

## **Report of the Supervisory Board on activity in 2009**

In 2009 the bank operated under circumstances of effects of the world economic crisis in the form of slowdown of the economy, restriction of availability of sources of financing, decline of value of the zloty with respect of main currencies as well as rapid growth of the rate of unemployment. These circumstances posed a major challenge for the Bank as regards applying adequate management and control measures to secure the Bank's interests.

During the reporting period the Supervisory Board was composed as follows:

1. Maciej Bednarkiewicz – Chairman of the Supervisory Board,
2. Ryszard Pospieszyński – Deputy Chairman and Secretary of the Supervisory Board (Mr R. Pospieszyński was Secretary until 27 March 2009),
3. Carlos Jorge Ramalho dos Santos Ferreira – since 27 March 2009 also as Deputy Chairman of the Supervisory Board,
4. Vitor Manuel Lopes Fernandes – Member of the Supervisory Board,
5. Paulo Jose de Ribeiro Moita de Macedo – Member of the Supervisory Board,
6. Nelson Ricardo Bessa Machado – Member of the Supervisory Board
7. Andrzej Koźmiński - Member of the Supervisory Board,
8. Marek Rocki - Member of the Supervisory Board,
9. Dariusz Rosati - Member of the Supervisory Board,
10. Luis Maria Franca de Castro Pereira Coutinho – Member of the Supervisory Board since 27 March 2009,
11. Marek Furtek – Member of the Supervisory Board and its Secretary since 27 March 2009.

Within the Supervisory Board there were also permanent Committees of the Supervisory Board: Audit Committee and Personnel Committee. The Committees provided significant support to actions of the Supervisory Board, ensuring constant and in-depth monitoring of the business entrusted to them.

During the reporting period the Audit Committee was composed as follows:

1. Maciej Bednarkiewicz,
2. Dariusz Rosati,
3. Luis Maria Franca de Castro Pereira Coutinho (since 27 March 2009),
4. Paulo Jose de Ribeiro Moita de Macedo.

During the reporting period Dariusz Rosati was meeting requirements of independence and was qualified in accounting or financial audit in keeping with art. 86 sect. 4 of the Act on Certified Auditors.

During the reporting period the Personnel Committee was composed as follows:

1. Maciej Bednarkiewicz,
2. Ryszard Pospieszyński (until 27 March 2009),
3. Carlos Jorge Ramalho dos Santos Ferreira,
4. Luis Maria Franca de Castro Pereira Coutinho (since 27 March 2009),
5. Marek Furtek (since 27 March 2009).

The Supervisory Board was informed about work of the Committees and adopted their annual Reports on activity in 2009.

During the reporting period the Bank's Management Board was composed as follows:

1. Bogusław Kott – Chairman of the Management Board,
2. Luis Maria Franca de Castro Pereira Coutinho – Deputy Chairman of the Management Board (until 12 February 2009),
3. Rui Manuel da Silva Teixeira – Deputy Chairman of the Management Board (since 12 February 2009),
4. Fernando Maria Cardoso Rodrigues Bicho – Member of the Management Board,
5. Julianna Boniuk-Gorzelańczyk – Member of the Management Board,
6. Joao Nuno Lima Bras Jorge - Member of the Management Board,
7. Wojciech Haase - Member of the Management Board,
8. Zbigniew Kudaś - Member of the Management Board (until 12 February 2009),
9. Piotr Romanowski – Member of the Management Board (until 12 February 2009),
10. Artur Klimczak – Member of the Management Board (since 12 February 2009).

During the reporting period the Supervisory Board held 7 meetings. It was adopted as a standing item in the Supervisory Board meeting agenda to have information about the Bank's results attained at the end of every quarter in connection with information concerning credit, market and operational risk. Information about Bank's liquidity management was also regularly delivered at Supervisory Board meetings.

During the reporting period the Supervisory Board accepted the medium-term strategy of the bank for the years 2009-2010 under the name "Millennium 2010", constituting an adjustment to the challenges of the new business reality. Moreover the Supervisory Board adopted the plan and budget for 2010.

Because the tenor of the Management Board expired during the reporting period, the Supervisory Board elected members of the Bank's Management Board for the next tenor.

The Supervisory Board also spoke positively about initiatives to bring the Bank to a growth track in business. In particular it gave a positive opinion to the Shareholders Meeting on the Management Board motion to increase the Bank's equity by way of a rights issue.

At each meeting of the Supervisory Board members of the Bank's Management Board were present. This allowed Supervisory Board Members to ask questions, in result of which the issues discussed by the Supervisory Board were covered in-depth, including information and explanations.

The Supervisory Board was informed about major events and decisions taken by the Management Board in the period during meetings of the Supervisory Board. The presented analyses of the Bank's performance compared with the achievements of Polish banks with

similar business characteristics allowed the Supervisory Board to obtain adequate contextual knowledge.

In its work the Supervisory Board used in its work the documents and explanations on each of the matters of its interest. The relationship with the Management Board was very good.

The Supervisory Board thinks very highly of the work of the Management Board. The fast and correct reaction of the Management Board in securing then interests of the shareholders under conditions of acute world economic crisis must be underscored.

The Supervisory Board thanks the Management Board as well as employees of the Bank Millennium Capital Group for the good work in 2009.

The Supervisory Board seconds the motion of the Management Board for the entire Bank's profit generated in 2009 in the amount of PLN 84.114.713,73 to be assigned to reserve capital.

*[Signatures of the Members of the Supervisory Board of the Bank]*