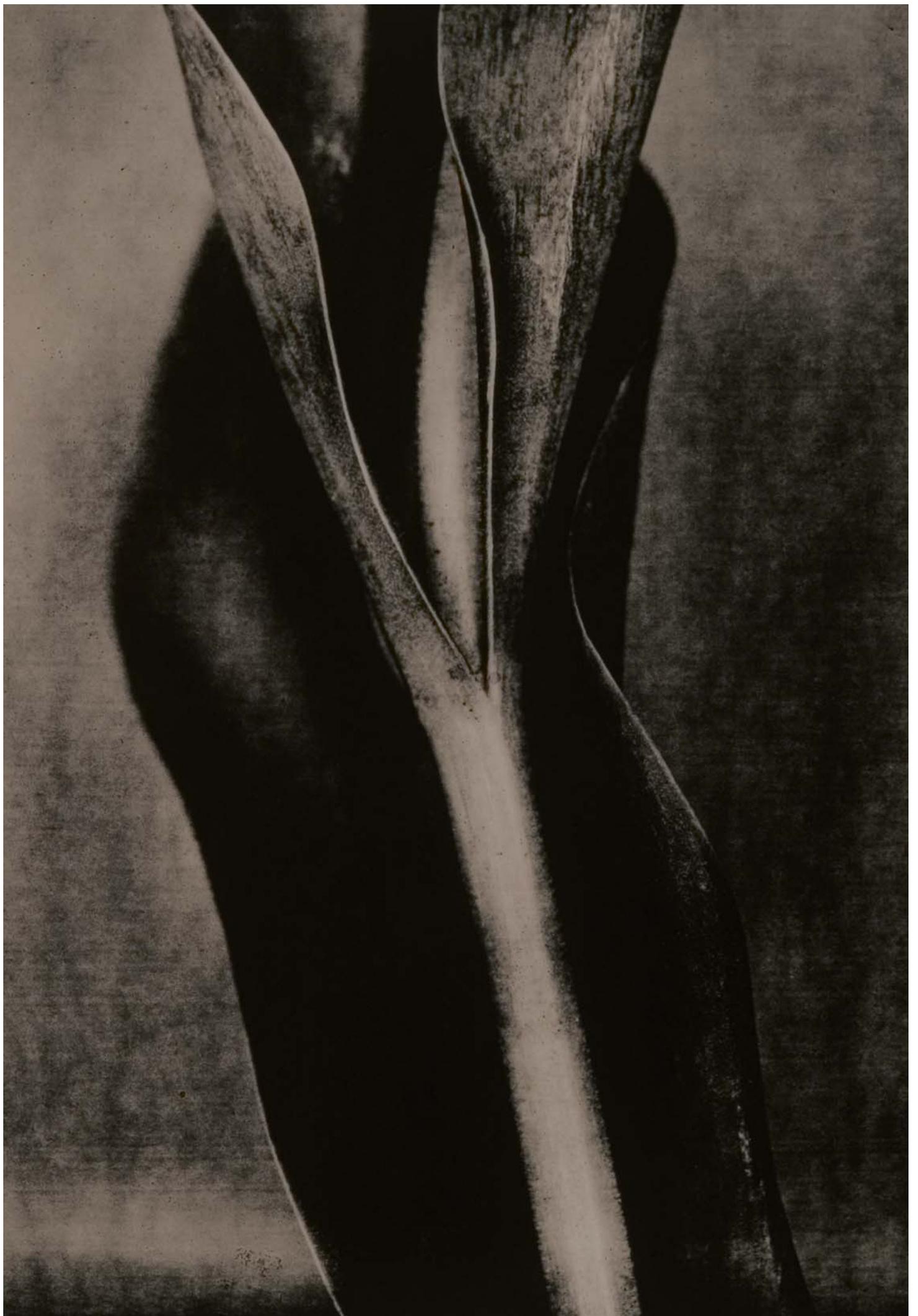
**MISSION**

Our mission is to create value for customers by offering superior quality financial products and services, while complying with rigorous standards of conduct and corporate responsibility and facilitating stable and effective growth to provide shareholders with steady growth in the value of their capital.

The motto "Life inspires us" is an element that combines the requirements of our customers and the expectations of the society as a whole and the employees.

*Life Inspires us*

In 2008 the Bank built relations with its clients and invested in the development of the Millennium brand while showing care for the firm's daily operating practice to comply with the values inherent in the brand. These actions have significantly enhanced the Millennium brand's recognition and according to the findings of client research they have improved how it is evaluated and perceived. It is evolving in the direction of a more customer-friendly organization.



# Dialogue with stakeholders

- Consistent dialogue with all stakeholder groups is one of the overriding principles of responsible business. According to its motto – “Life inspires us” – the Bank strives to understand specificity of Stakeholder activities, maintain open relationships and conduct a dialogue to help maintain mutually beneficial cooperation and resolve any upcoming problems.

The largest Bank Stakeholder groups:

- **Clients** – the Bank maintains relationships with them based on mutual trust and delivery of professional services and products to ensure meeting their needs and objectives
- **Employees** – the Bank considers them to be its most important asset and strives to provide them with appropriate conditions of work and professional development to facilitate implementation of their professional and private plans
- **Business Partners** – the Bank has been building long-term relationships with them based on transparent principles and mutually beneficial cooperation ensuring mutual achievement of business objectives
- **Investors** – the Bank has been building and maintaining relationships based on value creation, transparent information policy and implementation of business objectives
- **Social partners** – the Bank, by cooperating with them, has been participating in a social dialogue and implementing socially valuable programmes



## Dialogue with Clients

### **CLIENT SERVICE QUALITY AND SATISFACTION RESEARCH**

Year 2009 was marked, worldwide, by economic crisis. Therefore, dialogue with Clients was, in the last year, more important than any time before. Our surveys included questions regarding clients' assessment of their satisfaction with our services and expectations regarding products and service levels.

In 2009, over 220 000 Clients participated in our surveys (90 000 Clients in 2008, 130 000 Clients in 2007).

We have learnt from our Clients that products and service quality offered by the Bank meet expectations of 86% of the Client population (individual clients) i.e. we have retained the levels similar to the preceding years.

Overall, 77% of our Clients declared that they were highly satisfied or satisfied with our products and services (82% in 2008).

In total, 90% of Clients assessed our service quality as highly satisfactory or satisfactory.

The above results have are directly reflected by Clients' willingness to recommend our bank to other person and to continue their cooperation with the Bank. More than half of Client population (57%) would be willing to recommend products and services offered by our Bank to their friends and relatives and 68% expressed wish to use other products of the Bank. Vast majority of our Clients (81%) declared their wish to continue cooperation with the Bank (86% in 2008).

#### Quality and satisfaction survey

	2009	2008
Surveys conducted	32	20
Number of customers surveyed	220 085	76 805
Number of responses received	58 248	8 177

#### Overall satisfaction

Individual clients satisfied with their cooperation with the Bank	86%	87%
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#### MANAGING COMPLAINTS

In May 2009, in effect of organisational changes implemented in the Bank, an organisational unit – The Customer Service Department – was established including

- Claims Processing Team and
- Sales Standards Monitoring Team.

The new Claims Processing Team combined responsibilities of two former Complaint Handling Sub-units earlier operating within two different departments. Currently, all Client complaints are handled by a single Team.

Within the period from January until the end of December 2009 the bank received 58 097 complaints. The greater number of complaints, than in previous years, was an indirect effect of economic slowdown caused by global economic crisis having a significant negative impact upon the sentiments of the Clients and – directly – resulted from response by Clients to changes introduced by the Bank including, specifically, changes to Price Lists.

## Dialogue with Clients

Besides fair and timely handling of Client cases the scope of responsibility of the new Claims Processing Team also includes ongoing review of complaint causes. These reviews constitute the basis for preparation of recommendations to Process Owners regarding process improvements to eliminate reasons for complaints. During periodical meetings with Process Owners and representatives of support units results of reviews of reasons for Client complaints are presented followed by proposed ways to eliminate them, problem resolution work schedules and persons responsible for performance of individual actions are designated.

By undertaking various initiatives to streamline processes in order to eliminate causes for complaints, their number has been decreasing month after month.

Examples of initiatives undertaken include: launching the current account closing process review and elimination of delays in account closing, closing cards with status "expired" in the system and work on process automation, development of MilleDesk functionality to support handling Client applications for waiver of card insurance, modification of the sales process regarding the "Wygodne Raty" programme, introduction of a new, client-friendly principles governing handling of applications for extension of high LTV insurance, modification of monitoring of additional conditions to mortgage product agreements as well as numerous education and information campaigns designated for the bank employees.

The Bank uses Client complaints as a source of valuable information and observations and efficient complaint resolution provides another opportunity to increase Clients satisfaction with cooperation with the Bank. Therefore, besides elimination of reasons for complaints, numerous modifications are introduced to improve complaint handling process quality and to shorten the time from complaint registration to final conclusion of a case. Implementation of effective monitoring of decisions made on the front line (mainly by Branch employees) is a good example as well as providing Clients with short text messages (SMS) or telephone calls to deliver information about results of complaint processing as well as provide Clients with additional information/explanations at demand.

The tasks performed by the other Team i.e. Sales Standards Monitoring involve performance of regular observation and evaluation of compliance with sales and customer service quality standards in Branches, delivery of feedback to employees, carrying out surveys of clients serviced by Branches and conducting tests using the "Mystery Shopper" method to set up the highest possible client customer service standards in the Bank.

In 2010, the Customer Service Department will continue implementation of current objectives focusing on timely handling of all complaints, eliminating their causes and reducing their numbers and undertaking actions to increase Client satisfaction with service levels offered by the bank outlets.

## Complaints Management

	2009	2008
<b>Number of reported complaints</b>		
Total	58 097	53 458
Retail	57 255	52 489
Corporates	842	969
<b>Number of complaints examined in the Bank's favor</b>		
Total	11 445	15 666
Retail	11 232	15 546
Corporates	213	120
<b>Number of complaints examined in the customer's favor</b>		
Total	49 752	38 082
Retail	49 050	37 673
Corporates	702	409
Number of complaints on violating a customer's privacy and losing his/her personal data		
	26	125
<b>Complaint examination outcome</b>		
up to 3 days	8 581	14 393
4-7 days	9 861	7 857
over 7 days	42 755	25 844
Average complaint examination outcome (days)	34	21
<b>Channels for receiving complaints</b>		
Branch	57%	57%
Millenet	16%	18%
Call Center	13%	15%
Head Office	14%	8%
CWK – Customer Relationship Center	0%	1%
Other	0%	1%

## CUSTOMER CONTACT CHANNELS

### Telemillennium

The telephone banking system "Telemillennium" provides the Bank Millennium Customers with 24-hour access to services offered by the Bank by phone. In view of a widespread use of telephones, it is a convenient and commonly used way to manage accounts from any location and at any time. Besides basic services including access to information on the bank's current offer, execution of transfers, card activation, or verification on transactions on accounts, Clients are gladly use consultant assistance regarding portfolio management and availability of products new products to be added to that portfolio.

In 2009, "Telemillennium" recorded more than two million incoming calls (2 291 800), with half directed to consultants (1 100 833) i.e. a similar level than in 2008.

Full availability of the telephone service 24 hours round, seven days a week including Sundays and holidays, provides the Customers with opportunity to submit request for cancellation of cards, documents or for blocking Internet access to accounts. In 2009, Telemillennium received more than 83 thousand of such requests.

Bank's product and service mix, continuously enriched, paired with the financial market situation emphasised the importance of service quality including that provided by telephone. These expectations are inherent in the "Telemillennium" objectives for the year 2009, with systematic increase of service level, building customer satisfaction and focusing on customer needs being the most important ones.

## Dialogue with Clients

Within the ongoing control process in implementation of objectives, the Bank has been conducting monitoring of telephone conversations for their substantive correctness, provision of comprehensive service and customer care. In order to improve the service quality, the cycle of specialist training was developed for "Telemillennium" staff, attended by employees in the course of the last year. Concurrently, continuous improvement of application functionalities facilitated shortening of service time and increased the number of transactions available by phone. Furthermore, drawing specific attention to Customer expectations constitutes another component of the quality building process. In the course of conversation with a Customer, "Telemillennium" consultants not only execute instructions specified by Customers but also analyse their needs relative to products and services in order to help them choose product or service meeting their current and future needs.

To ensure the actions undertaken meet the Customer needs, the Monitoring Team carries out customer satisfaction surveys launched in 2008. According to univocal survey results, more than 90% of Bank Millennium telephone service users are happy with the service level provided by "Telemillennium".

### Telemillennium

	2009	2008
No. of incoming calls to Telemillennium	1 100 833	1 263 338
Number of complaints received	8 248	9 094

## Telemarketing

Diversity of tasks undertaken by the Bank under telemarketing campaigns has greatly increase importance of the Telemarketing function as one of the channels of Customer contact. Via Telemarketing and by broadening the profile of its products, the Bank has been contacting continuously increasing numbers of Customers. The financial service market crisis and declining Customer appetite for banking services did not result in any decrease in the number of Customers declaring interest in products offered by way of Telemarketing. Acceptance indicators remain at the level of 30%, with more than a million Customers called. Continuously larger group of Customers have access to Bank Millennium offer by contacting advisor, without the need to search for products themselves or visiting branches.

Telemarketing operations experienced a breakthrough by adding the opportunity to conclude product agreement directly by phone. This way, Customers can, *inter alia*, open deposit products, enter into card or mortgage product insurance scheme. The scale of changes is best illustrated by deposit and Wygodne Raty campaigns. In 2008, out of 50 thousand Customers, 11 thousand (22%) declared opening deposit accounts in branches. In 2009, out of more than 100 thousand Customers, 20 thousand declared visits to branches while nearly 3,5 thousand Customers used the opportunity to set up deposits by phone. The total amount of deposits account opened via this channel exceeded 27,3 mln PLN. The number of Wygodne Raty programmes set up in 2008 amounted to 20 384, with the sum of individual programmes amounting to 21,1 mln PLN. In 2009, Customers set up 31 144 programmes (increase by 53%), at the total amount of 33,9 mln PLN (increase by 60%).

Specialisation of product campaigns paired with more precise selection of Customer profiles and thorough analysis of their needs helped reduce the number (by 4 relative to 2008) of Telemarketing implemented campaigns while increasing the number of Customers covered by each campaign, ensuring better service quality, improvement of quality of campaign offerings and better quality of advisors' work.

The telemarketing channel offer provides nearly full range of products: from deposit products by account, credit services, information on Price List to the most complex credit products.

Today, Telemarketing combines more and more telephone activities initiated by the Bank. According to the strategy aimed at centralisation of operations, in April 2009 the structure was supplemented by Customer Retaining Team catering to credit card holders.

The Team's tasks include building Customer relations – a component of extreme importance for implementation of business plans at highly competitive financial service market.

### Telemarketing

	2009	2008
Number of contacts with customers	1 008 233	1 009 727
Declaration of interest in the Bank's offer	248 290	282 866

### Millenet

The Bank is constantly developing its electronic banking services to respond to customers' growing expectations in terms of having access to their accounts and being able to transact business and communicate with the Bank at their leisure. Since many customers select the Internet as their primary channel of communication with the Bank, we are doing our utmost for the functionality supported by Millenet (electronic banking system) to be as extensive as possible.

Customers utilizing the Internet banking system (Millenet) may send their suggestions regarding the operation of this system's individual functions. They may also pose questions regarding bank products and services and they may submit complaints. The number of e-mails received in this way is rising in proportion to the growth in the number of customers using Millenet. At present, the number of e-mails is equal to approximately 3% of active customers.

During a month the Bank receives approximately 8 thousand e-mails from customers. Of that number ca. 90% are messages connected with products and services offered by the Bank while the remaining 10% are complaints. The Bank does its utmost to answer the customer's question within one week.

Customers may also communicate with the Bank using the MilleSMS service channel. This service channel enables customers to receive notifications regarding the operations on their account or card. The MilleSMS service channel is currently being used by approximately 90 thousand customers.

The Bank has been systematically updating information provided on Millenet site. In particular, the bank publishes current information on important events related to the bank's business operations and periodical information on financial results.

## Dialogue with Clients

In 2009, the Bank commenced work on its new Web site planned to be launched at the beginning of 2010. Web site solutions will meet the current standards of usability and access. We hope that the new solutions will help our Customers conduct their operations and, eventually, will increase Customer satisfaction with the bank's internet service.

In 2009, the Bank encouraged all Customers to replace their paper account statements with electronic ones, as a part of a broader environmental campaign conducted by the Bank involving simple actions, undertaken within one's work or life environment, available to everyone.

Information on availability of electronic statements was delivered via Millenet to all electronic banking users.

Each Customer could make his/her own decision to join the environment protection campaign and learn about benefits generated by use of electronic statements:

### 1. Help to protect environment.

Thousands of trees are cut each year to ensure production of paper account statements. Condition of natural environment depends upon our own behaviour. Therefore Bank Millennium encourages its Clients to use electronic account statements.

### 2. Saving time and money.

The service is free of charge. Electronic statements are as reliable as paper ones but delivered faster and free-of-charge.

### 3. Guaranteed privacy.

Clients are assured that electronic statements will never be delivered to unauthorised receivers.

Use of electronic statements was promoted in three stages:

- Bank Web-site communication: www.bankmillennium.pl - January and February 2009
- Communication and pilot involving active migration of Customers towards electronic account statements via Millenet- March and April 2009
- Communication and active migration of Customers in the Millenet system – from May 2009 until the end of the year.

The Bank appreciates that continuously increasing number of electronic statements reflects both effectiveness of this solution for Customers and growing environmental awareness among Internet banking users.

## Millenet\*

	2009	2008
Customers using Millenet	966 488	906 536
Customers using MilleSMS	89 160	51 394
Customers using online bank statements	268 443	31 528
Millenet inquiries on the system's functionality	4 234	2 266
Millenet inquiries on products and services	61 158	45 200

\*Individual clients

## MARKETING COMMUNICATION

Advertising is an important instrument for Bank Millennium to communicate with its current customers and prospective customers. Its objective is, first of all, to provide reliable information about products and services and fostering positive and clear brand image by effective communication to receivers.

Advertising message is also an important tool for the bank to build its image, as a public trust institution. All advertising messages of Bank Millennium, including TV, radio, press and internet advertising as well as posters and leaflets displayed and disseminated in the Bank branches contain all information necessary for Customer to learn about products or services and facilitate proper Customer choice.

Bank Millennium advertising message remains in full compliance with the Canon of Good Financial Market Practices and the guidelines laid down by the Financial Oversight Authority in this area. Hence, both the form and method of advertisement presentation is adjusted to the level of knowledge and perception of an average receiver.

Bank Millennium when conducting advertising activities, follows fair competition principles and cares for the information to be transparent, complete, reliable and not misleading specifically relative to potential profits or risk of potential loss. In case the message relates to promotional offers the promotional campaign validity date is always clearly presented.

Advertisements of Bank Millennium deposit products always provide information on nominal, annual interest rate, minimum amount required to obtain advertised interest rate and minimum deposit term. Advertisements of credit products highlight actual annual interest rates and factors restricting product use.

Product and service advertisement campaign conducted by Bank Millennium in 2009 contributed, significantly, to brand recognition and strengthening of its market position. According to results of regular surveys carried out by MillwardBrown SMG/KRC, spontaneous Bank Millennium brand awareness in 2009 reached the average level of 40% thereby promoting the bank to the third place among the most recognised brands in Poland ex aequo with ING Bank Śląski (behind the banking sector leaders i.e. PKO BP, Pekao SA). Spontaneous awareness of advertising communication reached the average level of 16%, ranking the bank second ex aequo with Alior Bank. Average level of required communication awareness amounted to 59%, also placing Bank Millennium on the third place among the market leaders.

Millennium  
bank

## Dialogue with Clients

### ENLARGING SERVICE ACCESSIBILITY

In previous years by implementing sales network expansion programme, the Bank has doubled its branch network becoming one of the largest retail banks in Poland. The year 2009 was marked by stabilisation of the number of outlets and adjustment of the network to changing macro-economic environment that the bank had to operate in. Due to the change of its strategy regarding sales of certain credit products (mortgage loans denominated in FX), the Bank decided to limit the number of outlets specialising exclusively in sale and servicing of these products. Considering the above, the Bank network, as at the end of 2009, was composed of 472 outlets – a number adequate to ensure implementation of business objectives defined by Bank Millennium for upcoming years.

#### Enhancement of Service Accessibility

	2009	2008
Number of branches	472	490
Number of branches with access for disabled people	472	490
Telemillennium – number of calls	1 100 883	1 263 338
Millenet – Total number of customers*	966 448	906 536
Number of Bank Millennium's ATMs	573	557
Number of Euronet ATMs	-	1 744
Liczba bankomatów BZ WBK i Cash4You	1 674	-

\*Individual clients

Operating such a large, nationwide outlet network, Bank Millennium focused on continuation of its strategy involving implementation and modernisation of sales and Customer service standards, as introduced in 2008. In 2009, the bank introduced a number of quality control initiatives such as: testing using "Mystery Shopping" method, telephone surveys among Customers. In addition, the work of a special Bank employee team auditing outlets for compliance with service standards was well under way. In effect of actions undertaken, the Bank identified areas requiring improvement and necessary changes.

Improvement of Customer service allowed the Bank to implement its cross-selling ratio growth plan per Customer. This confirms high quality and diversity of offered services as well as increase in Customer trust in the Bank.

In 2010, the Bank intends to focus on operating outlets to ensure implementation of expected business objectives including, primarily, attracting new Customers in every business segment – (retail, SME, affluent) and maintaining active contacts with Customers by providing them with professional financial services.

## SOCIALLY COMMITTED PRODUCTS

Bank Millennium strives to ensure that its product and service offer is widely accessible through the Bank's nationwide sales outlet, affordable and sold in compliance with transparent and safe procedures.

In keeping with the message "Life inspires us" the Bank focuses on customers and meeting their needs in its business activity.

### Individual customers

Bank Millennium has, in its offer, the first on the market affinity credit card associated with the concept of environment protection – WWF Millennium MasterCard.

The WWF Millennium MasterCard card was issued with the idea of supporting WWF's activities as an organization involved in protecting the environment and the Earth's natural resources. Bank Millennium transfers one-half of the annual fee for the first year of using the card and a specified percentage of each electronic transaction conducted in any store or service outlet to the WWF Foundation's account. The above principles allow for easy and convenient provision of support to WWF programmes and Customers using this card do not incur any additional costs linked to the charitable nature of the product. One novelty on the Polish market is also the fact that the card is made using environmentally friendly polyester called PETG, which is subject to utilization.

Bank Millennium promotes, among its Customers, the use of electronic account statements (in the form of pdf file) instead of traditional paper form thus opening up an opportunity, by way of saving paper, to participate in environment protection activities carried out by the Bank jointly with WWF Foundation.

### Consumer Finance

Bank Millennium continues to adjust its product offer to meet changing expectations and needs of its Customers. Thus, the Bank monitors and reviews economic situation and its impact upon financial conditions of its Customers. Offer is expanded in line with transparent procedures and processes thereby making the bank's products easily available to the Customers. Bank Millennium addresses its offer to all Customer groups – both individual and businesses (companies). In response to business segment Customer expectations, in January 2009 the Bank's offer was supplemented by the first Visa Business credit card designated to SMEs using the Millennium Business offer. Hence, business clients can use a modern and convenient payment and credit product.

In September 2009, the Bank introduced a Maestro debit card, designed to help control and plan household budget. By use of „Menedżer Finansów” application added, free-of-charge, to each Maestro card, Customers can manage their finances in a more convenient and easier manner.

Another important change in product offer involved introduction, in April 2009, of an Urgent Loan - Consolidation. This new Bank Millennium product offers a flexible approach to consolidation of various types of credit products and a unique pricing solution involving offering each Customer with interest rates always more beneficial than what they already had with Lower Price Guarantee. With offer structured this way Customers are certain to choose the best product on the market.

## Mortgage banking

In the first months of 2009 – due to international financial market turbulences - Bank Millennium maintained its prudential credit policy in the mortgage segment. In effect and after desisting from granting mortgage loans denominated in foreign currencies, the sale of mortgage loans by Bank Millennium throughout 2009 was lower, relative to 2008, by 80% amounting to 1 228 mln PLN. At the end of 2009, the Bank Millennium mortgage portfolio amounted to 21 909 mln PLN (the portfolio value a year before was 22 108 mln PLN).

However, following stabilisation of economic situation, labour market situation and that of the housing market, at the beginning of Q2 of 2009 the Bank developed and made its mortgage lending offer more attractive to customers to help them meet their housing needs and focusing efforts on appropriate risk assessment and to provide customers with solutions ensuring safe servicing of their debt.

In response to expectations of customers requesting greater access to loans and in order to restore its competitive position and achieve its business objectives, in 2009 the Bank reintroduced the opportunity for customers to obtain loans covering 100% of the real property value while ensuring appropriate security for these transactions. In reaction to continued uncertainty regarding future labour market developments and taking account of customer concerns regarding potential loss of job, loan covering more than 80% of the real property value have been offered to customers entering into the insurance against loss of income source.

Traditionally, the Bank has been undertaking numerous initiatives supporting development of its relations with existing customers. For them, the Bank has prepared an attractive offer of insurance against loss of permanent income source (with attractive and affordable monthly premium) supported by accompanying information and promotion campaign. Furthermore, in 2009, the Internet banking system was supplemented by new functionalities supporting execution of many orders and instructions relating to debt service such as early repayment, shortening the grace period, or change of instalment payment due date. At the same time, in order to ensure efficient lending and subsequent loan service process, the bank implemented the Millenet 1.5 project, involving expansion of its mortgage loan section by adding many applications and functionalities (new loan calculator and Customer guide).

In order to ensure proper debt service by existing mortgage Customers and to maintain high quality of its mortgage portfolio (as at the end of 2009 the share of loans with repayments past due by more than 90 days amounted to not more than 0,24%), in 2009 the Bank implemented a pilot programme focusing on servicing Customers applying for a change of terms and conditions of loan transaction due to deterioration of their financial situation (opportunity to use a grace period /extension of the lending period agreed upon with the bank on case by case basis), to counteract, in a fast and effective way, decline of the portfolio quality.

Irrespective of activities directed towards achievement of business objectives, in 2009 the Bank continued its culture promotion activities linked to its product offer. The group Zakopower, combining Podhale tunes with modern music became the face of Millennium autumn mortgage campaign. Cooperation between the group and the Bank helped the musicians reach a broad audience (TV, radio, Internet campaigns, CDs given to Customers visiting Millennium outlets). The strong position held by the Bank on the housing loan market was confirmed by second in the row "Customer Laurel" award granted to the Bank in the "Mortgage Loans" category (30.11.2009). It was the votes of "Rzeczpospolita" daily readers and results of brand recognition survey and customer opinions decided about granting the award to the Bank.

In 2010, the Bank will undertake consecutive actions to provide Customers with socially responsible products and solutions. One of the activities will involve implementation of "Family on its Own" programme with the Bank (acting on the basis of the Act on financing of families in purchasing their own housing units) offering preferential loans with interest subsidised by the Bank Gospodarstwa Krajowego (Bank for National Economy). Decision to implement the programme was made on the basis of positive results of the programme potential review conducted in 2009.

## Corporate Customers – Responsible Business

Bank Millennium, following many years of practical experience, offers a broad range of products, which may be classified as socially responsible. The offer is undergoing continuous modernisation and development to ensure even better response to the needs of entrepreneurs.

The core of the Bank's offer is the EUROMillennium loan granted to support Polish enterprise, environment protection projects, development of innovative economy, regional and social development. The loans are granted to finance projects meeting conditions applicable to applications for public aid and covered by EU fund subsidies under new Operational Programmes designated for the period 2007 – 2013. The loan product is composed of investment and bridge part. The investment part is designed to finance the project portion not supported by the subsidy while bridge financing will ensure company's liquidity until the funds from Operational Programmes are disbursed.

While focusing on continuous expansion of its offer supporting absorption of EU funding, in mid-2009 Bank Millennium signed the agreement with BGK regarding extension of technological loans with technological premium. The premium provides support using the EU funding under the Operational programme Innovative Economy. The loan product is designed to finance technological investments involving purchase of state-of-the-art technologies used elsewhere in the world for not longer than five years or financing implementation of such proprietary technologies. Hence, the final objective of the programme is to promote development of innovative technologies to improve the economy's competitive advantage.

## Dialogue with Clients

Furthermore, on the basis of another agreement with BGK, Bank Millennium provides its Customers with investment loans financing thermo-modernisation or refurbishment projects. By financing thermo-modernisation the Bank contributes to development of economic heat management in Poland and which is consistent with ideas of curtailing CO2 emissions and reducing economy's competitiveness. The purpose of a thermo-modernization investment may be to reduce the need for energy, to reduce energy losses or to replace energy sources with renewable sources, where the borrower conducting such an investment may take advantage of the disbursement of a premium from the Thermo-Modernization and Refurbishment Fund's resources. On the other hand, refurbishment projects implemented in buildings used prior to 14 August 1961 will contribute to revitalisation of old Polish housing stock. The project may include refurbishment or reconstruction of buildings as well as replacement or repair of balconies and provision of installations and equipment required under technical and construction regulations. Entrepreneurs implementing these projects may also use refurbishment premium payable from the Thermo-Modernisation and refurbishment Fund resources.

For many years Bank Millennium has been cooperating with the European Fund for the development of Polish Villages in lending to finance development of rural infrastructure. Loans are granted primarily to units of local governments as well as to commercial companies and business conducting individuals in rural areas.

Lending involves financing of the following two types of activities:

- investments relating to rural primary, lower secondary and upper secondary schools as well as farming vocational schools,
- investments in construction, modernisation and repairs of municipal and county in rural areas.

This way the Bank contributes to development of technical and social rural infrastructure and supports non-farming enterprise in rural areas.

Bank Millennium focusing on supporting Polish enterprise has been cooperating with Regional Loan Surety Funds to provide its Customers with access to inexpensive and attractive forms of collateral securing their liabilities. Active use of sureties offered by these funds has translated into significant increase in lending operation and, thereby, access to loans by many enterprises including, in particular, SMEs.

Signing, in mid-2009, of the agreement with BGK providing for use of individual BGK guarantees and sureties under national socio-economic programmes as well as local self-government and regional development programmes significantly facilitated expansion of this activity. BGK sureties and guarantees are among the most secure collaterals available in the market available nationwide. Sureties and guarantees are utilised, primarily, to support SME sector and increase absorption of EU funds as well as development of infrastructural projects.

## FORWARD FINANCIAL TRANSACTIONS

From 2007 until July 2008, PLN continued to appreciate. Hence, many companies entered into forward financial transactions (forwards and options) offered by banks (including Bank Millennium) under their standard offer. In effect of dramatic and deep depreciation of the FX rate, forward financial transactions concluded with Customers reached negative values and companies benefiting from PLN appreciation and positive settlement of their transactions with banks faced the need to pay significant amounts to banks, resulting from settlement of their FX transactions.

Bank Millennium, as one of the first banks, made its customers sensitive to increased risk resulting from forward transactions immediately after rapid PLN FX rate depreciation. Thus, many transactions, in effect of immediate actions, were effectively restructured thereby avoiding significant losses. The Bank actively managed its portfolio of forward transactions executed with Customers focusing on reducing risk both for the Customers and the Bank itself. Following the assumption that the Bank, in the first place, would resolve problems resulting from the said transactions in cooperation and under agreement with its Customers facilitated effective restructuring of a significant portion of transaction portfolio in the years 2008 – 2009. During the period, the Bank concluded a number of composition agreements with Customers providing for restructuring receivables due to the bank under forward transactions. The compositions provided for, inter alia, change in the manner and times of repayment of receivables due to the Bank as well as transaction collaterals. In 2009, the problem of forward FX transactions, in its business dimension, recorded a declining trend.

Some Bank Customers questioned consistence of the above mentioned transactions with effective laws trying to obtain partial or complete release from their liabilities or stated that transactions were invalid. The Bank rejects these statements assuming that compliance with agreements entered into is a basic duty of business partners.

**PRODUCTS AND SERVICES DISTINGUISHED  
ON ACCOUNT OF THEIR HIGH QUALITY**

Dialogue with Clients

**JANUARY 2009**

**“Silver Laurel” for Bank Millennium**

In the competition organised by the National Chamber of Commerce, Bank Millennium was awarded with Silver Laurel of Competence and Skills in the financial institution category.

Bank Millennium received the Silver Laurel of Competence and Skills for, inter alia, high quality of its services, meeting customer expectations and needs, continuous expansion of the scope of service, good financial situation, high profitability of its business operation and timely payment of liabilities due to its business partners, systematic investment into dissemination of knowledge on financial products and education of the society in use of these products.

**Bank Millennium the Pearl of Polish Economy**

Bank Millennium was distinguished in the ranking of Polish enterprises prepared by the editorial committee of the “Polish Market” monthly and the Institute of Economic Sciences of the Polish Academy of Sciences.

The Bank was awarded with title “Pearls of the Polish Economy” for – as stated in the award justification – “consistent implementation of enterprise policy and strategy and leadership position among the most dynamic and the most effective enterprises in Poland”.

**FEBRUARY 2009**

**Millennium Funds the best in February, according to Expander and “Gazeta Prawna”**

Millennium TFI was ranked first, in February 2009, in the ranking of the best investment results generated by funds managed by individual TFIs on the market, according to the report prepared by “Gazeta Prawna” and Expander.

**MARCH 2009**

**Urgent Loan appreciated by rankings**

In the ranking of cash loans published by “Rzeczpospolita” daily the Urgent Loan was ranked first. In similar ranking published by “Gazeta Wyborcza”, the Urgent Loan received the second place.

Publications prepared by respective editorial committees confirm the fact that the Urgent Loan is, currently, one of the most attractive cash loans available on the market.

## APRIL 2009

### Millennium in the report “Bank Customers in Poland, 2008”

According to the report “Bank Customers in Poland, 2008”, prepared by research and opinion polling institution Millward Brown SMG/KRC, in the last year Bank Millennium significantly strengthened its position against other banks.

Millennium recorded, inter alia, an impressive growth in spontaneous brand recognition (from 13 to 37% within 5 years) and positive opinions on its brand (from 25 to 50%).

According to the survey, the Millennium brand, together with ING Bank Śląski and BZ WBK, represents the greatest growth potential. In addition, the Bank’s position in terms of brand attractiveness significantly improved.

## MAY 2009

### BM Investor Relations amongst the Europe’s best

“Institutional Investor” – prestigious magazine for financiers published its Europe’s best Investors Relations ranking. Among Polish companies Bank Millennium was ranked fourth (behind BRE Bank, Telekomunikacja Polska and BZ WBK), but Mr. Artur Kulesza – Director of the Investors Relations Department of Bank Millennium was placed among the best IR managers in Europe with third position in the category “Banks”.

The “Europe’s Best Investor Relations” survey was conducted among 430 portfolio managers, among 820 analysts and more than 125 brokerage companies.

## JUNE 2009

### Millennium credit cards appreciated

Millennium Visa and Millennium MasterCard credit cards were declared second best in the ranking by “Gazeta Prawna” assessing the best credit cards for use on holiday travel. Ranking appreciated a rich traveller insurance package attached to the card and easy way to obtain exemption of card use charge in the first year after issuance.

### Millennium Leasing among the best

In the ranking of leasing companies in Poland prepared by “Rzeczpospolita” daily, Millennium Leasing was placed high, at a third position.

Assessment focused on profits generated during the last two years and the value of overall receivables portfolio as well as ROE and ROA, growth rate of the value of objects leased and evolution of the entire receivables portfolio.

**Millennium ranked second by “Parkiet”**

Bank Millennium economists were ranked second in the ranking of the most accurate forecasts of macroeconomic data in the Q2 of the current year.

The Bank Millennium analysts were unrivalled in their projections of inflation rate and balance of payments.

**Millenet – best again**

The Bank Millennium Internet banking system for individual Customers – Millenet – the fifth year in the row has been considered the best in Poland within the global competition “World's Best Internet Banks”, organised by independent international financial magazine Global Finance.

The Bank Millennium Internet banking offer was awarded the title of “the Best Consumer Internet Bank”. In this category, Bank Millennium won also in 2005, 2006, 2007 and 2008. Competition Organisers distinguished, inter alia, the scope of the product offer available to Bank Customers via Internet, functionality and design of Internet service and increase in the number of Internet banking users.

**Ranking “Friendly Bank” completed**

In the main ranking “Friendly Bank” amongst 23 banks assessed, Bank Millennium was ranked 10, and in the category “Friendliness of Banking Procedures” the bank was ranked very high i.e. third.

In the ranking of Internet banking “Everyone in the Network”, Bank Millennium was ranked eight.

**Millennium mortgage loan – the best according to Comperia**

Mortgage loan offered by Bank Millennium received the first place in the ranking of Comperia.pl. Portal. The ranking assessed PLN loan offer covering 100% of the real property value.

In their comments, ranking authors stressed that besides availability of a loan covering 100% of the real property value, attractiveness of the Bank Millennium offer is improved by relatively long term of lending (event up to 35 years) and beneficial margins.

## OCTOBER 2009

### Millennium analysts in the "Parkiet" ranking

Bank Millennium economists ranked third in the ranking of the most accurate macroeconomic forecasts in Q3 of the current year.

Its place in the ranking, Millennium gained mainly in effect of accurate projections of demand level and balance of payment.

### Millennium – the "Top Brand"

It was the second time that the monthly "Press" prepared the ranking of 50 most frequently covered brands from 10 leading industries. Bank Millennium found its place in this report.

In the detailed ranking covering banks, Millennium – mentioned in the press more than 5 thousand times – ranked fifth. Thus, Bank Millennium retained its high position it had gained in 2008.

The "Top Brand" ranking constitutes an attempt to define the value of images of brands receiving most frequently coverage in the press. This time, the number of press publication, their circulation and outreach. Industries and brands were chosen by identifying those that from July 2008 to June 2009 were referred to in the greatest number of publications. As in the previous year, monitoring included nearly 300 press articles.

## DECEMBER 2009

### Millennium among the most valuable Polish brands

In the newest ranking of the Most Valuable Polish Brands "Polish Brands 2009", prepared by the "Rzeczpospolita" daily, Bank Millennium ranked twenty first, six positions higher than in the previous year.

The brand value was estimated at 570,6 mln PLN i.e. the brand value increased by 32% relative to the value estimated in 2008.

In the detailed ranking of the strongest brands from amongst financial institutions, the Bank was ranked 9. The winner was PKO BP.

### Ranking of Spokesmen

Mr. Wojciech S. Kaczorowski, spokesman for Bank Millennium, ranked third in the ranking of press spokesmen of banks and insurance associations and second among the bank spokesmen in the ranking published by "Home & Market" monthly.

The spokesmen work was assessed in five categories: speed of response, accessibility, professionalism, politeness and quality of prepared materials.

The ranking covered the population of 27 spokesmen for financial institutions.

### BM distinguished by the "Global Custodian Magazine"

Bank Millennium was awarded by the American trade quarterly "Global Custodian Magazine" the title "Top Rated" for the best Bank offering custodial services in Poland in 2009.

The Top Rated status – the highest available for a custodial bank – confirms high quality of custodial services offered by Bank Millennium S.A. as well as our position in the market segment.



## Investor relations

In 1992, Bank Millennium (then: Bank Inicjatyw Gospodarczych BIG S.A.) became the first bank listed on the Warsaw Stock Exchange. A specialized organizational unit – the Investor Relations Department was established in Bank Millennium in 1999. It was established based on the Bank's profound need to communicate with the community of investors and to build trust in the Bank among all the participants of the capital market.

Currently, as a member of the Millennium bcp Capital Group, Bank Millennium has a single strategic shareholder, Banco Commercial Portugues, holding 65.5% of all shares. The second important shareholder is Aviva OFE BZWBK, which, as on 31.12.2009, held 8,19% stake. Remaining shares i.e. 26,3% of the share capital are dispersed among Polish and foreign, both institutional and private shareholders.

In December 2009, General Meeting of Shareholders of the Bank adopted resolution on increase of the bank capital by way of closed issue with drawing rights granted to present shareholders, of not more than 425.000.000 L-series ordinary bearer shares of the nominal value of 1,00 PLN each. The Bank Management Board set up issue price for a single L-series share at 2,90 PLN and final number of shares offered at 363.935.033.

During the subscription period i.e. 20 – 28 January 2010, in exercise of the drawing rights, the total of 6.410 subscriptions were submitted for 361.796.921 shares. At the same time 804 subscriptions were submitted for 360.425.723 shares. Thus, the total of 722.222.644 shares were duly subscribed for and paid up and the additional subscription was reduced by 99,41%. On 8 February 2010, all subscribers were allocated with the total of 363.935.033 shares.

On 26 February 2010, the Court registered the bank's capital increase from the amount of 849.181.744 PLN to 1.213.116.777 PLN and registered a change to the Bank's Articles of Association. This way the issue of rights to L-series shares under public offering was effectively concluded.

The Bank Millennium share issue was a success. The part of the issue made available to the minority shareholders (Banco Comercial Portugues the dominating shareholder, holding 65,5% of the bank's shares exercised its drawing rights in full and declined to subscribe for additional shares) was taken up in full, oversubscribed four times.

The entire process of the issue of bank's shares was conducted efficiently and in a short time – ca. 3 months. In effect of the issue, the bank increased its own capital by more than 1 bln PLN thus strengthening solvency ratios, for both the bank solo and the Group, to support implementation of the new business strategy for 2010-2012.

The current scope of duties of the Investor Relations Department entails comprehensive management of relations with all capital market participants: current shareholders, prospective investors, market analysts, rating agencies, the Warsaw Stock Exchange and its brokers, the GDR custodian bank and other organizations operating on the Polish capital market.

The Investor Relations Department is responsible for transferring reliable information about the Bank's strategy and its financial standing. The Bank's overriding objective in communicating with the investor community is to ensure transparency of and equal access to information. Being guided by the foregoing principle, the Bank as a public company also fulfils all the Corporate Governance Principles as described in the document "Good Practices of Companies Listed on WSE" prepared by the Warsaw Stock Exchange.

In order to reach its current and prospective Shareholders, the Bank uses various communication channels, such as:

- periodic conferences during which the Bank's quarterly results are presented (4 in 2009),
- participation in conferences and road shows organized for investors in Poland and abroad (11),
- individual and group meetings with analysts and investors (134),
- regular reports to the stock exchange and press releases,
- dedicated investor relations website on the Bank's portal,
- encouraging people to participate in the Bank's annual Shareholder Meeting,
- maintaining contacts with market participants (by e-mail or telephone).

## Investor relations

Every quarter the Bank prepares two conferences attended by the Management Board on current financial situation: one conference is attended by journalists and the other by investors and market analysts. Following the best practice in equal access to information, since 2006 the Bank has enabled unlimited access to these conferences via the web (video transmission) and by telephone. A record of every conference is available on the Bank's website for at least one quarter after a conference. In 2009, the Bank also broadcast a web-based video transmission of the Shareholder Meeting and Extraordinary Shareholder Meeting. The record of the meeting along with resolutions adopted is also available on the Bank's website.

Within the activity of the Association of Stock Exchange Issuers (co-founded by the Bank), the Bank is actively involved in all the initiatives and shares its experience with other participants in the Polish capital market. The association's primary objective is to transmit to the lawmaker the issuers' expectations concerning improvement in the operation of the securities market and to articulate proposed changes to the legal regulations to enhance appeal of the Warsaw Stock Exchange as the place for business to raise capital.

An important channel of information for the investor community are analyses of the Bank prepared by specialized teams in brokerage houses. In 2009, reports regarding the Bank were developed by 12 brokerage houses. Therefore, investors have access to a broader range of analyses and forecasts about the Bank. In 2009, the following brokerage houses drafted analytical reports about Bank Millennium: Citi Investment Research (CitiGroup), Deutsche Securities, DI of BRE Bank SA, DM IDM SA., DM PKO BP, ING Securities, IPOPEMA Securities, KBC Securities, Nomura Financial Services, Wood&Company Financial Services, UBS Investment Search oraz UniCredit (CA IB Group).

Moreover, the Bank is rated by rating agencies that present their opinions for the needs of entities investing in the equity and debt instruments issued by the Bank. The Bank cooperates with the following rating agencies: Fitch Ratings, Moody's Investor Services, Standard & Poor's and Capital Intelligence.

In September 2009, Moodys maintained the rating of financial strength of the Bank at level D with stable outlook. However, long-term rating of the bank for deposits in local currency and FX decreased from A3 to Baa2 with negative outlook as well as rating for short-term deposits from P2 to P3.

The above changes resulted from changes in ratings of Portuguese banks including, in particular, Banco Comercial Portugues, made on 16 September 2009.

The current ratings awarded to Bank Millennium as at the end of 2009 are as follows:

**Ratings awarded to Bank Millennium in 2009**

**FITCH**

Issuer Default Rating (IDR)	<b>A</b>
Short-term	<b>FI</b>
Individual	<b>C/D</b>
Support Rating	<b>I</b>
Outlook	<b>stable</b>

**Moody's Investor Service Ltd**

Long-term	
Deposit Rating	<b>Baa2 (negative outlook)</b>
Short-term Deposit Rating	<b>P-3</b>
Financial Strength Rating	<b>D</b>

**Standard & Poor's**

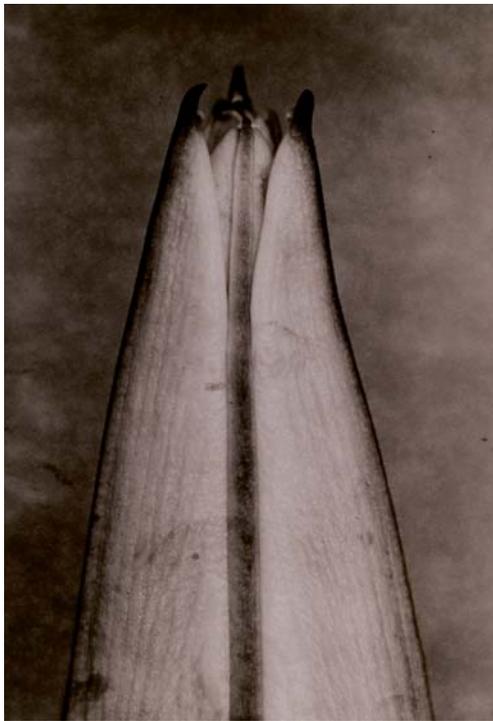
PI Rating (based on public information)	<b>BBB</b>
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**Capital Intelligence**

Long-term	
Foreign Currency Rating	<b>BBB+</b>
Short-term	
Foreign Currency Rating	<b>A2</b>
Financial Strength Rating	<b>BBB</b>
Support Rating	<b>2</b>

High quality investor relations make it possible to have a continuous and transparent flow of information between the company and its Shareholders, which guarantees the conditions necessary for complete and reliable evaluation of the Bank. The exchange of information is bilateral, permitting the Management Board to assess the reactions of the Bank's Shareholders to the adopted strategy and its implementation.

In 2009, according to the rating of the best Europe's Investor Relations prepared by the "Institutional Investor" Bank Millennium ranked fourth among Polish firms and in the sub-ranking (Europe, financial sector) Mr. Artur Kulesza – Investor relations Director was third among the best heads of investor relations.



## Dialogue with Business Partners

In its business activity the Bank cooperates with many entities as the buyer of services and products from various market segments. The Bank's internal regulations formalize the vendor selection process, most of whom are selected in tenders.

The Central Purchasing Department is the Bank's unit authorized to conduct tender proceedings. Vendor selection procedures describe how to organize the selection process and they impose the duty of treating bidders equally and making objective decisions. In order to guarantee that, offers are evaluated from the substantive and commercial standpoint by functionally independent organizational units of the Bank. The outcome of tenders is decided by the Investment and Cost Committee or by the Bank's Management Board, depending on its value.

The procurement process is continuously improved in order to fulfil its principal objective, which is to ensure the best price to quality ratio of the goods and services being purchased.

In 2009, within the framework of process improvement new regulations were introduced to strengthen integration of existing procurement processes such as selection of suppliers, delivery performance, payments or monitoring and reporting on contract performance. The new regulations describe the procurement process from the moment of decision on the need to make purchase and entering that decision into annual plans through organisation of tender process and duties of persons involved up to controlling performance of relevant contracts.

The Bank decided to codify and systematise principles effective in the bank governing participation of the Bank employees in the procurement process, at the supplier selection stage. The objective of these regulations is to eliminate conflicts of interests when organising procurement proceedings.

All entities the Bank cooperates with are treated as the Bank's partners.

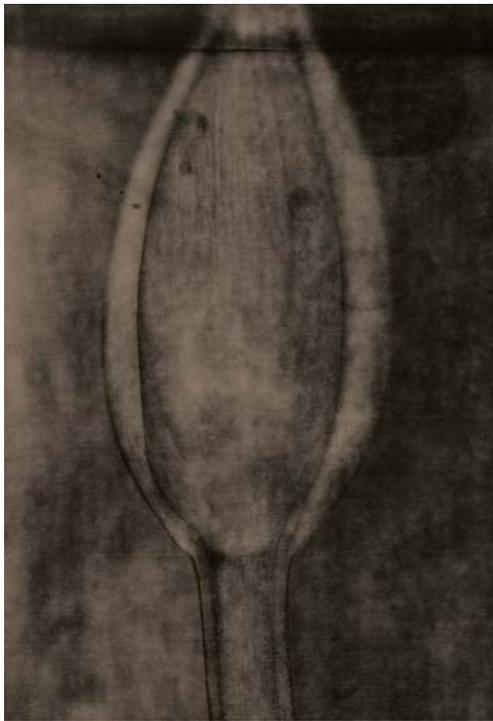
In 2009, The Central Acquisition Department concluded 85 tenders and negotiations to the initial value of ca. PLN 103 million and final value of ca. PLN 90 million.

#### Suppliers

	2009	2008
<b>Tenders</b>		
Number of tenders	85	161
Initial value (PLN million)	103	212
Final value (PLN million)	90	147

#### Suppliers

Total amount paid to suppliers	922 267 706	658 733 118
Total number of suppliers	4 989	4 904



## Dialogue with Employees

### EMPLOYEE OPINION SURVEYS

Data obtained from employee opinion surveys constitute a valuable supplement to information obtained from Customer opinion polls. We had several times an opportunity to seek and obtain employee opinions in 2009.

We asked our employees for both their opinions on the internal situation of the Bank as well as changes occurring in the bank's environment including opinions in the matter of changes in product offer and market situation.

Aware of the existing correlation between Bank Customers' satisfaction and satisfaction of our employees, in 2009 we re-introduced periodical employee opinion surveys. In order to improve the comfort of work in the Bank we asked our employees to evaluate processes they are involved in, tools they use and cooperation with other organisational units.

The first area covered by the survey was IT.

The survey covered 50% of random selected Bank employees. Besides responding to question regarding overall satisfaction with cooperation with IT, the employees were asked to provide opinions on and evaluation of selected IT areas and applications they use day-to-day.

Responses are analysed in terms of improvement of IT Department service quality. The level of satisfaction in the area of: Help Desk, e-mail, telecommunication, IT hardware, service and support quality, Internet applications remains at the level of 70.

In 2010, consecutive phase of the Internal Customer Survey assessing all other departments of the Bank will be conducted.

### UNETHICAL SALE OF BANKING PRODUCTS

At the turn of 2008 and 2009, in effect of systematic control activities involving Bank Millennium outlets, the controllers discovered potential breaches, by certain employees of the bank retail sales network, of the effective principles governing sales of banking products. According to results of the problem analysis, sale of certain products (credit cards, IKE (individual pension accounts) and PSO (systematic saving programme)) was not conducted to satisfy Customer needs but to ensure performance sales standards in order to obtain periodical bonus. Thus, employees would sell products between themselves, to their relatives and friends, and products, after registration (activation) were closed.

The Bank considered such activities as unethical and commenced internal investigations. According to the results of the process, there were 400 employees involved, to varied extent, out of the total sales network workforce of 4000. The breaches of ethical standards were reviewed on a case-by-case basis and employees were given an opportunity to submit explanations. In effect, 300 employees were considered to be liable for breaching principles and were punished by taking away bonuses they received for the last bonus period. Their collaborators also did not receive their bonuses; although they were not directly involved in unethical behaviour but as team members rewarded by bonuses calculated on the basis of sales results generated by entire team, tolerated such behaviour and, consistently, were beneficiaries of a case. Overall, the bonuses were not granted to ca. 650 persons.

Regulations governing sales of banking products do not ban selling products to employee relatives or friends. However, selling process must follow the bank's objectives – one of these objectives is defined as sale of products to meet expectations and satisfy needs of Customers. The Bank believes the ethical dimension of its operations to be equally important as achievement of business objectives.

The problem, relating to a significant group of employees, was a subject matter of emotionally loaded internal discussion as well as coverage by Internet portals and the press. During the debate the Bank, by press interview given by a Member of the Management Board responsible for retail network management, presented, exhaustively, its position.

In order to eliminate future cases of this type, The bank systematically controls outlet operations monitoring, inter alia, compliance with sales ethical standards by employees and removed products sold to Bank employees and their closest relations from the catalogue of products constituting basis for calculation of achievement of bonus standards.

## INNOVATION CENTRE

### Dialog with Employees

The aim of the Innovation Centre is to promote creativity among employees.

For this purpose the Bank has launched a special Intranet site, dedicated to this subject matter, where they can find all information about activity of the Centre.

In 2009 the main form of activity of the Innovation Centre was managing the database of optimisation ideas submitted by employees (via an on-line form, by e-mail or directly) and promoting and developing creativity among employees.

As regards management of the database of new ideas, the Innovation Centre focused around the campaign of collecting ideas on how to solve a specific problem "Call to Action" (C2A). These campaigns are available to all employees of the Bank and the best ideas get rewarded. For example this year's campaign for ideas on reducing admin costs brought as many as 139 ideas. C2A has also created the "Employee Volunteer Programme", which is there to boost involvement of Bank Millennium employees in community volunteer action.

### Innovation Center

	2009	2008
Number of employees submitting ideas	132	314
Number of ideas submitted	207	558
<b>Status of the ideas:</b>		
implemented	3%	1%
put aside	15%	5%
rejected	45%	38%
in analysis	35%	53%
in implementation	2%	3%

The ability of employees to generate new solutions is regularly developed during the widely available "Creativity Training" sessions. These sessions are organised in a 3-level system. On each level participants can develop and improve their skills in generating new ideas. This year the training programme was modified to make even greater use of the employees' creative talents.

Moreover the Innovation Centre Intranet site was expanded to include the "Exercise with Us" section, in which the Bank's employees can find sets of exercises to stimulate creativity.

The Innovation Centre also has a library and book, magazine and personal development article rental function, especially focused on developing creativity. In 2009 its resources were significantly expanded and we now have a total of 151 items available to staff.

## INTERNAL COMMUNICATION

The key objective of the internal communication system is to provide the Bank Millennium Group employees with a fast and simple access to important information on the Bank activities. The Bank believes that reliable information and capability to exchange information and dialogue constitute important building blocks of corporate culture and support implementation of business objectives.

### "Millenniumnet"

To ensure effective implementation of the employee communication programme, the bank developed an internal, intranet system "Millenniumnet", available to all members of the Bank's staff and containing information useful in every day work, grouped into sections: basic statutory information on the Bank itself and the Bank Group, employee section Milliludzie, economic and business services, information about products and services offered by the Bank and relevant promotional and marketing campaigns, current information section. The service's employee section is operational in its nature, designed for direct communication between individual employees and HR Department organisational units. Part of the information presented – in particular, in news section – is prepared by the bank employees who, in their own way, provide information about projects they currently implement.

"Millenniumnet" service is published in the Polish and English language versions.

### “Świat Millennium”

Since 1992 the bank has been continuously publishing the internal employee magazine “Świat Millennium” (“Millennium World”). It is a 16-page colour monthly publication edited by PR department staff. The magazine format provides an opportunity to publish longer specialist articles, reports and photographs of major events in the Bank’s life. Employees’ own essays and reports account for a significant portion of the publication.

The magazine also provide a brief summaries of the most important information in English. In 2009, in effect of execution of the cost cutting programme, the “Świat Millennium” monthly was published exclusively in electronic version, in the internal news service “Millenet”.

### “About us”

Weekly, electronic newsletter prepared in Lisbon and distributed by the PR Department of Millenniumbcp, the Bank Millennium strategic investor, provides overview of the Group’s activities on international markets. The magazine provides news flashes on operations conducted under Millennium brand worldwide. The newsletter is published in English.

### “Millennium News”

Weekly TV magazine “Millennium News” is produced by PR Department of Millenniumbcp with support by production capacity of the corporate BCP TV broadcasting station. By way of Internet and intranet – the two distribution channels – the magazine reaches out to all employees of Millennium banks providing them with news, interviews and opinions. Broadcast in Portuguese, it is also translated into English.

In view of its attractive form, it has become an effective internal communication channel within the Millenniumbcp Group.

## SPECIAL EVENTS

### Bank Millennium Group Management Staff Meeting

Annual Management Staff meeting is a forum where managements of all levels meet. The meeting is focused on summarising the previous year and discuss the tasks for the current financial year and selected themes relative to Bank’s operations and its macro-economic environment. The meeting provides an opportunity to confer the “Chairman’s Awards” upon employees who for outstanding performance in the past year. The meeting includes the time for discussion and entertainment.

### Employee Picnic

In 2009, due to the economic crisis having significant impact upon the Bank’s current operations the picnic for the Bank Millennium Group employees was not organised

### Christmas Eve Meetings

In 2009, during the time before Christmas, for its employees Bank Millennium organised Christmas Eve meetings. The meetings were held in 12 towns in all centres where Bank has its outlets. The meetings created opportunity for an informal exchange of information and opinions on current activities of the bank and its development plans in a relaxed, holiday atmosphere.



# Transparency and security

- Bank Millennium, as a public trust institution conducts its operations on the basis of effective legal regulations, the best market standards and sustainable ethical principles.

For the Bank, it is the most important to ensure transparency of its operations and the highest level of safety for the funds entrusted to the Bank by its Customers and Shareholders.



### **GOOD PRACTICES**

According to the Rules of the Warsaw Stock Exchange, the Bank as a company listed on the WSE main market should comply with corporate governance principles defined under Good Practices. The Good Practices constitute a set of recommendations and principles applying, primarily, to governing bodies of listed companies and their shareholders. The WSE Rules as well as Resolutions of the WSE Management Board and Supervisory Board provide for methods of provision, by listed companies, of information on compliance with corporate governance principles as well as the scope of information to be disclosed. In case any of the principles is not adhered to by a listed company in a sustainable manner or was incidentally breached, the listed company has the duty to disclose relevant information in the form of current report. Furthermore, listed company has the duty to attach, to the annual report, information on compliance with Good Practices in a given accounting year.

The Bank strives to ensure the greatest possible level of transparency of its operations, appropriate quality of communication with investors and protection of shareholders' rights including in matters not regulated by effective laws. Therefore, the Bank undertook necessary actions to ensure full compliance with principles described in Good Practices. In the opinion of the Management Board, the Bank did not fail in observance of the Good Practices.

## COMPLIANCE POLICY

The Compliance Department at Bank Millennium is responsible for implementing the compliance policy in the whole Group and for monitoring observance of regulations derived from external laws.

The non-compliance risk means the risk of legal or regulatory sanctions, material losses or loss of reputation, which the Bank could suffer as a result of lack of compliance with legislative acts, executive regulations, principles, related auto-regulatory organization standards and codes of conduct associated with banking activity.

Generally speaking, compliance laws, rules and standards refer to matters such as compliance with relevant market conduct standards, approach to conflicts of interest, honest treatment of customers and providing accurate advice to them. However, in connection with a relatively high potential non-compliance risk, the Bank Millennium Group believes the following areas are particularly important:

- a) preventing money laundering and financing of terrorism,
- b) ensuring consistency of the internal normative acts in place in Bank Millennium with the prevailing provisions of law, but also with recommendations issued by the regulatory authorities,
- c) managing conflicts of interest,
- d) restrictions on personal transactions and protecting sensitive information related to Bank Millennium financial instruments issued by the Bank as well as information related to sales and purchases of such instruments.

Bank Millennium Group companies take appropriate steps and apply the necessary measures to continuously follow any changes made to the prevailing law and to follow recommendations and instructions issued by regulatory authorities, in Poland and in the European Union.

The solutions adopted by the Bank Millennium Group to ensure compliance of its internal normative acts with the prevailing law take into account the need to conduct regular reviews of all the internal normative acts in place in the Group.

The range of activities performed by the Group generates new areas of potential between those various activities and the interests of clients. The key principle in the Group is to take all the reasonably necessary steps to identify conflicts of interest between the Group and its clients and also between respective clients and to establish principles to ensure that such conflicts will not have a detrimental effect on the clients' interests.

## Transparency and security

Bank Millennium Group companies take the appropriate steps and apply the necessary measures to ensure that personal transactions are performed in compliance with the standards and the law. Those actions and measures serve the purpose of restricting or preventing, as applicable, personal transactions executed by Relevant Persons in situations that could give rise to a conflict of interest or be related to access to confidential information or to access to customer transaction data.

Bank Millennium shares are admitted to public trading on the Warsaw Stock Exchange. Such a status requires special attention and requires the highest standards be kept with respect to transparency of financial markets. The Bank Millennium Group pursues a policy of maintaining strict control over the area of protecting the flow of confidential information.

The Bank has introduced a ban on using or disclosing Confidential Information in any form. Purchasing and selling the Bank's shares, derivative rights under the Bank's shares or other related financial instruments is forbidden in closed periods.

## ANTI-MONEY LAUNDERING POLICY

The "AML Programme" pursued by the Bank is a comprehensive system of identification of threat areas, transactions that should be registered and transactions which may be linked to money laundering or financing of terrorism, taking adequate actions with respect to them, and the procedures and organizational solutions that ensure effective operation of the program.

The key issues covered by the Bank Millennium program include:

- detailed guidelines for identifying natural and legal persons, organizational entities without legal personality and their representatives. Such guidelines specify the necessary data and a list of documents needed to create an appropriate *dossier*,
- guidelines and procedures related to the mandatory registration of transactions worth over EUR 15,000 and delivery of monthly reports on such transactions to GIIF (Inspector General of Financial Information),
- principal methods for identifying suspicious transactions, especially those related to money laundering,
- exhaustive guidelines, list of criteria, warning and alarm signals to identify or recognize suspicious transactions,
- oversight and supervision over the execution of the AML Program, allocation of responsibilities among individual organizational units, annual report on the program's execution for the Bank's Management Board.

The program additionally contains detailed procedures for the following issues:

- transaction analysis and internal reporting when suspicions arise or circumstances typical for money laundering are found,
- Suspect Activity Reports (SAR) – preparation, examination, internal approval and delivery to the Inspector General of Financial Information,
- preparation and possibly suspension of transactions and/or account freezes,
- delivering information constituting a banking secret to the prosecutor's office and/or to the Inspector General of Financial Information.

In October 2009, amended regulations governing counteracting money laundering and financing of terrorism were implemented. One of the major duties provided for under the new Act involves the duty for the banks to apply measures of financial security based on assessment of the risk of money laundering and financing of terrorist activities including, inter alia: customer identification and verification of customer identity on the basis of publicly available documents or information, striving to identify actual beneficiary, ongoing monitoring of business relationships with customer.

Some of the duties referred to above were already complied with by Bank Millennium conducting its activities on the basis of a major concept of the programme i.e. the "Know Your Customer" principle.

All other duties relative to use of financial security measures as well as other obligations imposed by the Act such as e.g. freezing assets require continuation of initiatives undertaken earlier by the Bank.

The objective of intensive adjustment activities undertaken by the bank in various areas is to modify its internal regulations and implement necessary IT tools and, thereby, ensure the bank's compliance with the new statutory requirements.

The basic element influencing effectiveness of counteracting money laundering and financing of terrorism is a systematic training of the Bank's employees. In 2009, the total of 868 employees received relevant training.

In 2009, the total of 879.147 transactions in amounts exceeding the threshold of 15.000,00 EUR were registered and relevant information was transferred to the General Inspector of Financial Information.

The total volumes of transactions, broken down by currencies, were as follows:

Transaction currency	Number of transactions	Volume in mln
AUD	1	0,03
CAD	7	0,22
CHF	2 546	167,79
CZK	526	566,57
DKK	251	224,58
EUR	45 577	6 610,98
GBP	3 251	129,71
HUF	13	82,93
JPY	38	1 558,92
NOK	352	84,75
SEK	640	835,29
USD	16 392	5 140,85
PLN	809 553	739 416,61

GIFI (General Inspector of Financial Information) received 104 Suspected Activity Reports relating to the total of 248 Customers.

#### INTERNAL AUDIT IN BANK MILLENNIUM

Bank Millennium has in place formally established Audit Performance By-laws defining principles and rules of performance, by the Internal Audit Department, of audits in the Bank, its subsidiaries and companies – parties to outsourcing agreements concluded with the Bank or parties to financing agreements governing transactions performed at the Bank's risk.

The objective of the Internal Audit Department is to provide the Bank's Management with reasonable assurance that management and internal control mechanisms operate properly.

The Internal Audit Department examines and assesses, in an independent and objective manner, adequacy and effectiveness of the internal control system and provides its opinions of the Bank management system including effectiveness of management of risk relating to Bank's operations. Internal Audit supports activities undertaken to assess and improve effectiveness of risk management as well as control system and management processes.

Internal Audit Department takes account of strategic objectives and tasks of the organisation determined by the Management Board and the Supervisory Board.

The Internal Audit Department is an independent structure reporting directly to the Chairman of the Bank Management Board.

Operations of the Internal Audit Department are planned under annual audit plans. These plans are developed on the basis of risk assessment for individual areas and processes in the Bank facilitating identification of increased risk, supporting definition of priorities and resources needed to perform tasks. The annual Internal Audit plan is subject to approval by the Bank Management Board and the Audit Committee of the Bank Supervisory Board.

The audit process is conducted on the basis of documented Internal Audit Methodology.

During the period January – December 2009, the Internal Audit Department composed of 48 persons, performed 891 audits and investigations within the Bank and its subsidiary companies, including IRF audits (IRF – independent review function implemented in accordance with the New Capital Accord) in the area of management of the following risks: credit risk, market risk and operational risk. Moreover, the Internal Audit Department supported implementation and participated in 6 audits carried out within the Millennium BCP Group.

Implementation of the Annual Audit Plans is subject to regular monitoring using specialist IT tools. Audit results containing conclusions and categorised recommendations with related monitored implementation plans, are presented to the Bank Management and reported, on regular basis, to the Audit Committee of the Bank Supervisory Board.

Audits are performed by experienced, highly qualified professionals – holders of international certificates (CIA, CISA, CISM), and performed in keeping with: the Auditor's Code of Ethics adopted in May 2008 and International Standards for the Professional Practice of Internal Auditing.

There are specialist units within the International Audit Department, responsible for audits of the following areas: operation of Bank outlets, lending process, financial management and asset and liability management, performance of IT processes and responsible for preventive controls and investigations as well as ensuring compliance with effective external regulations, monitoring of implementation of audit recommendations and audit related reporting.

**Structure of performance of the Internal Audit Department as at the end of December 2009**

Item	Results, as on 31.12.2009
Process audits	60
Financial Audits	13
Outlet Audits	261
IRF Audits	32
Investigations	525
Total audits and investigations	891
In addition – Preventive Control	915

**EXTERNAL AUDIT**

In compliance with the legal regulations in force, financial statements of Bank Millennium (unconsolidated) and the Bank’s Capital Group (consolidated) are subject to review (semi-annual financial statements) or audit (annual financial statements), respectively, by an independent entity authorized to audit financial statements, i.e. an External Auditor. At the same time, with a view to ensuring correct presentation of financial data in other periodically published quarterly reports, the Bank, together with the External Auditor, has implemented cooperation procedures to enable ongoing consultation on significant issues related to reflecting economic events in the accounting ledgers and financial statements.

In 2009 (like in other recent years), the Bank’s External Auditor was KPMG Audyt Sp. z o.o., a company belonging to the Big Four auditors and one of the world’s largest firms providing so-called professional services (audit, tax consulting and business consulting).

## OPERATIONAL RISK

Specificity of banking activity requires appropriate level of operational risk management. This way the Bank guarantees adequate level of operational safety in relationships with Customers and business partners.

Operational risk management in the Bank is based on process structure using the following three main instruments:

- gathering operational risk incidents,
- self-assessment of operational risk in individual processes performed during expert meetings,
- defining risk indicators to ensure ongoing monitoring and facilitate identification of future threats.

Considering importance of continuous increase of operational risk awareness in the every-day operations of the Bank, in 2009 active identification and assessment of risk by key persons responsible for development and implementation of actions within individual processes was underscored. Workshop meetings organised in cooperation with Risk Department employees sought to identify and assess operational risks while constituting integral parts of process reviews.

The year 2009 was a demanding year for the entire financial sector. This helped perform in-depth verification of the readiness of operational risk management system to ensure continued, safe operations. Experience gained helped to improve the model and adjust it to changing conditions.

## BUSINESS CONTINUITY

A modern financial institution must ensure uninterrupted operation of critical processes in emergency situations resulting in effect of unexpected incidents, disasters, epidemics or acts of terrorist nature. The institution must have plans to restore process functionality within timeframe required to minimise level of potential losses.

This area, in view of volatility of environment and external conditions as well as dynamics of changes within the organisation requires constant supervision and optimisation. Thus, the overall picture of the Bank's sensitivity to potential external threats is coherent and updated.

In 2009, the Bank performed a comprehensive review of importance of individual processes and estimated necessary resources to maintain basic functionalities of every process.

Business continuity plans, crisis management model, internal and external communication principles and procedures and possibilities of operations at alternative locations were subject to detailed review.

In effect, an overall business continuity management model was developed including, inter alia, rules of evacuation of individual buildings, principles governing restoration of operations in emergency locations and guidelines for crisis management.

Technical facilities necessary to ensure operability of the basic banking processes were defined and implemented also in cases of a disaster generating complete unavailability of access to head office buildings and housing technical infrastructure.

Furthermore, the action plan to be implemented by the Bank in case of pandemic was also prepared. The plan also provides for prevention guidelines and defines rules to applied in case of realistic threat of pandemic.

Emergency solutions are tested at least twice a year in order to ensure that these solutions fully match the defined needs and ensure uninterrupted operation continuity in crisis situations.

## COOPERATION WITH MARKET REGULATORS AND SUPERVISORS

The Bank attaches utmost importance to cooperation with bodies supervising its activities and individual areas of operation. This is underscored by direct management supervision of information exchange process between the Bank and institutions supervising capital market, data protection and safety of financial transactions. Streamlining relevant information flow was the subject matter of the work carried out by the Bank Management Board in 2009.

Comprehensive cooperation with market regulators including provision of exhaustive information on situation of financial market participants remains, in the Bank's opinion, a factor largely supporting trust necessary to conduct financial market transactions providing each financial institution with direct benefits. Relying on exhaustive information and comprehensive analysis of all supervisory solutions, in particular during financial crisis situations, is, by all means, a condition necessary to maintain and increase stability of the Bank.

The Bank continued implementation of solutions contributing to preventing use of the bank and its operations for criminal purposes and the Bank, within the framework of the law and existing sectoral organisations, cooperated with relevant authorities to ensure increase of the level of regulatory safety in the areas of its operations.

## CORPORATE COMMUNICATION

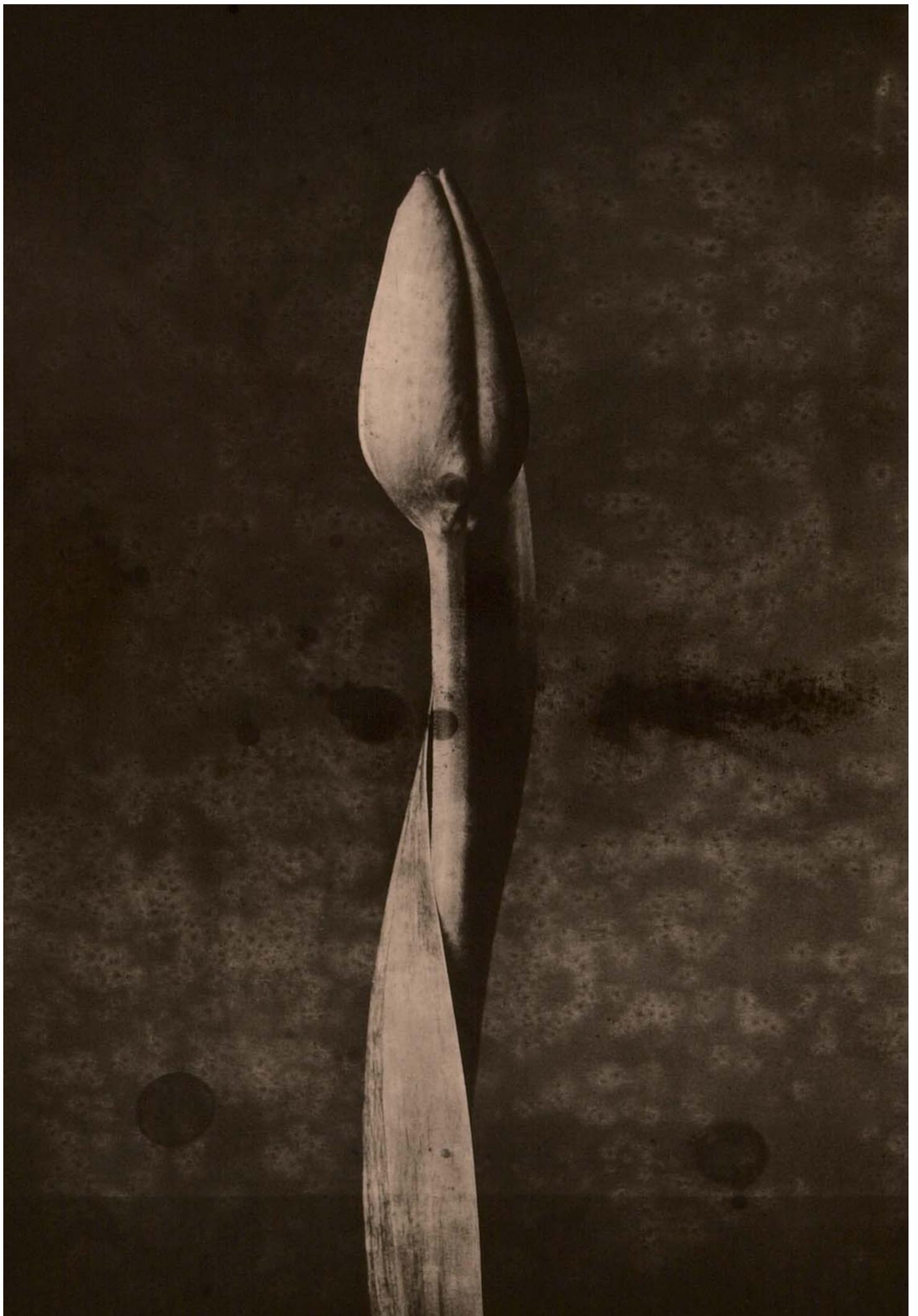
Open, systematic and transparent information policy is one of the most important goals of Bank Millennium in view of the fact that the Bank is a public company, listed on the Warsaw Stock Exchange. According to effective legal regulations and standards prevailing on the market, the Bank exercises due care to provide all receiver groups with information prepared in competent manner and in a way ensuring equity of access to such information at the same time.

Responsibility for implementation of corporate communication programme falls upon two specialist organisational units of the Bank i.e. the Investor Relations Department preparing information and remaining in permanent contact with community of shareholders, investors and financial market analysts as well as organisations representing them and the Public Relations Department responsible for preparation of information to media and publication of information regarding current activities of the Bank.

Periodically, the Bank publishes reports on its results in form of quarterly, semi-annual and annual financial reports. The most important facts relating to the Bank's activities such as its strategy, information about its product offer and relevant changes as well as information on extraordinary events is presented in current reports and press releases. The Bank also systematically organises press conferences inviting the media and financial market analysts. The latter – such as General Meetings of Shareholders – are made available on-line to all market participants via Internet transmission.

All corporate communications provided to the public are also published on generally available, updated Bank's Internet portal pages and delivered in both English and Polish language version. This information is also provided to employees of the Bank Millennium Group through the bank's intranet publication.

The Bank is open to a dialogue with stakeholders and to respond to questions relating to the most important issues within the scope of corporate communications.



## Good place to work

■ As always, the staff greatly contributes to developing company's market position and competitive advantage. Hence, Bank Millennium attaches key importance to implementation of staff development and incentive programme creating both internal legal and organisational solutions and implementing multiyear programmes addressing employee needs. These programmes focus on professional development of employees by way of their participation in training programmes and individual development schemes, incentive programmes as well as social packages and programmes. The Bank also acts to continuously improve working conditions striving to create professional and friendly work climate.



## Human resources development

### DEVELOPMENT PROGRAMMES

There are three development programs in place in Bank Millennium. Two of them, "Grow Fast" and "Grow Plus," are for the Bank's employees and the third one, "People Grow," has been designed for students and university or college graduates. The objective of the Bank's development programs is to stimulate the pace of development of the Bank's employees, to increase their involvement and to acquire young ambitious employees from the labour market.

The "Grow Fast" programme addresses the needs of employees having several years of experience, highly motivated to develop their professional careers in Bank Millennium Group. The objective of this three-year programme is to ensure full use of employee potential and to intensify his/her development. The Programme Participate Development Plan is prepared for each year to define his/her development objectives for the upcoming 12 months. Participants, in the process of achievement of their objectives, participants are engaged in carrying out ambitious tasks and take part in implementation of additional projects. These activities help them deepen their knowledge, gain new experience and improve their competences and skills important for their professional development.

The “Grow Plus” programme focuses on managers and project leaders, highly motivated and committed to support organisation’s activities and ready to change functions and areas of activity. The objective of this four-year programme is to intensify employee development providing them with knowledge and skills needed to perform higher level management functions in Bank Millennium Group. Each year, the Programme Participant Development Plan is drafted listing out employee development objectives for the coming year. In order to achieve these objectives, the “Grow Plus” Programme participants are engaged in implementation of ambitious tasks and take part in implementation of additional projects using also support provided to them by their superiors and Members of the Management Board in the form of coaching and monitoring. These activities facilitate deepening knowledge, facilitate exchange of experiences and improve managerial skills.

“People Grow” is a two-year management competence development programme based on the rotation scheme and “training on the job” principle helping participants to gain experience from various areas of Bank’s operations. Programme participants supported by the Mentor – the Bank Management Board Member – are offered the opportunity to work in various departments, participate in selected projects and gain in-depth knowledge of operations of a financial institution.

**Development programs**

	number of participants	
	2009	2008
Grow Fast	58	71
Grow Plus	17	18
People Grow	18	19
Total	93	108

**VOCATIONAL CONSULTING MODELS AND ASSESSMENT**

Periodic assessment of employee competences helps employees to prepare their individual career development plan and plans related to their training needs. Moreover, employees, under assessment of competences, may express willingness to participate in rotation system pointing out units where the employee wants to develop further. Individual development plan is discussed at development meeting attended by employee assessed and superior officer. During the meeting, employee receives feedback from his/her superior officer regarding level of standard competences required at position held by the employee.

**AWARDS FOR EMPLOYEES**

The expression of recognition of outstanding achievements by employees is the annual “Chairman’s Award”. It is presented to managers and project leaders who have significantly contributed to achieving Bank Millennium’s annual result by their excellent sales performance, cost reductions, building positive relations with customers, improving processes, facilitating productivity growth, etc. The award is presented at Annual Management Meetings. In 2009, “Chairman’s Awards” were presented to five employees.

**Human resources  
development**

**TRAINING ACTIVITY**

In 2009 e-learning became a preferred form of training. On the intranet platform of the Bank more than 30 new training courses were launched including highly specialist ones relating to banking products, procedures, system operation, preventing money laundering, protection of personal information, as well as development training such as pro ecco, change management, process management, time management. In 2009, e-learning platform helped train more than 40 thous. persons.

Intensive training in improvement of customer service quality, launched in the previous year, resulted in development of a complex training process for new branch employees. The training process structured in 5 traditional and 14 e-learning courses is directly linked to career path and takes 10 months.

Year 2009 was also marked by active involvement of external trainers. Besides product and sales training also soft training was provided such as:

- Team management,
- Leadership,
- Time management,
- Professional presentations,
- Stress management,
- Emotions management,
- Communication.

All employees of the Bank (as on 31.12.2009) took part in one traditional training course.

On the average, each employee (as on 31.12.2009) took part in more than 7 e-learning courses.

**Training activity**

	2009	2008
<b>person-courses:</b>	<b>50 642</b>	<b>45 316</b>
traditional	7 670	13 924
e-learning	42 976	31 392
<b>number of training hours:</b>	<b>216 349</b>	<b>500 939</b>
traditional	154 966	458 940
e-learning	61 383	41 998
<b>Average number of training hours per employee:</b>		
traditional	26,3	73
e-learning	10,4	7

**INTERNAL JOB EXCHANGE  
AND RECRUITMENT POLICY**

The Bank's employment offers are presented first to the employees of the Bank's Capital Group. Employees interested in selected offers have an opportunity to rotate jobs. This approach is consistent with the Bank's core value, i.e. employee development. Job advertisements for the organization's employees are published on an Intranet platform available to all employees and integrated with the recruitment application. If no appropriately qualified candidates can be found within the organization, Bank Millennium seeks recruits in the external labour market. Recruitment methods differ, depending on whether the offer is targeted at students or graduates or at professionals

Bank Millennium has a set of clearly defined rules in place for selecting personnel. The Bank's recruitment processes are optimized, subject to internal regulations and computerized to guarantee their high quality and effectiveness.

In 2009, like in the previous years, Bank Millennium prepared a special program for students and graduates enabling them to gain valuable experience and knowledge of work in the banking sector, called "Come and Grow with us".

Pursuing the idea of cooperation and knowledge sharing via the „Come and Grow with us" programme, the Bank organises numerous training courses and workshops, expands and updates Internet service focusing on new labour market entrants, prepares competitions and tens of internships for students of all years and specialisations.

Besides students and graduates, persons with at least one year of work experience – professionals – form another group of candidates for the Bank's employees. It is equally important that they satisfy the Bank's requirements as to specific competencies necessary to hold the relevant position. To ensure an objective and accurate evaluation of candidates, the Recruitment Team develops employee selection tools applied in close cooperation with internal customers.

The process of communicating employment offers is transparent. Job advertisements for professionals are published on the Bank's website, Internet portals and in the press. The Bank keeps a single database with personal data of candidates for its employees. Such data are properly secured and their processing is monitored on an ongoing basis and subject to internal audit. Each candidate invited to a job interview gets feedback with his or her recruitment results. In 2009, we received 59 thous. applications from persons interested in working in our Bank.



**Recruitment**

	2009			2008		
	Women	Men	Total	Women	Men	Total
Applications received			59 000			50 000
Interviews conducted			1 200			10 760
<b>Hired:</b>						
Total	458	292	750	1 678	884	2 562
Secondary education			307			1 566
Higher education			443			996

**Human resources  
development**

**EXIT INTERVIEWS**

“Exit interviews” provide important tool of Bank Millennium HR policy. Employee opinions are important both when working in the bank as well as when an employee decides to leave. During exit interviews we examine the reasons for their resignations, their opinions on the conditions of employment with Bank Millennium

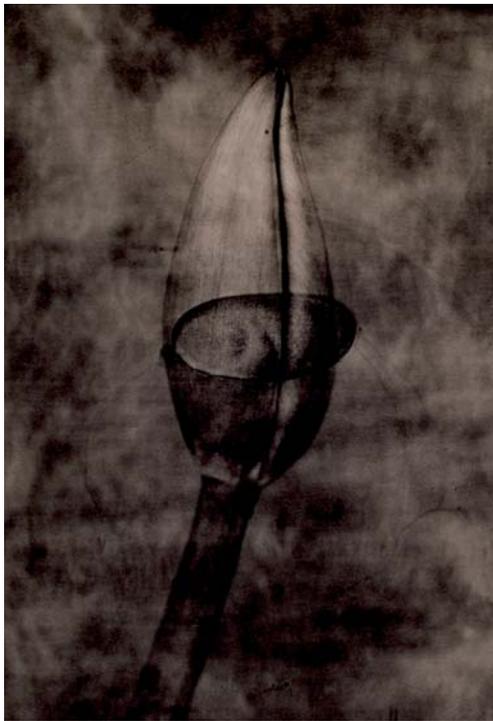
and the needs of our employees. The results of such interviews and the changes proposed by the interviewed employees allow us to draw certain general conclusions and form the starting point for any recommended changes.

**Employees of the Bank Millennium Group**

	2009			2008		
	Women	Men	Total	Women	Men	Total
<b>General data</b>						
Total number of employees	4 344	1 977	6 321	4 819	2 229	7 049
Average employee age	33	33	33	32	32	32
Average number of years with Bank Millennium	4	4	4	4	4	4
Qualifications			6 321			7 049
Primary education			1			1
Secondary education			2 039			2 395
Higher education			4 281			4 652
<b>Form of employment</b>						
Indefinite term contract			5 129			5 273
Definite term contract			1 192			1 776
Part-time contract			-			96
Employees with disabilities			19			16
Net increase in employment			-349			1 032
Resignations			1 502			1 627
Employee's initiative			780			1 151
Mutual consent			80			41
Dismissals			632			417
Retirements			9			15
Deaths			1			4
Annual absenteeism ratio			9,8%			6,46%

**Employees of the Bank Millennium Group**

	2009			2008		
	Women	Men	Total	Women	Men	Total
<b>Internal mobility</b>						
Number of rotations			2 612			1 294
%			3,6%			1,7%
<b>Management breakdown</b>						
Upper management	27	75	102	26	71	97
Management	498	379	877	495	377	872
<b>Total</b>	<b>525</b>	<b>454</b>	<b>979</b>	<b>520</b>	<b>448</b>	<b>968</b>
<b>Age breakdown</b>						
<25	466	198	664	756	294	1 049
25-35	2 453	1 155	3 604	2 720	1 336	4 057
35-45	889	459	1 348	830	455	1 285
>45	536	169	705	513	145	658
<b>Total</b>	<b>4 344</b>	<b>1 977</b>	<b>6 321</b>	<b>4 819</b>	<b>2 229</b>	<b>7 049</b>
<b>Promotions</b>						
Upper management	0	3	3	1	5	6
Management	68	30	98	99	73	172
Other	853	290	1 143	1 310	446	1 756
<b>Total</b>	<b>921</b>	<b>323</b>	<b>1 244</b>	<b>1 410</b>	<b>524</b>	<b>1 934</b>
<b>Local employees</b>						
Management expats						
Upper management			7			13
Management			6			5
<b>Total</b>			<b>13</b>			<b>18</b>



## Social activity

### MEDICAL CARE

In 2009, Bank Millennium continued its cooperation with private medical care providers. Our medical care partners offer access to qualified medical staff and modern diagnostic facilities to all Bank employees. Knowing the importance of availability of medical services to the bank employees our providers continue to increase the number of medical care outlets this way providing employees with opportunity to use medical services throughout Poland, close to their homes and places of work as well as during travel and holidays. The medical packages provide both health prevention and urgent treatment in case of illness or accident. Mass flu vaccination campaign organised in work places deserves special attention, since it facilitated employee access to this form of preventive activity.

Taking care of the health of not only our employees but also members of their families, Bank Millennium negotiated preferential rates of medical packages for spouses, partners and children under 25 years of age. Common settlement platform helps Employees to settle their liabilities towards medical partner in a convenient and safe way.

**Medical Care**

	2009	2008
Number of medical partners	<b>381</b>	<b>320</b>
Number of cities offering medical care	<b>182</b>	<b>141</b>
Employees covered by private medical care	<b>6 234</b>	<b>7 169</b>

**OHS SERVICE**

The main objective of OHS Service is to deliver to the Bank Management information on the extent of Bank's compliance with basic employee safety requirements. The areas covered by the Service operations include standard issues relating to occupational health and safety, fire protection, basic labour law issues and relevant training activity.

Control activities undertaken by the Service are planned based on the annual audit plans covering, in each year, at least 50% of the total number of Bank outlets.

#### Social activity

The OHS Service examines and evaluates, in an objective way, investment processes and maintenance of the outlet network in top technical efficiency as well as effectiveness of management of technical facilities and buildings, supporting actions improving evaluation and effectiveness of management processes.

Intensive OHS and fire protection periodical training launched in the previous year in the e-learning platform recorded nearly 100% participation of our employees (6156 persons) in the project.

Furthermore, numerous supplementary training sessions for the group of ca. 700 Millennium Group employees were conducted.

#### SPORTS AND RECREATION ACTIVITIES

Sports and recreation activities available to all employees constituted a permanent component of social benefits provided in 2009. The offer was structured on the basis of freedom of choice of the activity type to match personal interests of the employees. Opportunity to change the type of activity several times a year helps employees to optimally adjust their leisure activities to their personal needs. The level of interest in participation in these activities has been continuously growing both in large agglomerations and in small towns and in all employee groups.

Cinema tickets constituted the most attractive option preferred by as many as 72% of employees.

Doubtlessly, long validity term and opportunity to spend leisure time with members of families helped increase the attractiveness of this option. The Bank, caring for development of sport rivalry spirit and maintaining healthy life style, offered access to swimming pools, fitness clubs and gyms. Although these activities were individual in nature, 28% of employees selected this form of activity.

## ASSISTANCE IN KIND AND HOUSING LOANS

Low interest loans granted to finance home repairs/finishing or purchase of construction/expansion of a house, purchase of housing unit, repayment of a housing loan enjoyed great interest among employees. The largest group of employees applied for loans to finance repairs and overhauls of their apartments. Preferential interest rates helped many employees carry out repair works, thus improving their living conditions.

Unchangeably for many years, non-refundable financial benefits constitutes the main pillar for support provided to the Bank employees. These benefits are used also by employees who, immediately after expiry of employment relationship started to draw retirement or disability pension. In most cases, financial aid was granted to employees who have found themselves in difficult situation due to chronic illness of the applicant him/herself or his/her closest relative (child, spouse) or suffered from accidents resulting in deterioration of their financial and family situation.

### Loans to employees

	2009	2008
<b>For housing purposes</b>		
Amount (PLN)	1 773 495	3 293 908
Number of employees	156	215
<b>For social purposes</b>		
Amount (PLN)	269 620	355 680
Number of employees	149	146



## Bank's impact on the natural environment

- Due to the nature of its activity the Bank's tasks aiming at reducing detrimental impact on the environment involve primarily rational materials management energy and fuel consumption monitoring and waste management control.

In 2009 the Bank was not informed about any breach of environmental protection regulations.



## CONSUMPTION AND RECYCLING OF MATERIALS PURCHASED BY THE BANK

### Purchases

The year 2009 was marked with more than 30% drop in consumption of own materials purchased by the Bank relative to 2008.

Consumption of materials declined due to more effective resource management and improved discipline in the area of procurement of new facilities and equipment.

Decrease in consumption of paper in 2009, relative to 2008, by 25% was an effect of environment-friendly activities undertaken by the Bank and involving rental of multi-functional devices and opening of so called print rooms.

In addition, lower consumption of paper and envelopes was fostered by a campaign, launched by the Bank in 2009, promoting use of on-line account statements in Millenet, with the aim to reduce volumes of printed mass correspondence to the Bank customers and providing opportunity to use electronic statements.

In addition to paper materials the Bank also uses plastic materials such as water bottles, disposable cups, spoons, mixing utensils and plastic secure envelopes.

Limits introduced at the end of 2008 regarding bottled mineral water ordered by the Bank helped reduce the number of plastic bottles used by 71% relative to the year 2008.

In view of excessively large volumes of plastic secure envelopes ordered by outlets and their use not in accordance with their designated purpose, since June 2009 the requisitions for secure envelopes have been subject to more detailed verification in terms of numbers ordered. This way, in the second half of 2009 consumption of plastic secure envelopes decreased by 43% relative to the first half of the year.

Consumption of rechargeable batteries used for different kinds of photo cameras opening and alarm devices and for remote controllers decreased by more than 40% relative to the previous year.

#### Consumption of materials

Type of material (kg)	2009	2008	change
Paper (for operational needs)	402 040	538 370	-25,3%
Envelopes (different types)	125 583	162 772	-22,8%
Plastic articles	23 407	19 127	22,4%
Consumables for printers (toners, cartridges)	1 732	4 056	-57,3%
Batteries	337	568	-40,7%

#### WASTE DISPOSAL AND RECYCLING

In 2008, the Bank entered into agreement on disposal of waste fittings and fixtures and recycling of electronic, ITC equipment, data carriers, power supply equipment with a company having permit to conduct business in the area of recycling, collection and transport of dangerous waste. Thus, in 2009 the total of 31 470 kg of ITC equipment was collected and transferred for recycling (including screens, computer hardware, servers, printers, fax machines, keyboards, HUBS, UPS, HDDs, switches, routers) and 2 136 kg of metal waste.

#### Recykling

Type of material (kg)	2009	2008	change
IT equipment	31 470	17 651	78,3%
Metal waste	2 136	9 406	-77,3%
Waste paper	396 570	347 239	14,2%

**Bank's impact  
on the natural environment**

Discipline in the area of volumes of printed documents facilitated reduction of paper consumption and, thereby, reduction of waste paper delivered for recycling during the period January – November 2009.

In December 2009, according to "Instruction on archiving documents in Bank Millennium S.A.", the total of 3 12 480 kg of documents was delivered for shredding, after their archiving period expired during 2009.

**Disposal**

Type of materials (kg)	2009	2008	change
Fittings and fixtures	1 052	16 810	-93,7%
CCTV cassettes	2 200	2 343	-6,1%
Used toners	1 220	1 899	-35,8%

Under the new outsourcing agreement signed in 2009, Bank's own equipment (copying machines, printers) was withdrawn from outlets and the Head Office organisational units and replaced by outsourced equipment. It is now the external provider that is responsible for collection and recycling of used toners; hence, the number of toners transferred for disposal significantly dropped.

Surplus furniture nor more useful for the Bank and equipment designated according to technical assessment for scrapping (shredders, counters, copiers) was categorised and delivered for disposal. In 2009, total of 1 052 kg of the equipment was delivered for disposal.

Recycling and disposal principles are defined by the following environment protection regulations:

- Environmental Protection Act (Journal of Laws 2001 No. 62 Item 627 as amended);
- Act on Spent Electric and Electronic Equipment (Journal of Laws 2005 No. 180 Item 1495 as amended)
- "Environmental Policy of the State II"
- National Waste Management Plan (Polish Monitor 2002 No. 11 Item 159)

The aforementioned environmental regulations impose certain obligations on the Bank with regard to appropriate waste management, including filling in Waste Cards and Destruction Reports.

### Water and energy consumption

	2009	2008	unit.	change
Electricity purchased	33 920 000	39 813 451	kWh	-17%
Heating energy purchased	77 554	76 758	GJ	1%
Natural gas	234 370	331 831	m <sup>3</sup>	-4%
Heating oil	75 200	97 500	liter	-29,6%
Water	71 200	87 116	m <sup>3</sup>	-22,3%

#### WATER AND ENERGY CONSUMPTION

Consumption of electrical energy in 2009 decreased relative to 2008 following implementation of energy consumption rationalisation activities, including:

- replacement of air condition equipment in 130 branches by modern devices using environment-friendly R410 agent (instead of R22).

New equipment are equipped with systems automatically adjusting their operations to ambient conditions thereby reducing overall energy consumption;

- use of timer devices to control lighting of external advertising boards;
- completion of the process of reactive power compensation in lighting systems in branches; the process, commenced in 2008, generated effects in 2009;
- recommendations regarding rational energy use management were introduced, mainly in the area of heating and air condition equipment operation.

Rationalisation of heat consumption involved modernisation of the gas fired boilers generating savings in the area of gas consumption.

#### PROTECTION AREAS

The Bank has land which neighbors protected areas. On such areas however no operating activity is conducted.

The description of lands is below:

- Warszawa Werbeny (mazowieckie voivodship), with area of 2813 sq.meters, located in Mazowiecki Landscape Park Protection Zone
- Hajnówka (podlaskie voivodship), with area of 5 609 sq.meters, located in farming land.



## Activities benefiting society

- Among the Bank's stakeholders there are public benefits organisations, foundations and social organisations. Together with them the Bank implements educational and cultural programmes constituting a part of its mission as a public trust institution.



## Activities for the society

### “THE HOUR FOR THE EARTH”

Bank Millennium took part, in 2009, in the global environmental campaign “the Hour for the Earth” organised by WWF Foundation. The Bank was the Foundation’s corporate partner within the programme in Poland.

The objective of this third, consecutive, campaign was to highlight the problem of global climate change resulting, mainly, from progressing global warming and to manifest support for governmental initiatives introducing programmes designed to mitigate the change effects.

The campaign involved voluntary switching off lights at homes, institutions, offices and external lighting of public buildings as well as ads and neon lights on 28 March 2009 for one hour (between 8:30 p.m. and 9:30 p.m. In Poland, invitations to participate were sent out to all Voivodship capitals with Warsaw being the main partner of the organisers.

Within the framework of participation in “the Hour for the Earth” campaign, the Bank:

- carried out internal educational programme for employees on environment protection issues;
- switched off lights in offices, branches as well as advertisement panels for one hour on 28 March 2009;
- conducted internal information and educational campaign on “the Hour for the Earth” objectives, addressed to the Bank employees;
- conducted information campaign addressed to the bank customers describing activity objectives and the Bank’s participation;
- systematically informed media on the programme assumptions and Bank’s participation in the campaign.

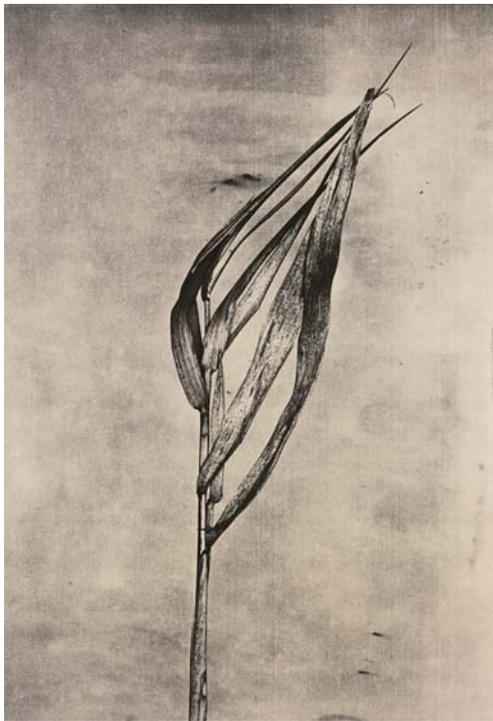
The Bank’s participation in the project, based primarily on voluntary actions undertaken by employees, generated increased interest in environment protection issues and facilitated the bank in planning its own relevant activities.

#### **PROMOTION OF POLISH TRANSFORMATION**

On 20th anniversary of Polish transformation, Bank Millennium, together with companies associated in the Polish Business Roundtable and Association “Projekt Polska” took part in organisation of a campaign promoting knowledge on the Poland’s impact on the process of Europe’s transformation in 1989. The Bank was among the founders of the promotional campaign carried out by the US TV broadcasting station CNN featuring, in the week of the celebration of the 20th Anniversary of the Fall of the Berlin Wall, a spot “Poland – the place where freedom was born”.

#### **GDAŃSK AREOPAGUS**

Bank Millennium, again gave support to organisation Forum of Dialogue “Gdańsk Areopagus” believing creation of a platform for dialogue and discussion between various communities on issues relating to major moral dilemmas and challenges of our times to be important. Main subjects of the meetings held in 2009 were: “Freedom” (Spring session) and “Justice” (Autumn session). Outstanding intellectuals representing various communities, views and religions took part in these discussions.



## Promoting education

### COME AND GROWTH WITH US

The “Come and Grow with us” programme was designed to help students and graduates gain professional experience and develop their competences and interests.

Within the programme the bank offered paid internships in the Bank and competitions with valuable prizes. The Bank also participates in major educational and trade-fair events including “Career Days”, organised by international association of students AIESEC and in conferences for students. The bank also organises training for students in their universities as well as in the Bank head office. This way the Bank brings its educational offer to young people and can adjust its contents to their needs. The Programme “People Grow”, one of the Bank’s Development Programmes, is designed for senior year students and graduates.

In 2009, contents of the Web site for students and presenting opportunities for professional development in Bank Millennium were updated. The site features recruitment guide offering valuable hints for job seekers, with the Internet Career Navigator as its cornerstone pointing out to potential development directions in the Bank. It is enough to answer four simple questions on occupational preferences to obtain information on areas within the bank worth focusing on. For persons with greater professional experience we have prepared the recruitment interview Simulator i.e. virtual recruitment meeting. Candidates can look at questions they are likely to be asked during job interview.

#### **INTERNSHIPS AND APPRENTICESHIPS**

The Bank prepared an offer of internships for students of all years and curricula, giving opportunity, to the youngest and ambitious students, to gain first professional experience. Internships are organised mainly in Warsaw Head Office of the Bank.

In the academic year 2008/2009 we accepted 219 interns. In addition, interns can get to know the Bank better and exchange experience during summer holiday meetings organised for them. Intern's can benefit by extending their cooperation with the Bank later, after completing their internships successfully. During the year we also organised internships in Greece and Portugal for winners of our competitions.

Year by year a large group of young people has been cooperating with us (ambassadors, participants in competitions or training courses). Seeking to reward the most active persons this year we have invited them, as our first choice, to join our summer holiday internships.

## Promoting education

### TRAINING FOR STUDENTS

Within the framework of the “Come and Grow with us” Programme, Bank Millennium has been, periodically, organising a series of training courses, workshops and presentations for students. Under the “Come and Grow with Us” program Bank Millennium regularly organizes a series of training courses, workshops and presentations for students. These events take place in university centres throughout Poland. The training topics change every year to reflect evolving student needs. In 2009 Bank Millennium employees prepared numerous training courses in soft skills such as: interpersonal communication, creativity, negotiation, dealing with stress, self-management in time, motivation or planning and delegation.

University level students were given the opportunity to participate in training courses relating to the areas of risk, financial analysis, and offer presentation and sales skills.

Diverse training offer provided practically every student to find something of interest – irrespective of the year of study or faculty. In 2009 we organised more than 40 training courses.

### COOPERATION WITH STUDENT ORGANISATIONS

Bank Millennium appreciates student organisation contribution to helping students seeking to gain their first professional experience and develop their competence and interests. The Bank financially and substantively supports student organizations in their operations and pursuit of statutory objectives.

Since 2003 we have been cooperating with the AIESEC international student association. We were involved in the “Ambassador” project choosing our representatives – AIESEC members referred to as ambassadors – in 11 of the largest university centres. These people perform the function of representatives of the “Come and Grow with us” program among their fellow students, inform them about development opportunities at the Bank and organize bank events at their universities.

In exchange for the commitment and promotion of the program the Ambassadors get an opportunity to gain experience in cooperation with the Bank and the possibility to take part in special training and workshop sessions prepared by the Bank. During the year we took 5 most committed former Bank Millennium Ambassadors as interns. Since 2009, under cooperation with AIESEC, we have been supporting Commission of Financiers of the AIESEC Polska composed of all Deputy Presidents for Finances, Auditor and the organisation CFO. We have been providing the Commission members with substantive support in the form of training.

In 2009 Bank Millennium took part in 10 trade fair events – “Career Days” and two international conferences for students. We were also involved in three financial market conferences. With help of the Academy of Skills organised during the Career Days and conference we had an opportunity to share our knowledge with student community.

## AWARDS FOR EMPLOYERS

Year after year Bank Millennium has been placed among the best employers in all rankings based on student surveys. Among the rankings prepared in 2009 and relating to activities in 2008, the following should be mentioned:

**National Employer Ranking Kompas**, Bank Millennium, in the sector "Finance", was ranked in top positions in individual categories:

**I place** in the category Presence in University,  
**II place** in category Career and Development,  
**III place** in category Dream Employer.

The ranking has been a project organised by the SGH Student Scientific Circle – Consulting in cooperation with the market research and opinion polling institute SMG/KRC Millward Brown Company and other partners within the country. The survey is designed to facilitate students in their choice of future employer to link their careers with.

**Ranking Employer of the Year**, with Bank Millennium ranked 14 as Employer of the Year.

The main objective of the survey is to identify 50 most attractive employers. The ranking is has been prepared by AIESEC Polska for 17 years now. Employer of the Year survey is currently the biggest survey conducted by the organisation covering ca. 5000 students all over Poland. In 2009 the survey was conducted in 40 TEIs countrywide.

**Universum Awards 2009**, where in Business category, Bank Millennium was ranked 19.

## GLOBAL MANAGEMENT CHALLENGE – EUROMANAGER POLAND

Since the organisation of the competition in Poland for the first time, Bank Millennium has been one of its main sponsors. Every year we support young ambitious people who are willing to face challenges and seek opportunities to gain precious experience.

In 2009, the Bank made it possible for twenty-one student teams and four Bank Employee teams (mainly development programme participants) to take part in the exercise. From among 534 teams, which participated in the contest 18 teams reached the Polish finals of "Euromanager", including 3 sponsored by Bank Millennium.

## COMPETITIONS

One of the forms used by Bank Millennium to make students involved and more active is encouraging them to take part in competitions.

In 2009, Bank Millennium organised the following competitions for students:

**"Millennium Communicate"** – competition in the area of communications and public relations, in which participants may prove themselves as company image specialists. The main competition prize was participation in internship in Greece.

**"Millennium Chance"** – this contest was designed to appreciate and support extraordinary hobbies of the students. The prize was 10 thous. PLN in form of sponsoring of a winning project.

**"MilleWorkshopProject"** – contents designed for participants to prove themselves as initiators and organisers of workshops developed by self. The prize was an HP Mininote.

Overall, the Bank's competitions brought together in 2009 more than 90 participants.

Millennium  
bank



## Promotion of culture

Supporting important artistic and cultural events has always been a component of the Bank Millennium social mission. The Bank has been carrying out this mission in cooperation with wide range of institutions and foundations involved in organisation of cultural events and promotion of culture seeking to retain high artistic level and recurrent nature of supported programmes.

### Golden Sceptre

In 1999, Bank Millennium and the Polish Culture Foundation offered the award "Golden Sceptre" granted each year to the most outstanding creators of Polish culture. The award is granted in recognition of "most broadly understood intellectual creation by an individual or a group, group of artists, social organisation, artistic institution, cultural or scientific movement". Award is granted by the Chapter composed of outstanding creators and culture animators and handing out event includes a special artistic programme featuring themes related to winner's works.

The award also has its promotional dimension. The winner can grant a "Small Sceptre" to a young artist whom he/she perceives as a continuator of his/her creative work.

In 2009, the "Golden Sceptre" was granted to Krzysztof Penderecki in recognition of „use, in his work, innovative musical means to express universal spiritual contents and for introducing old and modern Polish music into the mainstream of world's music".

Krzysztof Penderecki granted the "Small Sceptre" award to Rafał Kwiatkowski – an outstanding cellist of young generation.

The event was honoured by the Polish Chamber Choir conducted by Jan Łukaszewski, who performed compositions for choir a capella by Krzysztof Penderecki and Rafał Kwiatkowski' recital.

Bank Millennium has been, since establishment of the award, its founder and sponsor of accompanying events. The "Golden Sceptre 2009" was the eleventh award granted. Winners of the award in previous years were: Jerzy Giedroyc, Wojciech Kilar, Stanisław Lem, Roman Polański, Ewa Podleś, Sławomir Mrożek, Janusz Gajos, Tadeusz Różewicz , Maria Fołtyn and Wojciech Młynarski.

### Planet Doc Review

Programme of the VI Film Festival "Planete Doc Review" has gone far beyond the standards of a classic film review. Consecutive editions of the festival prove that documentary films, in the common opinion shared by critics and viewers, has become a full-fledged film genre. In addition, focusing on complex problems faced by today's world, it has set up a foundation for analyses and debates on problems it features. Bank Millennium, for four years no, has been supporting the ambitious programme of the festival as the main sponsor of the event.

During the festival over 100 documentaries were shown, grouped into twelve theme sections, constituting a comprehensive review of the most important events in the world of documentaries in the last two years, including creations by winners of prestigious awards received on documentary film festivals worldwide.

## Promotion of culture

The festival provides the opportunity to both viewers and professional jurors to evaluate the films. In total 19 documentaries entered the contest for the main award – “The Millennium Award”, eventually granted to “Sound of Insects – Record of a Mummy” by Peter Liechti. In addition, the “Magic Hour Award” (for documentaries of up to 70 minutes), “The Ecumenical Dialogue Award” (for documentaries on dialogue between different standpoints), “Warsaw Environmental Award”, „Amnesty International Award” (documentaries focusing on the issue of human rights), “The Repertory Cinema Network Award” and – the most popular – “Audience Award”. The festival also provided viewers with opportunity to meet creators of the documentaries shown and to movie art students to take part in master workshops run by outstanding authors of documentaries. The cycle of discussions inspired by themes of documentaries shown was an important part of the festival underscoring the event’s contribution to social dialogue. The themes discussed included: “What Banks are Doing with Our Money?”, “The Politics of Nature”, “Events of 1989 and the Art of Filmmaking”, “Harming or Helping? On How to Help Africa Not Doing it Harm”, “What is Free Culture Allowed to Do?”, “Breakthrough, Hope and Democracy – elections 1989-2009” and “Iran Today – 30 Years After the Revolution”. Festival special guest was Gari Kasparow, world’s renowned chess player and Russian politician. Audience of the festival 2009 exceeded 20 thousand viewers and Festival was ranked among the most interesting film events in Poland.

## “Millennium Pearls”

“Millennium Pearls” constitute a joint venture by Bank Millennium and Polish Television. Since 2003, the partners have been preparing and broadcasting in TVP cultural programmes of high value. The programme of the cycle included theatre performances, concerts, journalistic shows, reports on cultural events. In 2009 (cycle commenced in the fall of 2008) nine selected documentaries were shown – most of them winners of international film festivals. The films were a part of the new documentary channel established by TVP in carrying out its mission, and for Bank Millennium they constituted a continuation, designed to reach a broad range of viewers, of presentation of the most valuable documentaries shown on the “Planete Doc Review” festival.

## Artistic Colony in Kazimierz

The year 2009 marked ten years of cooperation between Bank Millennium and Muzeum Nadwiślańskie in Kazimierz Dolny on the Wisła. The objective of this multiyear, joint programme is to promote, preserve and present artistic achievements of the arts community connected with unique in Europe artistic colony in Kazimierz and contemporary artists continuing the tradition. In 2009 jointly implemented projects included:

- Exhibition “Polish Jewry Painting” presented in Polish Museum in Rapperswil (Switzerland). The exhibition was shown for the first time in Kazimierz in 2008 and enormous interest in this private collection not shown before encouraged the organisers to accept invitation to present this collection in the Museum of Rapperswil, immensely important for Polish culture. The event provided opportunity to publish a broad catalogue in the Polish and German language versions.

- Exhibition “Władysław Ślewiński. From Pont-Aven to Kazimierz” commemorating this outstanding painter and his achievements on the one-hundred anniversary of the of the outdoor painting exercise organised by Władysław Ślewiński for his students in Kazimierz. The exhibition included also a catalogue containing essays about painter’s work in Brittany.
- Exhibition “Wojciech Kossowski. Paintings” presenting artistic achievements of the painter and colourful figure of the Kazimierz artistic society, on the tenth anniversary of his death. The event also included publication of a catalogue featuring selected works of the artist.

The programme facilitated studies, development and present to the audience, within ten years, an important part of historical achievements of creators linked with the artistic colony of Kazimierz Dolny on the Wisła.

#### **Gdańsk – town of many cultures**

Within the framework of many years of cooperation between Bank Millennium and the National Museum in Gdańsk, in 2009 in the exhibition “Albrecht Dürer. Drawings from German School from Jacoba Kabrun’s Collection”, a unique collection of world famous 26 drawings by Durer. It is just a tiny part of surviving collection of Jacob Kaburn (1759-1814), merchant, citizen of Gdańsk, who donated his private collection of nearly 7000 drawings to Gdańsk thus creating a seed for today’s collections of the National Museum in Gdańsk. The works are displayed extremely rarely due to reasons related to their conservation. The exhibition featured a broad catalogue with texts and reproductions of works constituting the files of Jacob Kabrun.

#### **Remember Osiecka**

Bank Millennium, in 2009, was a partner of Foundation “Okularnicy” supporting organisation of festival “Remember Osiecka 2009” featuring achievements of this Agnieszka Osiecka, the outstanding poet and text writer. Besides concerts and performances, the festival includes a national competition for young singers taking the challenge to interpret songs with the poet’s texts. In 2009, the competition was organised for twelfth time and in the finals Osiecka’s songs were sung by eleven performers. The winner was Dominika Kasprzycka, psychology student. The competition is believed to be one of the most important events promoting young performers of Polish songs.

#### **Theatre in Radio and TVP**

For years Bank Millennium has been the founder of the reward for authors of best photography for TV Theatre performances, granted in the Polish radio and TV Theatre festival “Two Theatres”. At the eleventh edition of the festival, the award founded by Bank Millennium was granted to Radosław Łuczak for photography to the spectacle “Golgota wrocławska” directed by Jan Komasa.

#### **Royal Castle Concerts**

Organisation by Bank Millennium of “New Year’s Concerts” at the Royal Castle of Warsaw for a large group of its partners, collaborators and customers has become a long standing traditional. The concerts feature classical music performed by young and talented musicians. The concerts traditionally mark the beginning of the season of events sponsored by the Bank.



## Charitable activities

Last year the Bank continued its cooperation with selected public benefit organizations making donations for their statutory programs. The beneficiaries included: Foundation WWF Polska, Foundation for Faculty of Management of Warsaw University, AIESEC Association, Forum of Dialogue Gdańsk Areopagus, Foundation for Adoption Families, Foundation "Okularnicy" Agnieszka Osiecka, Foundation Projekt: Polska", Foundation "Common Way", Polish Culture Foundation and Child's Heart Foundation named after Dina Radziwiłłowa.

Together with undertaking its charitable activities the Bank encourages its employees to take active part in social projects.

In 2009, Bank employees took part in the ECCO Walkathon – an event in which you “walk to raise” funds for the activity of a selected social or charitable organization.

In addition on the initiative of the Employees a blood donation campaign was organized, for the third consecutive time, during which over 59 litres of blood was collected.

In 2009 the Bank became involved in NIKIFORY Project to support artistic achievements of persons with intellectual disabilities. The Project includes voluntary work and promotion of artistic achievements of persons with disabilities by organisation of auctions of paintings created by “Nikifors” and presentation of their creations in Bank Millennium.

## Share your opinion with us

Thank you for reading our Report.

If you want to share your opinion about it with us please send your comment to:

[csr@bankmillennium.pl](mailto:csr@bankmillennium.pl)



Photo:

**PAWEŁ ŻAK**

Born in 1965. Studied Social Sciences at the Warsaw University. A Graduate of the Faculty of Multimedia Communication of the Academy of Fine Arts in Poznań (M.A. in 2002).

Since 1994 he has taken part in several dozen collective exhibitions, had over ten solo exhibitions in Poland and abroad.

The best known series of his photographs are: "Tales", "untitled" – still nature and flower photographs (presented in this publication), "A Close Acquaintance" – a series of self-portrait photographs and the latest series "Sweet Monday and other still lives".

His works form part of i.a. following collections: Bibliotheque Nationale in Paris, National Museum in Warsaw, Centre of Contemporary Art in Warsaw, Museum of Art in Łódź as well as private collections in Poland, France, Norway, Denmark, Holland, Belgium, Great Britain, Brazil and USA.



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