

Bank Millennium S.A.
Supervisory Board

2010 Activity Report of the Supervisory Board

2010 brought in the expected acceleration of the economic processes following 2009, a difficult year, especially for the financial sector. Due to the depth and nature of the global financial crisis, the positive market trends observed now call for particular caution when taking business decisions. In case of Bank Millennium, and this includes also the Supervisory Board, 2010 was marked with actions oriented at reengineering and adjustment of the business model of the Bank to the new reality. In particular, special focus was put on these elements, which aim at higher effectiveness of operations. Against this background, the control measures and involvement of the Supervisory Board within their supervisory functions, constituted a material element that supplemented the management actions.

In the reporting period the Supervisory Board acted in the following composition:

Maciej Bednarkiewicz - Chairman of the Supervisory Board,
Ryszard Pospieszyński - Deputy Chairman of the Supervisory Board,
Carlos Jorge Ramalho dos Santos Ferreira – Deputy Chairman of the Supervisory Board,
Marek Furtek – Secretary of the Supervisory Board,
Luis Maria Franca de Castro Pereira Coutinho – Member of the Supervisory Board,
Vitor Manuel Lopes Fernandes – Member of the Supervisory Board,
Andrzej Koźmiński - Member of the Supervisory Board,
Paulo Jose de Ribeiro Moita de Macedo – Member of the Supervisory Board,
Nelson Ricardo Bessa Machado – Member of the Supervisory Board
Marek Rocki - Member of the Supervisory Board,
Dariusz Rosati - Member of the Supervisory Board.

Standing Committees of the Supervisory Board operated within the Supervisory Board: Audit Committee and Personnel Committee. The Committees actively pursued the tasks in the areas entrusted to them and they constituted material support for the actions of the Supervisory Board, thus ensuring constant and in-depth monitoring of issues at hand.

In the reporting period the composition of the Audit Committee was as follows:

1. Dariusz Rosati,
2. Maciej Bednarkiewicz,
3. Luis Maria Pereira Coutinho,
4. Paulo Jose de Ribeiro Moita de Macedo – until April 22 2010.
5. Vitor Manuel Lopes Fernandes – from April 22 2010.

In the reporting period Mr. Dariusz Rosati satisfied the conditions of independence and held qualifications in the area of accounting or financial audit pursuant to Art. 86 section 4 of the Act on Auditors.

In the reporting period the composition of the Personnel Committee was as follows:

1. Maciej Bednarkiewicz,
2. Carlos Jorge Ramalho dos Santos Ferreira,
3. Luis Maria Pereira Coutinho,
4. Marek Furtek.

The Supervisory Board was informed about the work of the Committees and adopted their annual 2010 Activity Reports.

In the reporting period the Management Board of the Bank acted in the following composition:

In the period between 1.01.2010 and 22.04.2010

1. Bogusław Kott - Chairman of the Management Board,
2. Rui Manuel Teixeira - Deputy Chairman of the Management Board,
3. Fernando Bicho - Member of the Management Board,
4. Joao Bras Jorge - Member of the Management Board,
5. Julianna Boniuk-Gorzelańczyk - Member of the Management Board,
6. Wojciech Haase - Member of the Management Board,
7. Artur Klimczak - Member of the Management Board.

On April 22 2010 a meeting of the Supervisory Board of the Bank was held, where the Supervisory Board accepted the resignation from the function of Deputy Chairman and Member of the Management Board of the Bank tendered by Mr. Rui Manuel da Silva Teixeira. Furthermore, the Supervisory Board increased number of Members of the Management Board of the current term – which ends after the General Meeting of Shareholders approving Bank’s financial statement for the financial year 2011 - from 7 to 8 persons, appointed the current Member of the Management Board, Mr. Joao Nuno Lima Bras Jorge as the Deputy Chairman of the Management Board of the Bank and elected Mr. Andrzej Gliński and Mr. Antonio Pinto Junior as Members of the Bank’s Management Board of the current term.

In view of the above changes, in the period between 22.04.2010 and 31.12.2010 the composition of the Management Board of the Bank was as follows:

1. Bogusław Kott – Chairman of the Management Board,
2. Joao Nuno Lima Bras Jorge – Deputy Chairman of the Management Board,
3. Fernando Bicho – Member of the Management Board,
4. Julianna Boniuk-Gorzelańczyk - Member of the Management Board,
5. Andrzej Gliński – Member of the Management Board,
6. Wojciech Haase – Member of the Management Board,
7. Artur Klimczak – Member of the Management Board,
8. Antonio Pinto Junior – Member of the Management Board.

In the reporting period the Supervisory Board had 6 meetings. The 2010 work plan adopted and implemented by the Supervisory Board, assumed as a fixed point of the agenda for meetings of the Supervisory Board the information about the Bank’s results achieved at the end of each quarter combined with information on credit, market and operational risks. It was also continuously supplemented with information on Bank’s liquidity management.

In the reporting period the Supervisory Board selected auditor for the Bank Millennium Capital Group, accepted 2010 plan of internal auditors, reviewed the materials for the General Meeting of Shareholders, introduced changes in the composition of the Management Board of the Bank, at the same time increasing number of Members of the Management Board from 7 to 8 persons, approved: Report on compliance assurance for 2009, updated Bank Millennium S.A.’s information policy for capital adequacy, changes in the document entitled ”Compliance Policy – Rules and Guidelines”/”Polityka Zgodności – Zasady i Wytyczne”. Furthermore, the Supervisory Board exercised particularly in-depth approach when reviewing 2011 - 2013 Plan and budget of the Bank Millennium Capital Group and while approving their such specific elements as Risk Management

Strategy for Bank Millennium Capital Group, Budget of Bank Millennium Capital Group, Liquidity plan of Bank Millennium Capital Group and Capital plan of Bank Millennium Capital Group.

At every meeting of the Supervisory Board there were Members of the Bank's Management Board present. This allowed the Members of the Supervisory Board to pose questions, which resulted in a more insightful analysis of the problems discussed by the Supervisory Board with detailed information and clarifications.

The Supervisory Board was informed about the major events and decisions taken by the Management Board in the period between the meetings of the Supervisory Board. As the analyses of the Bank's results were presented against the backdrop of the achievements of Polish banks conducting operations of similar nature, the Supervisory Board was able to obtain contextual knowledge.

In their work the Supervisory Board used relevant documents and clarifications in each and every case of their interest. Cooperation with the Management Board was very good.

The Supervisory Board highly values the activity of the Management Board. The measurable effect of these actions is the actual financial result.

The Supervisory Board thanks the Management Board and employees of Bank Millennium Capital Group for the good work in 2010.

The Supervisory Board supports the motion of the Management Board to assign the profit of PLN 321,042,404.69:

- payout of dividend to shareholders in amount of PLN 121,311,677.7,
- reserve capital in amount of PLN 199,730,726.99.

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

Bank Millennium S.A.
Rada Nadzorcza
Komitet Personalny

Oświadczenie Komitetu Personalnego Rady Nadzorczej dotyczące działalności w 2010 r.

Komitet Personalny Rady Nadzorczej Banku Millennium S.A. w okresie sprawozdawczym działał w następującym składzie:

- Maciej Bednarkiewicz – przewodniczący
- Carlos Santos Ferreira
- Luis Pereira Coutinho
- Marek Furtek

W okresie sprawozdawczym zadania Komitetu dotyczyły kwestii związanych z liczebnością członków zarządu, powołania nowych członków zarządu w osobach Panów Andrzeja Glińskiego oraz Antonio Pinto Junior, zmiany stanowiska Pana Joao Bras Jorge w związku z powierzeniem mu funkcji Wiceprezesa Zarządu oraz dotyczyły kwestii rozwiązania umowy o pracę z Panem Rui Manuel Teixeria.

Sekretarz Komitetu Personalnego Rady Nadzorczej Banku Millennium S.A. udzielił informacji dotyczącej działalności Komitetu, Komisji Nadzoru Finansowego.

W roku 2010 odbyły się cztery posiedzenia Komitetu Personalnego.

[Podpisy członków Komitetu]