



Bank Millennium Group

Bank Millennium Strategy,
Summary of L series share issue
and
Presentation for 2009 results

Bank Millennium's
General Shareholders Meeting

22 April 2010

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All **data** presented hereby (except profit distribution proposal) is based on the consolidated Bank Millennium Group level and is consistent with the Annual Consolidated Financial Statements and the Management Board Report on the activity of the Bank Millennium Capital Group in 2009 year, with the exception of pro-forma data described below.

From 1st January 2006, the Bank started to treat under hedge accounting principles the combination of mortgage floating rate foreign currency loans, floating rate PLN deposits and related cross currency interest rate swaps. From 1st April 2009, the Bank extended hedge accounting principles to FX swaps. According to the accounting principles the margin from these operations is reflected in Net Interest Income. However, as this hedge accounting does not cover all the portfolio denominated in foreign currency, the Bank provides pro-forma data. The pro-forma statement presents interests from all derivatives in Net Interest Income, which in the Bank's view allows better understanding of the economic evolution of this item.

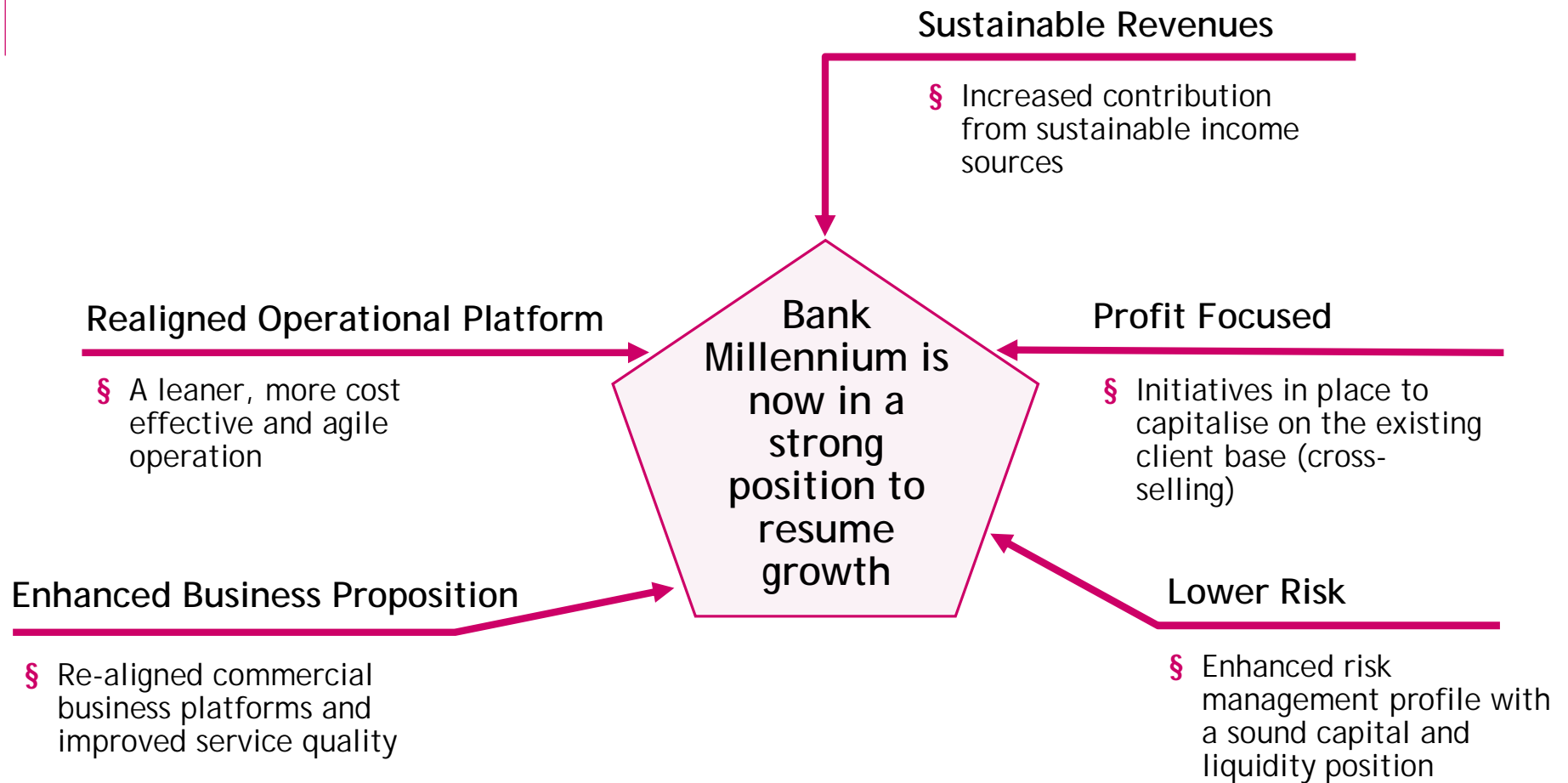
Bank Millennium Strategy 2010-2012

Bank Millennium share issue series L

Bank Millennium 2009 results

Profit distribution proposal

Key strengths of Bank Millennium Group



Bank Millennium's medium term ambitions

On 6th November 2009, Bank Millennium announced its new medium term strategy for the period 2010-2012, with the following main ambitions:

▶ To be one of the top 5 Polish universal banks, combining a top-tier position in retail with being a relevant player in commercial banking

▶ To reach a level of profitability that compares well with the best performers in our peer group, supported by a sustainable business model anchored on our main strengths

▶ To run a highly efficient operation whilst setting the standard in terms of the quality of service rendered to our Customers

▶ To keep a sound capital structure and a strong risk management profile to support future growth

▶ To strengthen the Bank's market position based on long lasting relationships with all our stakeholders

*Coming back to
business
growth mode
with a stronger
focus on
sustainability*

Key priorities

To balance a strong growth with an adequate level of profitability of the main business areas by...

Increasing the pace of customer acquisition

Exploiting the potential of the cross-selling machine

Focusing on customer relationships

Developing initiatives aimed at improving revenues

Keeping operating costs under control

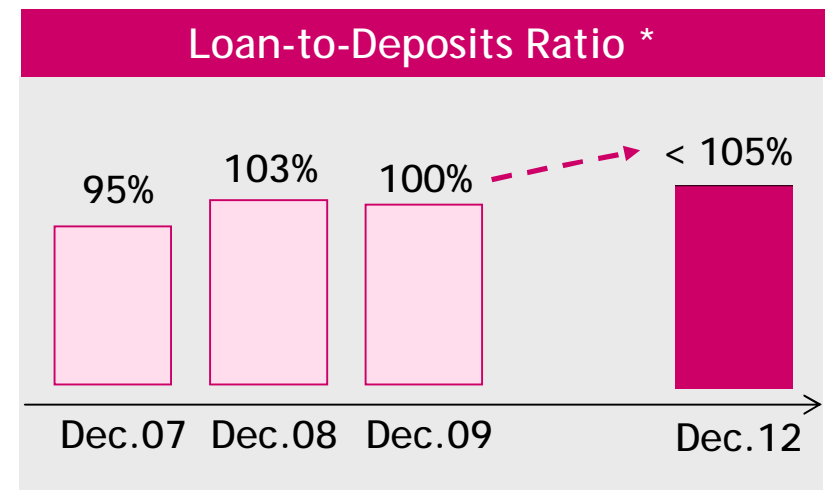
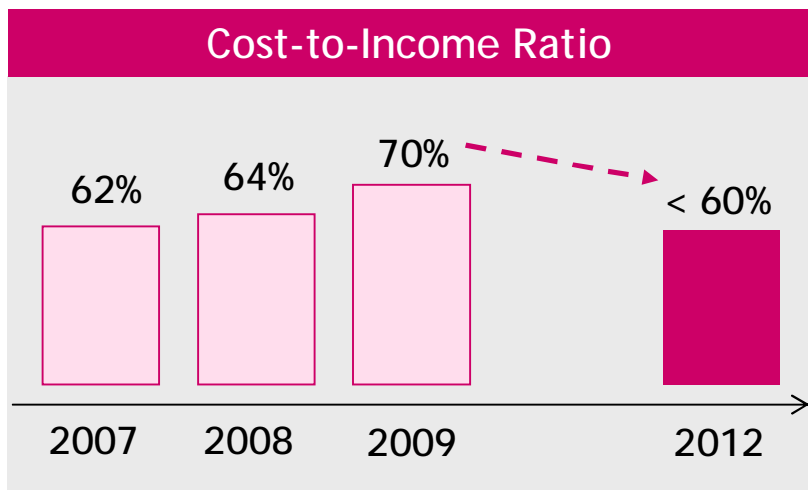
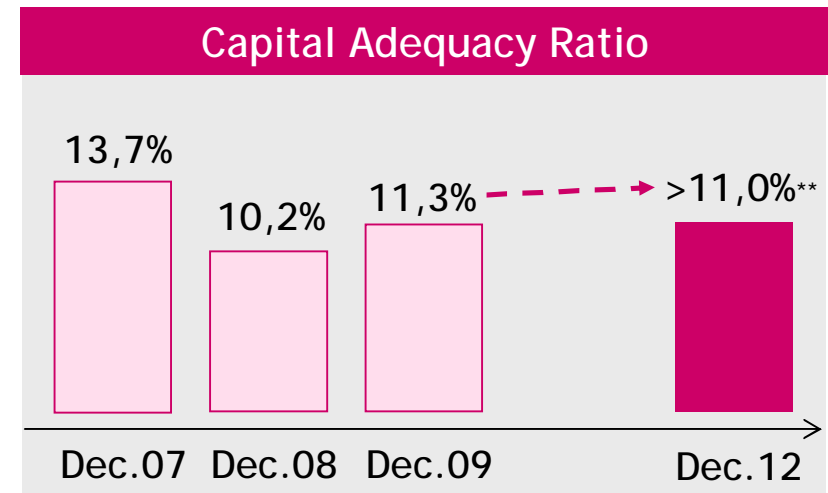
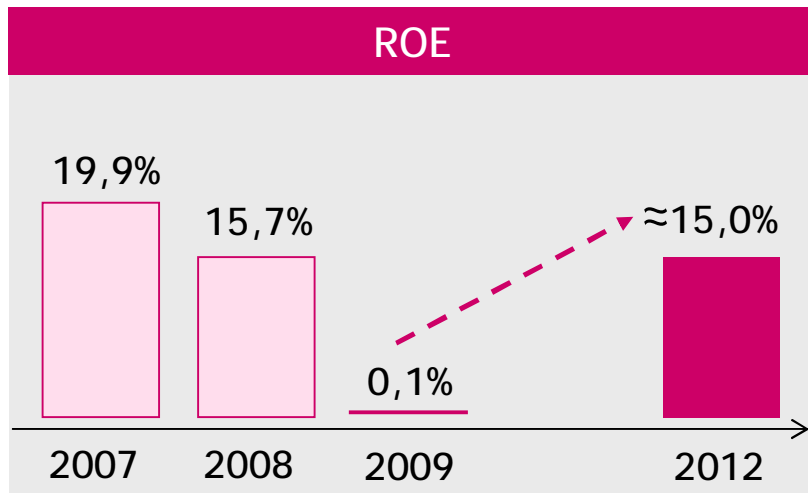
Retaining the best talents

Balancing funding sources

Maintaining a conservative risk approach

Ensuring discipline in liquidity and capital management

New medium-term financial targets



* Including bonds placed in retail customers, funds from securitization and sell & buy-back operations with customers

** Comfortably above minimum regulatory requirements

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Profit distribution proposal

Successful capital increase through a rights issue

Rights issue raised gross proceeds from investors of PLN 1,055 million

- § 363,935,033 shares offered (3 new shares for each 7 pre-emptive rights) at PLN 2.90 per each share.
- § Issue process was completed in a quick way - about 3 months since the announcement of intention on 6 November 2009 until shares allocation on 8 February 2010.
- § Banco Comercial Portugues (main shareholder with 65.5%) exercised its pre-emptive rights in full
- § Remainder of the rights issue was fully subscribed. The shares available to minority shareholders and other investors were almost 4 times oversubscribed

Results of subscription	Amount of subscriptions	Number of shares subscribed	Allocation rate (%)	Allotted shares
Principal subscriptions	6,410	361,796,921	99.4	361,796,921
Additional subscriptions	804	360,425,723	0.6	2,138,112
Total L series shares allotted			100	363,935,033

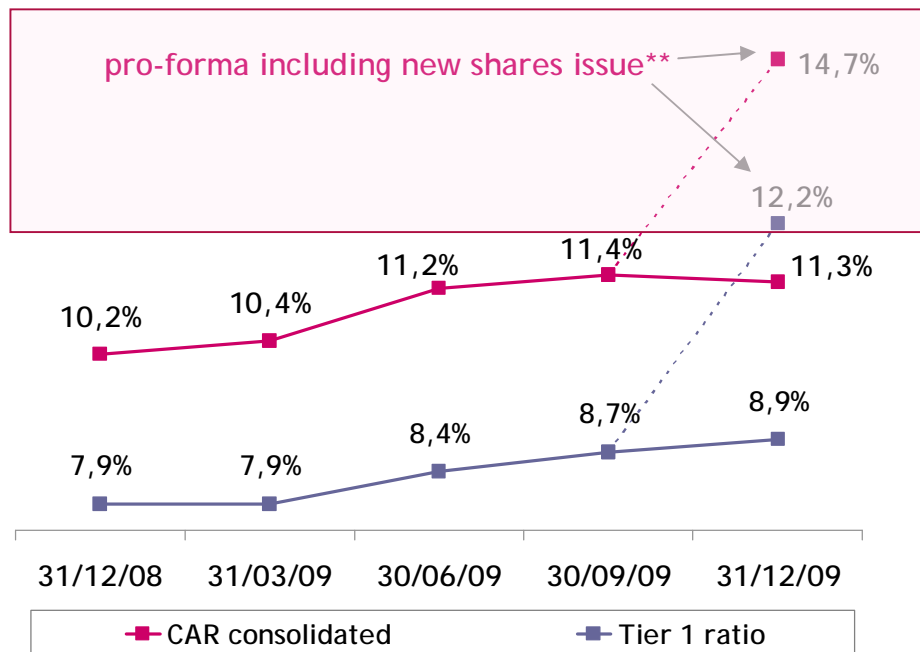
Proceeds will allow Millennium to support its strategy of growth through:

- § Expansion of the corporate loan portfolio
- § Maintaining its positions in retail banking lending market
- § Supporting the investment plan for the period 2010 to 2012, including upgrade of security infrastructure, software purchases and other investments connected with its IT platform

Significantly improved Capital Adequacy after the issue

Consolidated CAR evolution

(%)



§ On 26th February 2010 the new capital from the rights issue was registered by the court.

§ With the new capital, the Capital Adequacy Ratio would have grown to 14.7% and Tier 1 (pure equity) to 12.2% on consolidated basis*.

* Calculated assuming the same capital requirement as for 31 Dec 2009 but with Tier 1 capital increased by the gross proceeds from the new issue (PLN 1,055 million) and decreased by the estimated costs of the issue.

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Main highlights of 2009 Bank Millennium Group results

Volumes in PLN million

	2009	2008	Change y/y	Change q/q
Total customer funds *	35 314	34 219	+3.2%	+4.9%
Total deposits *	31 821	31 815	0.0%	+3.8%
Total loans	33 485	33 748	-0.8%	-0.6%
Loans to deposits **	100.4%	102.6%	-2.2 p.p.	-1.9 p.p.
Net profit	1.5	413.4	-	-
Total operating income***	1 453.9	1 848.6	-21.4%	+31.9%
Total operating costs****	1 022.9	1 191.7	-14.2%	-8.4%
Cost to income ratio	70.4%	64.5%	+5.9 p.p.	-5.1 p.p.
Solvency ratio	11.3%	10.2%	+1.1 p.p.	-0.1 p.p.

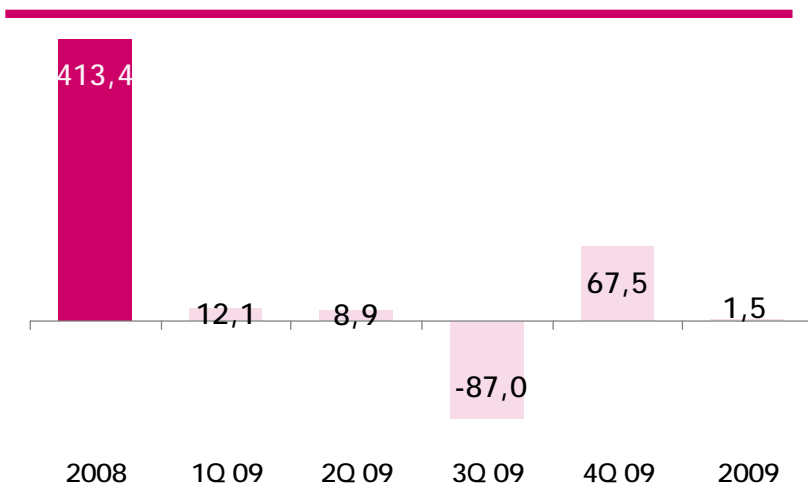
*Including retail bonds. ** Including retail bonds, repo transaction with customers and securitisation of leasing assets. *** without other operating income.

**** including net other operating income and costs, without impairment charges.

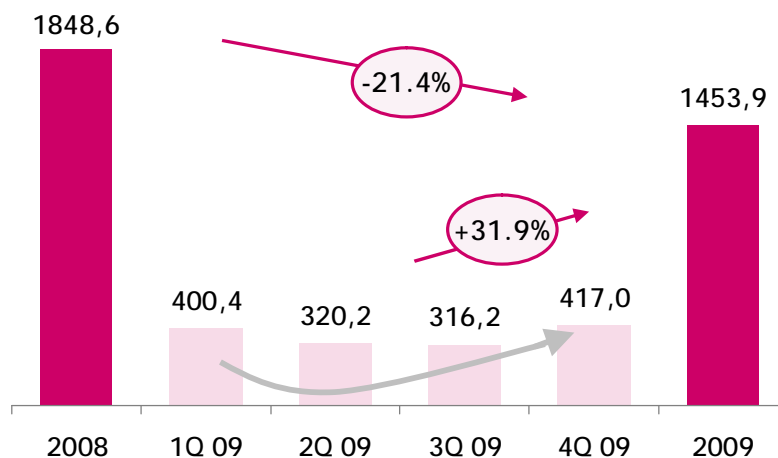


The year 2009 finished with positive net profit

Net income (PLN million)



Operating income (PLN million)



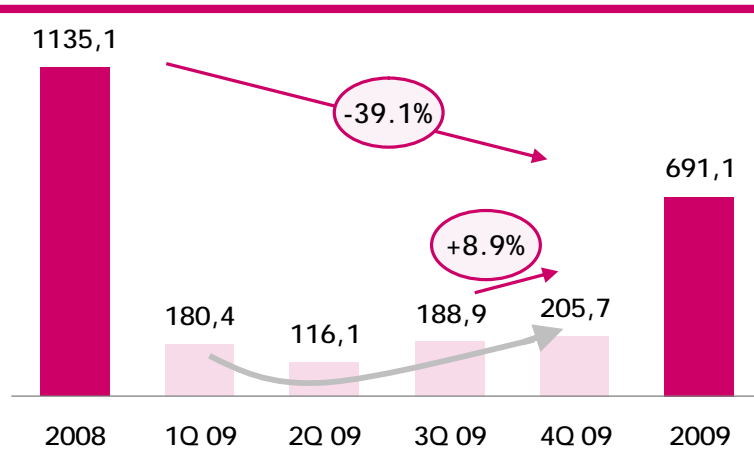
§ Thanks to good result of 4Q'09 (net profit of PLN 67.5 million), Bank Millennium Group recorded an accumulated net profit in entire 2009 of PLN 1.5 million.

§ The Group achieved a cost reduction of PLN 169 million (-14%) in 2009 compared to 2008. It means that the Bank overachieved after one year its 2-year cost saving plan announced in the beginning of 2009.

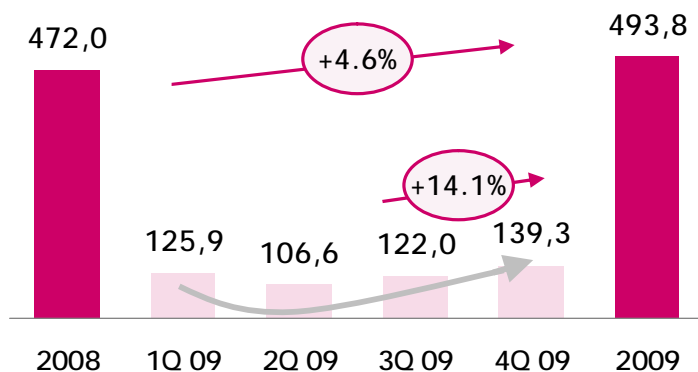
§ Operating income increased significantly (+32%) on quarterly basis although on annual basis still decreased by 21% .

Visible rebound of core income after strong decrease

Net Interest Income* (PLN million)



Net Commission Income (PLN million)



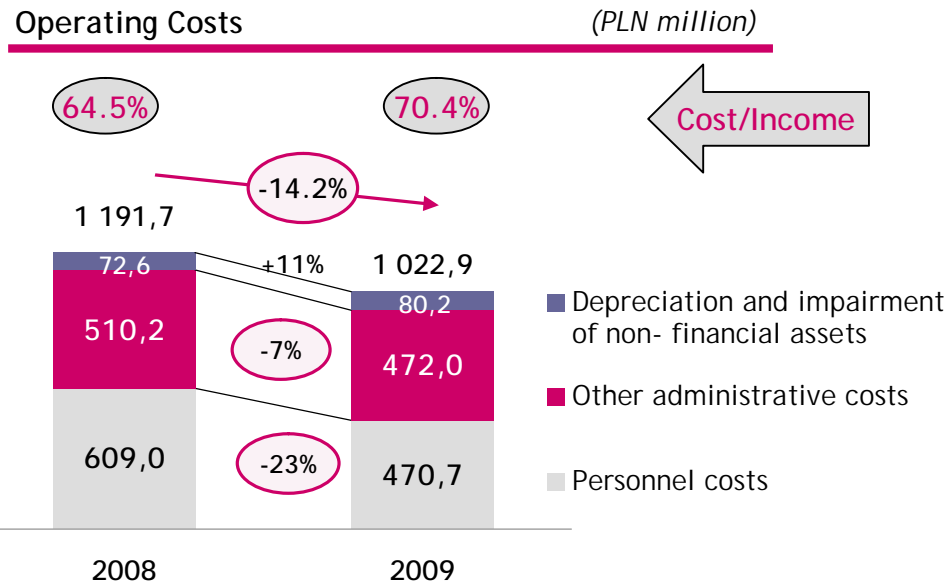
§ Net Interest Income dropped in 2009 when compared to 2008 as a result of a sudden deterioration of environment for Polish banks, in particular lack of external financing, very tough price competition for deposits and significant increase of financing costs through FX swaps.

§ Net Interest Income rebounded strongly in 3Q'09 and the positive trend has been continued in 4Q'09 (+9% q/q) as a result of lower deposit cost, improvement of loans margin and lower cost of funding in foreign currencies through FX swaps and cross-currency swaps.

§ Net Commissions continued the visible quarterly growth started in 3Q'09 thus allowing for 5% increase of accumulated Net Commissions y/y.

* Pro-forma data. Margin from all derivatives, including those hedging FX denominated loan portfolio, is presented in Net Interest Income, whereas in accounting terms part of this margin (PLN 92.6 m in 2009 and PLN 200.4 m in 2008) is presented in Result on Financial Operations.

Operating costs were managed to drop significantly

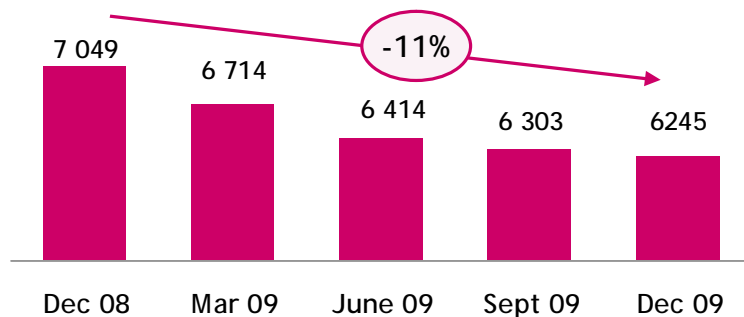


§ Total costs decreased by 14% y/y (or PLN 169 million).

§ The key driver of cost reduction was the decrease of staff costs (by 23% y/y) mainly driven by lower bonuses.

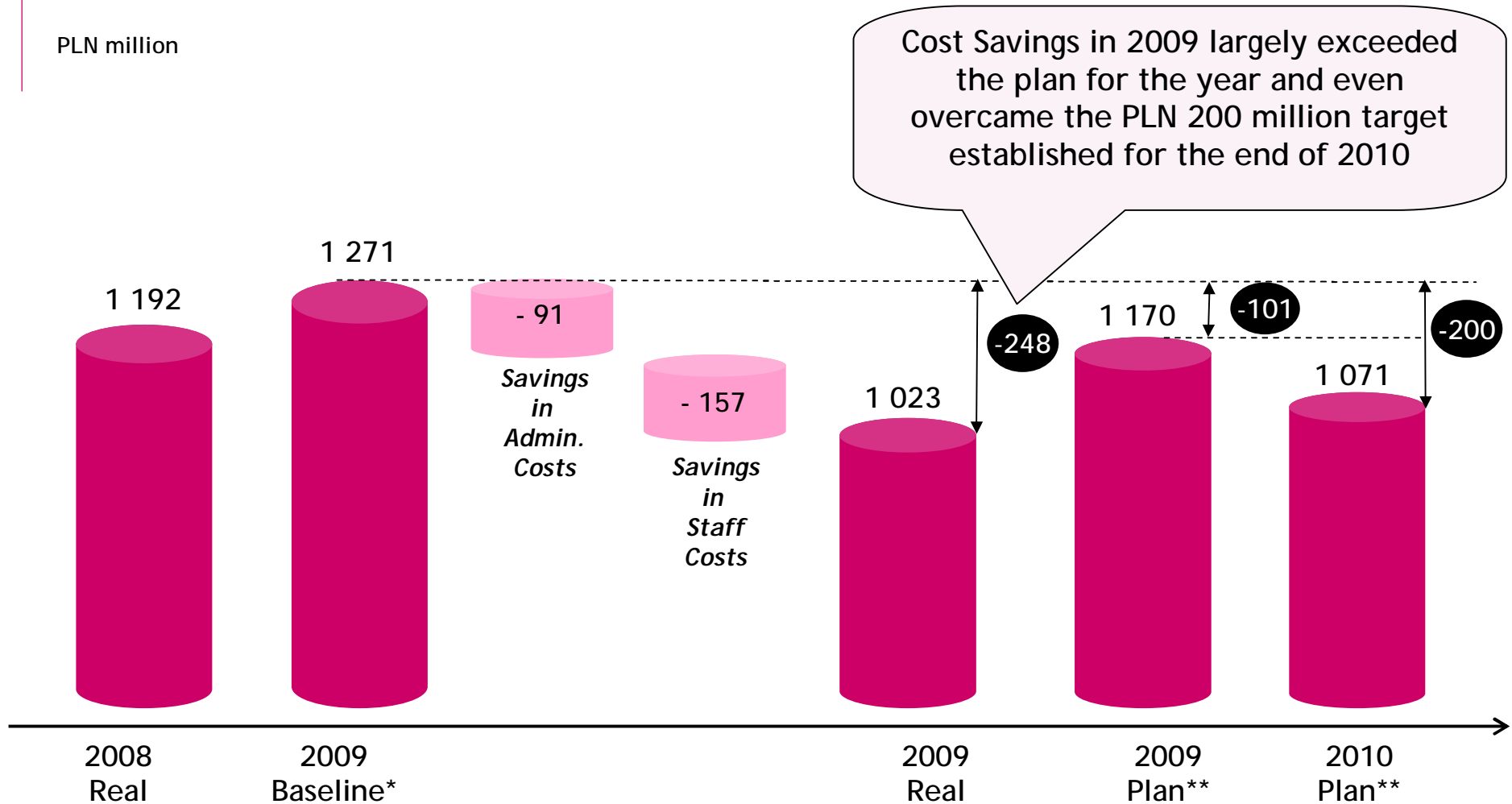
§ Overall, lower administrative costs (-7% y/y) thanks to savings initiatives implemented in many areas. If we exclude fixed maintenance costs, which increased due to higher average number of branches, and higher contribution to Bank Guarantee Fund, other administrative costs decreased by 24%.

Number of employees (FTEs)



Cost savings planned for 2010 already overachieved

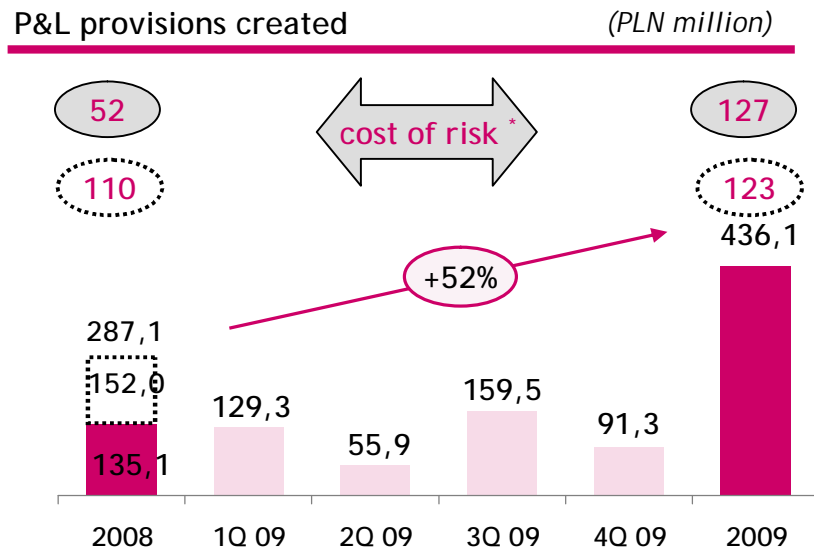
PLN million



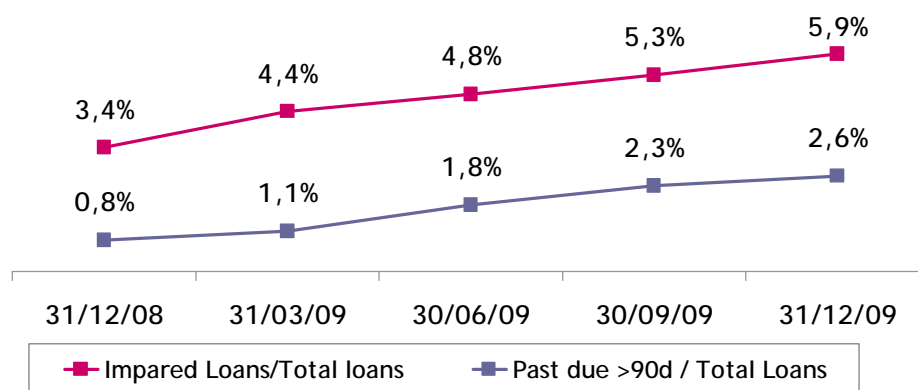
* Costs initially projected for 2009, excluding the impact from new savings initiatives.

** Plan announced in February 2009

Impairment provisions grew significantly during the year



Impaired and past-due loans (90 days) ratio [over Total loans]



§ Strong increase of provisions in 2009 due to economic slowdown and problems of some companies with FX derivatives.

§ After the extraordinary peak of provisions in 3Q'09 resulting from one-off charge of PLN 108 million for corporate exposures, the level of provisions was lower in 4Q'09 (108 b.p. over total loans just in this quarter).

§ Impaired loans ratio increased to 5.9% (under IAS) but remains much lower than the market average, which stood at 7.6% (under PAS). If not taking into consideration exposures resulting from FX derivatives transactions, the ratio would be 4.9%.

* Cost of risk = impairment charges divided by average net loans in the period (in bps, annualized)

Impairment charges and cost of risk ratios marked with dotted line include impairment correction in valuation of FX derivatives presented in „Result on financial operations“

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Profit distribution proposal

Proposal to retain entire profit in Bank's capital

Data as at 31.12.2009

	Bank Millennium Group	Bank Millennium
Net profit (PLN million)	1,5	84,1
Capital Adequacy Ratio (%)	11,3	10,4
Tier 1 (pure capital) (%)	8,9	8,0

Bank's profit is higher than the Group's profit mainly thanks to dividends from subsidiaries paid from profits earned in 2008.

According to declaration published in the Prospectus of L series shares issue, Management Board of the Bank recommends to allocate entire Bank's 2009 profit in the amount of PLN 84.114.713,73 to reserve capital.

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ATTENTION**

www.bankmillennium.pl

