



**Interim Extended Financial Statement of
Capital Group of Bank Millennium S.A.
issued under International Financial Reporting Standards
for the first quarter 2008**

MAIN FINANCIAL DATA

	Amount '000 PLN		Amount '000 EUR	
	I quarter / period from 1.01.2008 - 31.03.2008	I quarter / period from 1.01.2007 - 31.03.2007*	I quarter / period from 1.01.2008 - 31.03.2008	I quarter / period from 1.01.2007 - 31.03.2007*
I. Interest income	526 603	349 546	148 030	89 482
II. Fee and commission income	155 410	131 905	43 686	33 767
III. Operating income	445 030	370 501	125 100	94 846
IV. Operating profit	158 760	105 699	44 628	27 058
V. Profit / (loss) before taxes	158 760	105 699	44 628	27 058
VI. Profit (loss) after taxes	127 023	84 243	35 707	21 566
VII. Net cash flows from operating activities	1 938 036	-246 014	544 790	-62 978
VIII. Net cash flows from investing activities	-59 736	752 332	-16 792	192 593
IX. Net cash flows from financing activities	0	0	0	0
X. Net cash flows, total	1 878 300	506 318	527 998	129 615
XI. Total Assets	33 936 644	30 530 106	9 625 232	8 523 201
XII. Deposits from banks	2 398 091	2 568 688	680 155	717 110
XIII. Deposits from customers	24 120 996	21 800 662	6 841 283	6 086 170
XIV. Equity	2 485 559	2 519 932	704 963	703 499
XV. Share capital	849 182	849 182	240 848	237 069
XVI. Number of shares	849 181 744	849 181 744	849 181 744	849 181 744
XVII. Book value per share (in PLN / EUR)	2.93	2.97	0.83	0.83
XVIII. Diluted book value per share (in PLN / EUR)	2.93	2.97	0.83	0.83
XIX. Capital adequacy ratio	13.23%	13.75%	13.23%	13.75%
XX. Earnings (losses) per ordinary share (in PLN / EUR)	0.15	0.10	0.04	0.03
XXI. Diluted earnings (losses) per ordinary share (in PLN / EUR)	0.15	0.10	0.04	0.03
XXII. Pledged or paid dividend per share (in PLN/EUR)	0.19	0.17	0.05	0.05

* - Comparable balance sheet data (items XI-XIX and XXII) are presented, as required by IFRS, at 31 December 2007. Other comparable data are presented for the period from 1 January –31 March 2007.

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I. INTRODUCTION AND ACCOUNTING PRINCIPLES

The below extended financial report, containing data of the Capital Group of Bank Millennium S.A. (the Group) and of Bank Millennium S.A. (the Bank) for the first quarter 2008, composed of the balance sheet, income statement, reports on changes to equities and cash flows, and additional explanatory notes, has been issued based on the International Financial Reporting Standards/ International Accounting Standards (the IFRS). The Group has implemented the IFRS as the financial reporting basis, pursuant to the Regulation of the European Parliament and Council no. 1606/2002/WE, and the guidelines of the amended Accounting Act, as of January 1, 2005, whilst the non-consolidated report of the Bank has been based on IFRS, as of January 1, 2006. This financial report is consistent with IFRS adopted by the European Community, the description of which was presented in the Group's Consolidated Annual Report for 2007, published on 29th February 2008 and constitutes a condensed interim report pursuant to IAS 34.

II. INFORMATION ABOUT THE ACTIVITY OF BANK MILLENNIUM GROUP IN 1Q 2008

The consolidated net profit of Bank Millennium Capital Group in 1Q 2008 reached PLN 127 million i.e. 51% higher than in 1Q 2007. Bank Millennium achieved during 1Q 2008 two historical milestones:

- **More than 1 million active retail clients**
- **Positive contribution of the branch expansion project to Bank's results**

Other main highlights of results after 1st quarter this year are the following:

- **Total deposits:** +49% y/y (+11% q/q)
- **Total loans:** +44% y/y (+9% q/q)
- **Cost to Income ratio:** 61.8%
- **ROE:** 20.1%
- **Solvency ratio:** 13.2%
- **Loans to Deposits ratio:** 99.5%

Fast organic growth of business, in most segments much above average market pace of growth, allowed Bank Millennium to increase market share in several areas, being well on track to fulfill medium-term targets set for year 2009. Bank's position and market share evolution in all main product categories are presented in the table below:

Product category	December 2006	February 2008	Ranking
Loans to individuals	5.4%	6.7%	3
<i>of which mortgage</i>	9.8%	11.2%	3
<i>of which cards loans</i>	4.9%	5.4%	8
Loans to businesses	3.4%	3.1%	8
<i>of which leasing movables (sales)</i>	6.4%	6.7%	4
Total Loans	4.3%	4.9%	5
Deposits from individuals	4.0%	5.6%	6
Deposits from businesses	3.7%	4.1%	7
Total Deposits	3.9%	4.9%	6

On 28th March 2008, Annual Shareholders Meeting accepted Management Board proposal of 2007 net profit distribution: PLN 161,3 million as a dividend (PLN 0,19 per share and 35% of total consolidated profit) which will be paid on 20th May 2008.

a) Historical milestones in business development

First quarter 2008 brought two important achievements in the organic development of Bank Millennium business. Consistently growing number of retail customers has crossed 1 million in March 2008. It is important to stress that this number comprises only active retail clients – according to definition adopted by the Bank two years ago. With this result, Bank is well positioned to achieve the target of 1.2 million active retail customers in 2009.

The second milestone in the growth strategy of the Bank is the achievement of positive contribution in P&L of the branch expansion program: during 1Q 2008 the 144 new branches developed since the beginning of the program in 2006, contributed with PLN 10 million to pre-tax profit of the Bank.

At the end of March 2008, total retail network of the Bank consisted of 425 branches, including 37 financial centers and 64 retail & business outlets. Total investments spent on branch expansion program so far (including re-branding in 2006) reached PLN 149.4 million and additional c.a. PLN 100 million should be invested until the end of 2009.

b) Financial results after 1Q 2008

Operating Income (PLN million)	1Q 2008	1Q 2007	Change
Net Interest Income *	249,9	180,5	38,4%
Net Commissions Income	135,0	114,0	18,4%
Other Non-Interest Income *	60,1	76,0	-20,9%
Operating Income	445,0	370,5	20,1%

(*) 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. 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 26.9 m in 1Q 08 and PLN 11.8 m in 1Q 07) 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.

Net interest income (on a pro-forma basis) of the Group in 1Q 2008 reached PLN 249.9 million and was 38% higher than in 1Q 2007. Interest income is steadily growing quarter after quarter thanks to strong growth of business volumes. Net Interest Margin remains on high level of 3.2% in 1Q2008, better than in 1Q 2007 (2.9%) and the average for entire 2007 year (3.1%).

Net commissions income reached PLN 135 million in 1Q 2008 marking 18% growth versus 1Q 2007. However it means a drop of 7% (or PLN 10 million) versus previous quarter due to the contraction of mutual funds fees by PLN 16 million, caused by the market correction. The drop in mutual funds fees was partly compensated by the growth in other areas, such as loans, bancassurance products and credit cards.

Other non-interest income reached PLN 60.1 million, which means a 21% drop versus 1Q 2007, where there were exceptionally good results from trading on securities. Foreign exchange results were the main contributor to this item and they grew by 9% reaching the total amount of PLN 56.2 million, very similar to the one from the previous quarter.

Total operating income of Bank Millennium Group reached PLN 445 million in 1Q 2008, which means 20% growth versus homologous quarter of the previous year.

Operating Costs (PLN million)	1Q 2008	1Q 2007	Change
Personnel Costs	148,9	121,9	22,2%
Other Administrative Costs	113,1	92,4	22,3%
Depreciation & impairment of fixed assets	12,8	16,0	-20,1%
Total Operating Costs	274,9	230,4	19,3%
<i>Of which expansion</i>	<i>48,4</i>	<i>28,9</i>	
Operating costs without expansion	226,5	201,5	12,4%

Total costs in 1Q 2008 grew 19% y/y as a result of business development and especially branch expansion project. Without the expansion, total costs would grow 12%.

Personnel costs grew 22% during the year and the total headcount increased in that period by 17% (from 5 383 to 6 291 employees). The remaining part of personnel cost increase is attributable to the average compensation increase.

Administrative costs grew also by 22% y/y although dropped by 9% versus previous quarter. This can be explained by the usual seasonality of administrative costs at the turn of the year.

Depreciation (which includes provisions for non-financial assets) dropped in 1Q 2008 both versus last year (- PLN 3 million) and versus last quarter (- PLN 27 million) due to the reversion of part of the extraordinary write-off created in 4Q 2007 in connection with the move to the new headquarter.

Cost to income ratio dropped during the year from 62.2% in 1Q 2007 to 61.8% in 1Q this year, thus remained on the similar level than in entire 2007 (61.9%).

Net impairment provisions created by the Group during 1Q 2008 reached PLN 11.4 million and were lower by PLN 23 million than provisions created in 1Q 2007. Provisions created in 1Q 2008 represent 20 b.p.s. over average total loans (on annualized basis).

Profit before tax of Bank Millennium Group stood at PLN 158.8 million in 1Q 2008 (+50% y/y) and net profit stood at PLN 127.0 million (+51% y/y). Thus ROE improved significantly during one year from 15.4% to 20.1% and was better than average ROE for entire 2007 year (19.9%).

c) Business results in 1Q 2008

Total assets of the Group reached at 31 March 2008 the amount of PLN 33,937 million, growing 30% versus end of March 2007.

Key Business Volumes (PLN million)	31.03.2008	31.03.2007	Change
Total Assets	33 937	26 088	30,1%
Total Customer Funds	28 613	21 461	33,3%
- where Deposits	24 121	16 165	49,2%
- where Investment products *	4 492	5 296	-15,2%
Total Loans to Customers	23 996	16 674	43,9%
- where Mortgage loans	14 496	9 048	60,2%
- where Leasing	2 862	2 040	40,3%

(*) include mutual funds, assets under management and third party saving products sold to Millennium customers

Customers' funds of Bank Millennium Group reached PLN 28,613 million level growing 33% during one year. **Deposits** grew by 49% with exceptionally strong growth in individuals, where Bank Millennium achieved 63% yearly growth rate, much higher than 17% growth rate of entire Polish market. In deposits from companies, the Bank also managed to outperform the market, growing 31% yearly (market grew 11% in this period). The results achieved by the Bank in deposits are particularly strong having in mind a fierce competition in this area, which was started in the beginning of 2008. Bank Millennium is now the 6th biggest bank in Poland in terms of deposits base.

Volume of other **investment products** sold to Millennium's customers dropped by 15% during last 12 months as a consequence of mutual funds market correction, which is lasting since the summer of 2007. Investment products offered by Bank Millennium Group comprise own mutual funds, individually managed asset portfolios as well as third parties' funds, insurances and other savings products.

Total loans of the Group reached 23,996 million, growing almost 44% yearly. As previously, loans to individuals remain the main driver of total loans increase: they showed a 57% yearly growth rate after 1Q 2008 and represent now over 68% of the whole loan portfolio of the Bank.

Mortgage loans, the main item of the loan portfolio, grew by 60% to the level of PLN 14,496 million. However, sale of new mortgages during 1Q 2008 was 19% lower than in 1Q 2007, which was caused

by a deceleration of the entire mortgage market. Bank Millennium keeps now the third position on the mortgage market in Poland. Return to FX denominated loans can be observed in the beginning of 2008 year. In case of Bank Millennium, FX loans represented 76% of all new loans disbursed during 1Q 2008.

Cash loans portfolio grew by 58% during the last 12 months, reaching PLN 1,178 million. First quarter sales (PLN 256 million) was 23% higher than in the fourth quarter of 2007. Number of **credit cards** at the end of March 2008 reached 464 thousand and the Bank had market share of 5.5% in number of cards as of December 2007.

Corporate loans grew by 22% during last 12 months, which means slightly higher growth rate than the entire market. **Leasing** remains the main driver of the growth with 40% increase y/y. The Group's Millennium Leasing company keeps after 1Q 2008 the fourth position in the market in terms of new, non-real estate leasing contracts, with 6.7% market share.

Bank Millennium has now the 5th position in Poland in terms of total loans, while in retail loans Bank is the third biggest player.

d) Loans quality, solvency and liquidity

Loan quality and solvency indicators	31.03.2008	31.03.2007
Total impaired loans (PLN million)	794	946
Impaired Loans over Total Loans	3.2%	5.4%
Total Provisions over Impaired Loans	75%	72%
Equity (for CAR)	3 072	2 323
Capital Adequacy Ratio	13.2%	13.1%

Assets quality of Bank's loan portfolio remains very strong with improved "Impaired over total loans" ratio of 3.2%. Total impaired loans also dropped during the last 12 months by 16% and the coverage by provisions (including IBNR) remains on a strong level of 75%.

Capital position of Bank Millennium increased strongly during last 12 months as a consequence of own funds increase. 32% growth of equity (used for CAR calculation) was achieved thanks to the retention of 65% of Group net profit of 2007 (as decided by AGM on 28 March 2008) as well as due to subordinated bonds issuance in the amount of EUR 150 million (concluded in December 2007).

1Q 2008 was the first quarter, where new rules for **Capital Adequacy Ratio** (known as Basel II) applied. Since Bank Millennium is still waiting for Supervision's decision regarding implementation of

advanced IRB approach to credit risk, Group's solvency ratio was calculated under standard approach. Despite that and the strong loans growth, total CAR grew slightly versus one year ago to 13.2% thanks to the increase of own funds.

Liquidity improved again, thanks to faster growth of deposits than loans. The ratio of total loans to deposits dropped below 100% and Bank Millennium became a net lender in the money market.

e) Rating and share price main indicators

As of 31 March 2008, Bank Millennium has the following ratings:

Type of rating	FITCH agency	MOODY'S agency
Long-term deposit rating/IDR	A	A3
Short-term deposit rating	F-1	Prime-2
Financial strength rating	C/D	D
Support	1	not applicable

The main share price and market indicators for Bank Millennium are the following:

Market indicators	31.03.2008	31.03.2007
Shares outstanding	849 181 744	849 181 744
Share price (PLN)	8.29	11.19
Market capitalization (PLN million)	7 040	9 502
Book value per share (PLN)	2,93	2.53
Earnings per share (PLN) – annualized	0.60	0.40
Return on equity (ROE) - annualized	20.1%	15.4%

III. CONSOLIDATED FINANCIAL DATA (GROUP)

ASSETS

<i>Amount '000 PLN</i>	31.03.2008	31.12.2007
I. Cash, balances with the Central Bank	1 105 698	1 257 128
II. Loans and advances to banks	3 205 832	1 053 052
III. Financial assets valued at fair value through profit and loss (held for trading)	2 635 330	3 134 582
IV. Hedging derivatives	102 166	218 321
V. Loans and advances to customers	23 995 899	22 027 152
VI. Investment financial assets	1 918 970	1 894 569
- available for sale	1 918 970	1 894 569
- held to maturity	0	0
VII. Investments in associates	5 100	5 100
VIII. Receivables from securities bought with sell-back clause (loans and advances)	151 923	28 807
IX. Property, plant and equipment	333 426	337 306
X. Intangible assets	18 048	18 162
XI. Non-current assets held for sale	1 159	1 571
XII. Deferred income tax assets	95 630	159 987
XIII. Other assets	367 463	394 369
Total Assets	33 936 644	30 530 106

LIABILITIES

<i>Amount '000 PLN</i>	31.03.2008	31.12.2007
I. Deposits from banks	2 398 091	2 568 688
II. Financial liabilities valued at fair value through profit and loss (held for trading)	1 069 792	566 821
III. Hedging derivatives	77 143	20 220
IV. Deposits from customers	24 120 996	21 800 662
V. Liabilities from securities sold with buy-back clause	1 179 748	725 976
VI. Debt securities	885 516	851 474
VII. Provisions	12 784	12 351
VIII. Deferred income tax liabilities	0	0
IX. Current tax liabilities	171	6 397
X. Other liabilities	880 621	631 550
XI. Subordinated debt	826 223	826 035
Total Liabilities	31 451 085	28 010 174

EQUITY

I. Share capital	849 182	849 182
II. Share premium	471 709	471 709
III. Revaluation reserve	-2 793	-2 742
IV. Retained earnings	1 167 461	1 201 783
Total equity attributable to equity holders of the parent company	2 485 559	2 519 932
Minority interests	0	0
Total Equity	2 485 559	2 519 932
Total Liabilities and Equity	33 936 644	30 530 106
Capital adequacy ratio		
	13.23%	13.75%
Book value	2 485 559	2 519 932
Number of shares	849 181 744	849 181 744
Book value per share (in PLN)	2.93	2.97

OFF-BALANCE SHEET ITEMS

<i>Amount '000 PLN</i>	31.03.2008	31.12.2007
Contingent liabilities granted and received	8 316 616	8 032 120
1. Liabilities granted:	7 550 357	7 331 787
a) financial	5 772 306	5 547 751
b) guarantees	1 778 051	1 784 036
2. Liabilities received:	766 259	700 333
a) financial	80 000	15 936
b) guarantees	686 259	684 397

CONSOLIDATED INCOME STATEMENT

<i>Amount '000 PLN</i>	1.01.2008 - 31.03.2008	1.01.2007 - 31.03.2007
I. Interest income	526 603	349 546
II. Interest expense	-303 557	-180 812
III. Net interest income	223 046	168 734
IV. Fee and commission income	155 410	131 905
V. Fee and commission expense	-20 416	-17 928
VI. Net fee and commission income	134 994	113 977
VII. Dividend income	0	0
VIII. Result on investment financial assets	474	4 758
IX. Result on financial instruments valued at fair value through profit and loss (held for trading)	23 019	24 820
X. Foreign exchange profit	56 176	51 401
XI. Other operating income	11 255	19 380
XII. Other operating expenses	-3 934	-12 569
XIII. Operating income	445 030	370 501
XIV. General and administrative expenses	-262 026	-214 345
XV. Impairment losses on financial assets	-11 416	-34 402
XVI. Impairment losses on non financial assets	-216	524
XVII. Depreciation and amortization	-12 612	-16 579
XVIII. Operating expenses	-286 270	-264 802
XIX. Operating profit	158 760	105 699
XX. Share of profit of associates	0	0
XXI. Profit / (loss) before taxes	158 760	105 699
XXII. Corporate income tax	-31 737	-21 456
XXIII. Profit / (loss) after taxes	127 023	84 243
Attributable to:		
Equity holders of the parent	127 023	84 243
Minority interests	0	0
Weighted average number of ordinary shares	849 181 744	849 181 744
Earnings (losses) per ordinary share (in PLN)	0.15	0.10

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN 1Q 2008

	Total consolidated equity	Share capital	Share premium	Revaluation reserve on available for sale financial assets	Revaluation reserve on derivatives designated for future cash flows hedge	Retained earnings
Equity at the beginning of the period (opening balance) 01.01.2008	2 519 932	849 182	471 709	-1 949	-793	1 201 783
- purchase/sale and valuation of available for sale financial assets	-163	0	0	-163	0	0
- effect of valuation of derivatives designated for future cash flows hedge	112	0	0	0	112	0
- dividend	-161 345	0	0	0	0	-161 345
- profit / (loss) of the period after taxes	127 023	0	0	0	0	127 023
Equity at the end of the period (closing balance) 31.03.2008	2 485 559	849 182	471 709	-2 112	-681	1 167 461

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN 1Q 2007

	Total consolidated equity	Share capital	Share premium	Revaluation reserve on available for sale financial assets	Revaluation reserve on derivatives designated for future cash flows hedge	Retained earnings
Equity at the beginning of the period (opening balance) 01.01.2007	2 215 321	849 182	471 709	9 282	599	884 549
- purchase/sale and valuation of available for sale financial assets	-2 487	0	0	-2 487	0	0
- effect of valuation of derivatives designated for future cash flows hedge	-891	0	0	0	-891	0
- dividend	-144 361	0	0	0	0	-144 361
- profit / (loss) of the period after taxes	84 243	0	0	0	0	84 243
Equity at the end of the period (closing balance) 31.03.2007	2 151 825	849 182	471 709	6 795	-292	824 431

A. CASH FLOWS FROM OPERATING ACTIVITIES

<i>Amount '000 PLN</i>	1.01.2008 - 31.03.2008	1.01.2007 - 31.03.2007
I. Profit (loss) after taxes	127 023	84 243
II. Adjustments for:	1 811 013	-330 257
1. Minority profit (loss)	0	0
2. Interests in net income (loss) of associated companies	0	0
3. Depreciation and amortization	12 612	16 579
4. Foreign exchange (gains)/ losses	81 304	3 072
5. Dividends	0	0
6. Changes in provisions	433	4 879
7. Result on sale and liquidation of investing activity assets	-3 709	-7 352
8. Change in financial assets valued at fair value through profit and loss (held for trading)	531 641	-261 607
9. Change in loans and advances to banks	-13 634	255 874
10. Change in loans and advances to customers	-1 967 498	-1 740 781
11. Change in receivables from securities bought with sell-back clause (loans and advances)	-123 116	-8 769
12. Change in financial liabilities valued at fair value through profit and loss (held for trading)	559 894	156 792
13. Change in deposits from banks	-264 827	-516 220
14. Change in deposits from customers	2 320 334	95 728
15. Change in liabilities from securities sold with buy-back clause	453 772	1 850 454
16. Change in debt securities	34 042	798
17. Change in income tax settlements	33 101	20 010
18. Income tax paid	-4 745	-4 457
19. Change in other assets and liabilities	149 320	-197 683
20. Other	12 089	2 426
III. Net cash flows from operating activities	1 938 036	-246 014

B. CASH FLOWS FROM INVESTING ACTIVITIES

<i>Amount '000 PLN</i>	1.01.2008 - 31.03.2008	1.01.2007 - 31.03.2007
I. Inflows:	5 087	756 011
1. Proceeds form sale of property, plant and equipment and intangible assets	5 087	8 900
2. Proceeds form sale of shares in associates	0	0
3. Proceeds form sale of financial assets valued at fair value through profit and loss	0	0
4. Proceeds form sale of investment financial assets	0	747 111
5. Other	0	0
II. Outflows:	-64 823	-3 679
1. Acquisition of property, plant and equipment and intangible assets	-12 728	-3 679
2. Acquisition of shares in associates	0	0
3. Acquisition of financial assets valued at fair value through profit and loss	0	0
4. Acquisition of investment financial assets	-52 095	0
5. Other	0	0
III. Net cash flows from investing activities	-59 736	752 332

C. CASH FLOWS FROM FINANCING ACTIVITIES

<i>Amount '000 PLN</i>	1.01.2008 - 31.03.2008	1.01.2007 - 31.03.2007
I. Inflows:	0	0
1. Long-term bank loans	0	0
2. Issue of debt securities	0	0
3. Increase in subordinated debt	0	0
4. Net proceeds from issues of shares and additional capital paid-in	0	0
5. Other	0	0
II. Outflows:	0	0
1. Repayment of long-term bank loans	0	0
2. Redemption of debt securities	0	0
3. Decrease in subordinated debt	0	0
4. Issue of shares expenses	0	0
5. Redemption of shares	0	0
6. Dividends paid and other payments to owners	0	0
7. Other	0	0
III. Net cash flows from financing activities	0	0
D. NET CASH FLOWS, TOTAL (A III+B III+C III)	1 878 300	506 318
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD	2 172 683	1 642 747
F. CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD (D+E)	4 050 983	2 149 065

ADDITIONAL EXPLANATIONS ON FINANCIAL DATA***FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE THROUGH THE PROFIT AND LOSS ACCOUNT***

At present both the Bank and the Group classify as financial instruments measured at fair value through the profit and loss account only instruments for trading, not using the possibility of designating for this category instruments at initial presentation.

RATES USED TO CONVERT FINANCIAL DATA TO EURO

The following FX rates were used to convert figures to EURO:

- for balance sheet items: 3.5258 PLN/EURO rate on 31 March 2008 (for comparable data: 3.5820 PLN/EURO),
- for profit and loss account items for the period between 1 January – 31 March 2008 – 3.5574 PLN/EURO, computed as average of rates at ends of months covered by the report (for comparable data: 3.9063 PLN/EURO).

IV. FINANCIAL DATA (BANK)

ASSETS

<i>Amount '000 PLN</i>	31.03.2008	31.12.2007
I. Cash, balances with the Central Bank	1 105 407	1 255 055
II. Loans and advances to banks	3 205 832	1 053 052
III. Financial assets valued at fair value through profit and loss (held for trading)	2 632 790	3 127 988
IV. Hedging derivatives	102 166	218 321
V. Loans and advances to customers	22 763 376	20 881 303
VI. Investment financial assets	1 947 712	1 893 949
- available for sale	1 947 712	1 893 949
- held to maturity	0	0
VII. Investments in associates	211 273	191 343
VIII. Receivables from securities bought with sell-back clause (loans and advances)	151 923	28 807
IX. Property, plant and equipment	238 022	247 382
X. Intangible assets	15 113	16 646
XI. Non-current assets held for sale	0	0
XII. Deferred income tax assets	51 431	112 322
XIII. Other assets	310 831	215 843
Total Assets	32 735 876	29 242 011

LIABILITIES

<i>Amount '000 PLN</i>	31.03.2008	31.12.2007
I. Deposits from banks	2 398 091	2 568 688
II. Financial liabilities valued at fair value through profit and loss (held for trading)	1 071 340	569 729
III. Hedging derivatives	77 143	20 220
IV. Deposits from customers	24 345 568	22 021 633
V. Liabilities from securities sold with buy-back clause	1 183 866	729 993
VI. Debt securities	15 351	0
VII. Provisions	12 784	12 351
VIII. Deferred income tax liabilities	0	0
IX. Current tax liabilities	0	5 347
X. Other liabilities	741 049	404 029
XI. Subordinated debt	826 223	826 035
Total Liabilities	30 671 415	27 158 025

EQUITY

I. Share capital	849 182	849 182
II. Share premium	472 343	472 343
III. Revaluation reserve	-2 792	-2 742
IV. Retained earnings	745 728	765 203
Total Equity	2 064 461	2 083 986
Total Liabilities and Equity	32 735 876	29 242 011

Capital adequacy ratio	11.58%	12.09%
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Book value	2 064 461	2 083 986
Number of shares	849 181 744	849 181 744
Book value per share (in PLN)	2.43	2.45

OFF-BALANCE SHEET ITEMS

<i>Amount '000 PLN</i>	31.03.2008	31.12.2007
Contingent liabilities granted and received	8 575 243	8 284 026
1. Liabilities granted:	7 808 186	7 582 956
a) financial	5 888 658	5 626 654
b) guarantees	1 919 528	1 956 302
2. Liabilities received:	767 057	701 070
a) financial	80 000	15 936
b) guarantees	687 057	685 134

INCOME STATEMENT

<i>Amount '000 PLN</i>	1.01.2008 - 31.03.2008	1.01.2007 - 31.03.2007
I. Interest income	485 740	322 864
II. Interest expense	-293 581	-182 789
III. Net interest income	192 159	140 075
IV. Fee and commission income	139 146	100 950
V. Fee and commission expense	-18 068	-15 278
VI. Net fee and commission income	121 078	85 672
VII. Dividend income	36 916	111 062
VIII. Result on investment financial assets	474	4 758
IX. Result on financial instruments valued at fair value through profit and loss (held for trading)	23 025	24 798
X. Foreign exchange profit	56 313	53 503
XI. Other operating income	9 849	11 737
XII. Other operating expenses	-5 305	-9 019
XIII. Operating income	434 509	422 586
XIV. General and administrative expenses	-245 932	-197 434
XV. Impairment losses on financial assets	-11 554	-32 340
XVI. Impairment losses on non financial assets	-154	-90
XVII. Depreciation and amortization	-9 016	-15 059
XVIII. Operating expenses	-266 656	-244 923
XIX. Operating profit	167 853	177 663
XX. Share of profit of associates	0	0
XXI. Profit / (loss) before taxes	167 853	177 663
XXII. Corporate income tax	-25 983	-13 911
XXIII. Profit / (loss) after taxes	141 870	163 752
Weighted average number of ordinary shares	849 181 744	849 181 744
Earnings (losses) per ordinary share (in PLN)	0.17	0.19

STATEMENT OF CHANGES IN EQUITY IN 1Q 2008

	Total equity	Share capital	Share premium	Revaluation reserve on available for sale financial assets	Revaluation reserve on derivatives designated for future cash flows hedge	Retained earnings
Equity at the beginning of the period (opening balance) 01.01.2008	2 083 986	849 182	472 343	-1 949	-793	765 203
- purchase/sale and valuation of available for sale financial assets	-162	0	0	-162	0	0
- effect of valuation of derivatives designated for future cash flows hedge	112	0	0	0	112	0
- dividend	-161 345	0	0	0	0	-161 345
- profit / (loss) of the period after taxes	141 870	0	0	0	0	141 870
Equity at the end of the period (closing balance) 31.03.2008	2 064 461	849 182	472 343	-2 111	-681	745 728

STATEMENT OF CHANGES IN EQUITY IN 1Q 2007

	Total equity	Share capital	Share premium	Revaluation reserve on available for sale financial assets	Revaluation reserve on derivatives designated for future cash flows hedge	Retained earnings
Equity at the beginning of the period (opening balance) 01.01.2007	1 829 048	849 182	472 343	9 282	599	497 642
- purchase/sale and valuation of available for sale financial assets	-2 460	0	0	-2 460	0	0
- effect of valuation of derivatives designated for future cash flows hedge	-891	0	0	0	-891	0
- dividend	-144 361	0	0	0	0	-144 361
- profit / (loss) of the period after taxes	163 752	0	0	0	0	163 752
Equity at the end of the period (closing balance) 31.03.2007	1 845 088	849 182	472 343	6 822	-292	517 033

A. CASH FLOWS FROM OPERATING ACTIVITIES

<i>Amount '000 PLN</i>	1.01.2008 - 31.03.2008	1.01.2007 - 31.03.2007
I. Profit (loss) after taxes	141 870	163 752
II. Adjustments for:	1 799 339	-289 100
1. Interests in net income (loss) of associated companies	0	0
2. Depreciation and amortization	9 016	15 059
3. Foreign exchange (gains) losses	81 338	3 250
4. Dividends	-36 916	-111 062
5. Changes in provisions	433	4 879
6. Result on sale and liquidation of investing activity assets	-4 264	-5 837
7. Change in financial assets valued at fair value through profit and loss (held for trading)	527 587	-261 504
8. Change in loans and advances to banks	-13 634	255 874
9. Change in loans and advances to customers	-1 882 343	-2 145 594
10. Change in receivables from securities bought with sell-back clause (loans and advances)	-123 116	-8 769
11. Change in financial liabilities valued at fair value through profit and loss (held for trading)	558 534	157 048
12. Change in deposits from banks	-264 827	-516 220
13. Change in deposits from customers	2 323 935	99 295
14. Change in liabilities from securities sold with buy-back clause	453 873	1 860 972
15. Change in debt securities	15 351	0
16. Change in income tax settlements	30 549	13 788
17. Income tax paid	-4 745	0
18. Change in other assets and liabilities	115 339	345 514
19. Other	13 229	4 207
III. Net cash flows from operating activities	1 941 209	-125 348

B. CASH FLOWS FROM INVESTING ACTIVITIES

<i>Amount '000 PLN</i>	1.01.2008 - 31.03.2008	1.01.2007 - 31.03.2007
I. Inflows:	41 974	635 647
1. Proceeds from sale of property, plant and equipment and intangible assets	5 058	7 209
2. Proceeds from sale of shares in associates	0	0
3. Proceeds from sale of financial assets valued at fair value through profit and loss	0	0
4. Proceeds from sale of investment financial assets	0	628 438
5. Other	36 916	0
II. Outflows:	-103 101	-4 000
1. Acquisition of property, plant and equipment and intangible assets	-1 645	0
2. Acquisition of shares in associates	-20 000	-4 000
3. Acquisition of financial assets valued at fair value through profit and loss	0	0
4. Acquisition of investment financial assets	-81 456	0
5. Other	0	0
III. Net cash flows from investing activities	-61 127	631 647

C. CASH FLOWS FROM FINANCING ACTIVITIES

<i>Amount '000 PLN</i>	1.01.2008 - 31.03.2008	1.01.2007 - 31.03.2007
I. Inflows:	0	0
1. Long-term bank loans	0	0
2. Issue of debt securities	0	0
3. Increase in subordinated debt	0	0
4. Net proceeds from issues of shares and additional capital paid-in	0	0
5. Other	0	0
II. Outflows:	0	0
1. Repayment of long-term bank loans	0	0
2. Redemption of debt securities	0	0
3. Decrease in subordinated debt	0	0
4. Issue of shares expenses	0	0
5. Redemption of shares	0	0
6. Dividends paid and other payments to owners	0	0
7. Other	0	0
III. Net cash flows from financing activities	0	0
D. NET CASH FLOWS, TOTAL (A III+B III+C III)	1 880 082	506 299
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD	2 170 610	1 642 730
F. CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD (D+E)	4 050 692	2 149 029

ADDITIONAL EXPLANATIONS ON FINANCIAL DATA***WRITE-OFF OF UNCOLLECTIBLE RECEIVABLES AGAINST PROVISIONS***

Between 1 January and 31 March, 2008 the Bank wrote off uncollectible receivables against created provisions at PLN 16 513 thousand.

V. FINANCIAL INFORMATION BROKEN DOWN INTO ACTIVITY SEGMENTS

Business Segments

The activity of Bank Millennium Group is conducted through different business lines offering specific products and services targeted to approach the following market segments:

a) Retail Segment

This segment includes the following business areas: mass market individuals, affluent individuals, micro businesses and individual entrepreneurs.

The activity of the above mentioned areas is developed through the disposal of a complete panoply of banking products, complemented by specialized products developed by the Group's subsidiary companies. In the area of credit: mortgage loans, consumer loans, credit cards loans and leasing for micro business constitute the major drivers of volumes increase. On the customer funds side, the main products are: current accounts, term deposits, mutual funds and structured products. Insurance products are also commercialised in this segment, especially together with loans and credit cards. Offer for affluent segment was enriched with selective mutual funds of other financial entities and international investment funds.

b) Corporate Segment

The corporate segment includes the commercial activity made with SME, big and large corporate companies. Product offer of these segments is also addressed to local governments and other public entities.

The commercial activity in the corporate segment is driven by a high quality offer of typical banking products (working capital loans, investments loans, current accounts, term deposits) complemented by cash management and treasury product, including derivative products. Cross selling of leasing and trade finance products is very intensive for Corporate Clients.

c) Treasury and Investment activities

This segment consists of the Group activities that are not allocated to other segments, such as inter-bank and debt securities transactions, brokerage activities and capital investments for the Bank's own account.

d) Not allocated (Other) assets and liabilities, incomes and costs

Not allocated assets and liabilities include other assets and liabilities, assets and liabilities from hedging transactions, deferred tax asset and cash not allocated to any segment.

Own funds are not allocated and are presented at the Group level only.

Tax charge is shown only at the Group level.

Geographical segments

Bank Millennium Group operates exclusively on territory of the Republic of Poland and no significant differences in risk were identified as regarding the geographical location of its outlets. Therefore, the Group does not present financial statements with a breakdown into geographical areas.

Accounting policies

Accounting policies applied in segment reporting are in accordance with the International Accounting Standard 14.

For each segment there is determined profit before taxes, including:

- § Interest income calculated on the basis of external interest from working assets and liabilities of the segment and internal interest income or cost from allocated assets / liabilities, measured using internal transfer interest rates based on market interest rates;
- § Net commissions income;
- § Other income from financial operations and FX transactions such as: dividend income, result on investment and trading activity, income from FX transactions, result from other financial instruments;
- § Other operating income and cost;
- § Provisions for impairment of financial and non financial assets;
- § Share of the segment in personnel and administrative costs;
- § Share of the segment in depreciation

The segments' assets and liabilities are operational assets and liabilities used by that segment in its operating activities, allocated to a particular business segment based on rational business assumptions. Gap between operational assets and liabilities in each business segment is covered by money market assets/liabilities and debt securities. Assets /liabilities of Treasury and Investment activity include money market assets /liabilities and debt securities. Not allocated assets/liabilities are shown in the column "Other".

Buildings and land, that as result of the optimisation process of operational activity will not be used in further banking activity, are shown as assets in Retail Banking. Fixed assets for resale from terminated leasing contracts are part of Corporate Banking assets.

Income Statement for the period 1 January – 31 March 2008

Amount '000 PLN

	Retail Banking	Corporate Banking	Treasury and Investment Banking	Total consolidated
Net interest income	156 025	54 528	12 493	223 046
<i>external interest income</i>	270 236	105 815	150 552	526 603
<i>external interest cost</i>	-174 044	-78 527	-50 986	-303 557
External interest income less cost	96 192	27 288	99 566	223 046
<i>internal interest income</i>	216 232	100 304	-316 536	0
<i>internal interest cost</i>	-156 398	-73 064	229 463	0
Internal interest income less cost	59 834	27 240	-87 073	0
Net commission income	103 367	23 867	7 759	134 994
Result from financial operations and FX transactions	42 321	20 426	16 921	79 669
Other operating income and cost	-84	-139	7 544	7 321
Operating Income	301 630	98 682	44 717	445 030
Staff costs	-110 921	-31 239	-6 875	-148 945
Other administrative costs	-90 191	-19 342	-3 548	-113 081
Impairment cost of assets	-4 948	-6 048	-636	-11 632
Depreciation	-10 064	-1 698	-850	-12 612
Operating costs	-216 124	-58 328	-11 819	-286 270
Profit before taxes	85 506	40 355	32 899	158 760
Income taxes				-31 737
Net profit				127 023

Balance Sheet: 31 March 2008

Amount '000 PLN

	Retail Banking	Corporate Banking	Treasury and Investment Banking	Other	Total consolidated
ASSETS					
Segment assets	17 522 059	8 490 283	5 785 916	3 924	31 775 183
<i>Incl. capital investments</i>	6 059	1 334	128	3 924	11 445
Assets allocated to segment	729 227	1 039 010	-1 768 237	0	0
Assets not allocated to segment	0	0	0	2 161 461	2 161 461
Total	18 251 285	9 529 294	3 990 679	2 165 386	33 936 644
LIABILITIES & EQUITY					
Segment Liabilities	17 137 519	7 965 586	4 307 468	0	29 410 573
Liabilities allocated to segment	345 130	827 076	-1 172 206	0	0
Liabilities not allocated to segment	0	0	0	2 040 511	2 040 511
Equity	0	0	0	0	2 485 559
Total	17 482 649	8 792 662	3 135 262	2 040 511	33 936 644

Income Statement for the period 1 January – 31 March 2007

Amount '000 PLN

	Retail Banking	Corporate Banking	Treasury and Investment Banking	Total consolidated
Net interest income	108 629	39 309	20 796	168 734
<i>external interest income</i>	147 365	73 017	129 164	349 546
<i>external interest cost</i>	-73 626	-34 475	-72 711	-180 812
External interest income less cost	73 739	38 542	56 453	168 734
<i>internal interest income</i>	102 241	55 286	-157 527	0
<i>internal interest cost</i>	-67 351	-54 518	121 870	0
Internal interest income less cost	34 890	768	-35 657	0
Net commission income	82 489	20 943	10 545	113 977
Result from financial operations and FX transactions	40 107	16 815	24 057	80 979
Other operating income and cost	-278	-689	7 778	6 811
Operating Income	230 947	76 378	63 176	370 501
Staff costs	-78 836	-26 496	-16 581	-121 913
Other administrative costs	-72 500	-18 078	-1 854	-92 432
Impairment cost of assets	-45 028	10 581	578	-33 878
Depreciation	-14 115	-4 164	1 700	-16 579
Operating costs	-210 479	-38 157	-16 166	-264 802
Profit before taxes	20 468	38 221	47 010	105 699
Income taxes				-21 456
Net profit				84 243

Balance Sheet: 31 December 2007

Amount '000 PLN

	Retail Banking	Corporate Banking	Treasury and Investment Banking	Other	Total consolidated
ASSETS					
Segment assets	16 159 661	7 188 306	4 546 351	16 992	27 911 309
<i>Incl. capital investments</i>	78 429	10 286	1 491	16 992	107 198
Assets allocated to segment	758 472	1 750 679	-2 509 150	0	0
Assets not allocated to segment	0	0	0	2 618 797	2 618 797
Total	16 918 133	8 938 984	2 037 201	2 635 789	30 530 106
LIABILITIES & EQUITY					
Segment Liabilities	14 142 535	8 071 241	4 559 060	0	26 772 835
Liabilities allocated to segment	1 909 813	287 604	-2 197 416	0	0
Liabilities not allocated to segment	0	0	0	1 237 339	1 237 339
Equity	0	0	0	0	2 519 932
Total	16 052 348	8 358 844	2 361 644	1 237 339	30 530 106

VI. DIVIDEND FOR 2007

On 28 March 2008 the Bank's Ordinary General Shareholder Meeting took the resolution to distribute from the Bank's 2007 profit the dividend in the amount of PLN 161,344,531.36, i.e. PLN 0.19 per share, and simultaneously deciding that the right to a dividend shall be exercised by entities being shareholders on the day of 6 May 2008 and that the dividend will be paid out on 20 May 2008.

VII. EARNINGS PER SHARE

Earnings per share (and diluted earnings per share) for 1Q 2008, calculated on the consolidated earnings basis, is PLN 0.15.

VIII. STRUCTURE OF THE CAPITAL GROUP OF THE BANK

In 1Q 2008 there were no changes in the Group's structure, so the Group's organisation tree presented in the Group's consolidated report for 2007 published on 29 February this year remains valid.

IX. MATERIAL EVENTS THAT OCCURRED BETWEEN THE DATE OF THE REPORT AND ITS PUBLICATION DATE AND MIGHT BE OF SIGNIFICANT IMPACT ONTO THE FUTURE FINANCIAL RESULTS OF THE GROUP

Such events did not occur.

X. SHAREHOLDERS WITH AT LEAST 5% OF TOTAL NUMBER OF VOTES AT THE GSM OF THE DOMINANT ENTITY OF THE GROUP - BANK MILLENNIUM S.A.

Data as at the closing date of the quarterly report based on data as at 31 March 2008

Shareholder	Number of shares	% share in share capital	Number of votes	% share in GSM votes
Banco Comercial Portugues S.A.	556 325 794	65.51	556 325 794	65.51

Data as at the closing date of the current quarterly report based on data as at 31 December 2007

Shareholder	Number of shares	% share in share capital	Number of votes	% share in GSM votes
Banco Comercial Portugues S.A.	556 325 794	65.51	556 325 794	65.51

XI. TABLE OF SHARES OF BANK MILLENNIUM S.A. HELD BY MANAGEMENT BOARD AND SUPERVISORY BOARD MEMBERS

Name and surname	Function	Number of shares as of the day of submission of the quarterly report prepared as of 31 March 2008	Number of shares as of the day of submission of the quarterly report prepared as of 31 December 2007
Bogusław Kott	Chairman of the Management Board	3 023 174	3 023 174
Luis Pereira Coutinho	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	490 000	490 000
Wojciech Haase	Member of the Management Board	5 246	5 246
Joao Bras Jorge	Member of the Management Board	0	0
Zbigniew Kudaś	Member of the Management Board	0	0
Jerzy Andrzejewicz	Proxy	6 260	6 260
Maciej Bednarkiewicz	Chairman of the Supervisory Board	94	94
Ryszard Pospieszynski	Deputy Chairman of the Supervisory Board	26 200	26 200
Vitor Manuel Lopes Fernandes	Member of the Supervisory Board	0	0
Carlos Jorge Ramalho dos Santos Ferreira	Member of the Supervisory Board	0	0
Andrzej Koźmiński	Member of the Supervisory Board	0	0
Paulo Jose de Ribeiro Moita de Macedo	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

On the day of 4.01.2008 the Bank's Management Board informed that Mr. Jorge Jardim Goncalves resigned his membership of the Bank's Supervisory Board as of 31.12.2007.

On the day of 15.02.2008 the Management Board informed that Mr. Dimitri Contominas resigned his membership of the Bank's Supervisory Board, for personal reasons.

On the day of 26.03.2008 the Bank informed on receiving letters containing statements of resignation from membership of the Bank's Supervisory Board by Mr Christopher de Beck, Francisco de Lacerda, Pedro Maria Duarte and Zbigniew Sobolewski, whose resignations are effective as of 26.03.2008 and a letter of Mr Marek Furtek resigning his membership of the Supervisory Board effective as of the Bank's General Shareholder Meeting convoked for 28.03.2008.

On the day of 28.03.2008 the Bank's Management Board informed that on the same day the Ordinary General Shareholder Meeting, having reduced the number of Members of the Supervisory Board, in its current term of office, to 9, held a by-election of 4 Supervisory Board Members, who were:

1. Mr Vitor Manuel Lopes Fernandes
2. Mr Carlos Jorge Ramalho dos Santos Ferreira
3. Mr Paulo Jose de Ribeiro Moita de Macedo
4. Mr Nelson Ricardo Bessa Machado

XII. PENDING LAWSUITS

The biggest lawsuit with the Bank's participation was filed by Grzegorz Jedamski against the Bank in connection with the lawsuit filed with the Regional Court in Warsaw for award of the sum of PLN 299.833.300 in compensation for the allegedly unlawful taking over of BIG BANK Spółka Akcyjna (former ŁBR S.A.). On the day of 11 April 2007 the ruling was made dismissing Grzegorz Jedamski's case. The plaintiff lodged an appeal, which was dismissed. The ruling is final

XIII. INFORMATION ON LOAN SURETIES OR GUARANTEES GRANTED BY THE BANK

In the 1st Quarter of 2008 the Group did not grant to any entity a loan or cash advance surety, guarantee as a result of which the total value of the Bank's exposure towards the Client as at 31 March 2008 would exceed 10% of the Group's equity.

XIV. INFORMATION ON INCOME TAX

q The due income tax

The due income tax, debiting the gross financial result, was established pursuant to the provisions of the Act on corporate income tax, dated 15 February 1992. In the light of the legal regulations in force the Group does not constitute a tax group and consequently the amount debited to the consolidated gross result under both the due and deferred taxes is the total of proper fiscal values of the companies included in the consolidation.

As of 31 March 2008, the Group's parent entity (the Bank) had income taxable with corporate income tax.

The main items impacting the level of the Bank's tax base were:

- ü Realised interest on previous years' receivables;
- ü Profit on debt securities realised on a cash basis;
- ü Interest accrued for payment on bank deposits;
- ü Interest accrued on derivative instruments.

The Bank's tax due for 1Q 2008 was settled against the dividend tax due for 2008 (remaining to be settled) and the overpayment of the tax due for 2007.

q Deferred income tax

On the grounds of the Accounting Act business entities are obliged to establish provision for deferred tax, as a result of the differences in recognition of the income as obtained and cost as incurred, following the Act on corporate income tax. Therefore, Group's companies establish provision for income tax every month assuming as the basis for provisioning all the timing differences, which will certainly become tax cost or income in the following reporting periods. The application of this approach allows consistent debiting of the gross financial result and guarantees that the costs and income of the current financial year will not impact the financial result of the following years. The deferred part captured in the income statement constitutes the difference between the change in the deferred tax provision and asset. In the consolidated balance sheet the deferred tax provision and assets are offset pursuant to IAS 12.

Deferred tax reported in the Group's 1 Quarter 2008 Profit and Loss Account increased after-tax profit by the amount of PLN 22.1 million. The value of due income tax reported in the consolidated Profit and Loss Account in the same period was PLN 53.8 million.

XV. INFORMATION ON ISSUE/REPURCHASE/REPAYMENT OF DEBT SECURITIES AND EQUITIES

In the period under review the change in the Group's liabilities from issue of debt securities was as follows (data in PLN thousands):

MOVEMENTS IN LIABILITIES FROM ISSUE OF DEBT SECURITIES

	01.01.2008- 31.03.2008
Balance at the beginning of the period	851 474
a) increases (of which)	63 396
- issue of bonds within a securitization of leasing receivables portfolio	48 045
- issue of Bank's commercial papers	15 351
b) decreases (of which)	-29 354
- repurchase of short-term bonds of subsidiaries	-29 354
Balance at the end of the period	885 516

XVI. DESCRIPTION OF TRANSACTIONS WITH RELATED ENTITIES

Any transactions made between the Group's entities in during the reporting period were concluded on market terms and resulted from current operations. Below please find the amounts of group-internal transactions eliminated in the process of consolidation.

**MOST IMPORTANT ELIMINATIONS OF GROUP-INTERNAL TRANSACTIONS AND CONSOLIDATION
ADJUSTMENTS (000'PLN)**

ASSETS	31.03.2008
Accounts and deposits kept in the Bank	417 292
Receivables from loans, advances, purchased receivables between entities subject to consolidation	1 660 944
Receivables from securities bought with a sell-back clause	4 118
Investment financial assets	45 087
Shares in associated companies	219 597
Other assets	213 344
LIABILITIES	31.03.2008
Liabilities from accepted deposits, loans, advances, sold receivables between entities subject to consolidation	3 025 308
Liabilities from securities sold with a buy-back clause	4 118
Debt securities	-735 802
Subordinated liabilities	0
Other liabilities	62 476
INCOME STATEMENT	1.01.2008 – 31.03.2008
Income from:	
Interest on accounts, deposits and receivables from loans, advances, purchased receivables	27 557
Bank and brokerage commissions	31 410
Group internal dividends	36 916
Other net operating income	15 662
Expense from:	
Interest on accounts, deposits and receivables on loans, advances, sold receivables	30 105
Bank and brokerage commissions	26 871
Operations of entities subject to consolidation	14 306