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Subject: Information about preliminary results of Bank Millennium Capital Group in 2011 Financial Year.

Bank Millennium Group (the "Group") consolidated net profit for the 2011 financial year grew by 43% yearly and amounted to PLN 466.5 million, which is the highest level in Group's history if not taking into consideration one-off capital gains (obtained in 2005).
In 4Q 2011 net profit of the Group reached PLN 125.1 million.

This high yearly growth of net profit has been achieved thanks to a strong increase of net revenue (by 10.1% y/y), good cost control (limited growth by 3.9% y/y) and significantly lower loan loss provisions (by 23.4% y/y) as a consequence of improved quality of loan portfolio. Thus the Bank improved its cost efficiency and managed to bring down the Cost-to-Income ratio below 60% (one year ahead of the initial plan).

2011 also marked very positively for building long-term business drivers, as the Bank managed to acquire over 280 thousand new current accounts. Also quality of service was one of strategic priorities during 2011 and there were already measurable results as the Bank achieved several prestigious awards for quality improvement and customer's satisfaction: Forbes's the Best Bank for Companies (including the highest 5 stars score in "quality and transparency" sub-ranking), Newsweek's top three the most Friendly Bank (and the best in "quality of service" category) and 2011 Service Quality Emblem (from jakoscobslugi.pl).

Banks were operating in 2011 in improved macroeconomic environment in Poland versus 2010 year, when the economy recovered after slowdown caused by the global financial crisis. GDP growth accelerated in 2011 to 4.3% and, similarly to previous years, exceeded the expectations from the beginning of the year. High pace of the economic growth was achieved despite the slowdown in the Eurozone that deepened in the second half of the year as the consequence of intensified debt problems of several EU states.

Improvement in the economy translated into better asset quality of credit portfolios of banks, especially in the corporate sector, but brought also resilient and good quality of mortgage loans. We could also observe in 2011 a revival of loans to corporate sector, which was connected with growing investment activity of the companies resulting from high capacity utilization. But 2011 year showed also a high level of competition on deposit market, especially stronger during last quarter of the year, which however was not comparable to 4Q 2008 and 1Q 2009 period.

a) Group profit and loss account after 4Q 2011

Operating Income *(PLN million)*	4Q 2011	3Q 2011	2011	2010	Change q/q	Change y/y
Net Interest Income *	300.5	316.6	1 190.8	1 009.8	-5.1%	17.9%
Net Commissions Income	128.8	138.9	561.8	564.9	-7.3%	-0.6%
CORE INCOME**	429.3	455.6	1 752.6	1 574.7	-5.8%	11.3%
Other Non-Interest Income ***	59.2	32.8	136.6	141.6	80.6%	-3.6%
Total Operating Income	**488.4**	**488.3**	**1 889.1**	**1 716.3**	**0.0%**	**10.1%**

(*) Pro-forma data: Net Interest Income includes margin from all derivatives. 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 (and from 1st of April 2009 also FX swaps). The margin from these operations is reflected in Net Interest Income since afore-mentioned change. However, as this hedge accounting does not cover all the portfolio denominated in foreign currency, the Bank provides pro-forma data, which presents all margin from derivatives in Net Interest Income caption, whereas in accounting terms part of this margin (PLN 48.9 million in 2011 and PLN 82.3 million in 2010) is presented in Other Non-Interest Income. In the Bank's opinion, such approach allows better understanding of the real evolution of this item from economic point of view.
(**) sum of Net Interest Income and Net Commission Income
(***) includes FX results, Results on Financial Operations and net other operating income and costs

Net Interest Income (on pro-forma basis) for 2011 reached PLN 1,190.8 million, which marks a significant growth of 17.9% compared to the value for 2010. The improvement of this income line resulted both from higher volume of business as well as better net interest margin. Average NIM (over interest earnings assets) grew from 2.3% in the previous year to 2.5% in 2011, mainly thanks to higher spreads on deposits – both in corporate and retail segments. During 4Q 2011 there was a stronger market competition visible, especially on deposits side, which caused a decrease of average NIM from 2.6% in 3Q 2011 to 2.5% in 4Q 2011 and a 5% decrease of the value of net interest income versus previous quarter (to PLN 300.5 million, on pro-forma basis). But net interest income in 4Q 2011 was visibly higher, by 9.3%, than interest income achieved in 4Q 2010.

Net Commissions Income amounted to PLN 561.8 million during 2011, which was a similar level as in 2010 (PLN 564.9 million). In quarterly terms net commissions were in a negative trend due to adverse conditions on capital markets.

Other non-interest income (on pro-forma and including net balance of other operating income and costs) reached PLN 136.6 million during 2011 and was 3.6% lower yearly. On quarterly basis there was an improvement: 4Q 2011 result of this item reached PLN 59.2 million and was 81% higher than in 3Q 2011 and 15.1% higher than in 4Q 2010.

Total operating income of the Group grew in 2011 by 10.1% yearly and reached the historical record amount of PLN 1,889.1, that is 2.2% higher than the pre-crisis 2008 level. The growth of operating income came mainly from a 11% growth of core income (net interest income and net commission income).

While total operating income was higher than in 2008 year, **total costs** were still lower by 5.7% than the 2008 year peak and reached PLN 1,124.1 million in 2011 (3.9% higher than in 2010). As total costs grew in 2011 slower than the growth of income, the Bank managed to improve again its Cost-to-income ratio to 59,5% – the best yearly result during the last 10 years.

Operating Costs *(PLN million)*	**4Q 2011**	**3Q 2011**	**2011**	**2010**	**Change q/q**	**Change y/y**
Personnel Costs	-135.2	-136.0	-540.2	-525.9	-0.6%	2.7%
Administrative Costs*	-148.5	-149.4	-583.9	-555.7	-0.6%	5.1%
Total Operating Costs	**-283.7**	**-285.4**	**-1124.1**	**-1081.6**	-0.6%	3.9%

(*) including depreciation

Personnel costs grew by 2.7% yearly and dropped by 0.6% quarterly. Total Group's employment reached 6 289 persons (in FTE) at the end of December 2011 and grew by 2.5% (or 154 FTE) yearly – entirely in the sales area.

The structure of employment of Bank Millennium Group is presented in the table below:

Employment *(in FTEs)*	**31.12.2011**	**30.09.2011**	**31.12.2010**	**Change q/q**	**Change y/y**
Bank Millennium S.A.	5 886	5 856	5 754	0.5%	2.3%
Subsidiaries	403	395	381	2.0%	5.8%
Total Bank Millennium Group	**6 289**	**6 251**	**6 135**	**0.6%**	**2.5%**

Other administrative costs (including depreciation) grew by 5.1% yearly but decreased by 0.6% quarterly. Higher non-personnel costs in 2011 compared to 2010 resulted from higher charges to Banking Guarantee Fund (the fees more than doubled versus 2010) and higher costs denominated in foreign currencies. **Depreciation** in 2011 reached PLN 64.8 million i.e. 13% lower than during 2010 and supports the very strict cost control.

Total net impairment provisions created by the Group during 2011 amounted to PLN 173.8 million and were 23.4% lower than the amount of PLN 226.9 million created during 2010. This was possible thanks to the improvement of the quality of loan portfolio. In relative terms, provisions created in 2011 represented 45 basis points of average net loan portfolio i.e. clearly lower than 65 basis points created during 2010. Provisions created during 4Q 2011 (PLN 46.4 million) were similar to 3Q 2011 and were positively impacted by PLN 9.7 million gross result from sale of NPL portfolio.

Profit before tax of Bank Millennium Group in 2011 amounted to PLN 591.1 million and **net profit** amounted to PLN 466.5 million. During 4Q the Group achieved PLN 157.2 million gross and PLN 125.1 million net profit, which is similar to the results achieved in 3Q 2011.

b) Business results after 4Q 2011

Total assets of Bank Millennium Group reached at the end of 2011 PLN 50,838 million level, which is 8.2% higher compared to 31 December 2010.

Total **deposits** and retail bonds of the Group reached PLN 37,823 million which means a growth of 5.7% year-on-year and 2% growth quarter-on-quarter. Especially positive was the evolution in retail segment: deposits of individuals grew by 9.8% yearly and 6.3% quarterly and this result was achieved without general change of price offer – there were only selective promotions on some deposit products, especially during 4Q 2011. Deposits of companies and public sector were stable during 2011 (-0.4% yearly) and decreased during 4Q by -4.2% after strong increase (by 21%) in 3Q 2011.

Capital markets related **savings products** (not reflected in the Balance Sheet, such as mutual funds and insurances saving products) continued in 4Q 2011 a negative evolution and during entire year dropped by 13% (in 4Q alone they decreased by -1.8%).

Therefore total customers funds of the Group, including deposits, bonds sold to retail customers and other investment products, grew by 3.8% yearly and reached PLN 41,424 million at the end of 2011.

The structure of Group's customer funds is presented in the table below:

Customer Funds	**31.12.2011**	**30.09.2011**	**31.12.2010**	**Change (%)**	
(PLN million)				**q/q**	**y/y**
*Deposits of individuals **	23 407.8	22 021.4	21 312.6	*6.3%*	*9.8%*
Deposits of Companies and public sector	14 414.8	15 042.9	14 467.1	*-4.2%*	*-0.4%*
Total Deposits	**37 822.6**	**37 064.3**	**35 779.7**	***2.0%***	***5.7%***
Investment products	3 601.2	3 668.3	4 141.1	*-1.8%*	*-13.0%*
TOTAL Customer Funds	**41 423.8**	**40 732.6**	**39 920.8**	***1.7%***	***3.8%***

(*) including retail bonds issued by the Bank and deposits in the form of insurance policies

Total **loans** of Bank Millennium Group reached PLN 41,332 million in the end of 2011, which means an increase by 12.5% year-on-year and 0.6% quarter-on-quarter. Significant part of the yearly growth resulted from FX rates changes: excluding it, the growth would be 4.3% y/y and 0.3% q/q.

Retail loans, which dominate in the Group's portfolio with 75% share, recorded 11.4% growth year-on-year and reached PLN 31,068 million as at 31 December 2011. The main group of loans in the retail portfolio were mortgage loans, which amounted PLN 28,283 million. Total sales of mortgage loans during 2011 (PLN 2,125 million) were at the highest level since 2008 and the Group achieved 4.7% market share in the new sales (or 6.3% if not counting FX mortgages, which are not in the Bank's offer since December 2008).

Loans to companies (including public sector) strongly rebound after weak previous two years and increased by 15.9% yearly and without leasing the growth was even higher: 25%. The Group keeps well diversified loans structure, in which similar part of portfolio consists of investments products (including leasing) and of working capital financing (including factoring). In leasing and factoring areas the Group maintains high market shares of 7.1% (in leased movables) and 6.6% in factoring.

The structure of Group's loans and advances to clients is presented in the table below:

Loans and advances to Clients * *(PLN million)*	**31.12.2011**	**30.09.2011**	**31.12.2010**	**Change (%)**	
				q/q	**y/y**
Loans to households	31 067.9	30 957.1	27 884.3	0.4%	11.4%
- mortgage loans	*28 283.0*	*28 114.7*	*24 882.9*	*0.6%*	*13.7%*
- other loans to households	*2 784.9*	*2 842.4*	*3 001.5*	*-2.0%*	*-7.2%*
Loans to businesses	10 264.5	10 127.6	8 854.2	1.4%	15.9%
- leasing	*3 256.8*	*3 308.3*	*3 249.6*	*-1.6%*	*0.2%*
- other loans to businesses	*7 007.7*	*6 819.3*	*5 604.5*	*2.8%*	*25.0%*
Total Loans & Advances to Clients	**41 332.4**	**41 084.7**	**36 738.5**	***0.6%***	***12.5%***

(*) net of impairment provisions

c) Asset quality, solvency and liquidity

Quality of loan portfolio continued to improve in 2011. The ratio of impaired loans divided by gross loans dropped from 5.8% in December 2010 to 4.9% in December 2011. Also the ratio of loans past-due over 90 days to total portfolio decreased from 2.9% year ago to 2.3% at the end of 2011. This was achieved thanks to a consequent improvement of quality in companies loan portfolio and due to a stable, good quality of mortgage portfolio. Some positive impact to the ratios came from the sale of non-performing loans conducted during 4Q 2011, which caused a reduction of PLN 44.8 million of impaired loans in companies segment and PLN 19.4 million in retail segment.

Sale of NPLs caused, on the other hand, a small reduction of coverage ratios, but despite that the coverage of impaired loans by total provisions improved during entire 2011 from 54% to 58%. The coverage of loans past-due over 90 days grew even stronger, from 108% to 123%, thanks to significant reduction of past-due exposures, especially in companies segment.

The evolution of main indicators of the Group's loan portfolio quality is presented below:

Total portfolio quality indicators	31.12.2011	30.09.2011	31.12.2010
Total impaired loans (PLN million)*	2 104	2 108	2 195
Loans past-due over 90 days (PLN million)	990	1 176	1 100
Total provisions (PLN million)*	1 217	1 260	1 187
Impaired over total loans ratio (%)	4.9%	5.0%	5.8%
Past-due >90d over total loans ratio (%)	2.3%	2.8%	2.9%
Total provisions/impaired loans (%)	58%	60%	54%
Total provisions/Past-due 90 d loans (%)	123%	107%	108%

(*) In 2011 the Group made a write-off of impaired loans in charge of provisions in the amount of PLN 114 million, of which PLN 36 million in the 4Q 2011.

The breakdown of the loan portfolio quality by main loan categories is presented in the following table:

Ratio by loan type *(in %)*	Loans past-due > 90 days ratio			Impaired loans ratio		
	31.12.2011	30.09.2011	31.12.2010	31.12.2011	30.09.2011	31.12.2010
Mortgage	0.35%	0.3%	0.3%	0.95%	0.9%	0.9%
Other individuals	12.7%	13.3%	12.2%	17.2%	17.2%	14.8%
Companies	4.4%	5.9%	6.4%	11.7%	11.8%	15.4%
Total loan portfolio	**2.3%**	**2.8%**	**2.9%**	**4.9%**	**5.0%**	**5.8%**

Capital adequacy ratios remain on very comfortable levels despite strong negative impact from FX loans revaluation. Total consolidated CAR stood at the end of 2011 year at 13.2% and Core Tier 1 ratio at 11.4%. Bank Millennium has a dividend policy of distributing 35% to 50% of net profit as dividend. However, following to the recent Financial Supervision Commission's (KNF) recommendation, the Management Board of Bank Millennium will propose to retain entire 2011 profit in the equity. This proposal, if approved by AGM, will add 0.9 p.p. to both CAR and Core Tier1 ratios so they will grow to 14.2% and 12.3% respectively as at the end of 2011 year.

FX impact on FX denominated part of loan portfolio caused **Loans-to-deposits ratio** to remain above 100% level at the end of year (106.8% in December 2011). Despite that, the share of FX loans in the Group's total loan portfolio is consistently decreasing (from 59% in the end of 2010 to 56% at the end of 2011), thanks to a reduction of FX denominated portfolio by equivalent of PLN 1.6 billion during

2011 (excluding FX impact), which corresponds to 6.4% of the FX denominated balance as at the beginning of 2011 year.

Main solvency and liquidity ratios	**31.12.2011** if the whole profit retained in capital	**31.12.2011**	**30.09.2011**	**31.12.2010**
Consolidated equity (PLN million)	4 586	4 586	4 434	4 091
Capital Adequacy Ratio (%, consolidated)	14.2	13.2	13.5	14.4
Core Tier 1 ratio (%, consolidated)	12.3	11.4	11.4	12.3
Loans to Deposits ratio (%)*	-	106.8	108.2	99.5

(*) Includes liabilities (bonds) from leasing securitisation, bonds for retail clients and sell-buy-back/ buy-sell-back transactions with customers

d) Share price performance

The year 2011 brought high stock market volatility with strong negative trend during the second half of the year, which was also visible on the Warsaw Stock Exchange. WIG index fell 20.8%, the WIG Banks sector index was down 21.7% and mWIG40 index dropped 22.5% during 2011 year. In the same period Bank Millennium performed in line with the market and decreased by 22.4%.

Market indicators	**30.12.2011**	**31.12.2010**	**Change 2011/2010**
Price of Bank Millennium shares (PLN)	3.80	4.90	-22.4%
Daily turnover – yearly average (PLN thousand)	5 379	4 296	+25.1%
Bank's market capitalisation (PLN million)	4 610	5 944	-22.4%
WIG – main index	37 595	47 490	-20.8%
WIG Banks	5 421	6 921	-21.7%
mWIG 40	2 174	2 805	-22.5%