

**Report of the Bank Millennium S.A.
Capital Group
for I quarter 2012**



MAIN CONSOLIDATED FINANCIAL DATA

| | Amount '000 PLN | | Amount '000 EUR | |
|--|--|---|--|---|
| | period from 1.01.2012 - 31.03.2012 | period from 1.01.2011 - 31.03.2011* | period from 1.01.2012 - 31.03.2012 | period from 1.01.2011 - 31.03.2011* |
| Interest income | 762 603 | 612 440 | 182 659 | 154 104 |
| Fee and commission income | 156 518 | 165 191 | 37 489 | 41 566 |
| Operating income | 471 890 | 452 671 | 113 028 | 113 902 |
| Operating profit | 137 175 | 129 410 | 32 856 | 32 563 |
| Profit (loss) before taxes | 140 297 | 129 410 | 33 604 | 32 563 |
| Profit (loss) after taxes | 110 107 | 101 172 | 26 373 | 25 457 |
| Total comprehensive income of the period | (48 769) | 38 937 | (11 681) | 9 797 |
| Net cash flows from operating activities | 1 192 011 | 229 739 | 285 512 | 57 808 |
| Net cash flows from investing activities | (406 549) | 967 609 | (97 377) | 243 473 |
| Net cash flows from financing activities | (73 025) | (105 533) | (17 491) | (26 555) |
| Net cash flows, total | 712 437 | 1 091 815 | 170 644 | 274 726 |
| Total Assets | 50 732 215 | 50 838 099 | 12 190 555 | 11 510 166 |
| Deposits from banks | 1 889 533 | 1 831 577 | 454 040 | 414 684 |
| Deposits from customers | 37 933 237 | 37 427 835 | 9 115 061 | 8 473 971 |
| Equity | 4 537 476 | 4 586 245 | 1 090 320 | 1 038 364 |
| Share capital | 1 213 117 | 1 213 117 | 291 503 | 274 660 |
| Number of shares | 1 213 116 777 | 1 213 116 777 | 1 213 116 777 | 1 213 116 777 |
| Book value per share (in PLN/EUR) | 3,74 | 3,78 | 0,90 | 0,86 |
| Diluted book value per share (in PLN/EUR) | 3,74 | 3,78 | 0,90 | 0,86 |
| Capital adequacy ratio | 14,28% | 13,23% | 14,28% | 13,23% |
| Earnings (losses) per ordinary share (in PLN/EUR) | 0,09 | 0,08 | 0,02 | 0,02 |
| Diluted earnings (losses) per ordinary share (in PLN/EUR) | 0,09 | 0,08 | 0,02 | 0,02 |
| Pledged or paid dividend per share (in PLN/EUR) | - | 0,10 | - | 0,03 |

* Comparative balance sheet data were presented, in compliance with IFRS requirements, as at 31.12.2011. Other comparative data are presented for the period from 1.01.2011 to 31.03.2011.

Exchange rates accepted to convert selected financial data into EURO

The following rates were used to calculate amounts stated in EURO:

- for balance sheet items: 4,1616 PLN/EURO - the exchange rate of 31 March 2012 (for comparative data as at 31 December 2011: 4,4168 PLN/EURO),
- for profit and loss account items for the period from 1 January - 31 March 2012: 4,1750 PLN/EURO, the exchange rate was calculated as the average of the rates at the end of the months covered by the financial statements (for comparative data; 1 January - 31 March 2011: 3,9742 PLN/EURO).

INFORMATION ABOUT THE ACTIVITY OF BANK MILLENNIUM CAPITAL GROUP DURING 1 QUARTER OF 2012

Bank Millennium Group (the "Group") consolidated net profit amounted to PLN 110,1 million during the first quarter of 2012, which is a 8,8% increase when compared to corresponding period of 2011.

This growth was driven by a positive core revenue evolution as well as strict cost control and stable level of provisions. After first quarter 2012 the Group maintained high asset quality and low risk charges. Share of impaired loans in the consolidated portfolio stood at 5% and impairment charges in Group's Profit and loss accounted for PLN 37,8 million.

The proposal of maintaining entire 2011 profit in equity, consistent with Polish Financial Supervisory Authority recommendations and accepted by Annual General Meeting of Shareholders on April 20th, allowed for the improvement of capital ratios of the Bank and Capital Group. At the end of March the consolidated Capital Adequacy ratio stood at 14.3% whereas the Core tier 1 ratio was at high 12.5% level.

Higher equity caused that despite higher net profit, Return on Equity (ROE) stood at the same level (10%) as in 1Q 2011. Cost to Income ratio after 1Q 2012 reached 62%.

Macroeconomic situation in Poland after first quarter of 2012

The fourth quarter of 2011 showed further economic growth in Poland. In 4Q GDP increased by 4.4% year-on-year underpinned by investment in fixed assets, private consumption and net exports. Investment outlays increased at a solid annual pace of 9.8%, but the bulk of the growth was due to public investment in infrastructure. According to the Eurostat figures, one could however observe some revival of private investment in transport equipment and, to some extent, in metal products and machinery. The companies were still relatively cautious when it comes to new investment plans. Leading indicators suggest, that Polish economic growth is likely to slow down, as the growth in the Eurozone stalls, but Polish economy should remain on the upward path. The Bank estimates that the GDP growth in 1Q 2012 was a bit lower than the one observed in 4Q reaching ca. 3.6%.

In 4Q individual consumption continued to grow, but its pace decelerated to a disappointing 2.0% year-on-year from 3.0% in 3Q. The consumption growth was subdued by still difficult labour market conditions and growing prices, which limit the purchasing power of disposable income, especially in the case of below-the-average earners. The registered unemployment increased to 13.3% in March from 12.4% in December, mainly due to seasonal factors. The unemployment rate in March was at the same level as observed in the corresponding period of 2011. In 1Q big and medium-sized non-financial enterprises were reluctant to increase employment because of high uncertainty regarding future economic conditions. At the same time wage growth was only slightly above the inflation rate.

In 1Q inflation eased but remained above the upper band of the NBP target (3.5%). CPI inflation was equal to 3.9% year-on-year in March, down from 4.6% in December. Core inflation excluding food and energy decreased as well, to 2.4% year-on-year from 3.1% at the end of 2011. According to the NBP, in the coming months, annual CPI inflation will probably stay above the target. In the medium term the MPC expects price growth to be curbed by expected economic slowdown amid moderate wage growth as well as continued fiscal tightening. In 1Q 2012 the NBP kept interest rates unchanged, but hawkish comments after the meeting in April suggest that the small-scale policy tightening might be on the way.

Better sentiment in the global markets following the ECB liquidity operations increased appetite for the Polish assets. In 1Q 2012 Zloty appreciated by 5.8% in a quarter against the euro and by 4.9% against the Swiss franc.

In the first quarter of 2012 households' deposits increased by 1.9% q/q on the back of the stable wage growth. Corporate deposits decreased by 3.7% q/q reflecting seasonal factors and a big one-off transaction. Corporate loans kept growing and at the end of March were by 13.6% higher than last year. This reflects the possible recovery in corporate investment. Loans to households recorded a 9.7% annual growth, but the portfolio was affected by the PLN depreciation.

Group profit and loss account after 1Q 2012

| Operating Income (PLN million) | 1Q 2012 | 1Q 2011 | Change y/y |
|-----------------------------------|--------------|--------------|-------------|
| Net Interest Income * | 295.4 | 273.1 | 8.2% |
| Net Commissions Income | 132.6 | 149.9 | -11.6% |
| CORE INCOME** | 428.0 | 423.0 | 1.2% |
| Other Non-Interest Income *** | 29.4 | 16.4 | 79.8% |
| Total Operating Income | 457.4 | 439.4 | 4,1% |

(*) 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 -0.5 m in 1Q 2012 and PLN 17.2 m in 1Q 2011) 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) amounted to PLN 295.4 million in 1Q 2012. This means a 8.2% growth versus homologous period of the previous year. Net interest margin (over interest earnings assets) remained on the same level (2.43%) as last year and was slightly lower than in 4Q 2011. This was due to still low average spread on deposits (0.19%) as a consequence of higher priced deposits collected during the last quarter of 2011.

Net Commissions Income reached PLN 132.6 million in 1Q 2012, which means a decrease of 11.6% compared to 1Q 2011 but a 2.9% growth versus previous quarter. The yearly decrease resulted mainly from lower investment products and capital market related fees (-15.8 million decrease in yearly comparison).

Other non-interest income (on pro-forma and including net balance of other operating income and costs) grew by 80% yearly and reached PLN 29.4 million in 1Q 2012. It was affected by negative impact of FX swaps valuation, however this effect was smaller than the one observed in 1Q'11.

Total operating income of the Group reached PLN 457.4 million in 1Q 2012 and was 4.1% higher than in the corresponding period of the previous year.

| Operating Costs (PLN million) | 1Q 2012 | 1Q 2011 | Change y/y |
|----------------------------------|----------------|----------------|-------------|
| Personnel Costs | (142.4) | (133.5) | 6.7% |
| Other Administrative Costs* | (140.1) | (139.2) | 0.6% |
| Total Operating Costs | (282.4) | (272.7) | 3.6% |

(*) including depreciation

Total costs reached PLN 282.4 million during 1Q 2012, which is a level similar to the last 3 quarters but is by 3.6% higher when compared to 1Q 2011. Despite that, Cost to Income ratio decreased by 0.3 p.p. yearly to 61.8% level.

Personnel costs grew by 6.7% yearly as a result of higher social security charges (from February 2012) and low base of 1Q'11. Total number of employees is relatively stable in annual horizon (increase by 1.9% y/y) and reached 6 272 persons (in FTE) at the end of March 2012.

Other administrative costs (including depreciation) were stable yearly and grew only by 0.6% y/y. In quarterly terms they were even lower by 5.7%, which is often observed at the turn of year.

Total net impairment provisions created by the Group during 1Q 2012 remained on very similar level (PLN 37.8 million) as in 1Q 2011. This reflects a stabilization of a high quality of assets. In relative terms, provisions created in 1Q 2012 represented 37 basis points of average loan portfolio (annualised), similar level to 41 basis points created during 1Q 2011.

Profit before tax of Bank Millennium Group in 1Q 2012 amounted to PLN 140.3 million and **net profit** amounted to PLN 110.1 million, which means a 8,8% increase when compared to corresponding period of 2011.

| Pre-tax and Net Profit (PLN million) | 1Q 2012 | 1Q 2011 | Change y/y |
|---|---------|---------|------------|
| Operating Income | 457.4 | 439.4 | 4.1% |
| Operating Costs * | (282.4) | (272.7) | 3.6% |
| Cost / Income Ratio | 61.8% | 62.1% | -0.3 p.p. |
| Impairment provisions | (37.8) | (37.3) | 1.2% |
| Pre-tax Profit | 140.3 | 129.4 | 8.4% |
| Tax | (30.2) | (28.2) | - |
| Net Profit | 110.1 | 101.2 | 8.8% |

(*) including depreciation

Business results after 1Q 2012

Total assets of the Group reached PLN 50,732 million level, which is 10.4% higher compared to 31 March 2011.

Total customer funds of Bank Millennium Group reached PLN 42,760 million which means a 7.0% growth year-on-year and 3.2% growth quarter-on-quarter. 1Q 2012 was very good for sale of Millennium mutual funds, mainly those of lower risk profile. Total assets managed by Millennium TFI grew by PLN 707 million (with limited impact from price increase), which allowed for 32% quarterly and 22% yearly growth rates. Pure deposits and retail bonds increased by 7.0% yearly, of which 8.8% growth in companies segment and 5.8% in households.

Bank Millennium is continuing the "Dobre Konto" account campaign. Total number of this new current accounts reached 245 ths. at the end of March and was the main driver of visible growth of total current accounts and payment cards of individuals (which reached at the end of March the levels of 1,676 ths. and 1,525 ths. respectively). Cross-selling ratio for retail customers also increased to 3.76 products per customer as at the end of March 2012.

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

| Customer Funds (PLN million) | 31.03.2012 | 31.12.2011 | 31.03.2011 | Change y/y | Change q/q |
|---|-----------------|-----------------|-----------------|-------------|-------------|
| Deposits of individuals * | 23 219.2 | 23 407.8 | 21 936.5 | 5.8% | -0.8% |
| Deposits of Companies and public sector | 15 124.3 | 14 414.8 | 13 905.4 | 8.8% | 4.9% |
| Total Deposits | 38 343.5 | 37 822.6 | 35 841.9 | 7.0% | 1.4% |
| Investment products ** | 4 416.9 | 3 601.2 | 4 138.0 | 6.7% | 22.7% |
| Total Customer Funds | 42 760.4 | 41 423.8 | 39 980.0 | 7.0% | 3.2% |

(*) including retail bonds issued by the Bank

(**) Millennium TFI mutual funds and other investment products of third parties sold to Group's clients

Total loans of Bank Millennium Group reached PLN 40,498 million (in net terms) in the end of March 2012, which means an increase by 11.6% year-on-year and -2.0% drop quarter-on-quarter. However, if not FX rates changes, the loan portfolio would have grown by 0.8% during the first quarter of 2012.

First quarter brought positive results in sale of retail loans. Disbursement of new mortgage loans reached PLN 441 million, i.e. 6% higher level than in 1Q 2011. Cash loans quarterly sale was even stronger, PLN 209 million, which means a 47% increase versus last year. In companies segment there was also a visible growth of new sales both in leasing (by 13% versus 1Q 2011) and in factoring (by 28% yearly), thus allowing the Group to keep its high market share of 7.1% in leased movables and 6.3% in factoring. Total loans to companies grew visibly by 16.9% yearly, driven mainly by PLN denominated products.

The structure and evolution of loans and advances to Clients is presented in the table below:

| Loans and advances to Clients (PLN million) | 31.03.2012 | 31.12.2011 | 31.03.2011 | Change y/y | Change q/q |
|--|-----------------|-----------------|-----------------|--------------|--------------|
| Loans to households | 30 029.9 | 31 067.9 | 27 320.5 | 9.9% | -3.3% |
| - mortgage loans | 27 248.0 | 28 283.0 | 24 422.9 | 11.6% | -3.7% |
| - other loans to households | 2 781.9 | 2 784.9 | 2 897.6 | -4.0% | -0.1% |
| Loans to businesses | 10 468.2 | 10 264.5 | 8 954.7 | 16.9% | 2.0% |
| - leasing | 3 177.2 | 3 256.8 | 3 199.9 | -0.7% | -2.4% |
| - other loans to businesses | 7 291.0 | 7 007.7 | 5 754.8 | 26.7% | 4.0% |
| Total Loans & Advances to Clients | 40 498.2 | 41 332.3 | 36 275.1 | 11.6% | -2.0% |

Asset quality, solvency and liquidity

After first quarter 2012 the Group maintained high asset quality of its loan portfolio. Share of impaired loans in the consolidated portfolio stood at 5% and share of past-due more than 90 days loans was at 2.5% as at the end of March 2012. The coverage ratio, defined as the share of total provisions in total impaired loans, improved both yearly and quarterly and reached 59% level.

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

| Total portfolio quality indicators | 31.03.2012 | 31.12.2011 | 31.03.2011 |
|---|------------|------------|------------|
| Total impaired loans (PLN million)* | 2 084 | 2 104 | 2 085 |
| Loans past-due over 90 days (PLN million) | 1 033 | 990 | 1 136 |
| Total provisions (PLN million)* | 1 225 | 1 217 | 1 198 |
| Impaired over total loans ratio (%) | 5.0% | 4.9% | 5.6% |
| Past-due >90d over total loans ratio (%) | 2.5% | 2.3% | 3.0% |
| Total provisions/impaired loans (%) | 59% | 58% | 57% |
| Total provisions/Past-due 90 d loans (%) | 119% | 123% | 105% |

(*) The Group made a write-off of impaired loans in charge of provisions in the amount of PLN 19 million in 1Q 2012.

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 | | |
|------------------------------|--------------------------------|-------------|-------------|----------------------|-------------|-------------|
| | 31.03.2012 | 31.12.2011 | 31.03.2011 | 31.03.2012 | 31.12.2011 | 31.03.2011 |
| Mortgage | 0.40% | 0.35% | 0.32% | 1.0% | 1.0% | 0.9% |
| Other individuals | 12.6% | 12.7% | 12.8% | 17.2% | 17.2% | 16.0% |
| Companies | 4.6% | 4.4% | 6.6% | 11.2% | 11.7% | 13.8% |
| Total loan portfolio | 2.5% | 2.3% | 3.0% | 5.0% | 4.9% | 5.6% |

The proposal of maintaining entire 2011 profit in equity, consistent with Polish Financial Supervisory Authority recommendations and accepted by Annual General Meeting of Shareholders on April 20th allowed for the improvement of capital ratios of the Bank and Capital Group. At the end of March the consolidated Capital Adequacy ratio stood at 14.3%, whereas the Core tier 1 ratio was at high 12.5% level.

FX impact on FX denominated part of loan portfolio caused that **Loans-to-deposits ratio** decreased during 1Q 2012 to 103.6% level. Regular amortization of FX portfolio strengthened by FX impact during 1Q 2012 allowed for a stronger decrease of the share of FX loans in the Group's total loan portfolio from 57% year ago (and 56% in December) to 54% currently.

| Main solvency and liquidity indicators | 31.03.2012 | 31.12.2011 | 31.03.2011 |
|---|------------|------------|------------|
| Consolidated equity (PLN million) | 4 537.5 | 4 586.2 | 4 008.6 |
| Regulatory capital (PLN million) | 5 067.2 | 4 766.6 | 4 643.9 |
| Capital requirement (PLN million): | 2 838.0 | 2 881.6 | 2 515.7 |
| - Credit risk | 2 578.0 | 2 617.4 | 2 238.1 |
| - Market risk | 33.5 | 38.7 | 52.1 |
| - Operating risk | 226.5 | 225.5 | 225.5 |
| Capital Adequacy Ratio (% , consolidated) | 14.3 | 13.2 | 14.8 |
| Core Tier 1 ratio (% , consolidated) | 12.5 | 11.4 | 12.7 |
| Loans to Deposits ratio (%)* | 103.6 | 106.8 | 98.7 |

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

Share price performance and ratings

In the first quarter 2012 global stocks rebound, which was also visible on the Warsaw Stock Exchange.

All main indices on WSE increased during 1Q 2012: the main WIG index gained 7.7%, mWIG40 (which includes shares of Bank Millennium) gained 14.3% and WIG Banking index grew 6.3% year-to-day. But in the yearly horizon the same indexes decreased between 14.2 and 16.5%.

Bank Millennium shares significantly outperformed the market in 1st quarter, gaining 19.6% but dropped by 24.7% during the last 12 months.

| Selected market indicators | 30.03.2012 | 02.01.2012 | Change (%) quarterly | 30.03.2011 | Change (%) yearly |
|---|------------|------------|-------------------------|------------|----------------------|
| Bank's number of shares (in ths.) | 1 213 117 | 1 213 117 | 0.0 | 1 213 117 | 0.0 |
| Daily trading (PLN ths, avg. quarterly) | 4 195 | - | - | 5 791 | -27.6 |
| Price of the Bank shares (PLN) | 4.40 | 3.68 | +19.6 | 5.84 | -24.7 |
| Market cap. (PLN million) | 5 337.7 | 4 464.3 | +19.6 | 7 084.6 | -24.7 |
| WIG - main index | 41 267 | 38 318 | +7.7 | 48 606 | -15.1 |
| WIG Banks | 5 894 | 5 543 | +6.3 | 7 057 | -16.5 |
| mWIG 40 | 2 504 | 2 190 | +14.3 | 2 918 | -14.2 |

| Type of rating | FITCH | MOODY'S |
|--|--------------------------|-------------------------|
| Long-term deposit rating/IDR | BBB- (stable outlook) | Baa3 (negative outlook) |
| National Long-term IDR | A-(pol) (stable outlook) | - |
| Short-term deposit rating | F-3 | Prime-3 |
| Individual rating / financial strength | bbb-* | D (negative outlook) |
| Support | 3 | |

* *Viability rating - new rating introduced by Fitch in July 2011*

Main factors that could affect the situation of the Bank in 2Q 2012 and beyond

The most important external factors that could influence financial standing of Bank Millennium Group in the second quarter are the following:

- Possible rate hikes by the Polish MPC, which would support interest rate margins and increase interbank rates.
- Expected deceleration in private consumption might reduce demand for consumer loans. Companies refrain from increasing employment, however due to seasonal factors the unemployment rate might go down in coming months. Stable wage growth and inflation along with cyclically increasing propensity to save may support demand for savings products.
- High uncertainty connected with fiscal problems of the euro area may translate into higher volatility in the financial markets. Risk aversion on the global markets may lead to increased costs of financing and to Polish Zloty depreciation, which in turn may increase liquidity needs. Possible ECB operations might stabilize market sentiment.
- Financial situation of Polish companies should remain healthy, however potential to further improvement seems to be limited because of deteriorating economic situation in our main trade partners. Possible growth of private investment may lead to higher demand for credit.

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I. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE BANK MILLENNIUM S.A. CAPITAL GROUP FOR THE 3 MONTHS ENDED 31 MARCH 2012

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I. GENERAL INFORMATION ON THE ISSUER

Name (business name) and seat: Bank Millennium S.A., ul. Stanisława Żaryna 2 a, Warsaw, Poland

Registration court and register entry no.: 13th Business Division of the National Court Register, District Court for the Capital City of Warsaw, no. 0000010186

Issuer's primary line of business: banking activity and other financial intermediation activity, excluding insurance and pension funds,

The Capital Group's line of business includes (the Group): banking, leasing, factoring, brokerage, capital activity and management of mutual funds.

Supervisory Board and Management Board of Bank Millennium S.A.

Composition of the Supervisory Board of the Bank Millennium S.A. (parent company of the Group) as at 31 March 2012 was as follows:

1. Maciej Bednarkiewicz - Chairman of the Supervisory Board,
2. Ryszard Pospieszynski - Deputy Chairman of the Supervisory Board,
3. Carlos Jorge Ramalho dos Santos Ferreira - Deputy Chairman of the Supervisory Board,
4. Marek Furtek - Secretary of the Supervisory Board,
5. Luis Maria Franca de Castro Pereira Coutinho - Supervisory Board Member,
6. Vitor Manuel Lopes Fernandes - Supervisory Board Member,
7. Andrzej Koźmiński - Supervisory Board Member,
8. António Manuel Palma Ramalho - Supervisory Board Member,
9. Nelson Ricardo Bessa Machado - Supervisory Board Member,
10. Marek Rocki - Supervisory Board Member,
11. Dariusz Rosati - Supervisory Board Member.

Annual General Meeting on 20 of April 2012 have chosen the following persons to the Supervisory Board of the Bank (in alphabetical order):

1. Nuno Manuel da Silva Amado,
2. Maciej Bednarkiewicz,
3. Miguel de Campos Pereira de Braganca,
4. Luis Maria Franca da Castro Pereira Coutinho,
5. Maria da Conceicao Mota Soares de Oliveira Calle Lucas,
6. Marek Furtek,
7. Bogusław Kott,
8. Krzysztof Kwiatkowski,
9. Andrzej Koźmiński,
10. Marek Rocki,
11. Dariusz Rosati,
12. Rui Manuel da Silva Teixeira.

Mr Bogusław Kott has been appointed, conditional on his resignation from the position of Chairman of the Management Board of the Bank, however not earlier than 1 July 2013.

Composition of the Management Board of the Bank Millennium S.A. as at 31 March 2012 was as follows:

1. Bogusław Kott - Chairman of the Management Board,
2. Joao 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. Maria Jose Campos - Member of the Management Board,
6. Andrzej Gliński - Member of the Management Board,
7. Wojciech Haase - Member of the Management Board,
8. Artur Klimczak - Member of the Management Board.

On 20 April 2012 a meeting was held of the Supervisory Board of the Bank, convened on the same day by the General Shareholders' Meeting for a new term, at which the Supervisory Board constituted itself, appointing Mr Maciej Bednarkiewicz as the Chairman of the Supervisory Board, Mr Nuno Manuel da Silva Amado as the Deputy Chairman of the Supervisory Board, Mr Marek Furtek as the Secretary of the Supervisory Board.

The Supervisory Board decided that the Management Board of the Bank shall have 8 members appointed as of 20 April 2012:.

1. Bogusław Kott for Chairman of the Management Board,
2. Joao Bras Jorge for First Deputy Chairman of the Management Board,
3. Fernando Bicho and Artur Klimczak for Deputy Chairmen of the Management Board,
4. and Julianna Boniuk-Gorzelańczyk, Wojciech Haase, Andrzej Gliński and Maria Jose Campos as remaining Members of the Management Board.

Bank Millennium S.A. Capital Group

Bank Millennium S.A. ("Bank") is the parent company of the Group Millennium S.A. ("Group"). The companies comprising the Group as at 31 March 2012 are presented in table below:

| Company | Activity domain | Head office | % of the Group's capital share | % of the Group's voting share | Recognition in financial statements |
|--|--|-------------|--------------------------------|-------------------------------|-------------------------------------|
| MILLENNIUM LEASING Sp. z o.o. | leasing services | Warsaw | 100 | 100 | consolidated |
| MILLENNIUM DOM MAKLERSKI S.A. | brokerage services | Warsaw | 100 | 100 | consolidated |
| MILLENNIUM TFI SA | investment funds management | Warsaw | 100 | 100 | consolidated |
| BBG FINANCE BV | funding companies from the Group | Rotterdam | 100 | 100 | consolidated |
| MB FINANCE AB | funding companies from the Group | Stockholm | 100 | 100 | consolidated |
| MILLENNIUM SERVICE Sp. z o.o. | general construction and engineering | Warsaw | 100 | 100 | consolidated |
| TBM Sp. z o.o. | financial operations - equity markets, advisory services | Warsaw | 100 | 100 | consolidated |
| MILLENNIUM TELECOMMUNICATION SERVICES Sp. z o.o. | financial operations - equity markets, advisory services | Warsaw | 100 | 100 | consolidated |
| LUBUSKIE FABRYKI MEBLI S.A. | furniture manufacturer | Świebodzin | 50 | 50 | equity method valuation (*) |
| BG LEASING S.A. under bankruptcy | leasing services | Gdańsk | 74 | 74 | historical cost (*) |
| PHCRS S.A. | wholesale market | Gdańsk | 38,39 | 42,92 | equity method valuation |

(*) Despite having a majority shareholding of the Lubuskie Fabryki Mebli S.A., accordingly adopted an investment policy, the Group actually affect neither financial nor operational policy of the company in order to achieve the economic benefits. As a result of aforementioned lack of control the Group does not consolidate capital involvement in the Lubuskie Fabryki Mebli S.A applying equity method instead, recognizing (based on IAS 28), this involvement as associate company. Additionally under the same criterion of control the Group does not consolidate accounts of BG Leasing S.A., in view of the ongoing company bankruptcy proceedings.

Moreover, the Group is consolidating a special purpose vehicle Orchis Sp. z o.o. (SPV). The Company was created for the needs of a securitisation transaction conducted by the Group in 2007. In accordance with the provisions of IAS 27, IAS 39 and SIC 12 the Company started to be consolidated, despite the Group not having capital exposure (for this reason the Company is not included in the table presented above).

II. INTRODUCTION AND ACCOUNTING PRINCIPLES

This condensed consolidated interim financial statement has been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting. The condensed consolidated interim financial statement does not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2011.

In accordance with 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) the Bank is required to publish the financial results for the three months ended 31 March 2012.

The Board of Directors approved this condensed consolidated interim financial statement on 26 April 2012.

III. CONSOLIDATED FINANCIAL DATA (GROUP)

CONSOLIDATED INCOME STATEMENT

| <i>Amount '000 PLN</i> | Note | 1.01.2012 - 31.03.2012 | 1.01.2011 - 31.03.2011 |
|---|------|---------------------------|---------------------------|
| Interest income | 1 | 762 603 | 612 440 |
| Interest expense | 2 | (466 737) | (356 476) |
| Net interest income | | 295 866 | 255 964 |
| Fee and commission income | 3 | 156 518 | 165 191 |
| Fee and commission expense | 4 | (23 967) | (15 281) |
| Net fee and commission income | | 132 551 | 149 910 |
| Dividend income | | 20 | 17 |
| Result on investment financial assets | | 1 426 | 1 062 |
| Result on financial instruments valued at fair value through profit and loss (held for trading) and Foreign exchange result | 5 | 29 322 | 34 260 |
| Other operating income | | 12 705 | 11 458 |
| Operating income | | 471 890 | 452 671 |
| General and administrative expenses | 6 | (268 381) | (255 373) |
| Impairment losses on financial assets | 7 | (37 735) | (37 056) |
| Impairment losses on non-financial assets | | (26) | (252) |
| Depreciation and amortization | | (14 063) | (17 305) |
| Other operating expenses | | (14 510) | (13 275) |
| Operating expenses | | (334 715) | (323 261) |
| Operating profit | | 137 175 | 129 410 |
| Share of profit of associates | | 3 122 | 0 |
| Profit / (loss) before taxes | | 140 297 | 129 410 |
| Corporate income tax | 8 | (30 190) | (28 238) |
| Profit / (loss) after taxes | | 110 107 | 101 172 |
| Attributable to: | | | |
| Owners of the parent | | 110 107 | 101 172 |
| Non-controlling interests | | 0 | 0 |
| Weighted average number of ordinary shares | | 1 213 116 777 | 1 213 116 777 |
| Earnings (losses) per ordinary share (in PLN) | | 0,09 | 0,08 |

CONSOLIDATED TOTAL COMPREHENSIVE INCOME STATEMENT

| Amount '000 PLN | 1.01.2012 - 31.03.2012 | 1.01.2011 - 31.03.2011 |
|--|---------------------------|---------------------------|
| Profit / (loss) after taxes | 110 107 | 101 172 |
| Other elements of total comprehensive income, including: | | |
| Effect of valuation of available for sale debt securities | 7 177 | (9 375) |
| Effect of valuation of available for sale shares | 278 | 310 |
| Hedge accounting | (203 598) | (67 768) |
| Other elements of total comprehensive income before taxes | (196 143) | (76 833) |
| Corporate income tax on other elements of total comprehensive income | 37 267 | 14 598 |
| Other elements of total comprehensive income after taxes | (158 876) | (62 235) |
| Total comprehensive income of the period | (48 769) | 38 937 |
| Attributable to: | | |
| Owners of the parent | (48 769) | 38 937 |
| Non-controlling interests | 0 | 0 |

ASSETS

| <i>Amount '000 PLN</i> | Note | 31.03.2012 | 31.12.2011 |
|---|------|-------------------|-------------------|
| Cash, balances with the Central Bank | | 2 103 273 | 2 017 798 |
| Loans and advances to banks | 9 | 1 353 812 | 2 660 374 |
| Financial assets valued at fair value through profit and loss (held for trading) and adjustment from fair value hedge | 10 | 1 449 542 | 729 825 |
| Hedging derivatives | 11 | 386 095 | 130 636 |
| Loans and advances to customers | 12 | 40 498 162 | 41 332 337 |
| Investment financial assets | 13 | 4 135 871 | 3 133 595 |
| - available for sale | | 4 135 871 | 3 133 595 |
| - held to maturity | | 0 | 0 |
| Investments in associates | | 14 277 | 11 155 |
| Receivables from securities bought with sell-back clause (loans and advances) | | 38 412 | 2 209 |
| Property, plant and equipment | | 199 060 | 212 347 |
| Intangible assets | | 30 626 | 32 267 |
| Non-current assets held for sale | | 30 405 | 32 713 |
| Receivables from Tax Office resulting from current tax | | 15 848 | 101 985 |
| Deferred tax assets | | 173 670 | 113 816 |
| Other assets | | 303 162 | 327 042 |
| Total Assets | | 50 732 215 | 50 838 099 |

LIABILITIES AND EQUITY

| <i>Amount '000 PLN</i> | Note | 31.03.2012 | 31.12.2011 |
|---|------|-------------------|-------------------|
| LIABILITIES | | | |
| Deposits from banks | 14 | 1 889 533 | 1 831 577 |
| Financial liabilities valued at fair value through profit and loss (held for trading) | 15 | 317 587 | 574 215 |
| Hedging derivatives | 16 | 1 494 651 | 2 298 099 |
| Deposits from customers | 17 | 37 933 237 | 37 427 835 |
| Liabilities from securities sold with buy-back clause | | 2 449 664 | 1 606 628 |
| Debt securities | 18 | 716 531 | 1 071 193 |
| Provisions | | 29 339 | 35 427 |
| Deferred income tax liabilities | | 0 | 0 |
| Current tax liabilities | | 5 232 | 1 320 |
| Other liabilities | | 728 997 | 742 332 |
| Subordinated debt | | 629 968 | 663 228 |
| Total Liabilities | | 46 194 739 | 46 251 854 |
| EQUITY | | | |
| Share capital | | 1 213 117 | 1 213 117 |
| Share premium | | 1 147 502 | 1 147 502 |
| Revaluation reserve | | (59 011) | 99 865 |
| Retained earnings | | 2 235 868 | 2 125 761 |
| Total equity attributable to owners of the parent | | 4 537 476 | 4 586 245 |
| Non-controlling interests | | 0 | 0 |
| Total Equity | | 4 537 476 | 4 586 245 |
| Total Liabilities and Equity | | 50 732 215 | 50 838 099 |
| Book value | | 4 537 476 | 4 586 245 |
| Number of shares | | 1 213 116 777 | 1 213 116 777 |
| Book value per share (in PLN) | | 3,74 | 3,78 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| <i>Amount '000 PLN</i> | Total consolidated equity | Share capital | Share premium | Revaluation reserve | Retained earnings |
|--|---------------------------|---------------|---------------|---------------------|-------------------|
| Equity at the beginning of the period 01.01.2012 | 4 586 245 | 1 213 117 | 1 147 502 | 99 865 | 2 125 761 |
| - total comprehensive income for I quarter 2012 | (48 769) | 0 | 0 | (158 876) | 110 107 |
| Equity at the end of the period 31.03.2012 | 4 537 476 | 1 213 117 | 1 147 502 | (59 011) | 2 235 868 |

| <i>Amount '000 PLN</i> | Total consolidated equity | Share capital | Share premium | Revaluation reserve | Retained earnings |
|--|---------------------------|---------------|---------------|---------------------|-------------------|
| Equity at the beginning of the period 01.01.2011 | 4 090 972 | 1 213 117 | 1 147 502 | (50 256) | 1 780 609 |
| - dividend for 2010 | (121 312) | 0 | 0 | 0 | (121 312) |
| - total comprehensive income of 2011 | 616 585 | 0 | 0 | 150 121 | 466 464 |
| Equity at the end of the period 31.12.2011 | 4 586 245 | 1 213 117 | 1 147 502 | 99 865 | 2 125 761 |

| <i>Amount '000 PLN</i> | Total consolidated equity | Share capital | Share premium | Revaluation reserve | Retained earnings |
|--|---------------------------|---------------|---------------|---------------------|-------------------|
| Equity at the beginning of the period 01.01.2011 | 4 090 972 | 1 213 117 | 1 147 502 | (50 256) | 1 780 609 |
| - dividend for 2010 | (121 312) | 0 | 0 | 0 | (121 312) |
| - total comprehensive income for I quarter 2011 | 38 937 | 0 | 0 | (62 235) | 101 172 |
| Equity at the end of the period 31.03.2011 | 4 008 597 | 1 213 117 | 1 147 502 | (112 491) | 1 760 469 |

CONSOLIDATED CASH FLOW

A. CASH FLOWS FROM OPERATING ACTIVITIES

| <i>Amount '000 PLN</i> | 1.01.2012 - 31.03.2012 | 1.01.2011 - 31.03.2011 |
|---|---------------------------|---------------------------|
| Profit (loss) after taxes | 110 107 | 101 172 |
| Adjustments for: | 1 081 904 | 128 567 |
| Non-controlling interests profit (loss) | 0 | 0 |
| Interests in net income (loss) of associated companies | (3 122) | 0 |
| Depreciation and amortization | 14 063 | 17 305 |
| Foreign exchange (gains)/ losses | (105 120) | 31 654 |
| Dividends | (20) | (17) |
| Changes in provisions | (6 088) | (4 411) |
| Result on sale and liquidation of investing activity assets | (1 991) | (929) |
| Change in financial assets valued at fair value through profit and loss (held for trading) | (806 213) | 260 355 |
| Change in loans and advances to banks | 976 091 | 432 368 |
| Change in loans and advances to customers | 834 071 | 452 212 |
| Change in receivables from securities bought with sell-back clause (loans and advances) | (36 203) | (28 037) |
| Change in financial liabilities valued at fair value through profit and loss (held for trading) | (1 060 076) | (767 696) |
| Change in deposits from banks | 127 344 | (32 473) |
| Change in deposits from customers | 505 402 | 64 653 |
| Change in liabilities from securities sold with buy-back clause | 843 036 | (405 852) |
| Change in debt securities | (284 314) | (2 154) |
| Change in income tax settlements | 94 921 | 24 575 |
| Income tax paid | (27 459) | (24 494) |
| Change in other assets and liabilities | 11 742 | 104 409 |
| Other | 5 840 | 7 099 |
| Net cash flows from operating activities | 1 192 011 | 229 739 |

B. CASH FLOWS FROM INVESTING ACTIVITIES

| <i>Amount '000 PLN</i> | 1.01.2012 - 31.03.2012 | 1.01.2011 - 31.03.2011 |
|---|---------------------------|---------------------------|
| Inflows: | 2 374 | 968 154 |
| Proceeds from sale of property, plant and equipment and intangible assets | 2 354 | 195 |
| Proceeds from sale of shares in associates | 0 | 0 |
| Proceeds from sale of financial assets valued at fair value through profit and loss | 0 | 0 |
| Proceeds from sale of investment financial assets | 0 | 967 942 |
| Other | 20 | 17 |
| Outflows: | (408 923) | (545) |
| Acquisition of property, plant and equipment and intangible assets | (504) | (545) |
| Acquisition of shares in associates | 0 | 0 |
| Acquisition of financial assets valued at fair value through profit and loss | 0 | 0 |
| Acquisition of investment financial assets | (408 419) | 0 |
| Other | 0 | 0 |
| Net cash flows from investing activities | (406 549) | 967 609 |

C. CASH FLOWS FROM FINANCING ACTIVITIES

| <i>Amount '000 PLN</i> | 1.01.2012 - 31.03.2012 | 1.01.2011 - 31.03.2011 |
|---|---------------------------|---------------------------|
| Inflows: | 0 | 0 |
| Long-term bank loans | 0 | 0 |
| Issue of debt securities | 0 | 0 |
| Increase in subordinated debt | 0 | 0 |
| Net proceeds from issues of shares and additional capital paid-in | 0 | 0 |
| Other | 0 | 0 |
| Outflows: | (73 025) | (105 533) |
| Repayment of long-term bank loans | 0 | 0 |
| Redemption of debt securities | (70 348) | (97 347) |
| Decrease in subordinated debt | 0 | 0 |
| Issue of shares expenses | 0 | 0 |
| Redemption of shares | 0 | 0 |
| Dividends paid and other payments to owners | 0 | 0 |
| Other | (2 677) | (8 186) |
| Net cash flows from financing activities | (73 025) | (105 533) |

| | | |
|---|-----------|-----------|
| D. NET CASH FLOWS, TOTAL (A + B + C) | 712 437 | 1 091 815 |
| E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD | 3 643 000 | 3 259 049 |
| F. CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD (D+E) | 4 355 437 | 4 350 864 |

IV. NOTES TO CONSOLIDATED FINANCIAL DATA

Note (1) Interest income and other of similar nature, including:

| | 1.01.2012- 31.03.2012 | 1.01.2011- 31.03.2011 |
|---|--------------------------|--------------------------|
| Balances with the Central Bank | 14 328 | 10 874 |
| Deposits, loans and advances to banks | 1 976 | 5 033 |
| Loans and advances to customers | 491 062 | 413 356 |
| Transactions with repurchase agreement | 1 898 | 768 |
| Hedging derivatives | 194 179 | 110 017 |
| Financial assets held for trading (debt securities) | 7 881 | 11 064 |
| Investment securities | 51 279 | 61 328 |
| Total | 762 603 | 612 440 |

Interest income for I quarter of 2012 includes interest accrued on loans with recognized impairment of PLN 30,043 thousand (for the comparative data for I quarter of 2011, such interest was PLN 23,428 thousand). This interest income is calculated based on net exposure amounts, which take into account the impairment charges made.

Note (2) Interest expense and other of similar nature, including:

| | 1.01.2012- 31.03.2012 | 1.01.2011- 31.03.2011 |
|--|--------------------------|--------------------------|
| Banking deposits | (2 574) | (2 700) |
| Loans and advances | (15 231) | (20 826) |
| Transactions with repurchase agreement | (18 371) | (11 572) |
| Deposits from customers | (416 574) | (304 796) |
| Subordinated debt | (5 149) | (6 809) |
| Debt securities | (8 413) | (9 540) |
| Other | (425) | (233) |
| Total | (466 737) | (356 476) |

Note (3) Fee and commission income

| | 1.01.2012- 31.03.2012 | 1.01.2011- 31.03.2011 |
|--|--------------------------|--------------------------|
| Resulting from accounts service | 22 901 | 26 597 |
| Resulting from money transfers, cash payments and withdrawals and other payment transactions | 9 154 | 11 312 |
| Resulting from loans granted | 16 738 | 15 820 |
| Resulting from guarantees and sureties granted | 5 555 | 5 011 |
| Resulting from payment and credit cards | 47 721 | 42 395 |
| Resulting from sale of insurance products | 24 564 | 19 346 |
| Resulting from distribution of investment funds units and other savings products | 4 324 | 13 547 |
| Resulting from brokerage and custody service | 5 555 | 9 400 |
| Resulting from investment funds managed by the Group | 16 301 | 19 045 |
| Other | 3 705 | 2 718 |
| Total | 156 518 | 165 191 |

Note (4) Fee and commission expense

| | 1.01.2012- 31.03.2012 | 1.01.2011- 31.03.2011 |
|--|--------------------------|--------------------------|
| Resulting from accounts service | (413) | (288) |
| Resulting from money transfers, cash payments and withdrawals and other payment transactions | (383) | (1 140) |
| Resulting from loans granted | (4 439) | (3 755) |
| Resulting from payment and credit cards | (15 266) | (6 695) |
| Resulting from brokerage and custody service | (1 129) | (1 610) |
| Resulting from investment funds managed by the Group | (1 090) | (581) |
| Other | (1 247) | (1 212) |
| Total | (23 967) | (15 281) |

Note (5) Result on financial instruments valued at fair value through profit and loss

| | 1.01.2012- 31.03.2012 | 1.01.2011- 31.03.2011 |
|---|--------------------------|--------------------------|
| Operations on securities | 1 131 | (3 789) |
| Operations on derivatives | (12 694) | (2 114) |
| Fair value hedge accounting operations including: | 2 573 | 186 |
| - result from hedging derivatives | 5 041 | 9 763 |
| - result from items subjected to hedging | (2 468) | (9 577) |
| Foreign exchange result | 38 488 | 40 144 |
| Costs of financial operations | (176) | (167) |
| Total | 29 322 | 34 260 |

Note (6) General and administrative expenses

| | 1.01.2012- 31.03.2012 | 1.01.2011- 31.03.2011 |
|--|--------------------------|--------------------------|
| Staff costs: | (142 392) | (133 489) |
| Salaries | (118 729) | (112 214) |
| Surcharges on pay | (20 025) | (17 698) |
| Employee benefits, including: | (3 638) | (3 577) |
| - provisions for unused employee holiday | (5) | (9) |
| - other | (3 633) | (3 568) |
| General administrative costs | (125 989) | (121 884) |
| Costs of advertising, promotion and representation | (8 463) | (10 698) |
| Costs of software maintenance and IT services | (5 501) | (5 239) |
| Costs of renting | (47 606) | (44 943) |
| Costs of buildings maintenance, equipment and materials | (6 493) | (6 706) |
| ATM and cash costs | (5 176) | (4 735) |
| Costs of communications and IT | (15 507) | (17 132) |
| Costs of consultancy, audit and legal advisory and translation | (3 117) | (3 441) |
| Taxes and fees | (4 698) | (4 474) |
| KIR clearing charges | (765) | (705) |
| PFRON costs | (1 519) | (1 400) |
| Banking Guarantee Fund costs | (8 613) | (7 692) |
| Financial Supervision costs | (2 605) | (2 418) |
| Other | (15 926) | (12 301) |
| Total | (268 381) | (255 373) |

Note (7) Impairment losses on financial assets

| | 1.01.2012- 31.03.2012 | 1.01.2011- 31.03.2011 |
|---|--------------------------|--------------------------|
| Impairment losses on loans and advances to customers | (44 062) | (41 369) |
| - Impairment write-offs created in the period | (199 592) | (177 275) |
| - Impairment write-offs released in the period | 151 094 | 135 720 |
| - Amounts recovered from loans written off | 882 | 186 |
| - Sale of receivables | 3 554 | 0 |
| Impairment losses on securities | 0 | 0 |
| - Impairment write-offs created in the period | 0 | 0 |
| - Impairment write-offs released in the period | 0 | 0 |
| Impairment losses on off-balance sheet liabilities | 6 327 | 4 313 |
| - Impairment write-offs for off-balance sheet liabilities | (8 389) | (3 213) |
| - Reversal of impairment write-offs for off-balance sheet liabilities | 14 716 | 7 526 |
| Total | (37 735) | (37 056) |

Note (8a) Income tax reported in income statement

| | 1.01.2012- 31.03.2012 | 1.01.2011- 31.03.2011 |
|--|--------------------------|--------------------------|
| Current tax | (52 777) | (35 264) |
| Current year | (52 777) | (35 264) |
| Deferred tax: | 22 588 | 7 026 |
| Recognition and reversal of temporary differences | 22 500 | 9 998 |
| Recognition / (Utilisation) of tax loss | 88 | (2 972) |
| Adjustment resulted from Article 38a of CIT | (1) | 0 |
| Total income tax reported in income statement | (30 190) | (28 238) |

Note (8b) Effective tax rate

| | 1.01.2012- 31.03.2012 | 1.01.2011- 31.03.2011 |
|---|--------------------------|--------------------------|
| Gross profit / (loss) | 140 297 | 129 410 |
| Statutory tax rate | 19% | 19% |
| Income tax according to obligatory income tax rate of 19% | (26 656) | (24 588) |
| Impact of permanent differences on tax charges: | (3 533) | (3 650) |
| - Non taxable income | 385 | 198 |
| Dividend income | 0 | 0 |
| Release of other provisions | 380 | 0 |
| Other | 5 | 198 |
| - Non tax-deductible costs | (3 918) | (3 848) |
| Loss realised on the sale of receivables portfolio | (1 363) | 0 |
| PFRON fee | (288) | (266) |
| Other | (2 267) | (3 582) |
| Adjustment resulted from Article 38a of CIT | (1) | 0 |
| Total income tax reported in income statement | (30 190) | (28 238) |

Note (8c) Deferred tax reported directly in equity

| | 31.03.2012 | 31.12.2011 |
|--|------------|------------|
| Valuation of available for sale securities | (765) | 652 |
| Valuation of cash flow hedging instruments | 14 607 | (24 077) |
| Deferred tax reported directly in equity | 13 842 | (23 425) |

On 1 January 2011 the Bank created with a subsidiary - Millennium Services Sp. z o.o. ., Tax Capital Group (TCG). TCG is a vehicle, described in and subject to the provisions of the Polish Corporate Income Tax law. The essence of TCG is to concentrate two or more related entities as one taxpayer for the corporate income tax purposes. The creation of TCG does not lead to the creation of a new entity, and consolidation is done only at the level of corporate income tax settlements.

TCG formation is aimed at increasing the efficiency of tax management within the Group and reducing risks resulting from the corporate income tax settlements through centralization of expertise of tax calculations and payments obligations to one chosen entity of the Group (the Bank).

Note (9) Loans and advances to banks

| | 31.03.2012 | 31.12.2011 |
|--|------------------|------------------|
| Current accounts | 102 600 | 141 933 |
| Deposits in other banks | 837 482 | 2 112 215 |
| Loans | 410 152 | 402 152 |
| Interest | 3 578 | 4 069 |
| Total (gross) loans and advances to banks | 1 353 812 | 2 660 374 |
| Impairment write-offs | 0 | 0 |
| Net loans and advances to banks | 1 353 812 | 2 660 374 |

Note (10) Financial assets valued at fair value through profit and loss (held for trading)

| | 31.03.2012 | 31.12.2011 |
|-----------------------------------|------------------|----------------|
| Debt securities | 1 101 978 | 316 250 |
| Issued by State Treasury | 1 101 978 | 316 250 |
| a) bills | 2 393 | 0 |
| b) bonds | 1 099 585 | 316 250 |
| Equity instruments | 169 | 1 996 |
| Quoted on the active market | 169 | 1 996 |
| a) financial institutions | 0 | 0 |
| b) non-financial institutions | 169 | 1 996 |
| Adjustment from fair value hedge | 9 858 | 12 325 |
| Positive valuation of derivatives | 337 537 | 399 254 |
| Total | 1 449 542 | 729 825 |

Note (10)/Note (15) Valuation of derivatives, Adjustment from fair value hedge, and Liabilities from short sale of securities as at 31.03.2012

| | Fair value | | |
|---|---------------|----------------|----------------|
| | Total | Assets | Liabilities |
| 1. Interest rate derivatives | 4 372 | 207 134 | 202 763 |
| Forward Rate Agreements (FRA) | 934 | 971 | 37 |
| Interest rate swaps (IRS) | 8 640 | 204 636 | 195 996 |
| Other interest rate contracts: volatility swap, swap with FX option | (5 202) | 1 527 | 6 729 |
| 2. FX derivatives | 16 628 | 37 240 | 20 612 |
| FX contracts | 2 030 | 8 755 | 6 725 |
| FX swaps | 20 591 | 26 470 | 5 879 |
| Other FX contracts (CIRS) | (5 993) | 2 014 | 8 007 |
| FX options | 0 | 1 | 1 |
| 3. Embedded instruments | (71 116) | 0 | 71 116 |
| Options embedded in deposits | (45 280) | 0 | 45 280 |
| Options embedded in securities issued | (25 836) | 0 | 25 836 |
| 4. Indexes options | 75 910 | 93 162 | 17 252 |
| Valuation of derivatives | 25 794 | 337 537 | 311 743 |
| Valuation of hedged consumer loans portfolio | | 9 858 | |
| Liabilities from short sale of securities | | | 5 844 |

Note (10)/Note (15) Valuation of derivatives, Adjustment from fair value hedge, and Liabilities from short sale of securities as at 31.12.2011

| | Fair value | | |
|---|------------------|----------------|----------------|
| | Total | Assets | Liabilities |
| 1. Interest rate derivatives | 2 039 | 256 334 | 254 295 |
| Forward Rate Agreements (FRA) | 658 | 780 | 122 |
| Interest rate swaps (IRS) | 7 725 | 255 073 | 247 347 |
| Other interest rate contracts: volatility swap, swap with FX option | (6 345) | 481 | 6 826 |
| 2. FX derivatives | (172 581) | 82 086 | 254 666 |
| FX contracts | (759) | 12 474 | 13 234 |
| FX swaps | (151 902) | 65 426 | 217 329 |
| Other FX contracts (CIRS) | (19 919) | 4 133 | 24 052 |
| FX options | 0 | 52 | 52 |
| 3. Embedded instruments | (43 108) | 0 | 43 108 |
| Options embedded in deposits | (24 163) | 0 | 24 163 |
| Options embedded in securities issued | (18 945) | 0 | 18 945 |
| 4. Indexes options | 47 939 | 60 834 | 12 896 |
| Valuation of derivatives | (165 711) | 399 254 | 564 965 |
| Valuation of hedged consumer loans portfolio | | 12 325 | |
| Liabilities from short sale of securities | | | 9 250 |

The Group applies following types of hedge accounting:

| | Cash flow volatility hedge for the flow generated by mortgage loans with floating rate, denominated in foreign currency | Cash flow volatility hedge for the flow generated by future revenues and expenditures denominated in foreign currency |
|---|--|--|
| Description of hedge transactions | The Group hedges (in time horizon limited to maturity of hedging instruments) currency risk and interest rate risk resulting from volatility in cash flows generated by mortgage loans with floating rate denominated in foreign currency. exchanging interests flow in foreign currency into PLN flows using FX SWAPS | The Group hedges FX risk resulting from future revenues and expenditures denominated in foreign currency by exchange of aforementioned flows into PLN ones. |
| Hedged items | Cash flows resulting from mortgage loans with floating rate denominated in foreign currency. | Cash flows resulting from future revenues and expenditures denominated in foreign currency. |
| Hedging instruments | FX Swap transactions | FX Forward transactions |
| Presentation of the result on the hedged and hedging transactions | effective part of valuation of hedging instruments is recognised in revaluation reserve; interest from hedging instruments (settled Swap points) are recognised in the net interest income | effective part of spot revaluation of hedging instruments is recognised in revaluation reserve; |
| | Hedging fair value of the portfolio of long-term consumer loans | Cash flow volatility hedge for the flow generated by FX mortgage portfolio and its underlying PLN deposits |
| Description of hedge transactions | The Group hedges the risk of the fair value of the long-term consumer loan portfolio denominated in PLN based on a fixed interest rate. The risk hedged results from interest rate fluctuations | The Group hedges the risk of the volatility of cash flows generated by FX mortgages and by PLN deposits financially underlying such loans. The volatility of cash flows results from the currency risk and interest rate risk. |
| Hedged items | Fixed rate PLN long-term consumer loan portfolio. | Cash flows resulting from the mortgage loan portfolio and PLN deposits funding them. |
| Hedging instruments | IRS transactions | CIRS transactions |
| Presentation of the result on the hedged and hedging transactions | adjustment to fair value of hedged assets and of the valuation of hedging instruments is recognised in profit and loss as result on financial instruments valued at fair value through profit and loss and foreign exchange result; interest on hedging and hedged instruments is recognised in net interest income | effective part of the valuation of hedging instruments is recognised in revaluation capital; interest on both the hedged and the hedging instruments is recognised in net interest income; valuation of hedging and hedged instruments on FX differences is recognised in financial instruments valued at fair value through profit and loss and foreign exchange result |

Note (11)/Note (16) Hedge accounting 31.03.2012

| | Fair values | | | Adjustment to fair value of hedged items for hedged risk |
|--|--------------------|----------------|------------------|--|
| | Total | Assets | Liabilities | |
| Fair value hedging derivatives connected with interest rate risk | | | | |
| IRS contracts | (18 305) | 218 | 18 523 | 9 858 |
| CIRS contracts | (81 060) | 0 | 81 060 | |
| Cash flows hedging derivatives connected with interest rate and/or FX rate | | | | |
| CIRS contracts | (1 117 254) | 224 054 | 1 341 308 | x |
| FX SWAP contracts | 159 042 | 159 226 | 184 | x |
| FX Forward contracts | (50 979) | 2 597 | 53 576 | x |
| Total | (1 108 556) | 386 095 | 1 494 651 | x |

Note (11)/Note (16) Hedge accounting 31.12.2011

| | Fair values | | | Adjustment to fair value of hedged items for hedged risk |
|--|--------------------|----------------|------------------|--|
| | Total | Assets | Liabilities | |
| Fair value hedging derivatives connected with interest rate risk | | | | |
| IRS contracts | (19 841) | 195 | 20 036 | 12 325 |
| Cash flows hedging derivatives connected with interest rate and/or FX rate | | | | |
| CIRS contracts | (1 986 978) | 89 391 | 2 076 369 | x |
| FX SWAP contracts | (88 359) | 41 050 | 129 409 | x |
| FX Forward contracts | (72 285) | 0 | 72 285 | x |
| Total | (2 167 463) | 130 636 | 2 298 099 | x |

Note (12) Loans and advances to customers

| | 31.03.2012 | 31.12.2011 |
|---|-------------------|-------------------|
| Loans and advances | 37 206 923 | 37 984 890 |
| - to companies | 6 684 808 | 6 438 670 |
| - to private individuals | 29 682 388 | 30 699 165 |
| - to public sector | 839 727 | 847 055 |
| Receivables on account of payment cards | 800 341 | 822 652 |
| - due from companies | 34 572 | 29 066 |
| - due from private individuals | 765 769 | 793 586 |
| Purchased receivables | 93 065 | 69 426 |
| - from companies | 50 805 | 7 055 |
| - from public sector | 42 261 | 62 371 |
| Guarantees and sureties realised | 25 736 | 234 |
| Debt securities eligible for rediscount at Central Bank | 17 469 | 17 573 |
| Financial leasing receivables | 3 314 386 | 3 397 143 |
| Other | 1 350 | 1 509 |
| Interest | 263 786 | 256 279 |
| Total gross | 41 723 056 | 42 549 706 |
| Impairment write-offs | (1 224 894) | (1 217 369) |
| Total net | 40 498 162 | 41 332 337 |

Note (12) Quality of loans and advances to customers portfolio

| | 31.03.2012 | 31.12.2011 |
|---|-------------------|-------------------|
| Loans and advances to customers (gross) | 41 723 056 | 42 549 706 |
| - impaired | 2 084 261 | 2 104 134 |
| - not impaired | 39 638 795 | 40 445 572 |
| Impairment write-offs | (1 224 894) | (1 217 369) |
| - for impaired exposures | (1 035 869) | (1 028 290) |
| - for incurred but not reported losses (IBNR) | (189 025) | (189 079) |
| Loans and advances to customers (net) | 40 498 162 | 41 332 337 |

Note (12) Loans and advances to customers portfolio by methodology of impairment assessment

| | 31.03.2012 | 31.12.2011 |
|--|-------------------|-------------------|
| Loans and advances to customers (gross) | 41 723 056 | 42 549 706 |
| - case by case analysis | 1 108 902 | 1 134 557 |
| - collective analysis | 40 614 154 | 41 415 149 |
| Impairment write-offs | (1 224 894) | (1 217 369) |
| - on the basis of case by case analysis | (446 573) | (440 667) |
| - on the basis of collective analysis | (778 321) | (776 702) |
| Loans and advances to customers (net) | 40 498 162 | 41 332 337 |

Note (12) Loans and advances to customers portfolio by customers

| | 31.03.2012 | 31.12.2011 |
|--|-------------------|-------------------|
| Loans and advances to customers (gross) | 41 723 056 | 42 549 706 |
| - corporate customers | 11 101 884 | 10 892 513 |
| - individuals | 30 621 172 | 31 657 193 |
| Impairment write-offs | (1 224 894) | (1 217 369) |
| - for receivables from corporate customers | (633 643) | (628 028) |
| - for receivables from private individuals | (591 251) | (589 341) |
| Loans and advances to customers (net) | 40 498 162 | 41 332 337 |

Note (12) Change of impairment write-offs for loans and advances to customers

| | 01.01.2012 - 31.03.2012 | 01.01.2011 - 31.12.2011 |
|--|----------------------------|----------------------------|
| Balance at the beginning of the period | 1 217 369 | 1 187 286 |
| Change in value of provisions: | 7 525 | 30 082 |
| Impairment write-offs created in the period | 199 592 | 599 103 |
| Amounts written off | (21 778) | (114 239) |
| Impairment write-offs released in the period | (151 094) | (419 043) |
| Changes resulting from FX rates differences | (14 086) | 25 638 |
| sale of receivables | (5 157) | (61 657) |
| Other | 48 | 280 |
| Balance at the end of the period | 1 224 894 | 1 217 369 |

Note (13) Investment financial assets available for sale

| | 31.03.2012 | 31.12.2011 |
|--|------------------|------------------|
| Debt securities | 4 134 510 | 3 132 507 |
| Issued by State Treasury | 2 429 554 | 1 927 780 |
| a) bills | 0 | 0 |
| b) bonds | 2 429 554 | 1 927 780 |
| Issued by Central Bank | 1 599 275 | 1 099 887 |
| a) bills | 1 599 275 | 1 099 887 |
| b) bonds | 0 | 0 |
| Other securities | 105 681 | 104 840 |
| a) listed | 0 | 0 |
| b) not listed | 105 681 | 104 840 |
| | | |
| Shares and interests in other entities | 1 361 | 1 088 |
| | | |
| Total financial assets available for sale | 4 135 871 | 3 133 595 |

Note (14) Deposits from banks

| | 31.03.2012 | 31.12.2011 |
|-----------------------------|------------------|------------------|
| In current account | 161 989 | 146 393 |
| Term deposits | 257 897 | 163 485 |
| Loans and advances received | 1 463 514 | 1 520 012 |
| Interest | 6 133 | 1 687 |
| Total | 1 889 533 | 1 831 577 |

Note (17) Deposits from customers by type structure

| | 31.03.2012 | 31.12.2011 |
|---|-------------------|-------------------|
| Amounts due to private individuals | 22 808 894 | 23 013 040 |
| Balances on current accounts | 7 650 253 | 7 341 102 |
| Term deposits | 14 847 632 | 15 354 993 |
| Other | 125 778 | 124 686 |
| Accrued interest | 185 231 | 192 259 |
| Amounts due to companies | 12 451 108 | 12 893 058 |
| Balances on current accounts | 2 700 329 | 3 069 164 |
| Term deposits | 9 501 460 | 9 549 544 |
| Other | 183 725 | 215 016 |
| Accrued interest | 65 594 | 59 334 |
| Amounts due to public sector | 2 673 235 | 1 521 737 |
| Balances on current accounts | 587 625 | 714 708 |
| Term deposits | 2 055 831 | 770 357 |
| Other | 20 585 | 34 093 |
| Accrued interest | 9 194 | 2 579 |
| Total | 37 933 237 | 37 427 835 |

Note (18) Change of debt securities

| | 01.01.2012 - 31.03.2012 | 01.01.2011 - 31.12.2011 |
|--|----------------------------|----------------------------|
| Balance at the beginning of the period | 1 071 193 | 1 141 007 |
| - change of bonds issued in leasing portfolio securitization transaction | (70 348) | (359 814) |
| - change of bonds issued by subsidiary company | (299 795) | 279 763 |
| - change of bonds issued by the Bank | (25 510) | (142 562) |
| - change of bank's securities issued | 40 991 | 152 799 |
| Balance at the end of the period | 716 531 | 1 071 193 |

V. CHANGES IN RISK MANAGEMENT PROCESS

Risk management performs a key role in the strategy of balanced and sustainable development of the Bank Millennium Group, supporting optimisation of relationships between risk and returns within various business lines and maintenance of adequate risk profile relative to capital and liquidity.

In order to ensure effective risk management and coherent policy the Bank Millennium Group has implemented risk management model under which credit, market, liquidity and operational risks are managed in an integrated manner.

Credit risk

In Q1 2012 the Bank Millennium Group focused (both in the corporate and retail segment) on further improvement of solutions both in the area of credit policy and tools/processes of credit risk management and systematic monitoring of their effects. In particular, this pertained to the rating system (corporate rating system and the model for assessing specialist lending), calibration of scoring models for natural persons, collateral policy and sectoral policy.

In Q1 2012 there were also verified the capital management and planning principles.

Changes in the loan portfolio of the Group in I Q 2012 is summarized below:

| In '000 PLN | 31.03.2012 | | 31.12.2011 | |
|--|---------------------------------|-----------------------------|---------------------------------|-----------------------------|
| | Loans and advances to customers | Loans and advances to banks | Loans and advances to customers | Loans and advances to banks |
| Not overdue and without impairment | 37 431 397 | 1 353 812 | 38 361 813 | 2 660 374 |
| Overdue, but without impairment | 2 207 398 | 0 | 2 083 759 | 0 |
| With impairment | 2 084 261 | 0 | 2 104 134 | 0 |
| Gross | 41 723 056 | 1 353 812 | 42 549 706 | 2 660 374 |
| Impairment write-offs together with IBNR | (1 224 894) | 0 | (1 217 369) | 0 |
| Net | 40 498 162 | 1 353 812 | 41 332 337 | 2 660 374 |

Market risk

In the 1 quarter of 2012, the Bank continued its conservative approach to market risk management adopted already in 2009 and 2010. In effect, VaR indicators for the Global Bank, that is Trading Book and Banking Book, remained in the period under consideration at medium-low levels with average exposure to market risk of approx. PLN 8.27 m (18% of the limit) and approx. PLN 22.96 m (28% of the limit). Exposures by risk types are presented in the table below.

VaR measures for market risk ('000 PLN)

| | 31.03.2012 | | VaR (from 31 December 2011 till 31 March 2012 r.) | | | 31.12.2011 | |
|------------------------|---------------|--------------------------------------|--|---------------|---------------|---------------|--------------------------------------|
| | Exposure | Average use of limit in period | Average | Maximum | Minimum | Exposure | Average use of limit in period |
| Total risk | 18 937 | 21% | 20 447 | 26 341 | 14 857 | 19 925 | 22% |
| Generic risk | 16 159 | 18% | 17 663 | 23 557 | 12 079 | 16 912 | 19% |
| Interest Rate VaR | 16 074 | 18% | 17 604 | 23 550 | 12 125 | 16 871 | 19% |
| FX Risk | 458 | 5% | 381 | 1 588 | 42 | 94 | 1% |
| Equity risk | 0 | n.a. | 0 | 0 | 0 | 0 | n.a. |
| Diversification Effect | 2% | | | | | 0% | |
| Non-linear risk | 0 | 0% | 0 | 0 | 0 | 0 | 0% |
| Commodities risk | 0 | 0% | 0 | 0 | 0 | 0 | 0% |
| Specific risk | 2 778 | 7% | 2 781 | 2 793 | 2 778 | 2 790 | 7% |

Open positions contain mainly interest rate and FX risk instruments. FX risk covers all FX exposures as open positions are allowed only in trade and strategic portfolio which belong to Trading Book.

In Q1 2012 Value at Risk limits were not exceeded.

In case of the Banking Book, in order to manage interest rate risk, the non-trading portfolio sensitivity analysis has been performed and hedging strategies have been applied to mitigate this risk. Interest rate risk is transferred from the Commercial in monthly cycles and follows the rule of placing the transactions below 1 year to Funding and above the year to ALM area.

In connection with the interest rate risk transfer from Commercial and Structural areas, the process of hedged portfolio value calculation was implemented (cash loans and leasing) within a series of additional stress tests performed for hedging structures. The objective of these tests, assuming changes of the shape and positioning of the yield curves, is to verify effectiveness of hedging against interest rate risk.

Liquidity risk

During 1Q 2012 the main liquidity measures, remained within the limits. Immediate and quarterly liquidity indicators constantly showed positive values and remained in positive trend. At the end of March 2012, immediate and quarterly liquidity internal indicators were positive and reached the levels of PLN 2.4 bn and PLN 0.9 bn, respectively. In the area of structural liquidity also safely, positive values were recorded reaching values far away from the defined limits.

In 1Q 2012 limits established for both internal and Supervisory liquidity measures were not exceeded.

Large, strongly diversified and stable deposit base provides the bank with its main financing source. Deposit base concentration, as measured by the share of 5 and 20 biggest depositors at the end of March 2012 was maintained at the level observed for years, i.e. 5.7% and 10.9% respectively. Such level of concentration does not affect the stability of the deposit base. Despite this, in order to hedge against deposit base fluctuations the Bank shall maintain a reserve of liquid assets in the form of the securities portfolio. Additionally, in February 2012 the Bank prolonged for the next year the agreement concerning the unconditional and irrevocable undertaking that the BCP would grant an immediate loan in the amount of 200 million EUR.

Operational risk

In order to identify and measure operational risk relative to its operations, the Group has been performing 3 mutually complementing activities:

- collecting information on losses, both internal and external;
- monitoring key risk indicators; and
- performing periodical self-assessment of risk level in processes.

In 1 quarter 2012, the Group continued performance of activities focusing on continuous improvement and increase of threat awareness among its work force including, in particular, employees having impact upon implementation of processes within organisation. In this area in the previous quarter the Group put special emphasis on risk assessment and identification and the ways of limiting and monitoring.

VI. OPERATIONAL SEGMENTS

The Group's activity is pursued on the basis of diverse business lines, which offer specific products and services targeted at the market segments listed below:

Retail Customer Segment

The Retail Customers Segment covers activity targeted at mass-market Customers, affluent Customers, small companies and individual entrepreneurs.

The activity of the above business lines is developed with use of the full offer of banking products and services as well as sales of specialised products offered by subsidiaries in the group. In the credit products area the key portfolio growth factors are mortgage loans, retail credit products, credit card revolving credit as well as leasing products for small companies. Meanwhile key Customers funds include: current and saving accounts, term deposits, mutual funds and structured products. Additionally the offer comprises insurance products, mainly linked with loans and credit cards, as well as specialised savings products. The product offer for affluent customers was enriched to include selected mutual funds of other financial intermediaries, foreign funds and structured bonds issued by the Bank.

Corporate Customer Segment

The Corporate Customers Segment is based on activity targeted at Small and Medium sized Companies as well as Large Corporations. The offer is also addressed to Customers from the Public Sector.

Business in the Corporate Customers segment is pursued with use of a high quality offer of typical banking products (loans for day-to-day activity, investment loans, current accounts, term deposits) supplemented by a range of cash management products as well as treasury products (including derivatives) and leasing and factoring services.

Treasury and investment activity

This segment covers the Group's activity as regards investments by the Treasury Department, brokerage, inter-bank market transactions and taking positions in debt securities, which are not assigned to other segments. This segment includes other assets and other liabilities, assets and liabilities connected with hedging derivatives, liabilities connected with external funding of the Group and deferred income tax assets not assigned to any of the segments.

Unallocated (Other) assets and liabilities and revenues and expenses

The income tax charge has been presented at the Group level only.

For each segment the pre-tax profit is determined, comprising:

- Net interest income calculated on the basis of interest on external working assets and liabilities of the segment as well as allocated assets and liabilities generating internal interest income or cost. Internal income and costs are calculated based on market interest rates with internal valuation model applied;
- Net commission income;
- Other income from financial transactions and FX gains, such as: dividend income, result on investment and trading activity, FX gains/losses and result on other financial instruments;
- Other operating income and expenses;
- Costs on account of impairment of financial and non-financial assets;
- Segment share in operating costs, including personnel and administration costs;
- Segment share in depreciation costs.

The assets and liabilities of commercial segments are the operating assets and liabilities used by the segment in its operations, allocated on business grounds. The difference between operating assets and liabilities is covered by money market assets/liabilities and debt securities. The assets and liabilities of the Treasury and Investment Banking segment are money market assets/liabilities and debt securities not allocated to commercial segments.

Income statement 01.01.2012 - 31.03.2012

| In '000 PLN | Retail Banking | Corporate Banking | Treasury and Investment Banking | Total consolidated |
|---|------------------|-------------------|---------------------------------|--------------------|
| Net interest income | 247 433 | 60 731 | (12 298) | 295 866 |
| external income | 357 184 | 162 698 | 242 721 | 762 603 |
| external cost | (262 890) | (153 842) | (50 005) | (466 737) |
| External income less cost | 94 294 | 8 856 | 192 716 | 295 866 |
| internal income | 284 035 | 144 204 | (428 238) | 0 |
| internal cost | (130 896) | (92 329) | 223 224 | 0 |
| Internal income less cost | 153 139 | 51 875 | (205 014) | 0 |
| Net fee and commission income | 96 640 | 33 279 | 2 633 | 132 551 |
| Dividends, other income from financial operations and foreign exchange profit | 21 235 | 11 768 | (2 235) | 30 768 |
| Other operating income and cost | 1 756 | (4 220) | 660 | (1 805) |
| Operating income | 367 064 | 101 557 | (11 240) | 457 381 |
| Staff costs | (101 300) | (33 363) | (7 729) | (142 392) |
| Administrative costs | (101 440) | (16 304) | (8 245) | (125 989) |
| Impairment losses on assets | (19 654) | (21 651) | 3 544 | (37 761) |
| Depreciation and amortization | (12 267) | (1 598) | (199) | (14 063) |
| Operating expenses | (234 661) | (72 915) | (12 629) | (320 205) |
| Share in net profit of associated companies | 0 | 0 | 3 122 | 3 122 |
| Profit / (loss) before taxes | 132 403 | 28 642 | (20 747) | 140 297 |
| Income taxes | | | | (30 190) |
| Profit / (loss) after taxes | | | | 110 107 |

Balance sheet 31.03.2012

| In '000 PLN | Retail Banking | Corporate Banking | Treasury and Investment Banking | Total consolidated |
|----------------------------------|-------------------|-------------------|---------------------------------|--------------------|
| ASSETS | | | | |
| Segment assets | 31 459 488 | 14 071 754 | 5 200 973 | 50 732 215 |
| Assets allocated to segment | 645 858 | 2 763 990 | (3 409 848) | 0 |
| Total | 32 105 346 | 16 835 744 | 1 791 125 | 50 732 215 |
| LIABILITIES | | | | |
| Segment liabilities | 26 733 156 | 15 406 465 | 4 055 118 | 46 194 739 |
| Liabilities allocated to segment | 2 313 488 | 173 699 | (2 487 187) | 0 |
| Equity allocated to segment | 3 058 702 | 1 255 580 | 223 194 | 4 537 476 |
| Total | 32 105 346 | 16 835 744 | 1 791 125 | 50 732 215 |

Income statement 01.01.2011 - 31.03.2011

| In '000 PLN | Retail Banking | Corporate Banking | Treasury and Investment Banking | Total consolidated |
|---|------------------|-------------------|---------------------------------|--------------------|
| Net interest income | 227 712 | 60 075 | (31 823) | 255 964 |
| external income | 308 748 | 122 673 | 181 019 | 612 440 |
| external cost | (200 018) | (103 591) | (52 867) | (356 476) |
| External income less cost | 108 730 | 19 082 | 128 152 | 255 964 |
| internal income | 217 794 | 98 526 | (316 320) | 0 |
| internal cost | (98 812) | (57 533) | 156 345 | 0 |
| Internal income less cost | 118 982 | 40 993 | (159 975) | 0 |
| Net fee and commission income | 112 103 | 32 043 | 5 764 | 149 910 |
| Dividends, other income from financial operations and foreign exchange profit | 22 857 | 11 403 | 1 079 | 35 339 |
| Other operating income and cost | 969 | (3 576) | 790 | (1 817) |
| Operating income | 363 641 | 99 945 | (24 190) | 439 396 |
| Staff costs | (93 288) | (31 875) | (8 326) | (133 489) |
| Administrative costs | (98 105) | (16 345) | (7 434) | (121 884) |
| Impairment losses on assets | (22 024) | (15 069) | (215) | (37 308) |
| Depreciation and amortization | (14 538) | (2 115) | (652) | (17 305) |
| Operating expenses | (227 955) | (65 404) | (16 627) | (309 986) |
| Share in net profit of associated companies | 0 | 0 | 0 | 0 |
| Profit / (loss) before taxes | 135 686 | 34 541 | (40 817) | 129 410 |
| Income taxes | | | | (28 238) |
| Profit / (loss) after taxes | | | | 101 172 |

Balance sheet 31.12.2011

| In '000 PLN | Retail Banking | Corporate Banking | Treasury and Investment Banking | Total consolidated |
|----------------------------------|-------------------|-------------------|---------------------------------|--------------------|
| ASSETS | | | | |
| Segment assets | 29 727 878 | 13 538 125 | 7 572 096 | 50 838 099 |
| Assets allocated to segment | 3 403 840 | 1 180 685 | (4 584 525) | 0 |
| Total | 33 131 718 | 14 718 810 | 2 987 571 | 50 838 099 |
| LIABILITIES | | | | |
| Segment liabilities | 27 971 468 | 13 447 209 | 4 833 177 | 46 251 854 |
| Liabilities allocated to segment | 2 287 224 | 173 654 | (2 460 878) | 0 |
| Equity allocated to segment | 2 873 026 | 1 097 947 | 615 272 | 4 586 245 |
| Total | 33 131 718 | 14 718 810 | 2 987 571 | 50 838 099 |

VII. DATA ON ASSETS SECURING LIABILITIES

As at 31 March 2012, the Bank's following assets secured its liabilities (In '000 PLN):

| No. | Type of assets | Portfolio | Secured liability | Par value of assets | Balance sheet value of assets |
|--------------|---------------------------------|-------------------------|---|---------------------|-------------------------------|
| 1. | Treasury bonds WZ0115 | available for sale | Lombard credit granted to the Bank by the NBP | 130 000 | 131 309 |
| 2. | Treasury bonds OK0114 | available for sale | Initial security deposit for bond futures | 500 | 462 |
| 3. | Treasury bonds WZ0115 | available for sale | Security of loan agreement | 161 000 | 162 621 |
| 4. | Treasury bonds WZ0115 | available for sale | Security of Guaranteed Monies Protection Fund under the Bank Guarantee Fund | 37 545 | 37 923 |
| 5. | Treasury bonds OK0112 | available for sale | Security of Guaranteed Monies Protection Fund under the Bank Guarantee Fund | 16 374 | 15 965 |
| 6. | Treasury bonds PS0416 | available for sale | Security of Guaranteed Monies Protection Fund under the Bank Guarantee Fund | 25 548 | 26 863 |
| 7. | Treasury bonds OK0114 | available for sale | Security of Guaranteed Monies Protection Fund under the Bank Guarantee Fund | 133 000 | 122 826 |
| 8. | Cash | | Payment to the Futures Settlement Guarantee Fund | 100 | 100 |
| 9. | Deposits | Deposits on other banks | Settlement on transactions entered | 828 378 | 828 378 |
| 10. | Loans and advances to customers | Loans and advances | Loan agreement | 118 407 | 118 017 |
| TOTAL | | | | 2 509 269 | 2 476 387 |

As at 31 December 2011, the Bank's following assets securing its liabilities (In '000 PLN):

| No. | Type of assets | Portfolio | Secured liability | Par value of assets | Balance sheet value of assets |
|-------|---------------------------------|-------------------------|---|---------------------|-------------------------------|
| 1. | Treasury bonds WZ0115 | available for sale | Lombard credit granted to the Bank by the NBP | 280 000 | 284 301 |
| 2. | Treasury bonds OK0114 | available for sale | Lombard credit granted to the Bank by the NBP | 500 | 453 |
| 3. | Treasury bonds WZ0115 | available for sale | Initial security deposit for bond futures | 37 545 | 38 122 |
| 4. | Treasury bonds OK1012 | available for sale | Security of Guaranteed Monies Protection Fund under the Bank Guarantee Fund | 16 374 | 15 788 |
| 5. | Treasury bonds PS0416 | available for sale | Security of Guaranteed Monies Protection Fund under the Bank Guarantee Fund | 25 548 | 26 204 |
| 6. | Treasury bonds OK0114 | available for sale | Security of Guaranteed Monies Protection Fund under the Bank Guarantee Fund | 133 000 | 120 624 |
| 7. | Cash | | Payment to the Futures Settlement Guarantee Fund | 100 | 100 |
| 8. | Deposits | Deposits on other banks | Settlement on transactions entered | 1 801 044 | 1 801 044 |
| 9. | Loans and advances to customers | Loans and advances | Loan agreement | 127 009 | 125 793 |
| TOTAL | | | | 2 421 120 | 2 412 429 |

VIII. DIVIDEND FOR 2011

According to the decision of the General Meeting held on 20 April 2012, the Bank will not pay the dividend from the profit for the year ended 31 December 2011 (this whole profit was dedicated for reserve capital).

The dividend amounted to PLN 0.1 gross per share, was paid on 30 May 2011 from the profit for the year ended 31 December 2010

IX. EARNINGS PER SHARE

Profit per share calculated for I quarter 2012 (and diluted profit per share) on the basis of the consolidated data amounted to PLN 0,09.

X. SHAREHOLDERS HOLDING NO LESS THAN 5% OF THE TOTAL NUMBER OF VOTES AT THE SHAREHOLDER MEETING OF THE GROUP'S PARENT COMPANY - BANK MILLENNIUM S.A.

The data relating to number of shares, percentage share in equity, number of votes and their percentage share in total number of votes at the Shareholder Meeting were prepared based on: information included in the shareholders' announcements sent to the Bank in accordance with art 69 of the "Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies", or based on information provided by shareholders when registering at the Bank's Shareholder Meeting (the number of shares registered at the Shareholder Meeting may be lower than the number of shares actually held) as well as information published otherwise as stipulated by legal regulations.

Data as at the delivery date of the report for I quarter 2012

| Shareholder | Number of shares | % share in share capital | Number of votes | % share in votes at Shareholders' Meeting |
|--------------------------------|------------------|--------------------------|-----------------|---|
| Banco Comercial Portugues S.A. | 794 751 136 | 65.51 | 794 751 136 | 65.51 |
| ING Otwarty Fundusz Emerytalny | 61 645 799 | 5.08 | 61 645 799 | 5.08 |

Information as published in financial statement for 2011

| Shareholder | Number of shares | % share in share capital | Number of votes | % share in votes at Shareholders' Meeting |
|--------------------------------|------------------|--------------------------|-----------------|---|
| Banco Comercial Portugues S.A. | 794 751 136 | 65.51 | 794 751 136 | 65.51 |
| ING Otwarty Fundusz Emerytalny | 60 762 472 | 5.01 | 60 762 472 | 5.01 |

XI. INFORMATION ABOUT LOAN SURETIES OR GUARANTEES EXTENDED BY THE GROUP

In I Q 2012, the Group did not grant any sureties or guarantees for a loan or bank loan to a single entity, which would cause the Group's exposure on this account to the Client as at 31 March 2012 to exceed 10% of the Group's equity as at the balance sheet date.

XII. DESCRIPTION OF RELATED PARTY TRANSACTIONS

Description of related party transactions

All the transactions concluded between Group entities in the period from 1 January 2012 to 31 March 2012 resulted from their ongoing activity. Below, we are presenting amounts of the most important intra-group transactions concluded between the following entities, which were eliminated in the data consolidation process:

- BANK MILLENNIUM S.A.,
- MILLENNIUM LEASING Sp. z o.o.,
- MILLENNIUM DOM MAKLESKI S.A.,
- MILLENNIUM TFI S.A.,
- BBG FINANCE B.V.
- MB FINANCE A.B.,
- ORCHIS Sp. z o.o.,
- MILLENNIUM SERVICE Sp. z o.o.,
- MILLENNIUM TELECOMMUNICATION SERVICES Sp. z o.o.,
- TBM Sp. z o.o.

and with the Capital Group of Bank parent company - Banco Comercial Portugues (these transactions are mainly of banking nature). Apart from transactions described herein, in the indicated period neither Bank Millennium S.A., nor subsidiaries of Bank Millennium S.A. made any other transactions with related entities, which individually or jointly may have been significant and concluded under terms and conditions other than market-based.

ASSETS AND LIABILITIES FROM TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) AS AT 31.03.2012

| | With subsidiaries | With parent Group |
|---|-------------------|-------------------|
| ASSETS | | |
| Loans and advances to banks - accounts and deposits | 201 107 | 11 434 |
| Loans and advances to customers | 2 103 982 | 0 |
| Receivables from securities bought with sell-back clause | 10 503 | 0 |
| Investments in associates | 307 842 | 0 |
| Investment financial assets | 215 561 | 0 |
| Financial assets valued at fair value through profit and loss (held for trading) | 2 972 | 0 |
| Hedging derivatives | 0 | 8 025 |
| Other assets | 280 681 | 81 |
| LIABILITIES | | |
| Deposits from banks | 2 034 143 | 70 635 |
| Deposits from customers | 530 766 | 0 |
| Liabilities from securities sold with buy-back clause | 10 503 | 0 |
| Debt securities | -106 439 | 0 |
| Hedging derivatives | 0 | 186 638 |
| Financial liabilities valued at fair value through profit and loss (held for trading) | 450 | 241 |
| Other liabilities | 353 309 | 569 |
| - including liabilities from financial leasing | 71 692 | 0 |

ASSETS AND LIABILITIES FROM TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) AS AT 31.12.2011

| | With subsidiaries | With parent Group |
|---|-------------------|-------------------|
| ASSETS | | |
| Loans and advances to banks - accounts and deposits | 221 963 | 248 655 |
| Loans and advances to customers | 1 843 071 | 0 |
| Receivables from securities bought with sell-back clause | 15 707 | 0 |
| Investments in associates | 311 287 | 0 |
| Investment financial assets | 215 616 | 0 |
| Financial assets valued at fair value through profit and loss (held for trading) | 3 618 | 0 |
| Hedging derivatives | 0 | 0 |
| Other assets | 297 105 | 105 |
| LIABILITIES | | |
| Deposits from banks | 1 761 654 | 74 971 |
| Deposits from customers | 622 226 | 0 |
| Liabilities from securities sold with buy-back clause | 15 707 | 00 |
| Debt securities | (176 759) | 299 795 |
| Financial liabilities valued at fair value through profit and loss (held for trading) | 1 096 | 91 |
| Hedging derivatives | 0 | 304 263 |
| Other liabilities | 379 964 | 469 |
| - including liabilities from financial leasing | 72 634 | 0 |

PROFIT AND LOSS ON TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) FOR THE PERIOD OF 1.01-31.03.2012

| | With subsidiaries | With parent Group |
|-------------------------------------|-------------------|-------------------|
| Income from: | | |
| Interest | 28 255 | 29 179 |
| Commissions | 10 729 | 0 |
| Derivatives net | 0 | 0 |
| Dividends | 24 185 | 0 |
| Other net operating income | 26 762 | 238 |
| Expense from: | | |
| Interest | 29 694 | 9 499 |
| Commissions | 11 404 | 760 |
| Derivatives net | 0 | 128 |
| General and administrative expenses | 26 419 | 979 |

PROFIT AND LOSS ON TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) FOR THE PERIOD OF 1.01-31.03.2011

| | With subsidiaries | With parent Group |
|-------------------------------------|-------------------|-------------------|
| Income from: | | |
| Interest | 23 373 | 10 208 |
| Commissions | 12 639 | 0 |
| Derivatives net | 0 | 693 |
| Dividends | 0 | 0 |
| Other net operating income | 20 266 | 559 |
| Expense from: | | |
| Interest | 25 009 | 10 135 |
| Commissions | 12 916 | 897 |
| Derivatives net | 426 | 0 |
| General and administrative expenses | 19 140 | 1 400 |

OFF-BALANCE TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) AS AT 31.03.2012

| | With subsidiaries | With parent Group |
|-------------------------|-------------------|-------------------|
| Conditional commitments | 68 945 | 942 027 |
| Derivatives (par value) | 89 912 | 5 200 930 |

OFF-BALANCE TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) AS AT 31.12.2011

| | With subsidiaries | With parent Group |
|-------------------------|-------------------|-------------------|
| Conditional commitments | 123 238 | 986 570 |
| Derivatives (par value) | 154 177 | 5 361 126 |

Balance of the Bank's shares held by the Bank's Supervisory and Management Board Members

| Name and surname | Function | Number of shares as of delivery date of quarterly report prepared as at 31.03.2012 | Number of shares as published in financial statement for 2011 |
|--|--|--|---|
| Bogusław Kott | Chairman of the Management Board | 4 465 791 | 4 465 791 |
| Joao Bras Jorge | Deputy Chairman of the Management Board | 0 | 0 |
| Fernando Bicho | Member of the Management Board | 0 | 0 |
| Julianna Boniuk-Gorzelańczyk | Member of the Management Board | 492 248 | 492 248 |
| Maria Jose Campos | Member of the Management Board | 0 | 0 |
| Andrzej Gliński | Member of the Management Board | 0 | 0 |
| Wojciech Haase | Member of the Management Board | 7 494 | 7 494 |
| Artur Klimczak | Member of the Management Board | 0 | 0 |
| Jerzy Andrzejewicz | Proxy | 6 260 | 6 260 |
| Maciej Bednarkiewicz | Chairman of the Supervisory Board | 134 | 134 |
| Ryszard Pospieszynski | Deputy Chairman of the Supervisory Board | 86 300 | 86 300 |
| Carlos Jorge Ramalho dos Santos Ferreira | Deputy Chairman of the Supervisory Board | 0 | 0 |
| Marek Furtek | Secretary of the Supervisory Board | 1 | 1 |
| Luis Pereira Coutinho | Member of the Supervisory Board | 0 | 0 |
| Vitor Manuel Lopes Fernandes | Member of the Supervisory Board | 0 | 0 |
| Andrzej Koźmiński | Member of the Supervisory Board | 0 | 0 |
| António Manuel Palma Ramalho | Member of the Supervisory Board | 0 | 0 |
| Nelson Ricardo Bessa Machado | Member of the Supervisory Board | 0 | 0 |
| Marek Rocki | Member of the Supervisory Board | 0 | 0 |
| Dariusz Rosati | Member of the Supervisory Board | 0 | 0 |

The General Meeting of the Bank on 20 April, appointed the Supervisory Board in amended in relation to the above presented composition (as described in chapter I 'General information about the Issuer'). At present, the Bank has no information about the status of the Bank's own shares held by the newly elected members of the Supervisory Board.

XIII. CONTINGENT ASSETS AND LIABILITIES

The total value of the largest lawsuits as at 31 March 2012, in which Group companies acted as claimants or defendants before courts and arbitration bodies, was PLN 459.7 million. The total value of the largest lawsuits, in which Group companies acted as defendants was PLN 301.8 million and the total value of the largest lawsuits, in which Group companies acted as claimants was PLN 157.9 million.

Descriptions of the important, accordingly opinion of the issuer, ongoing lawsuits involving the Group's entities, broken down into three categories are following:

Proceedings connected with derivatives

As of 31 March 2012 the Bank was party to 41 lawsuits connected with derivatives, where in 32 cases the Bank was the defendant, while in 9 as the plaintiff. Accordingly to the Bank's best knowledge the total disputed value in these lawsuits was PLN 322.8 million. The highest unit value of the dispute was PLN 71 million

The largest lawsuits connected with derivatives in which Group companies are defendants:

Lawsuit 1

Plaintiff: legal person

Value of the object of the dispute: PLN 71,065,495

Object: Claim for return of amounts due on account of settlement of FX options.

Case status: On 10 January 2011 the lawsuit was formally received by an attorney of the Bank, who in cooperation with the Bank prepared and delivered on 24 January 2011 to the court a reply to the lawsuit. The first hearing on November 23, 2011, was of the preparation nature. The Court obliged representatives of parties to make some actions to be completed within 14 days, under the threat of suspension of the proceedings. Dates for further hearings the Court appointed for 16.03.2012, and 30.03.2012, during these hearings further witnesses were questioned. Case in progress.

Expectations: the Bank's attorney has a positive view of the chances of the Bank getting a positive ruling.

Lawsuit 2

Plaintiff: legal person

Value of the object of the dispute: PLN 31,049,160

Object: The plaintiff claims that the disputed transaction was not concluded effectively owing to failure to agree on essential components. Additionally the plaintiff claims that he has evaded the legal effects of his statements of will, which were made in error.

Case status: The first hearing was held on 26 October 2010. During this hearing witnesses were questioned. Other witnesses were heard and investigation of phone calls started during hearings, which took place April 12, 8 November 2011, and 28 February 2012. Next hearing is appointed at 12 June 2012.

Expectations: the Bank's attorney has a positive view of the chances of the Bank getting a positive ruling.

The other largest lawsuits in which Group companies are defendants except Proceedings with participation of the Chairman of UOKiK:

Lawsuit 1

Plaintiff: joint stock company in bankruptcy

Value of the subject matter of the dispute: PLN 49,075,504

Object: Ruling ineffectiveness of:

- conditional real estate sale agreement in Świnoujście between a joint stock company seated in Świnoujście and a joint stock company seated in Sopot;
- real estate sale agreement in Świnoujście;
- three operating sale and leaseback agreements dated 18 June 2002.

Description of the case: Currently the case is pending before the District Court in Gdańsk. The Court accepted as evidence the opinion of an expert in the matter of appraisal of the value of real estate as on 25 October 2002. The opinion was delivered to the parties. The plaintiff in the letter of 15 October 2010 questioned the calculations resulting from the opinion, petitioned for preparing an additional opinion and for expanding the team of court experts to include an expert on the fuels trading market. In a letter dated 2 November 2010 the Group petitioned for dismissal of the plaintiff's petitions to admit evidence of the additional opinion and to expand the team of experts as well as for summoning the expert for the next hearing for him to provide explanations to the opinion. On 21 February 2011 a hearing was held with participation of the expert. In the letter of 1 March 2011 the plaintiff's attorney-at-law petitioned for disclosure of the books of the premises for purposes of preparing a new opinion and for expanding the team of court experts to include an expert on the fuels trading market. In the letter of 29 March 2011 the attorney-at-law of the defendant petitioned for new questioning of the expert about his opinion and for dismissal of the petitions, contained in the plaintiff's letter of 1 March 2011.

On 4 April 2011 another hearing was held, where the court dismissed the plaintiff's petitions as well as the defendant's petition for a supplementary questioning of the expert. On 29 April 2011 the District Court in Gdańsk dismissed all complaints of plaintiff, adjudging the amount of PLN 18,015 to the Millennium Leasing as return of incurred court fees. On 27 June 2011 the Court received the appeal of the plaintiff, which the attorney of company received on 9 September. Then, on 26 September 2011, was sent a reply, which sought to dismiss the appeal in its entirety. On 11 October 2011 Regional Court at the request of the Millennium Leasing amended obvious clerical error found in the judgment of 29 April (instead of defining the subject matter of the dispute as a matter "for recognition of the legal acts for the unsuccessful" indicated "payment"). The next hearing has been postponed till 17 April 2012, and the expert who had provided opinion has been called for appointment. On 17 April 2012 the case was postponed once again (no date was set), additionally the Court decided to question an expert using video conference formula, the term shall be designated by the Court.

According to the Group's estimations, regardless of the verdict issued by the court, there is no need to establish any reserves; the only financial consequences for the Group are limited to incurred court fees.

Lawsuit 2

Plaintiff: natural person

Value of the subject matter of the dispute: PLN 2,263,894

Object: Claim aimed at depriving the feasibility of the Executive title

Case status: In the judgment of the Court of Appeal, case returned to the Court of first instance, in order to judge whether termination of the agreement was effective. On 13 April 2012, the Court issue a verdict in the favour of plaintiff. The Bank' attorney requested the preparation and providing justification of the verdict. The verdict is not legally valid.

Proceedings with participation of the Chairman of UOKiK:*Proceedings concerning determination of interchange fees in connection with transactions done with Visa and Europay/Eurocard/Mastercard cards*

The Bank is a party in proceedings instituted by the Chairman of UOKiK against operators of the Visa and Europay systems as well as banks - issuers of Visa and Europay/Eurocard/Mastercard cards. The proceedings concern practices restricting competition on the card payments market in Poland, whereby interchange fees were said to be agreed jointly for transactions done with Visa and Europay/Eurocard/Mastercard cards and also access was restricted for entrepreneurs who did not belong to the association of card issuers against whom the proceedings were instituted.

On 29 December 2006 the Chairman of UOKiK deemed the practices consisting in jointly agreeing on interchange fees as restricting competition and ordered desisting from their use, at the same time imposing i.a. on the Bank a cash penalty of PLN 12.148.370. On 19 January 2007 the Bank appealed against the decision of the Chairman of UOKiK to SOKiK. On 25 August 2008 SOKiK gave a ruling, in which it decided to suspend enforcement of the appealed decision in the item concerning the order to desist from jointly agreeing on the interchange fees.

In the ruling of 12 November 2008 SOKiK changed the appealed decision so that it did not find use of practice restricting competition, consisting in participation by banks participants in the proceedings (including the Bank) in an agreement restricting competition on the market of outsourcing of services connected with payment of consumers' liabilities to merchants on account of payments for goods and services purchased by the consumers with use of cards in Poland, by jointly agreeing on interchange fees charged on transactions done with Visa and MasterCard cards in Poland. On 12 January 2009 the Chairman of UOKiK appealed against this ruling. Response to the appeal has been lodged by the Bank on 13 February 2009. On 22/04/2010, the appeals hearing was held, after which the Court of Appeal overturned the verdict entirely, sending the case back to the court of first instance. Next trial date has been appointed at 9 February 2012. At the meeting held on 9 February 2012, the Court took into account the request of the representative of the Bank and set the date of the next hearing on April 24, and then on May 8. Case in progress.

OFF-BALANCE ITEMS

| <i>Amount '000 PLN</i> | 31.03.2012 | 31.12.2011 |
|---|------------------|-------------------|
| Off-balance conditional commitments granted and received | 9 599 302 | 10 036 027 |
| Commitments granted: | 8 249 516 | 8 695 495 |
| - financial | 6 203 238 | 6 641 320 |
| - guarantee | 2 046 278 | 2 054 175 |
| Commitments received: | 1 349 786 | 1 340 532 |
| - financial | 885 227 | 883 360 |
| - guarantee | 464 559 | 457 172 |

XIV. MATERIAL EVENTS OCCURRING BETWEEN THE DATE OF THIS REPORT AND THE PUBLICATION DATE

Between the date on which this report is drawn up and the date of its publication, there were no events that could significantly affect group's future financial results.

II. CONDENSED INTERIM FINANCIAL STATEMENTS OF BANK MILLENNIUM S.A. FOR THE 3 MONTHS ENDED 31 MARCH 2012

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I. INTRODUCTION AND ACCOUNTING PRINCIPLES

This condensed interim financial statement has been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting. The condensed interim financial statement does not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Bank as at and for the year ended 31 December 2011 and with the condensed interim financial statements of the Bank's Millennium Capital Group for three months ended 31 March 2012.

In accordance with 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) the Bank is required to publish the financial results for the three months ended 31 March 2012.

The Board of Directors approved this condensed unconsolidated interim financial statement on 26 April 2012.

II. UNCONSOLIDATED FINANCIAL DATA (BANK)

INCOME STATEMENT

| <i>Amount '000 PLN</i> | 1.01.2012 - 31.03.2012 | 1.01.2011 - 31.03.2011 |
|---|---------------------------|---------------------------|
| Interest income | 726 448 | 574 367 |
| Interest expense | (460 496) | (349 916) |
| Net interest income | 265 952 | 224 451 |
| Fee and commission income | 141 106 | 146 616 |
| Fee and commission expense | (19 206) | (10 568) |
| Net fee and commission income | 121 900 | 136 048 |
| Dividend income | 13 020 | 17 |
| Result on investment financial assets | 1 426 | 1 062 |
| Result on financial instruments valued at fair value through profit and loss (held for trading) and Foreign exchange result | 28 459 | 33 404 |
| Other operating income | 8 074 | 7 025 |
| Operating income | 438 831 | 402 007 |
| General and administrative expenses | (254 099) | (241 186) |
| Impairment losses on financial assets | (31 614) | (34 378) |
| Impairment losses on non financial assets | (73) | (182) |
| Depreciation and amortization | (13 575) | (16 623) |
| Other operating expenses | (9 147) | (7 489) |
| Operating expenses | (308 508) | (299 858) |
| Operating profit | 130 323 | 102 149 |
| Profit / (loss) before taxes | 130 323 | 102 149 |
| Corporate income tax | (25 615) | (22 717) |
| Profit / (loss) after taxes | 104 708 | 79 432 |
| Weighted average number of ordinary shares | 1 213 116 777 | 1 213 116 777 |
| Earnings (losses) per ordinary share (in PLN) | 0,09 | 0,07 |

TOTAL COMPREHENSIVE INCOME STATEMENT

| <i>Amount '000 PLN</i> | 1.01.2012 - 31.03.2012 | 1.01.2011 - 31.03.2011 |
|--|---------------------------|---------------------------|
| Profit / (loss) after taxes | 104 708 | 79 432 |
| Other elements of total comprehensive income, including: | | |
| Effect of valuation of available for sale debt securities | 7 177 | (9 375) |
| Effect of valuation of available for sale shares | 0 | 310 |
| Hedge accounting | (203 598) | (67 768) |
| Other elements of total comprehensive income before taxes | (196 421) | (76 833) |
| Corporate income tax on other elements of total comprehensive income | 37 320 | 14 598 |
| Other elements of total comprehensive income after taxes | (159 101) | (62 235) |
| Total comprehensive income of the period | (54 393) | 17 197 |

ASSETS

| <i>Amount '000 PLN</i> | 31.03.2012 | 31.12.2011 |
|---|-------------------|-------------------|
| Cash, balances with the Central Bank | 2 103 037 | 2 017 550 |
| Loans and advances to banks | 1 353 807 | 2 660 366 |
| Financial assets valued at fair value through profit and loss (held for trading) and adjustment from fair value hedge | 1 451 206 | 729 029 |
| Hedging derivatives | 386 095 | 130 636 |
| Loans and advances to customers | 39 349 555 | 39 832 055 |
| Investment financial assets | 4 135 584 | 3 133 585 |
| - available for sale | 4 135 584 | 3 133 585 |
| - held to maturity | 0 | 0 |
| Investments in associates | 310 980 | 311 303 |
| Receivables from securities bought with sell-back clause (loans and advances) | 38 412 | 2 209 |
| Property, plant and equipment | 193 317 | 206 525 |
| Intangible assets | 30 168 | 31 895 |
| Non-current assets held for sale | 0 | 0 |
| Receivables from Tax Office resulting from current tax | 6 312 | 86 342 |
| Deferred tax assets | 119 388 | 66 750 |
| Other assets | 385 661 | 405 032 |
| Total Assets | 49 863 522 | 49 613 277 |

LIABILITIES AND EQUITY

| <i>Amount '000 PLN</i> | 31.03.2012 | 31.12.2011 |
|---|-------------------|-------------------|
| Deposits from banks | 1 598 226 | 1 522 406 |
| Financial liabilities valued at fair value through profit and loss (held for trading) | 317 732 | 574 418 |
| Hedging derivatives | 1 494 651 | 2 298 099 |
| Deposits from customers | 38 046 616 | 37 549 802 |
| Liabilities from securities sold with buy-back clause | 2 460 167 | 1 622 335 |
| Debt securities | 410 256 | 394 775 |
| Provisions | 28 882 | 34 970 |
| Deferred income tax liabilities | 0 | 0 |
| Current tax liabilities | 1 350 | |
| Other liabilities | 669 871 | 693 048 |
| Subordinated debt | 629 968 | 663 228 |
| Total Liabilities | 45 657 719 | 45 353 081 |
| Share capital | 1 213 117 | 1 213 117 |
| Share premium | 1 147 241 | 1 147 241 |
| Revaluation reserve | (59 236) | 99 865 |
| Retained earnings | 1 904 681 | 1 799 973 |
| Total Equity | 4 205 803 | 4 260 196 |
| Total Liabilities and Equity | 49 863 522 | 49 613 277 |
| Book value | 4 205 803 | 4 260 196 |
| Number of shares | 1 213 116 777 | 1 213 116 777 |
| Book value per share (in PLN) | 3,47 | 3,51 |

STATEMENT OF CHANGES IN EQUITY

| <i>Amount '000 PLN</i> | Total equity | Share capital | Share premium | Revaluation reserve | Retained earnings |
|--|--------------|---------------|---------------|---------------------|-------------------|
| Equity at the beginning of the period 01.01.2012 | 4 260 196 | 1 213 117 | 1 147 241 | 99 865 | 1 799 973 |
| - total comprehensive income for I quarter 2012 | (54 393) | 0 | 0 | (159 101) | 104 708 |
| Equity at the end of the period 31.03.2012 | 4 205 803 | 1 213 117 | 1 147 241 | (59 236) | 1 904 681 |

| <i>Amount '000 PLN</i> | Total equity | Share capital | Share premium | Revaluation reserve | Retained earnings |
|--|--------------|---------------|---------------|---------------------|-------------------|
| Equity at the beginning of the period 01.01.2011 | 3 816 045 | 1 213 117 | 1 147 241 | (50 256) | 1 505 943 |
| - dividend for 2010 | (121 312) | 0 | 0 | 0 | (121 312) |
| - total comprehensive income of 2011 | 565 463 | 0 | 0 | 150 121 | 415 342 |
| Equity at the end of the period 31.12.2011 | 4 260 196 | 1 213 117 | 1 147 241 | 99 865 | 1 799 973 |

| <i>Amount '000 PLN</i> | Total equity | Share capital | Share premium | Revaluation reserve | Retained earnings |
|--|--------------|---------------|---------------|---------------------|-------------------|
| Equity at the beginning of the period 01.01.2011 | 3 816 045 | 1 213 117 | 1 147 241 | (50 256) | 1 505 943 |
| - dividend for 2010 | (121 312) | 0 | 0 | 0 | (121 312) |
| - total comprehensive income for I quarter 2011 | 17 197 | 0 | 0 | (62 235) | 79 432 |
| Equity at the end of the period 31.03.2011 | 3 711 930 | 1 213 117 | 1 147 241 | (112 491) | 1 464 063 |

CASH FLOWS

A. CASH FLOWS FROM OPERATING ACTIVITIES

| <i>Amount '000 PLN</i> | 1.01.2012 - 31.03.2012 | 1.01.2011 - 31.03.2011 |
|---|---------------------------|---------------------------|
| Profit (loss) after taxes | 104 708 | 79 432 |
| Adjustments for: | 1 002 631 | 52 919 |
| Interests in net income (loss) of associated companies | 0 | 0 |
| Depreciation and amortization | 13 575 | 16 623 |
| Foreign exchange (gains) losses | (86 933) | 31 588 |
| Dividends | (13 020) | (17) |
| Changes in provisions | (6 088) | (4 411) |
| Result on sale and liquidation of investing activity assets | (1 456) | (822) |
| Change in financial assets valued at fair value through profit and loss (held for trading) | (808 673) | 260 139 |
| Change in loans and advances to banks | 976 088 | 432 357 |
| Change in loans and advances to customers | 482 396 | 420 286 |
| Change in receivables from securities bought with sell-back clause (loans and advances) | (36 203) | (28 037) |
| Change in financial liabilities valued at fair value through profit and loss (held for trading) | (1 060 134) | (767 838) |
| Change in deposits from banks | 125 501 | (32 473) |
| Change in deposits from customers | 496 814 | 42 195 |
| Change in liabilities from securities sold with buy-back clause | 837 832 | (405 822) |
| Change in debt securities | 15 481 | (2 413) |
| Change in income tax settlements | 93 305 | 15 829 |
| Income tax paid | (27 243) | (23 897) |
| Change in other assets and liabilities | (3 810) | 92 538 |
| Other | 5 199 | 7 094 |
| Net cash flows from operating activities | 1 107 339 | 132 351 |

B. CASH FLOWS FROM INVESTING ACTIVITIES

| <i>Amount '000 PLN</i> | 1.01.2012 - 31.03.2012 | 1.01.2011 - 31.03.2011 |
|---|---------------------------|---------------------------|
| Inflows: | 14 698 | 968 025 |
| Proceeds from sale of property, plant and equipment and intangible assets | 1 678 | 67 |
| Proceeds from sale of shares in associates | 0 | 0 |
| Proceeds from sale of financial assets valued at fair value through profit and loss | 0 | 0 |
| Proceeds from sale of investment financial assets | 0 | 967 941 |
| Other | 13 020 | 17 |
| Outflows: | (408 754) | (380) |
| Acquisition of property, plant and equipment and intangible assets | (334) | (380) |
| Acquisition of shares in associates | 0 | 0 |
| Acquisition of financial assets valued at fair value through profit and loss | 0 | 0 |
| Acquisition of investment financial assets | (408 420) | 0 |
| Other | 0 | 0 |
| Net cash flows from investing activities | (394 056) | 967 645 |

C. CASH FLOWS FROM FINANCING ACTIVITIES

| <i>Amount '000 PLN</i> | 1.01.2012 - 31.03.2012 | 1.01.2011 - 31.03.2011 |
|---|---------------------------|---------------------------|
| Inflows: | 0 | 0 |
| Long-term bank loans | 0 | 0 |
| Issue of debt securities | 0 | 0 |
| Increase in subordinated debt | 0 | 0 |
| Net proceeds from issues of shares and additional capital paid-in | 0 | 0 |
| Other | 0 | 0 |
| Outflows: | (834) | (8 186) |
| Repayment of long-term bank loans | 0 | 0 |
| Redemption of debt securities | 0 | 0 |
| Decrease in subordinated debt | 0 | 0 |
| Issue of shares expenses | 0 | 0 |
| Redemption of shares | 0 | 0 |
| Dividends paid and other payments to owners | 0 | 0 |
| Other | (834) | (8 186) |
| Net cash flows from financing activities | (834) | (8 186) |

| | | |
|--|-----------|-----------|
| D. NET CASH FLOWS, TOTAL (A + B + C) | 712 449 | 1 091 810 |
| E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD | 3 642 752 | 3 258 828 |
| F. CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD (D+E) | 4 355 201 | 4 350 638 |

Additional explanations to financial data

Further part of these condensed interim financial statements presents information and data that is important for appropriate assessment of the Bank's economic and financial situation and its financial performance, and which was not included in the condensed interim consolidated statements of Bank Millennium SA Group for the three months period ended 31 March 2012. Other information and explanations presented in the condensed interim consolidated financial statements of Bank Millennium SA Group for the three months period ended 31 March 2012 contain all important information, which also serves as explanatory data to these unconsolidated statements of the Bank.

Writing off uncollectable receivables to impairment provisions

In the period from 1 January to 31 March 2012, the Bank wrote off uncollectable receivables of PLN 15,218 thousand and charged them to impairment provisions established.

III. SEASONALITY AND BUSINESS CYCLES

In the Bank's activity, there are no significant phenomena, which are cyclical or subject to seasonal variations.

IV. DESCRIPTION OF NON-STANDARD FACTORS AND EVENTS

The Bank's unconsolidated profit and loss account includes dividends received from subsidiaries, which, for the purposes of the Group's consolidated statements are eliminated as intra-group transactions. The value of such dividends for I quarter 2012 and I quarter 2011 (comparative data) was PLN 13,000 thousand and PLN 0 thousand, respectively.

V. ISSUE, REDEMPTION OR REPAYMENT OF DEBT OR EQUITY INSTRUMENTS

During the 3 months ended 31 March 2012, the Bank's liabilities on account of a debt securities issues increased by PLN 15.5 million. The bonds were issued under the Banks' Bond Issue Scheme, under which the Bank may issue multiple bond series (private placement issues) in the total nominal value not exceeding PLN 2,000,000,000 or its equivalent in EUR, USD, CHF. Additionally Bank offers new structured products in the form of Bank Securities, which are issued under Banking Law and are restricted to banks only.

VI. OFF-BALANCE SHEET LIABILITIES

As at 31 March 2012 and 31 December 2011, the structure of off-balance sheet liabilities was as follows:

OFF-BALANCE ITEMS

| Amount '000 PLN | 31.03.2012 | 31.12.2011 |
|---|------------------|-------------------|
| Off-balance conditional commitments granted and received | 9 668 247 | 10 159 264 |
| Commitments granted: | 8 317 340 | 8 817 765 |
| - financial | 6 203 283 | 6 691 362 |
| - guarantee | 2 114 057 | 2 126 403 |
| Commitments received: | 1 350 907 | 1 341 499 |
| - financial | 885 227 | 883 360 |
| - guarantee | 465 680 | 458 139 |

VII. STATEMENT OF RELATED PARTY TRANSACTIONS

All the transactions concluded between Group entities in the period from 1 January 2012 to 31 March 2012 resulted from their ongoing activity. Below, we are presenting amounts of the most important intra-group transactions concluded between the following entities:

- MILLENNIUM LEASING Sp. z o.o.,
- MILLENNIUM DOM MAKLESKI S.A.,
- MILLENNIUM TFI S.A.,
- BBG FINANCE B.V.,
- MB FINANCE A.B.,
- ORCHIS Sp. z o.o.
- MILLENNIUM SERVICE Sp. z o.o.,
- MILLENNIUM TELECOMMUNICATION SERVICES,
- TBM Sp. z o.o.

and with the Capital Group of Bank parent company - Banco Comercial Portugues (these transactions are mainly of banking nature).

Apart from transactions described herein, in the indicated period neither Bank Millennium S.A., nor subsidiaries of Bank Millennium S.A. made any other transactions with related entities, which individually or jointly may have been significant and concluded under terms and conditions other than market-based.

ASSETS AND LIABILITIES FROM TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) AS AT 31.03.2012

| | With subsidiaries | With parent Group |
|---|-------------------|-------------------|
| ASSETS | | |
| Loans and advances to banks - accounts and deposits | 0 | 11 434 |
| Loans and advances to customers | 2 029 425 | 0 |
| Investments in associates | 300 070 | 0 |
| Financial assets valued at fair value through profit and loss (held for trading) | 2 826 | 0 |
| Hedging derivatives | 0 | 8 025 |
| Other assets | 246 016 | 81 |
| LIABILITIES | | |
| Deposits from banks | 0 | 70 635 |
| Deposits from customers | 207 701 | 0 |
| Liabilities from securities sold with buy-back clause | 10 503 | 0 |
| Hedging derivatives | 0 | 186 638 |
| Financial liabilities valued at fair value through profit and loss (held for trading) | 145 | 241 |
| Other liabilities | 107 846 | 569 |
| - including liabilities from financial leasing | 70 448 | 0 |

ASSETS AND LIABILITIES FROM TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) AS AT 31.12.2011

| | With subsidiaries | With parent Group |
|---|-------------------|-------------------|
| ASSETS | | |
| Loans and advances to banks - accounts and deposits | 0 | 248 655 |
| Loans and advances to customers | 1 757 548 | 0 |
| Investments in associates | 300 687 | 0 |
| Financial assets valued at fair value through profit and loss (held for trading) | 3 021 | 0 |
| Hedging derivatives | 0 | 0 |
| Other assets | 261 857 | 105 |
| LIABILITIES | | |
| Deposits from banks | 0 | 74 971 |
| Deposits from customers | 228 926 | 0 |
| Liabilities from securities sold with buy-back clause | 15 707 | 0 |
| Hedging derivatives | 0 | 304 263 |
| Financial liabilities valued at fair value through profit and loss (held for trading) | 203 | 91 |
| Other liabilities | 118 599 | 469 |
| - including liabilities from financial leasing | 72 469 | 0 |

PROFIT AND LOSS ON TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) FOR THE PERIOD OF 1.01-31.03.2012

| | With subsidiaries | With parent Group |
|-------------------------------------|-------------------|-------------------|
| Income from: | | |
| Interest | 20 904 | 29 179 |
| Commissions | 10 651 | 0 |
| Derivatives net | 0 | 0 |
| Dividends | 13 000 | 0 |
| Other net operating income | 0 | 238 |
| Expense from: | | |
| Interest | 2 298 | 7 986 |
| Commissions | 12 | 760 |
| Derivatives net | 92 | 128 |
| Other net operating income | 314 | 0 |
| General and administrative expenses | 23 761 | 940 |

PROFIT AND LOSS ON TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) FOR THE PERIOD OF 1.01-31.03.2011

| | With subsidiaries | With parent Group |
|----------------------------|-------------------|-------------------|
| Income from: | | |
| Interest | 16 373 | 10 208 |
| Commissions | 12 984 | 0 |
| Derivatives net | 677 | 693 |
| Dividends | 0 | 0 |
| Other net operating income | 718 | 559 |
| Expense from: | | |
| Interest | 1 957 | 10 135 |
| Commissions | 9 | 897 |
| Derivatives net | 16 870 | 1 385 |

OFF-BALANCE TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) AS AT 31.03.2012

| | With subsidiaries | With parent Group |
|-------------------------|-------------------|-------------------|
| Conditional commitments | 68 945 | 942 027 |
| Derivatives (par value) | 89 912 | 5 200 930 |

OFF-BALANCE TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) AS AT 31.12.2011

| | With subsidiaries | With parent Group |
|-------------------------|-------------------|-------------------|
| Conditional commitments | 123 238 | 986 570 |
| Derivatives (par value) | 154 177 | 5 361 126 |