

Bank Millennium S.A.

**Opinion and Report
of the Independent Auditor
Financial Year ended
31 December 2012**

The opinion contains 2 pages
The supplementary report contains 11 pages
Opinion of the independent auditor
and the supplementary report
on the audit of the separate financial statements
for the financial year ended
31 December 2012

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.

Opinion on the Separate Financial Statements

We have audited the accompanying separate financial statements of Bank Millennium S.A., with its registered office in Warsaw, Stanisława Żaryna 2a (“the Bank”), which comprise the balance sheet as at 31 December 2012, the income statement and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Management’s and Supervisory Board’s Responsibility for the Financial Statements

Management of the Bank is responsible for the accuracy of the accounting records and the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and with other applicable regulations and preparation of the report on the Bank’s activities. Management of the Bank is also responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

According to the Accounting Act dated 29 September 1994 (Official Journal from 2009, No. 152, item 1223 with amendments) (“the Accounting Act”), Management of the Bank and members of the Supervisory Board are required 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.

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, National Standards on Auditing issued by the National Council of Certified Auditors and International Standards on Auditing. Those standards require that we comply with 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 policies 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 separate financial statements of Bank Millennium S.A. have been prepared and present fairly, in all material respects, the unconsolidated financial position of the Bank as at 31 December 2012 and its unconsolidated financial performance and its unconsolidated 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 separate financial statements and have been prepared from accounting records, that, in all material respects, have been properly maintained.

Specific Comments on Other Legal and Regulatory Requirements

Report on the Bank's Activities

As required under the Accounting Act, we 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 with amendments) and the information is consistent with the financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Registration No. 3546
ul. Chłodna 51
00-867 Warsaw

Signed on the Polish original

.....

Bogdan Dębicki
Key Certified Auditor
Registration No. 796
Management Board Member of KPMG Audyt Sp. z o.o.
General Partner of KPMG Audyt Spółka
z ograniczoną odpowiedzialnością sp.k.

27 February 2013

Signed on the Polish original

.....

Stacy Ligas
Limited Liability Partner with power of
attorney

Bank Millennium S.A.

Supplementary report
on the audit of the separate
financial statements
Financial Year ended
31 December 2012

The supplementary report contains 11 pages
The supplementary report
on the audit of the separate financial statements
for the financial year ended
31 December 2012

*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.	The Bank's name	3
1.1.2.	Registered office	3
1.1.3.	Registration in the National Court Register	3
1.1.4.	Management of the Bank	3
1.2.	Auditor information	4
1.2.1.	Key Certified Auditor information	4
1.2.2.	Audit Firm information	4
1.3.	Prior period financial statements	4
1.4.	Audit scope and responsibilities	4
2.	Financial analysis of the Bank	6
2.1.	Summary analysis of the separate financial statements	6
2.1.1.	Balance Sheet	6
2.1.2.	Income Statement	8
2.1.3.	Statement of comprehensive income	9
2.2.	Selected financial ratios	9
3.	Detailed report	10
3.1.	Accounting system	10
3.2.	Notes to the separate financial statements	10
3.3.	Compliance with banking regulations	10
3.4.	Report on the Bank's activities	11

1. General

1.1. General information about the Bank

1.1.1. The 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
Share capital as at the balance sheet date:	PLN 1,213,116,777

1.1.4. Management of the Bank

The Management Board is responsible for management of the Bank.

At 31 December 2012, the Management Board of the Bank was comprised of the following members:

- | | |
|--------------------------------|--------------------------------------|
| • Bogusław Kott | – President of the Board, |
| • Joao Bras Jorge | – First Vice-President of the Board, |
| • Fernando Bicho | – Vice-President of the Board, |
| • Artur Klimczak | – Vice-President of the Board, |
| • Julianna Boniuk-Gorzelańczyk | – Board Member, |
| • Wojciech Haase | – Board Member, |
| • Andrzej Gliński | – Board Member, |
| • Maria Jose Campos | – Board Member, |

1.2. Auditor information

1.2.1. Key Certified Auditor information

Name and surname: Bogdan Dębicki
Registration number: 796

1.2.2. Audit Firm information

Name: KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Address of registered office: ul. Chłodna 51, 00-867 Warsaw
Registration number: KRS 0000339379
Registration court: District Court for the Capital City of Warsaw in Warsaw,
XII Commercial Department of the National Court Register
NIP number: 527-26-15-362

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. is entered in the register of entities authorised to audit financial statements under number 3546, maintained by the National Council of Certified Auditors.

1.3. Prior period financial statements

The separate financial statements for the financial year ended 31 December 2011 were audited by KPMG Audyt Sp. z o.o. and received an unqualified opinion.

The separate financial statements were approved at the General Meeting on 20 April 2012 where it was resolved to allocate the net profit for the prior financial year of PLN 415,342,421.88 for the reserve capital.

The separate financial statements were submitted to the Registry Court on 27 April 2012 and were published in Monitor Polski B No. 1446 on 10 July 2012.

1.4. Audit scope and responsibilities

This report was prepared for the General Meeting of Bank Millennium with its registered office in Warsaw, Stanisława Żaryna 2a and relates to the financial statements comprising: the balance sheet as at 31 December 2012, the income statement and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

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

The separate financial statements have been audited in accordance with the contract dated 15 June 2012, concluded on the basis of the resolution of the Supervisory Board dated 30 January 2012 on the appointment of the auditor.

We conducted the 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”), National Standards on Auditing issued by the National Council of Certified Auditors and International Standards on Auditing.

We audited the separate financial statements at the Bank during the period from 26 October 2012 to 27 February 2013.

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 and preparation of the report on the Bank’s activities.

Our responsibility is to express an opinion and to prepare a supplementary report on the audit of the separate 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 as at the same date as this report as to the true and fair presentation of the accompanying separate financial statements, which confirmed that there were no undisclosed matters which could significantly influence the information presented in the financial statements.

All required statements, explanations and information were provided to us by Management of the Company and all our requests for additional documents and information necessary for expressing our opinion and preparing the report have been fulfilled.

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 the Audit Firm.

The Key Certified Auditor and the Audit Firm fulfil the independence requirements as described in Art. 56 points 3 and 4 of the Act on Certified Auditors and Their Self-Government, Audit Firms and Public Oversight dated 7 May 2009 (Official Journal from 2009, No. 77, item 649 with amendments).

2. Financial analysis of the Bank

2.1. Summary analysis of the separate financial statements

2.1.1. Balance Sheet

ASSETS	31.12.2012 PLN '000	% of total assets	31.12.2011 PLN '000	% of total assets
Cash, balances with the Central Bank	2 465 640	4.7	2 017 550	4.1
Deposits in other banks and loans and advances to banks	1 392 424	2.7	2 660 366	5.4
Financial assets valued at fair value through profit and loss (held for trading) and adjustment from fair value hedge	664 682	1.3	729 029	1.5
Hedging derivatives	277 812	0.5	130 636	0.3
Loans and advances to customers	39 341 449	75.5	39 832 055	80.3
Investment financial assets	6 750 830	13.0	3 133 585	6.3
- available for sale	6 750 830	13.0	3 133 585	6.3
Investments in associates	308 648	0.6	311 303	0.6
Receivables from securities bought with sell-back clause	17 469	0.0	2 209	0.0
Property, plant and equipment	179 842	0.4	206 525	0.4
Intangible assets	41 375	0.1	31 895	0.1
Current tax receivables	8 989	0.0	86 342	0.2
Deferred income tax assets	104 569	0.2	66 750	0.1
Other assets	559 658	1.1	405 032	0.8
TOTAL ASSETS	52 113 387	100.0	49 613 277	100.0

**Bank Millennium S.A.**

*The supplementary report on the audit of the separate financial statements
for the financial year ended 31 December 2012*

TRANSLATION

EQUITY AND LIABILITIES	31.12.2012	% of total	31.12.2011	% of total
	PLN '000	assets	PLN '000	assets
Liabilities				
Deposits from banks	2 253 000	4.3	1 522 406	3.1
Financial liabilities valued at fair value through profit and loss	467 634	0.9	574 418	1.2
Hedging derivatives	1 115 202	2.1	2 298 099	4.6
Deposits from customers	41 552 183	79.7	37 549 802	75.7
Liabilities from securities sold with buy-back clause	174 788	0.3	1 622 335	3.3
Debt securities	767 586	1.5	394 775	0.8
Provisions	40 705	0.1	34 970	0.1
Other liabilities	652 811	1.3	693 048	1.4
Subordinated debt	613 610	1.2	663 228	1.3
Total liabilities	47 637 519	91.4	45 353 081	91.4
Equity				
Share capital	1 213 117	2.3	1 213 117	2.5
Share premium	1 147 241	2.2	1 147 241	2.3
Revaluation reserve	(134 604)	(0.3)	99 865	0.2
Retained earnings	2 250 114	4.3	1 799 973	3.6
Total equity	4 475 868	8.6	4 260 196	8.6
TOTAL EQUITY AND LIABILITIES	52 113 387	100.0	49 613 277	100.0

2.1.2. Income Statement

	1.01.2012 - 31.12.2012 PLN '000	1.01.2011 - 31.12.2011 PLN '000
Interest income	2 979 723	2 574 691
Interest expense	(1 941 330)	(1 552 230)
Net interest income	1 038 393	1 022 461
Fee and commission income	596 859	579 946
Fee and commission expense	(89 515)	(64 276)
Net fee and commission income	507 344	515 670
Dividend income	41 467	13 545
Result on investment financial assets	25 362	8 419
Result on financial instruments valued at fair value through profit and loss and foreign exchange result	212 407	185 033
Other operating income	32 072	29 272
	311 308	236 269
Operating income	1 857 045	1 774 400
General and administrative expenses	(1 008 364)	(997 427)
Impairment losses on financial assets	(205 919)	(150 277)
Impairment losses on non financial assets	(219)	562
Depreciation and amortization	(53 530)	(62 325)
Other operating expenses	(32 142)	(40 994)
Operating expenses	(1 300 174)	(1 250 461)
Profit before income tax	556 871	523 939
Corporate income tax	(106 730)	(108 597)
Profit for the period	450 141	415 342

2.1.3. Statement of comprehensive income

	1.01.2012 - 31.12.2012 zł '000	1.01.2011 - 31.12.2011 zł '000
Profit after taxes	450 141	415 342
Other elements of total comprehensive income:		
Effect of valuation of available for sale debt securities	46 046	(13 249)
Effect of valuation of available for sale shares	0	(2 532)
Hedge accounting	(335 514)	201 115
Other elements of total comprehensive income before taxes	(289 468)	185 334
Corporate income tax on other elements of total comprehensive income	54 999	(35 213)
Other elements of total comprehensive income after taxes	(234 469)	150 121
<i>Total comprehensive income of the period</i>	<i>215 672</i>	<i>565 463</i>

2.2. Selected financial ratios

	2012	2011	2010
Total assets (PLN '000)	52 113 387	49 613 277	46 050 065
Profit before income tax (PLN '000)	556 871	523 939	389 348
Profit for the period (PLN '000)	450 141	415 342	321 042
Shareholders' equity (PLN '000)*	4 025 727	3 844 854	3 495 003
Return on equity	11.2%	10.8%	9.2%
Receivables to total assets	78%	86%	81%
Income generating assets to total assets	93%	94%	94%
Interest bearing liabilities to total liabilities	88%	85%	88%

* excluding current-year net profit

3. Detailed report

3.1. 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 and the Decree of the Ministry of Finance dated 1 October 2010 on the specific accounting principles of banks (Official Journal from 2010, No 191, item 1279).

During the audit of the financial statements, we tested, on a sample basis, the operation of the accounting system.

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

The Bank performed a physical verification of its assets in accordance with the requirements and time frame specified in Art. 26 of the Accounting Act and the Decree of the Ministry of Finance dated 1 October 2010 on the specific accounting principles of banks (Official Journal from 2010, No 191, item 1279) and reconciled and recorded the results thereof in the accounting records.

3.2. Notes to the separate financial statements

All information included in the notes to the separate 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 separate financial statements.

3.3. Compliance with banking regulations

Based on our audit we have not identified significant incompliance by the Bank with the banking prudential regulatory norms pertaining among other to exposure concentration, obligatory reserve and capital adequacy.

3.4. 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 with amendments) and the information is consistent with the separate financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Registration No. 3546
ul. Chłodna 51
00-867 Warsaw

Signed on the Polish original

.....
Bogdan Dębicki
Key Certified Auditor
Registration No. 796
Management Board Member of KPMG Audyt Sp. z o.o.
General Partner of KPMG Audyt Spółka
z ograniczoną odpowiedzialnością sp.k.

27 February 2013

Signed on the Polish original

.....
Stacy Ligas
Limited Liability Partner with power of
attorney