



Bank Millennium S.A.

**Opinion and Report
of the Independent Auditor
Financial Year ended
31 December 2009**

The opinion contains 2 pages
The report supplementing the auditor's opinion
contains 11 pages
Opinion of the independent auditor
and report supplementing the auditor's opinion
on the financial statements
for the financial year ended
31 December 2009



KPMG Audyt Sp. z o.o.
ul. Chłodna 51
00-867 Warszawa
Poland

Telefon +48 22 528 11 00
Fax +48 22 528 10 09
E-mail kpmg@kpmg.pl
Internet www.kpmg.pl

This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

OPINION OF THE INDEPENDENT AUDITOR

To the General Meeting of Bank Millennium S.A.

We have audited the accompanying financial statements of Bank Millennium S.A., seated in Warsaw, Stanisława Żaryna 2a ("the Bank"), which comprise the balance sheet as at 31 December 2009, with total assets and total liabilities and equity of PLN 43,969,150 thousand, the income statement for the year then ended with a net profit of PLN 84,115 thousand, total comprehensive income statement for the year then ended with a total comprehensive income of PLN 55,073 thousand, changes in equity for the year then ended with an increase in equity of PLN 55,073 thousand, the cash flows statement for the year then ended with an increase in cash amounting to PLN 1,188,915 thousand, and notes to the financial statements, comprising of a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management of the Bank is responsible for the correctness of the accounting records and the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by European Union and with other applicable regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility, based on our audit, is to express an opinion on these financial statements and whether the financial statements are derived from properly maintained accounting records. We conducted our audit in accordance with section 7 of the Accounting Act dated 29 September 1994 (Official Journal from 2009, No. 152, item 1223 with amendments) ("the Accounting Act") and International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements and the accounting records from which they are derived are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit

procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the accompanying financial statements of Bank Millennium S.A. have been prepared and present fairly, in all material respects, the financial position of the Bank as at 31 December 2009 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, are in compliance with the respective regulations and the provisions of the Bank's articles of association that apply to the Bank's financial statements and have been prepared from accounting records, that, in all material respects, have been properly maintained.

Other Matters

As required under the Accounting Act, we also report that the Report on the Bank's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2009, No 33, item 259) and the information is consistent with the financial statements.

Signed on the Polish original

1 March 2010
Warsaw, Poland

.....
On behalf of KPMG Audyt Sp. z o.o.
ul. Chłodna 51, 00-867 Warsaw
Certified Auditor No. 9941/7390
Bożena Graczyk, Director



TRANSLATION

Bank Millennium S.A.

**Report supplementing
the auditor's opinion
on the financial statements
Financial Year ended
31 December 2009**

The report supplementing the auditor's opinion
contains 11 pages
Report supplementing the auditor's opinion
on the financial statements
for the financial year ended
31 December 2009

This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation

Contents

1.	General	3
1.1.	General information about the Bank	3
1.1.1.	Bank's name	3
1.1.2.	Registered office	3
1.1.3.	Registration in the National Court Register	3
1.1.4.	Tax Office and Provincial Statistical Office registration	3
1.2.	Auditor information	3
1.3.	Legal status	3
1.3.1.	Share capital	3
1.3.2.	Related parties	4
1.3.3.	Management of the Bank	4
1.3.4.	Scope of activities	4
1.4.	Prior period financial statements	5
1.5.	Audit scope and responsibilities	5
2.	Financial analysis of the Bank	7
2.1.	Summary of the financial statements	7
2.1.1.	Statement of financial position	7
2.1.2.	Income statement	8
2.2.	Selected financial ratios	9
2.3.	Interpretation of selected financial ratios	9
3.	Detailed report	10
3.1.	Proper operation of the accounting system	10
3.2.	Asset verification	10
3.3.	Compliance with banking regulations	10
3.4.	Audit materiality	10
3.5.	Notes to the financial statements	10
3.6.	Report on the Bank's activities	10
3.7.	Information on the opinion of the independent auditor	11

1. General

1.1. General information about the Bank

1.1.1. Bank's name

Bank Millennium S.A.

1.1.2. Registered office

Ul. Stanisława Żaryna 2a
02-593 Warsaw

1.1.3. Registration in the National Court Register

Registration court: District Court for the Capital City of Warsaw in Warsaw,
XIII Commercial Department of the National Court Register
Date: 7 May 2001
Registration number: KRS 0000010186

1.1.4. Tax Office and Provincial Statistical Office registration

NIP number: 526-021-29-31
REGON: 001379728

1.2. Auditor information

Name: KPMG Audyt Sp. z o.o.
Registered office: Warsaw
Address: ul. Chłodna 51, 00-867 Warsaw
Registration number: KRS 0000104753
Registration court: District Court for the Capital City Warsaw in Warsaw,
XII Commercial Department of the National Court
Register
Share capital: PLN 125,000
NIP number: 526-10-24-841

KPMG Audyt Sp. z o.o. is entered in the register of entities authorised to audit financial statements under number 458.

1.3. Legal status

1.3.1. Share capital

The Bank was established for an indefinite period under the terms of its articles of association dated 7 June 1989.

The share capital of the Bank, according to the National Court Register, amounted to PLN 849,181,744 as at 31 December 2009 divided into 849,181,744 ordinary shares with a nominal value of PLN 1 each.

As at 31 December 2009, the shareholder structure was as follows:

Name of the Shareholder	Number of shares	Voting rights (%)	Nominal value of shares PLN '000	Percentage of share capital (%)
Banco Comercial Portugues S.A.	556,325,794	65.51%	556,326	65.51%
A VIVA Otwarty Fundusz Emerytalny Aviva BZ WBK	69,568,623	8.19%	69,569	8.19%
Others < 5%	223,287,327	26.30%	223,287	26.30%
	849,181,744	100.00%	849,182	100.00%

1.3.2. Related parties

The Bank is a member of the Banco Comercial Portugues Group.

1.3.3. Management of the Bank

The Management Board is responsible for management of the Bank.

At 31 December 2009, the Management Board of the Bank was comprised of the following members:

- Bogusław Kott – President of the Board,
- Rui Manuel Teixeira – Vice-President of the Board,
- Fernando Bicho – Board Member,
- Julianna Boniuk-Gorzelańczyk – Board Member,
- Wojciech Haase – Board Member,
- Joao Bras Jorge – Board Member,
- Artur Klimczak – Board Member.

On 12 February 2009 Supervisory Board of the Bank recalled Mr. Luis Pereira Coutinho from the position of Management Board Vice-President and Mr. Zbigniew Kudaś and Mr. Piotr Romanowski from the position of Management Board Member. The Supervisory Board assigned Mr. Rui Manuel Teixeira for the position of Management Board Vice-President and Mr. Artur Klimczak for the position of Management Board Member.

1.3.4. Scope of activities

The business activities listed in the Bank's articles of association include the following:

- opening and maintaining bank accounts and accepting a vista and term deposits,
- maintaining other banking accounts,
- granting credits and loans,
- granting and accepting banking guarantees and opening letters of credit,
- issuing banking securities,
- conducting money settlements,
- granting consumer credits and loans in accordance with other legal requirements,

- cheques and bill of exchange services and performing warrants operations,
- granting payment cards and performing payment cards operations,
- performing term financial operations,
- purchasing and selling receivables,
- safe-keeping of valuables and securities,
- performing purchase and selling of currencies,
- issuing and accepting of guarantees,
- performing contracted operations regarding issuing securities,
- intermediary in money transfers and settlements in foreign exchange turnover,
- issuing electronic cash instruments,
- performing banking activities for third parties in accordance with banking law.

1.4. Prior period financial statements

The financial statements for the period ended 31 December 2008 were audited by KPMG Audyt Sp. z o.o. and received an unqualified opinion.

The financial statements were approved at the General Meeting on 27 March 2009 where it was resolved to allocate the profit for the prior financial year of PLN 496,927,275.92 for the reserve capital.

The closing balances as at 31 December 2008 have been properly recorded as the opening balances of the audited year.

The financial statements were submitted to the Registry Court on 6 June 2009 and were published in Monitor Polski B No. 994 on 22 June 2009.

1.5. Audit scope and responsibilities

This report was prepared for the General Meeting of Bank Millennium S.A. seated in Warsaw, Stanisława Żaryna 2a and relates to the financial statements comprising: the statement of financial position as at 31 December 2009, with total assets and total liabilities and equity of PLN 43,969,150 thousand, the income statement for the year then ended with a net profit of PLN 84,115 thousand and the statement of comprehensive income for the year then ended with a total comprehensive income of PLN 55,073 thousand, changes in equity for the year then ended with an increase in equity of PLN 55,073 thousand, the statement of cash flows for the year then ended with an increase in cash amounting to PLN 1,188,915 thousand, and notes to the financial statements, comprising of a summary of significant accounting policies and other explanatory information.

The audited Bank prepares its financial statements in accordance with International Financial Reporting Standards as adopted by the European Union on the basis of the decision of General Shareholders Meeting dated 6 April 2006.

The financial statements have been audited in accordance with the contract dated 29 June 2007, concluded on the basis of the resolution of Supervisory Board dated 18 April 2007 on the appointment of the auditor.

We conducted the audit in accordance with section 7 of the Accounting Act and International Standards on Auditing.

We audited the financial statements in the Bank's head office during the period from 26 October 2009 to 1 March 2010.

Management of the Bank is responsible for the accuracy of the accounting records and the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations.

Management of the Bank and members of the Supervisory Board are obliged to ensure that the financial statements and the Report on the Bank's activities are in compliance with the requirements set forth in the Accounting Act.

Our responsibility is to express an opinion and to prepare a supplementing report on the financial statements and whether the financial statements are derived from properly maintained accounting records based on our audit.

Management of the Bank submitted a statement dated the same date as this report as to the true and fair presentation of the financial statements presented for audit, which confirmed that there were no undisclosed matters which could significantly influence the information presented in the financial statements.

All our requests for additional documents and information necessary for expressing our opinion and preparing the report have been fulfilled.

KPMG Audyt Sp. z o.o., the members of its Management Board and Supervisory Board and other persons involved in the audit of the financial statements of the Bank fulfill independence requirements. The scope of the work planned and performed has not been limited in any way. The method and scope of our audit is detailed in working papers prepared by us and retained in the offices of KPMG Audyt Sp. z o.o.

2. Financial analysis of the Bank

2.1. Summary of the financial statements

2.1.1. Statement of financial position

ASSETS	31.12.2009 PLN '000	% of total assets	31.12.2008 PLN '000	% of total assets
Cash, balances with the Central Bank	2,191,027	5.0	1,802,402	3.9
Loans and advances to banks	695,689	1.6	1,580,026	3.4
Financial assets valued at fair value through profit and loss	3,029,253	6.9	6,292,722	13.7
Derivative assets held for risk management	377,334	0.9	9,977	0.0
Loans and advances to customers	32,482,473	73.9	32,624,259	70.9
Investment financial assets	4,163,076	9.5	2,913,379	6.3
Investment in associates	262,288	0.6	232,357	0.5
Receivables from securities bought with sell-back clause	208,781	0.5	61,282	0.1
Property and equipment	285,490	0.7	225,603	0.5
Intangible assets	18,458	0.0	18,002	0.0
Current tax assets	36,548	0.1	45,656	0.1
Deferred tax assets	102,660	0.2	15,031	0.0
Other assets	116,073	0.3	176,157	0.4
TOTAL ASSETS	43,969,150	100.0	45,996,853	100.0
EQUITY AND LIABILITIES	31.12.2009 PLN '000	% of total assets	31.12.2008 PLN '000	% of total assets
Liabilities				
Deposits from banks	4,909,356	11.2	3,060,550	6.7
Financial liabilities valued at fair value through profit and loss	683,378	1.6	4,402,227	9.6
Derivative liabilities held for risk management	122,813	0.3	1,179,649	2.6
Deposits from customers	31,653,587	72.0	31,877,870	69.3
Liabilities from securities sold with buy-back clause	2,346,190	5.3	1,506,353	3.3
Debt securities issued	262,466	0.6	113,207	0.3
Provisions	23,196	0.1	32,552	0.1
Other liabilities	504,744	1.2	400,473	0.9
Subordinated liabilities	945,795	2.2	961,420	2.1
Total liabilities	41,451,525	94.3	43,534,301	94.6
Equity				
Share capital	849,182	1.9	849,182	1.9
Share premium	472,343	1.1	472,343	1.0
Revaluation reserve	11,199	0.0	40,241	0.1
Retained earnings	1,184,901	2.7	1,100,786	2.4
Total equity	2,517,625	5.7	2,462,552	5.4
TOTAL EQUITY AND LIABILITIES	43,969,150	100.0	45,996,853	100.0

2.1.2. Income statement

	1.01.2009 - 31.12.2009 PLN '000	1.01.2008 - 31.12.2008 PLN '000
Interest income	2,207,880	2,264,464
Interest expense	1,740,794	1,464,782
Net interest income	467,086	799,682
Fee and commission income	525,443	510,475
Fee and commission expense	70,149	87,876
Net fee and commission income	455,294	422,599
Dividend income	101,446	181,903
Result in investment financial assets	22,950	2,988
Result on financial assets valued at fair value through profit and loss	251,105	158,507
Foreign exchange profit	68,649	239,315
Net other operating income	58,769	25,874
	502,919	608,587
Operating income	1,425,299	1,830,868
General and administrative expenses	910,886	1,062,724
Net impairment loss on financial assets	358,448	111,701
Net impairment loss on financial assets	150	2,290
Depreciation and amortisation	50,602	52,081
Other operating cost	24,678	14,612
Profit before income tax	80,535	587,460
Income tax expense	(3,580)	90,532
<i>Profit for the period</i>	<i>84,115</i>	<i>496,928</i>
<i>Total comprehensive income for the period</i>	<i>84,115</i>	<i>496,928</i>
Earnings per share	2.96	2.90

2.2. Selected financial ratios

	2009	2008	2007
Total assets (PLN '000)	43,969,150	45,996,853	29,242,011
Profit (loss) before income tax (PLN '000)	80,535	587,460	496,928
Profit (loss) for the period (PLN '000)	84,115	496,928	411,922
Shareholders' equity (PLN '000)*	2,433,510	1,965,624	1,672,064
Return on equity	3%	25%	25%
Receivables to total assets	75%	74%	75%
Income generating assets to total assets	92%	95%	93%
Interest bearing liabilities to total liabilities	96%	94%	91%

* excluding current-year net profit

2.3. Interpretation of selected financial ratios

- In comparison to the previous year total assets decreased by PLN 2,027,703 thousand (4.4%). The highest nominal decrease, by PLN 3,263,469 thousand, was recorded in financial assets valued at fair value through profit and loss. The highest decrease in liabilities was recorded in financial liabilities valued at fair value through profit and loss which decreased by PLN 3,718,849 thousand. Changes in financial assets and liabilities valued at fair value through profit and loss results mainly from decrease in valuation and volume of FX derivatives recorded in 2009 as compared to previous year.
- The Bank's net profit for the 12 months ended 31 December 2009 amounted to PLN 84,115 thousand and was lower by PLN 412,813 thousand (83.1%) as compared to the previous year. The Bank recorded net interest income decrease by 41.6%, whereas net provision income increased by 7.7%, net impairment loss on financial assets grew by 220.9% and Bank's general and administrative expenses decreased by 14.3%.

3. Detailed report

3.1. Proper operation of the accounting system

The Bank maintains current documentation describing the applied accounting principles adopted by the Management Board to the extent required by Art. 10 of the Accounting Act.

During the audit of the financial statements, we tested, on a sample basis, the operation of the accounting system. Our assessment covered in particular:

- appropriateness and consistency of the accounting principles used,
- correctness of the documentation of transactions,
- fairness, accuracy and verifiability of the accounting records, including the matching of accounting entries with supporting documentation and the financial statements,
- compliance of the adopted policies relating to the safeguarding of the supporting documentation, the accounting records and the financial statements with the Accounting Act.

On the basis of the work performed, we have not identified material irregularities in the accounting system which have not been corrected and that could have a material impact on the financial statements. Our audit was not conducted for the purpose of expressing a comprehensive opinion on the operation of the accounting system.

3.2. Asset verification

The Bank performed a physical verification of assets and liabilities in accordance with the requirements and time frame specified in Art. No. 26 of the Accounting Act.

Count differences have been recorded in the period covered by the financial statements.

3.3. Compliance with banking regulations

Based on our audit we have not identified any significant deviations in the Bank's compliance with the banking regulatory norm pertaining among other to loan concentration, obligatory reserve and capital adequacy ratio.

3.4. Audit materiality

We have planned and applied an appropriate level of precision in conducting our audit procedures in order to obtain reasonable assurance about whether the financial statements taken as a whole are free of material misstatements.

3.5. Notes to the financial statements

All information included in the notes to the financial statements, comprising of a summary of significant accounting policies and other explanatory notes, is, in all material respects, presented accurately and completely. This information should be read in conjunction with the financial statements taken as a whole.

3.6. Report on the Bank's activities

The Report on the Bank's activities includes, in all material respects, information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February



2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2009, No 33, item 259) and the information is consistent with the financial statements.

3.7. Information on the opinion of the independent auditor

Based on our audit of the financial statements as at and for the year ended 31 December 2009, we have issued an unqualified opinion.

Signed on the Polish original

1 March 2010
Warsaw, Poland

.....
On behalf of KPMG Audyt Sp. z o.o.
ul. Chłodna 51, 00-867 Warsaw
Certified Auditor No. 9941/7390
Bożena Graczyk, Director