



Bank Millennium Group

Strategy for years 2010-2012



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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 all interests from derivatives included in Net Interest Income, which in the Bank's view allows better understanding of the economic evolution of this item.

Key strengths of Bank Millennium

Main Strengths

One of the largest retail banking network in Poland

More than 1,1 million customers

A high level of brand awareness

A wide deposit base and historically strong market shares in mortgage and leasing

Better than average quality of the loan portfolio

A track record of growth and improvement of profitability

Clear commitment from our main shareholder - Millennium bcp Group

Areas to Improve

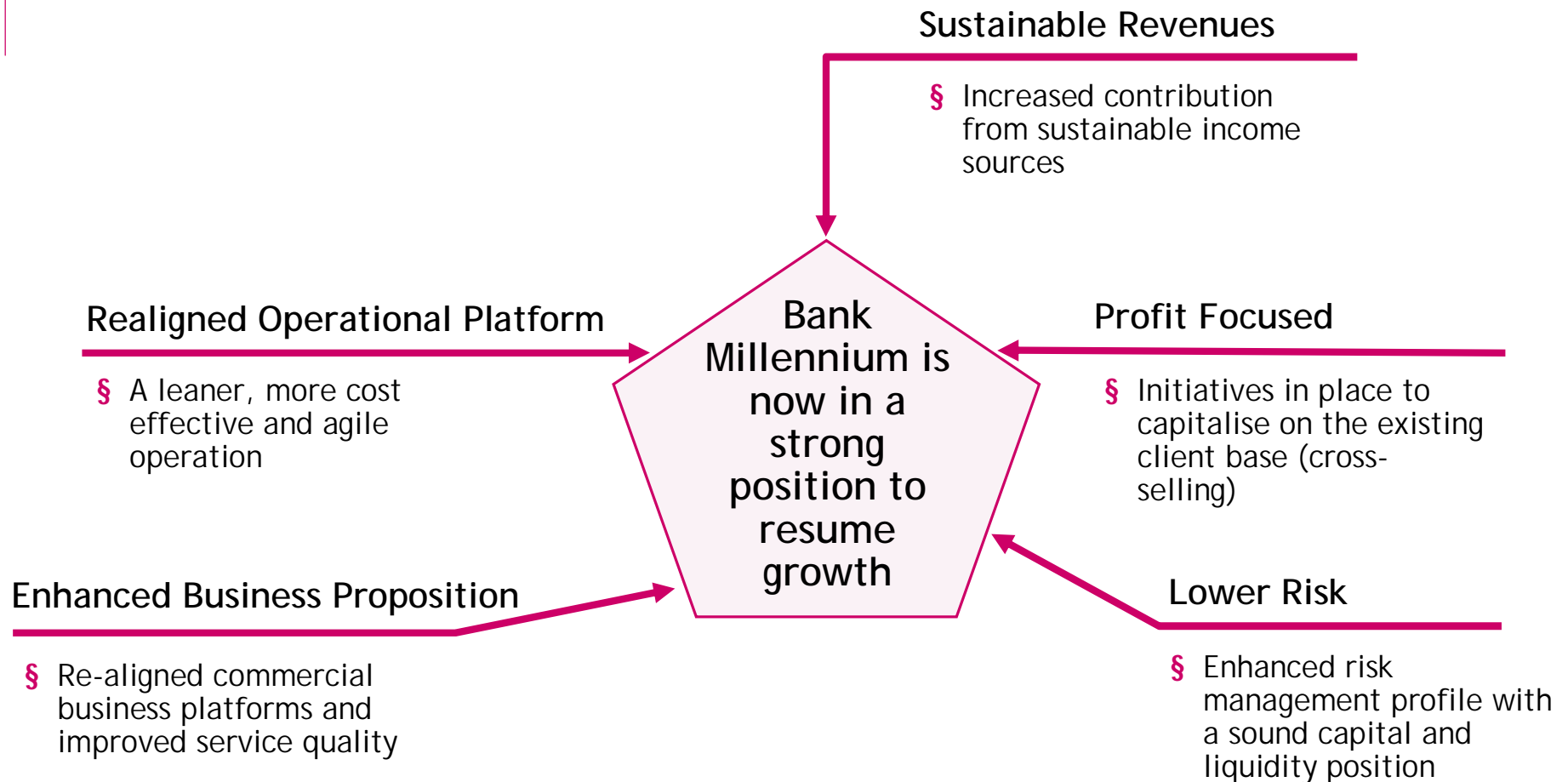
Relatively low presence in the commercial banking

Market share in mutual funds currently below natural market share

Cost-to-income ratio historically above some of our main peers

2009: Restructuring of operational and business model

2010: Strong improvement of profitability



Bank Millennium's medium term ambitions

On 6th November 2009, Bank Millennium announced its new medium term strategy, 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

To support the new strategy, the Bank concluded in February 2010 a 1 billion PLN rights issue, which strengthened capital base by 40%

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

PLN 1 billion capital increase supports the growth strategy

Rights issue concluded in February 2010

MAIN GOAL

The capital increase was mainly aimed at supporting the ambitious business growth included in the new medium term targets and financing the investment plan for the next 3 years

OTHER GOALS

- ü Increased cushion to absorb further volatility and weakening of the Polish Zloty
- ü Demonstrated the strong commitment and support from our main shareholder, Millennium bcp
- ü Anticipated a likely move of other banks to issue new capital

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

Focusing on customer relationships

Exploiting the potential of the cross-selling machine

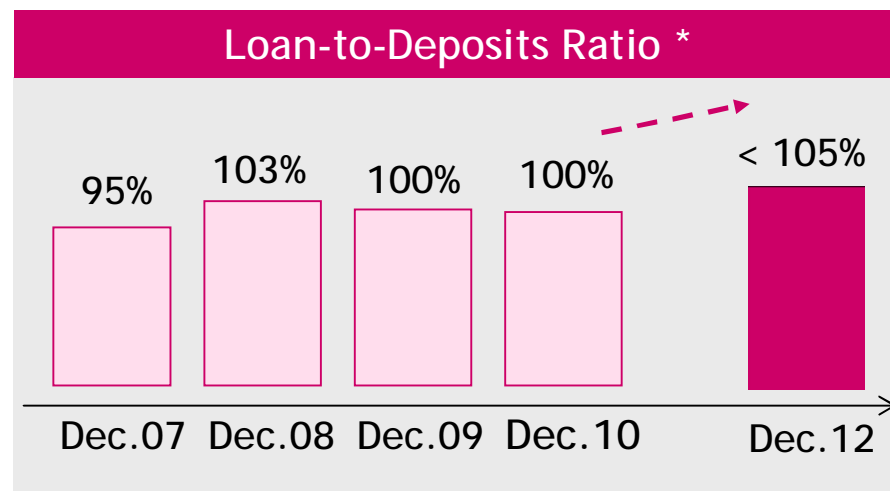
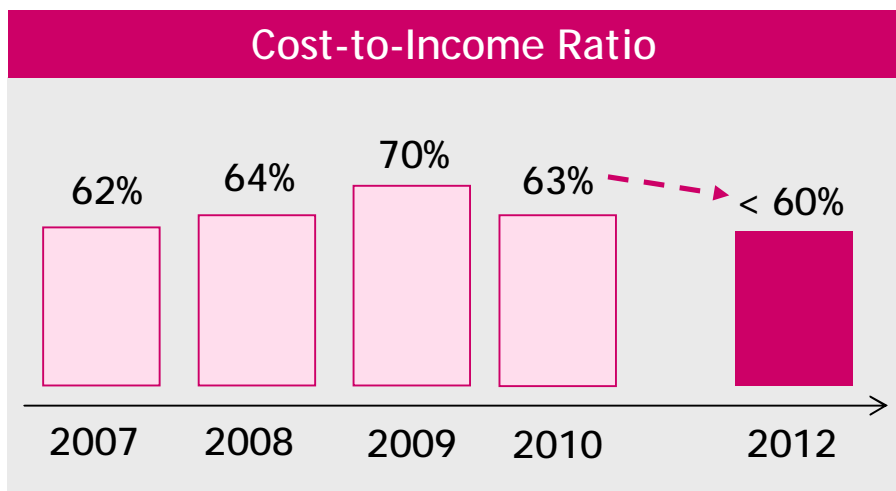
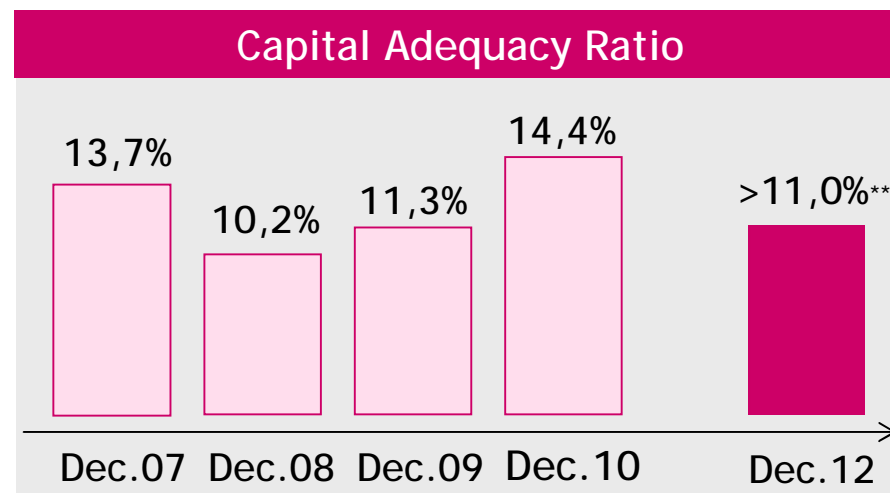
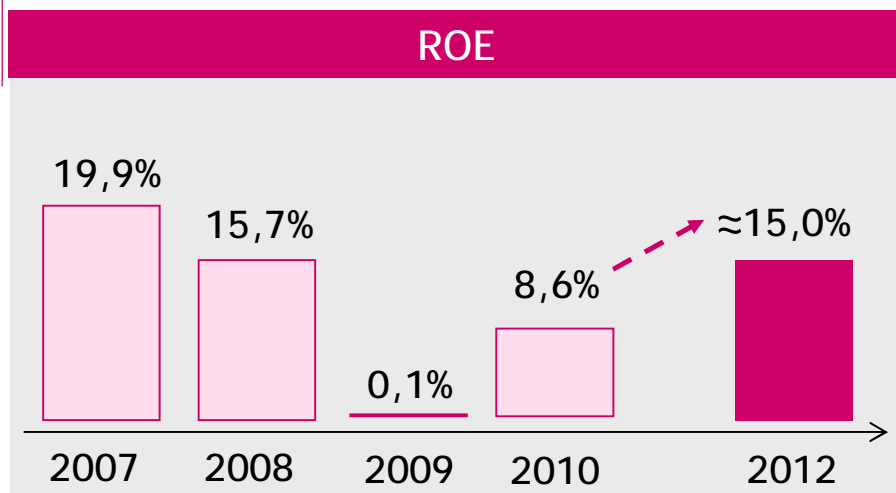
Developing initiatives aimed at improving revenues

Keeping operating costs under control

Maintaining a conservative risk approach

Ensuring discipline in liquidity and capital management

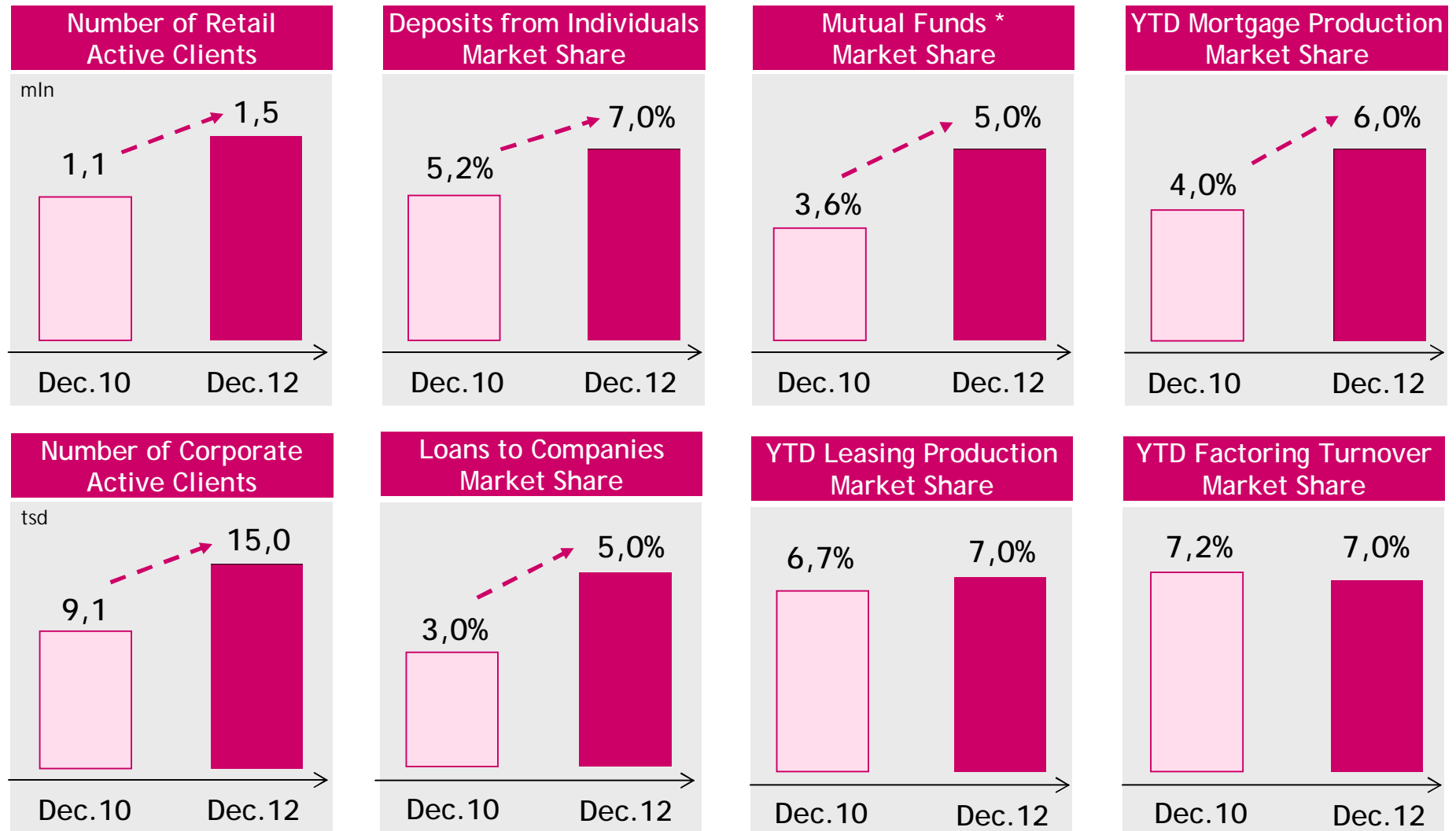
Medium-term financial targets



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

** Comfortably above minimum regulatory requirements

Medium-term business targets



* Total mutual funds sold to Bank Millennium customers

Dividend Policy

The Bank resumes its stable dividend policy of 35-50% pay-out maintained until 2008

On 31.03.2011 General Shareholders Meeting approved a proposal to distribute PLN 121.3 million as a dividend, which means PLN 0.1 per share and 37% pay-out ratio of 2010 consolidated profit.

Dividend yield calculated to share price as on 31.12.2010 (PLN 4.90) is 2.0%.

Dividend rights date was set on May 16th, and payment date on May 30th.

Key Points For Dividend Decision

- Bank Millennium Group registered in 2010 a net profit of PLN 326 million.
- Consolidated Capital Adequacy Ratio (CAR) at the end of December 2010 remained at a strong level of 14.4% and Tier 1 (core equity) at 12.3%
- The Bank continues to expect acceleration of business growth in the coming years.

Principles of the Dividend Policy

- Bank Millennium wants to be a strongly capitalized Bank, simultaneously having a level of regulatory capital that can
 - ü support the growth of its business activity which involves risk,
 - ü absorb impacts from regulatory changes,
 - ü provide a cushion for potential significant depreciation of the zloty