Interim Financial Statement of Capital Group of Bank Millennium S.A. including quarterly financial information of Bank Millennium S.A. prepared in accordance with International Financial Reporting Standards for the first quarter 2009

MAIN FINANCIAL DATA

	Amount '000 PLN		Amount '000 EUR	
	I quarter / period from 1.01.2009 - 31.03.2009	I quarter / period from 1.01.2008 - 31.03.2008	I quarter / period from 1.01.2009 - 31.03.2009	I quarter / period from 1.01.2008 - 31.03.2008
I. Interest income	631 528	523 758	137 306	147 231
II. Fee and commission income	145 570	155 410	31 650	43 686
III. Operating income	415 819	448 964	90 407	126 206
IV. Operating profit	13 315	158 760	2 895	44 628
V. Profit / (loss) before taxes	13 315	158 760	2 895	44 628
VI. Profit (loss) after taxes	12 096	127 023	2 630	35 707
VII. Net cash flows from operating activities	-15 877	1 938 036	-3 452	544 790
VIII. Net cash flows from investing activities	-160 865	-59 736	-34 975	-16 792
IX. Net cash flows from financing activities	1 876	0	408	0
X. Net cash flows, total	-174 866	1 878 300	-38 019	527 998
XI. Total Assets	48 240 435	47 114 922	10 261 084	11 292 043
XII. Deposits from banks	4 506 636	3 060 550	958 594	733 523
XIII. Deposits from customers	32 344 943	31 702 279	6 880 000	7 598 092
XIV. Equity	2 992 115	2 814 883	636 444	674 644
XV. Share capital	849 182	849 182	180 627	203 524
XVI. Number of shares	849 181 744	849 181 744	849 181 744	849 181 744
XVII. Book value per share (in PLN / EUR)	3.52	3.31	0.75	0.79
XVIII. Diluted book value per share (in PLN / EUR)	3.52	3.31	0.75	0.79
XIX. Capital adequacy ratio	10.42%	10.20%	10.42%	10.20%
XX. Earnings (losses) per ordinary share (in PLN / EUR)	0.01	0.15	0.003	0.04
XXI. Diluted earnings (losses) per ordinary share (in PLN / EUR)	0.01	0.15	0.003	0.04
XXII. Pledged or paid dividend per share (in PLN/EUR)	-	0.19	-	0.06

Comparable balance sheet data (items XI-XIX and XXII) are presented as required by IFRS as at 31 December 2008. Other comparable data are presented for the period from 1 January 2008 to 31 March 2008.

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I. INTRODUCTION AND ACCOUNTING PRINCIPLES

The below 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 1st quarter of 2009, composed of the Balance Sheet, Income Statement, Statement on Changes in Equity and Cash Flow Statement, 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 consolidated and unconsolidated report of the Bank (Group) for 2008 published on 27th February 2009 and constitutes a condensed interim report pursuant to IAS 34.

Starting from 1 January 2009 the Bank and the Group modified (with respect to the above descriptions) the applied accounting principles and prepare financial reports in keeping with the provisions of amended IAS 1. The changes were presentation in nature: modified was the format of the Balance Sheet, changes of own capital balances, with the Profit and Loss Account being transformed into the Statement of Comprehensive Income.

II. INFORMATION ABOUT THE ACTIVITY OF BANK MILLENNIUM GROUP IN 1Q 2009

The consolidated net profit of Bank Millennium Capital Group in 1Q 2009 reached PLN 12.1 million as compared to PLN 127.0 million in 1Q 2008 and PLN 35.6 million in 4Q 2008. Difficult external environment caused a drop of the operating income, which was accompanied by a fast counter-action of significant reduction of the operating costs. Moreover, deteriorating situation of the Polish companies has caused the increase of impairment charges (inflated by additional charges connected with FX derivatives).

The main indicators of 1Q 2009 financial results of Bank Millennium Group are the following:

- **Total operating income:** -10.0% y/y (-3.2% q/q)
- **Total operating costs:** -6.2% y/y (-18.1% q/q)
- **Cost to Income ratio:** 64.4%
- **Deposits and retail bonds:** +35% y/y (+2.1% q/q)
- **Loans:** +51% y/y (+7.4% q/q, mainly due to FX impact)
- **Loans to Deposits ratio:** 109% (103% without quarterly FX rates impact)
- **Capital Adequacy ratio:** 10.4% (+0.2 p.p. q/q)

The main factors that influenced the 1st quarter results of the Bank and the Group were the following:

- Severe "price war" on deposits - brought margins on term deposits to negative levels and adversely affected net interest income
- Still high cost of funding in foreign currencies
- Economic slowdown in Poland already caused deterioration of corporate loans portfolio
- Continuation of monetary easing policy by the Polish Monetary Council
- Low volume of new mortgages loans
- Improvement of net commission income
- First and very visible results of the cost savings program
- Further depreciation of the Polish złoty (PLN) against main currencies – has inflated loan portfolio but also caused more impairment charges on FX derivatives transactions with companies

a) Macroeconomic situation in Poland in 1Q 2009

In the 4th quarter 2008 business growth dynamics slowed down to 3.0% year-on-year from 5.0% year-on-year in the 3rd quarter 2008 and 6.5% year-on-year in the same period of 2007. The first months of 2009 brought in further decline in the activity of Polish economy. In the first quarter this year industrial production dropped 10.0% year-on-year, which was the deepest drop since the transformational recession at the beginning of the '90s. The negative driver influencing the condition of Polish economy was deterioration in the economies of the European Union, which continues to be our main trade partner. Deeper-than-expected recession in the largest European economies resulted in a sizable decline in export orders. On the other hand, there are increasingly more visible symptoms of slowdown in domestic demand, also in the consumer sector. Between January and March 2009 retail sales in real terms declined 1.4% year-on-year. Downtrends in retail sales should be attributed to deep deterioration of household attitudes in the wake of fast rate deterioration on the labour market. In the first quarter of the current year 27.7 thousand jobs were cut in the corporate sector, while the registered unemployment rate grew up to 11.2%, and it was higher than in the same period of the last year, for the first time since mid 2003.

In the beginning of the year the inflationary pressure grew. In March Consumer Price Index increased up to 3.6% year-on-year from 3.3% year-on-year in December 2008, thus exceeding the upper limit of admissible inflation fluctuations around the inflation target set by the Central Bank. Higher-than-expected inflation means on one hand the effect of negative supply shocks and higher than-expected price hikes in food and fuel products. Inflation was affected by weakening of złoty observed in the last months, which translated into price increase in imported goods. An important inflation driver was the increase in controlled prices, in particular prices of energy carriers, where in March annual dynamics was 13,9%.

In spite of a slightly higher-than-expected inflation, the Monetary Policy Council continued the cycle of softening monetary policy, which had been started in October last year. Between January and March, interest rates of the Central Bank were reduced by the total of 125 basis points and consequently at the end of March 2009 the reference rate was at its lowest level ever 3.75%. Reductions in basic rates facilitated interest rate reductions on the interbank market. However, it should be observed that the scale of reductions on the interbank market was lower than the scale of loosening monetary policy and therefore spread between the reference rate and market rates was slightly increased. Hence, the interest rates of the Central Bank continue to impact to a limited extent the real cost of financing on the interbank market.

As regards monetary aggregates, further increase in household financial savings was observed. In the first quarter this year household deposits went up 23.9 billion PLN, while in March 2009 the annual dynamics was 25.0% against 26.4% in December 2008. Growth of household deposits, slightly slower than in the last months of the last year, was the effect of gradual reduction in deposit interest rates from very high levels offered at the end of 2008. Higher value of deposits can be also partially attributed to the effect of weaker złoty and increase in the złoty-value of the deposits denominated in foreign currencies. At the same time, corporate deposits dropped in nominal terms by 6.2 billion PLN, while in March their annual dynamics increased slightly to 7.7% against 4.7% of December 2008, which given the deterioration in corporates financial standing may demonstrate restrictions in capital expenditure. On the credit side a very high dynamics of household receivables was upheld to reach 43.5% year-on-year in March against 44.4% year-on-year in December 2008. However, this has been mostly related to strong weakening of złoty at the beginning of this year and increase in the złoty value of loans denominated in foreign currencies. At the same time dynamics of złoty denominated loans declined down to 18.6% year-on-year from 20.7% year-on-year as of December. Similar trends were seen in the segment of loans to non-financial corporate clients, where the total value grew 25.4% year-on-year, while the volume of loans in złoty grew 12.2% year-on-year.

b) Millennium 2010 – new strategy execution

Three months ago, the Bank announced the revised medium-term strategy called Millennium 2010. First achievements of this strategy execution can be noticed after the first quarter of 2009.

Firstly, Bank Millennium put the focus on better utilization of its proprietary retail branch network. All alternative sales channels have been incorporated into one retail banking division. This re-organization was accompanied by the network fine-tuning: the Bank runs now 483 outlets, through which it acquires new customers and develops cross-selling, leveraging on the strong recognition of its brand.

In Corporate area the Bank focuses on SME segment. Service for SME and Micro-business segments is available through 170 branches. Special mobile sales force created in 2008 is successfully supporting the acquisition of new SME customers, which totalled more than 300 SME customers during 1Q 2009.

In the cost savings area the Bank already showed very good results. Total operating costs dropped 6% versus 1Q 2008 and 18% versus previous quarter. It means that the Bank captured just in 1Q 2009 almost 40% of the planned PLN 101 million savings for entire 2009.

Finally, the Bank developed activity under more conservative risk management principles, for example in mortgage and other retail lending. Bank Millennium is also reducing growth in large exposures and decreased amount of capital required for market risk.

c) Financial results after 1st quarter 2009

Operating Income (PLN million)	**1Q 2009**	**4Q 2008 ****	**1Q 2008 ****	**Change y/y**	**Change q/q**
Net Interest Income *	180.4	298.4	247.1	-27.0%	-39.5%
Net Commissions Income	125.9	110.2	135.0	-6.7%	14.3%
Other Non-Interest Income ***	94.0	4.8	63.0	49.3%	-
Operating Income	400.4	413.4	445.0	-10.0%	-3.2%

(*) 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 52.5 m in 1Q 2009 and PLN 26.9 m in 1Q 2008) 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.
(**) new methodology applied which transferred FX impact on accrued interests from Net Interest Income to FX gains, according to accounting reclassification adopted since 2009
(***) includes net "other operating income and costs"

Net interest income (on a pro-forma basis) of the Group in 1st quarter 2009 amounted to PLN 180.4 million and was 27% lower than in 1st quarter 2008 (and 39.5% lower than in 4th quarter 2008). Such a significant decrease resulted first of all from average negative spread on deposits being the consequence of strong competition on deposits market. This happened despite quick adjustment of the Bank to the lower market interest rates in the beginning of the year (during first 19 days of January Bank Millennium's main rate for 3-months retail deposit dropped from 8.5% to 6%). Raising cost of FX funding (through FX Swaps and Cross Currency Swaps) also influenced negatively NIM in 1Q. As a consequence, Net Interest Margin of Bank Millennium Group in 1st quarter 2009 decreased to 1.6% compared to 3.0% in 4th quarter 2008.

Net commissions income amounted to PLN 125.9 million in 1st quarter 2009, which means a 6.7% decrease compared to the corresponding period of the previous year, but constitutes 14.3% growth on a quarterly basis. Compared to 4th quarter 2008 the decrease of fees from brokerage services and savings products related to capital markets was compensated by other fees, namely by the increase of fees from loans and insurance.

Other non-interest income showed positive value (PLN 94 million) and was PLN 31 million higher compared to 1st quarter of 2008 (increase by 49%). The comparison to 4th quarter of 2008 is distorted by the influence of FX derivatives valuation correction, which had strong negative impact on trading income in 4th quarter 2008 (PLN -152 million) and net reversal of PLN 22 million in 1st quarter 2009. Strong volatility of FX income in 4th quarter 2008 and 1st quarter 2009 resulted from the management of the Bank's own positions being partially influenced by an active management of FX position connected with transactions with corporate customers.

Total operating income of the Group reached PLN 400.4 million in 1st quarter 2009, which means 10% decrease versus the corresponding period of the previous year and 3.2% decrease versus the previous quarter.

Operating Costs (PLN million)	1Q 2009	4Q 2008	1Q 2008	Change y/y	Change q/q
Personnel Costs	118.0	151.7	148.9	-20.8%	-22,2%
Other Administrative Costs	120.0	141.0	113.1	6.1%	-14,9%
Depreciation & impairment of fixed assets	19.8	21.9	12.8	54.3%	-9,4%
Total Operating Costs	257.8	314.6	274.9	-6.2%	-18,1%

Total costs in 1st quarter 2009 amounted to PLN 257.8 million and were reduced vs. 1st quarter 2008 (by 6.2%) as well as vs. 4th quarter 2008 (by 18.2%). The main source of cost savings compared to 1st quarter 2008 were personnel costs whereas the quarterly savings came from all the cost groups: personnel costs, other administrative costs, depreciation and impairment of fixed assets.

Personnel costs amounted to PLN 118.0 million and showed reduction by 20.8% on annual basis and by 22.2% on quarterly basis. This was mainly due to lower bonuses as a consequence of lower sales results in business lines and lower net profit.

Other administrative costs grew only by 6.1% on annual basis and decreased by 14.9% on quarterly basis. The annual growth was mainly connected with the increase in the number of branches. The quarterly reduction had partially seasonal nature but was also connected with the new cost savings initiatives. The most visible savings were achieved in marketing and IT costs.

Depreciation (together with impairment charges for non-financial assets) decreased by 9.4% on quarterly basis and generally presented relatively stable level over recent quarters.

Cost to income ratio stood at 64.4% level – very similar to the ratio for the whole 2008 year and 2.6 p.p higher than for 1st quarter 2008 (61.8%).

Net impairment provisions created by the Group during 1st quarter 2009 amounted to PLN 129.3 million and were higher than the level of 1st quarter 2008 (PLN 11.4 million) and 4th quarter 2008 (PLN 52.0 million). Impairment charges in 1st quarter included PLN 54 million provisions connected directly to FX derivatives with corporate customers (partially compensated by PLN 22 million positive effect in trading income). The rest of new provisions resulted from deterioration of the clients' financial standing, mostly in corporate and leasing area. In relative terms, provisions created in 1st quarter 2009 (without ones directly connected to FX derivatives) represented 85 basis points of average loan portfolio (on yearly basis), which means an increase versus 68 basis points during 4th quarter 2008.

Profit before tax of Bank Millennium Group in 1st quarter 2009 amounted to PLN 13.3 million and **net profit** amounted to PLN 12.1 million (-90% y/y and 66% q/q). Return on Equity (ROE) decreased to 1.7% (on annualised basis).

d) Business results after 1Q 2009

Total assets of Bank Millennium Group reached on 31 March 2009 PLN 48,240 million, growing 42% versus the end of March 2008. One of the drivers of this growth was PLN depreciation, which caused strong increase in złoty terms of the loan portfolio denominated in foreign currency.

Key Business Volumes (PLN million)	**31.03.2009**	**31.03.2008**	**Change**
Total Assets	**48 240**	**33 937**	**42.1%**
Total Customer Funds	**34 742**	**28 613**	**21.4%**
- where Deposits & retail bonds	32 482	24 121	34.7%
*- where Investment products **	2 260	4 492	-49.7%
Total Loans to Customers	**36 260**	**23 996**	**51.1%**
- Mortgage loans	24 178	14 496	66.8%
- Other retail loans	2 539	1 882	34.9%
- Leasing	3 746	2 862	30.9%
- Other corporate loans	5 798	4 756	21.9%

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

Total **deposits** (including bonds sold to retail customers) of Bank Millennium Group grew by 35% y/y, of which deposits from individuals grew by 41%. However during 1st quarter 2009 retail deposits were stable as Bank Millennium tried to achieve proper balance between volumes growth and profitability in the situation of extremely severe "price war" on clients' deposits. Corporate deposits grew by 21% y/y and by 9% q/q of which SME segment managed to grow 12% just in 1Q.

Total Customers' funds of Bank Millennium Group, which include also bonds sold to retail customers and mutual funds, reached PLN 34,742 million, growing 21% during the last 12 months. Growth of deposits more than compensated the significant (50%) drop in the value of investment products (mostly mutual funds related).

Total **loans** of the Group reached 36,260 million, thus grew 51% yearly, partly as a result of the change in value of the FX loans, after strong depreciation of the Polish currency in the last two quarters.

Mortgage loans grew by 67% yearly and 9% quarterly, the latter mainly due to PLN depreciation. Total mortgage portfolio reached the level of PLN 24,178 million and new loans origination in 1st quarter 2009 amounted to PLN 340 million, as a consequence of the Bank's withdrawal from FX lending in December 2008. Other consumer loans grew by 35% yearly and by 3% just in 1Q 09, of which cash loans grew by 8% quarterly.

Corporate loans grew by 25% during last 12 months and 5% during last quarter, of which leasing grew only 3% and other corporate loans by 6%. The Bank keeps well-diversified corporate loan portfolio among different industries; none of them exceeds 17% of the total corporate portfolio. **Leasing** business was especially affected by economic slowdown but Millennium Group managed to keep strong 6% market share of new production reduced level.

e) Loans quality, solvency and liquidity

Economic slowdown in Poland caused deterioration of corporate loans portfolio. During 1Q 2009 the level of impaired corporate loans grew by PLN 410 million (including PLN 181 million connected with FX derivatives). This was the main reason of the increase of the impaired over total loans ratio from 3.4% to 4.4% during the quarter. Retail loans keep good quality and the share of impaired loans remains on the same level as year ago (0.4% for mortgage and 6.8% for other retail loans). It is worth mentioning that conservative criteria regarding impaired loans cause big difference between the level of impaired loans and loans actually non-performing (past-due over 90 days). The share of loans past-due over 90 days in total portfolio stay on a modest level of 1%, of which total retail loans 0.67% and mortgage loans only 0.12%. Within mortgage loans portfolio, FX denominated part keeps better asset quality having only 0.07% of past-due over 90 days volumes (for PLN portfolio this ratio stays at 0.5% level).

Bank is creating provisions for credit risk in order to keep adequate coverage ratio of both impaired and actually past-due loans. As at the end of March 2009 the coverage ratio of all impaired loans was 56% (including IBNR provisions) and the ratio of coverage of past-due 90 days loans stayed at 244%. This ratio means a conservative approach regarding creation of provisions especially having in mind the fact, that Bank Millennium has relatively high share of well-collateralized loans (mortgage and leasing portfolios). The stock of provisions for incurred but not reported losses of currently non-impaired portfolio (so called IBNR provisions) grew from PLN 216 million a year ago to PLN 310 million as at the end of March 2009.

Loan quality, solvency and liquidity ratios	31.03.2009	31.03.2008
Total impaired loans (PLN million)	1 620	794
Total past-due loans (90 days)	373	220
Impaired Loans over Total loans	4.4%	3.2%
Past-due loans (> 90 d) over Total loans	1.0%	0.9%
Total provisions over Impaired loans (coverage)	56%	75%
Total provisions over Past-due loans (> 90 d)	244%	273%
Capital Adequacy Ratio	10.4%	13.2%
Loans to Deposits ratio *	109.4%	92.8%

(*) Includes liabilities (bonds) from leasing securitisation, bonds for retail clients and repo transactions with customers

The Capital Adequacy Ratio of Bank Millennium on consolidated basis increased during 1Q from 10.2% to 10.4% despite Polish złoty depreciation of 13% (versus EUR) in the period. This was possible thanks to a lower consumption of capital on market risk and derivatives as well as thanks to the revaluation of EUR denominated subordinated debt (which partially compensated assets growth due to FX effect).

PLN depreciation influenced also **liquidity** position of the Bank. Loan to deposits ratio (under definition provided in the table above) increased to 109% but without quarterly FX effect, it would be similar to the end-of-year level of 103%. Bank Millennium keeps comfortable level of liquid debt securities portfolio of PLN 5.6 billion (vast majority of which are Polish State Treasury and Central Bank papers).

f) Rating and share price main indicators

On February 9th Fitch rating agency affirmed current ratings of Bank Millennium with stable outlook. No other rating actions were taken for Bank Millennium during 1Q 09 but on April 7th, Moody's rating agency placed the Bank's deposit ratings on review for a possible downgrade due to a possible rating action towards the Bank's parent – Millennium BCP. This rating action did not affect Bank Millennium financial strength rating (D), which kept a "stable" outlook.

Thus the current ratings for the Bank are the following:

Type of rating	FITCH	MOODY'S
Long-term deposit rating/IDR	A	A3
Short-term deposit rating	F-1	Prime-2
Financial strength rating	C/D	D (stable outlook)
Support	1	n.a.
Outlook	stable	under review

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

Market indicators	31.03.2009	31.03.2008
Shares outstanding	849 181 744	849 181 744
Share price (PLN)	1,80	8.29
Market capitalization (PLN million)	1 529	7 040
Book value per share (PLN)	3.52	3.31
Earnings per share (PLN) – annualized	0.06	0.60

g) Main drivers which may affect financial situation of the Bank in 2Q 2009

There are several external factors, which may affect financial situation of the Bank in the current quarter. The most important are the following:

- Deterioration in financial situation of Polish companies following slowdown in domestic and global economies might negatively affect quality of assets portfolio and curb demand for banking products, including loans and deposits of corporate sector.
- Continued fast increase in unemployment and lower wage growth might curb demand for some retail products and erode quality of credit portfolio in a longer horizon.
- Possible continuation of interest rates reduction cycle by the Polish Monetary Council might lead to further erosion of interest rate margins (especially on current accounts).
- Further weakening of the Zloty might influence liquidity and adequacy position of the Bank through revaluation of FX denominated loans. It may also affect negatively financial standing of companies involved in FX derivatives products.
- Still low liquidity and wide spreads in inter-bank market as a consequence of turbulences in global markets might cause persistence of high costs of funding, especially in foreign currencies.

The Bank is managing permanently all the risks including the ones coming from different scenarios of market environment and will try to mitigate the adverse influence on its financial situation. Additionally, the Bank is consistently implementing its new strategy Millennium 2010, which will have impact on financial results and standing of the Bank in the next quarters of this year and in the next year.

III. CONSOLIDATED FINANCIAL DATA (GROUP)

ASSETS

Amount '000 PLN	**31.03.2009**	**31.12.2008**
I. Cash, balances with the Central Bank	1 196 635	1 802 594
II. Loans and advances to banks	1 446 489	1 580 027
III. Financial assets valued at fair value through profit and loss (held for trading)	5 622 920	6 279 933
IV. Hedging derivatives	238 114	9 977
V. Loans and advances to customers	36 259 871	33 748 166
VI. Investment financial assets	2 362 568	2 913 997
- available for sale	2 362 568	2 913 997
- held to maturity	0	0
VII. Investments in associates	5 401	5 395
VIII. Receivables from securities bought with sell-back clause (loans and advances)	380 594	61 282
IX. Property, plant and equipment	371 180	385 011
X. Intangible assets	20 957	21 837
XI. Non-current assets held for sale	1 086	1 111
XII. Receivables from Tax Office resulting from current tax	3 142	48 710
XIII. Deferred tax assets	94 521	51 253
XIV. Other assets	236 957	205 629
Total Assets	**48 240 435**	**47 114 922**

LIABILITIES

Amount '000 PLN	**31.03.2009**	**31.12.2008**
I. Deposits from banks	4 506 636	3 060 550
II. Financial liabilities valued at fair value through profit and loss (held for trading)	2 898 784	4 399 498
III. Hedging derivatives	447 994	1 179 649
IV. Deposits from customers	32 344 943	31 702 279
V. Liabilities from securities sold with buy-back clause	2 164 858	1 502 062
VI. Debt securities	944 541	927 373
VII. Provisions	30 972	33 881
VIII. Deferred income tax liabilities	0	0
IX. Current tax liabilities	36 866	514
X. Other liabilities	776 287	532 813
XI. Subordinated debt	1 096 439	961 420
Total Liabilities	**45 248 320**	**44 300 039**

EQUITY

Amount '000 PLN		
I. Share capital	849 182	849 182
II. Share premium	472 343	472 343
III. Revaluation reserve	40 241	-2 742
IV. Retained earnings	1 453 117	1 039 708
V. Total comprehensive income	177 232	456 392
- including revaluation reserve	165 136	42 983
- including profit (loss) after taxes	12 096	413 409
Total equity attributable to equity holders of the parent company	2 992 115	2 814 883
Minority interests	0	0
Total Equity	**2 992 115**	**2 814 883**

Total Liabilities and Equity	**48 240 435**	**47 114 922**

Capital adequacy ratio	**10.42%**	**10.20%**

Book value	**2 992 115**	**2 814 883**
Number of shares	**849 181 744**	**849 181 744**
Book value per share (in PLN)	**3.52**	**3.31**

OFF-BALANCE SHEET ITEMS

Amount '000 PLN	**31.03.2009**	**31.12.2008**
Contingent liabilities granted and received	**8 494 463**	**8 961 660**
1. Liabilities granted:	7 813 536	8 245 876
a) financial	6 315 552	6 579 635
b) guarantees	1 497 984	1 666 241
2. Liabilities received:	680 926	715 784
a) financial	0	23 532
b) guarantees	680 926	692 252

CONSOLIDATED TOTAL COMPREHENSIVE INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT		
Amount '000 PLN	**1.01.2009 - 31.03.2009**	**1.01.2008 - 31.03.2008**
I. Interest income	631 528	523 758
II. Interest expense	-503 635	-303 557
III. Net interest income	**127 893**	**220 201**
IV. Fee and commission income	145 570	155 410
V. Fee and commission expense	-19 622	-20 416
VI. Net fee and commission income	**125 948**	**134 994**
VII. Dividend income	1	0
VIII. Result on investment financial assets	5 633	474
IX. Result on financial instruments valued at fair value through profit and loss (held for trading)	186 739	24 246
X. Foreign exchange profit	-48 892	57 794
XI. Other operating income	18 497	11 255
XII. Operating income	**415 819**	**448 964**
XIII. General and administrative expenses	-237 953	-262 026
XIV. Impairment losses on financial assets	-129 320	-11 416
XV. Impairment losses on non financial assets	-296	-216
XVI. Depreciation and amortization	-19 501	-12 612
XVII. Other operating expenses	-15 434	-3 934
XVIII. Operating expenses	**-402 504**	**-290 204**
XIX. Operating profit	**13 315**	**158 760**
XX. Share of profit of associates	0	0
XXI. Profit / (loss) before taxes	**13 315**	**158 760**
XXII. Corporate income tax	-1 219	-31 737
XXIII. Profit / (loss) after taxes	**12 096**	**127 023**
Attributable to:		
Equity holders of the parent	12 096	127 023
Minority interests	0	0
Weighted average number of ordinary shares	849 181 744	849 181 744
Earnings (losses) per ordinary share (in PLN)	**0.01**	**0.15**
OTHER ELEMENTS OF TOTAL COMPREHENSIVE INCOME		
XXIV. Effect of valuation of available for sale debt securities	2 623	-201
XXV. Effect of valuation of available for sale shares	-378	0
XXVI. Hedge accounting	201 629	138
XXVII. Other elements of total comprehensive income before taxes	**203 874**	**-63**
XXVIII. Corporate income tax on other elements of total comprehensive income	-38 738	12
XXIX. Other elements of total comprehensive income after taxes	**165 136**	**-51**
TOTAL COMPREHENSIVE INCOME OF THE PERIOD	**177 232**	**126 972**
Attributable to:		
Equity holders of the parent	177 232	126 972
Minority interests		0

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Total consolidated equity	Share capital	Share premium	Revaluation reserve	Retained earnings	Total comprehensive income
Equity at the beginning of the period (opening balance) 01.01.2009	**2 814 883**	**849 182**	**472 343**	**-2 742**	**1 039 708**	**456 392**
- reclassification of total comprehensive income of 2008	0	0	0	42 983	413 409	-456 392
- total comprehensive income of the I quarter 2009	177 232	0	0	0	0	177 232
Equity at the end of the period (closing balance) 31.03.2009	**2 992 115**	**849 182**	**472 343**	**40 241**	**1 453 117**	**177 232**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Total consolidated equity	Share capital	Share premium	Revaluation reserve	Retained earnings	Total comprehensive income
Equity at the beginning of the period (opening balance) 01.01.2008	**2 519 932**	**849 182**	**471 709**	**9 881**	**740 188**	**448 972**
- reclassification of total comprehensive income of 2007	0	0	0	-12 623	461 595	-448 972
- total comprehensive income of the I quarter 2008	126 972	0	0	0	0	126 972
- dividend payment	-161 345	0	0	0	-161 345	0
Equity at the end of the period (closing balance) 31.03.2008	**2 485 559**	**849 182**	**471 709**	**-2 742**	**1 040 438**	**126 972**

A. CASH FLOWS FROM OPERATING ACTIVITIES

Amount '000 PLN	**1.01.2009 - 31.03.2009**	**1.01.2008 - 31.03.2008**
I. Profit (loss) after taxes	**12 096**	**127 023**
II. Adjustments for:	**-27 973**	**1 811 013**
1. Minority profit (loss)	0	0
2. Interests in net income (loss) of associated companies	0	0
3. Depreciation and amortization	19 501	12 612
4. Foreign exchange (gains)/ losses	416 054	81 304
5. Dividends	-1	0
6. Changes in provisions	-2 909	474
7. Result on sale and liquidation of investing activity assets	-4 215	-3 709
8. Change in financial assets valued at fair value through profit and loss (held for trading)	1 415 779	531 641
9. Change in loans and advances to banks	499 639	-13 634
10. Change in loans and advances to customers	-2 528 047	-1 967 498
11. Change in receivables from securities bought with sell-back clause (loans and advances)	-319 312	-123 116
12. Change in financial liabilities valued at fair value through profit and loss (held for trading)	-2 232 369	559 894
13. Change in deposits from banks	1 151 906	-264 827
14. Change in deposits from customers	642 664	2 320 334
15. Change in liabilities from securities sold with buy-back clause	662 796	453 772
16. Change in debt securities	15 292	34 042
17. Change in income tax settlements	3 045	33 101
18. Income tax paid	-3 129	-4 745
19. Change in other assets and liabilities	221 683	149 279
20. Other	13 650	12 089
III. Net cash flows from operating activities	**-15 877**	**1 938 036**

B. CASH FLOWS FROM INVESTING ACTIVITIES

Amount '000 PLN	**1.01.2009 - 31.03.2009**	**1.01.2008 - 31.03.2008**
I. Inflows:	**1 208**	**5 087**
1. Proceeds form sale of property, plant and equipment and intangible assets	1 207	5 087
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	0
5. Other	1	0
II. Outflows:	**-162 073**	**-64 823**
1. Acquisition of property, plant and equipment and intangible assets	-17 431	-12 728
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	-144 642	-52 095
5. Other	0	0
III. Net cash flows from investing activities	**-160 865**	**-59 736**

C. CASH FLOWS FROM FINANCING ACTIVITIES

Amount '000 PLN	1.01.2009 - 31.03.2009	1.01.2008 - 31.03.2008
I. Inflows:	**1 876**	**0**
1. Long-term bank loans	0	0
2. Issue of debt securities	1 876	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	**1 876**	**0**

D. NET CASH FLOWS, TOTAL (A III+B III+C III)	**-174 866**	**1 878 300**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD	**2 939 685**	**2 172 683**
F. CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD (D+E)	**2 764 819**	**4 050 983**

ADDITIONAL EXPLANATIONS TO 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.

RECLASSIFICATION OF THE EFFECT OF REVALUATION OF INTEREST ACCRUED IN THE BALANCE SHEET

In 2009 the Bank (Group) changed its method of presenting FX gains/losses on interest expressed in foreign currencies and accrued in the Balance Sheet. This revaluation effect, previously presented in the Profit and Loss Account as a component of Interest Income or Result on Financial Instruments is now presented in the "FX Gains/Losses" item. Restated comparable data (1st quarter 2008) are as follows:

Adjusted item	1st quarter 2008 data as presented previously	1st quarter 2008 comparatives	Difference
Interest income	526 603	523 758	-2 845
Result on financial instruments valued at fair value through profit and loss	23 019	24 426	+1 227
Foreign exchange profit	56 176	57 794	+1 618

RECLASSIFICATION OF DEBT SECURITIES

In 2008 the Bank reclassified from the "held for trading" portfolio to the "available for sale" portfolio WZ0911 seven-year floating-interest Treasury Bonds. This change of classification was possible based on the amendment of IAS 39 and IFRS 7, implemented by virtue of European Commission Regulation (EC) No. 1004/2008 of 15 October 2008. Under the invoked standard the reclassification was done at fair value – valuation losses recognised in the Profit and Loss Account until reclassification were not reversed and the fair value of the instrument as at the day of reclassification constituted the new acquisition cost. The premise justifying the above reclassification (resulting from IAS 39.50B provisions) was the change of intention of keeping these securities in the Bank's portfolio; realisation of short-term gains on the investment ceased to be possible due to changes in the macroeconomic situation.

Meeting the disclosure requirements with respect to the above transaction, resulting from the provisions of IFRS 7 is the table below:

Name	WZ0911
Notional value as at reclassification date	PLN 120,000,000
Book value as at reclassification date	PLN 119,132,400
Interest rate as at reclassification date	6.64%
Losses from valuation recognized in P&L for 2007 (comparatives)	PLN -4.1 ths. (gross)
Losses from valuation recognized in P&L for 2008 (till reclassification date)	PLN -1,253.8 ths. (gross)
Valuation recognized directly in equity as at reporting date of 31.12.2008	PLN -3,096.9 ths. (gross)
Losses from valuation, which would be additionally recognized in P&L for 2008 in case reclassification did not take place (calculated from reclassification date)	PLN -3,096.9 ths. (gross)
Valuation recognized directly in equity as at reporting date of 31.03.2009	PLN -2,748.1 ths. (gross)
Income from valuation, which would be additionally recognized in P&L for the I quarter of 2009 in case reclassification did not take place	PLN 348.8 ths. (gross)

FX RATES ADOPTED FOR CONVERSION OF FINANCIAL DATA INTO EUR

For calculation of values in EUR the following FX rates were applied:

- For balance sheet items 4.7013 PLN/EUR rate of 31 March 2009 (for comparable data: 4.1724 PLN/EUR),
- For Profit and Loss Account items on the period 1 January – 31 March 2009 – 4.5994 PLN/EUR, rate calculated as an average of rates at end of months covered by the report (for comparable data 3.5574 PLN/EUR).

IV. FINANCIAL DATA OF THE PARENT COMPANY (THE BANK)

ASSETS

Amount '000 PLN	**31.03.2009**	**31.12.2008**
I. Cash, balances with the Central Bank	1 196 415	1 802 402
II. Loans and advances to banks	1 446 489	1 580 026
III. Financial assets valued at fair value through profit and loss (held for trading)	5 617 739	6 292 722
IV. Hedging derivatives	238 114	9 977
V. Loans and advances to customers	35 177 527	32 624 259
VI. Investment financial assets	2 361 950	2 913 379
- available for sale	2 361 950	2 913 379
- held to maturity	0	0
VII. Investments in associates	253 024	232 357
VIII. Receivables from securities bought with sell-back clause (loans and advances)	380 594	61 282
IX. Property, plant and equipment	213 472	225 603
X. Intangible assets	16 638	18 002
XI. Non-current assets held for sale	0	0
XII. Receivables from Tax Office resulting from current tax	0	45 656
XIII. Deferred tax assets	56 957	15 031
XIV. Other assets	156 533	186 436
Total Assets	**47 115 452**	**46 007 132**

LIABILITIES

Amount '000 PLN	**31.03.2009**	**31.12.2008**
I. Deposits from banks	4 506 636	3 060 550
II. Financial liabilities valued at fair value through profit and loss (held for trading)	2 903 712	4 402 227
III. Hedging derivatives	447 994	1 179 649
IV. Deposits from customers	32 435 022	31 877 870
V. Liabilities from securities sold with buy-back clause	2 169 213	1 506 353
VI. Debt securities	138 778	123 486
VII. Provisions	29 643	32 552
VIII. Deferred income tax liabilities	0	0
IX. Current tax liabilities	36 866	0
X. Other liabilities	638 774	400 473
XI. Subordinated debt	1 096 439	961 420
Total Liabilities	**44 403 077**	**43 544 580**

EQUITY

Amount '000 PLN	31.03.2009	31.12.2008
I. Share capital	849 182	849 182
II. Share premium	472 343	472 343
III. Revaluation reserve	40 241	-2 742
IV. Retained earnings	1 100 786	603 858
V. Total comprehensive income	249 823	539 911
- including revaluation reserve	165 136	42 983
- including profit (loss) after taxes	84 687	496 928
Total Equity	**2 712 375**	**2 462 552**
Total Liabilities and Equity	**47 115 452**	**46 007 132**

Capital adequacy ratio	**9.41%**	**9.19%**

Book value	**2 712 375**	**2 462 552**
Number of shares	**849 181 744**	**849 181 744**
Book value per share (in PLN)	**3.19**	**2.90**

OFF-BALANCE SHEET ITEMS

Amount '000 PLN	31.03.2009	31.12.2008
Contingent liabilities granted and received	**8 756 980**	**9 203 270**
1. Liabilities granted:	8 074 681	8 486 330
a) financial	6 521 367	6 765 024
b) guarantees	1 553 314	1 721 306
2. Liabilities received:	682 299	716 940
a) financial	0	23 532
b) guarantees	682 299	693 408

TOTAL COMPREHENSIVE INCOME STATEMENT

INCOME STATEMENT

Amount '000 PLN	**1.01.2009 - 31.03.2009**	**1.01.2008 - 31.03.2008**
I. Interest income	577 364	482 895
II. Interest expense	-493 631	-293 581
III. Net interest income	**83 733**	**189 314**
IV. Fee and commission income	136 255	139 146
V. Fee and commission expense	-17 753	-18 068
VI. Net fee and commission income	**118 502**	**121 078**
VII. Dividend income	87 832	36 916
VIII. Result on investment financial assets	5 633	474
IX. Result on financial instruments valued at fair value through profit and loss (held for trading)	186 490	24 252
X. Foreign exchange profit	-49 668	57 931
XI. Other operating income	6 194	9 849
XII. Operating income	**438 716**	**439 814**
XIII. General and administrative expenses	-229 043	-245 932
XIV. Impairment losses on financial assets	-106 307	-11 554
XV. Impairment losses on non financial assets	-277	-154
XVI. Depreciation and amortization	-13 078	-9 016
XVII. Other operating expenses	-3 465	-5 305
XVIII. Operating expenses	**-352 170**	**-271 961**
XIX. Operating profit	**86 546**	**167 853**
XX. Profit / (loss) before taxes	**86 546**	**167 853**
XXI. Corporate income tax	-1 859	-25 983
XXII. Profit / (loss) after taxes	**84 687**	**141 870**
Weighted average number of ordinary shares	849 181 744	849 181 744
Earnings (losses) per ordinary share (in PLN)	**0.10**	**0.17**
OTHER ELEMENTS OF TOTAL COMPREHENSIVE INCOME		
XXIII. Effect of valuation of available for sale debt securities	2 623	-201
XXIV. Effect of valuation of available for sale shares	-378	0
XXV. Hedge accounting	201 629	138
XXVI. Other elements of total comprehensive income before taxes	**203 874**	**-63**
XXVII. Corporate income tax on other elements of total comprehensive income	-38 738	12
XXVIII. Other elements of total comprehensive income after taxes	**165 136**	**-51**
XXIX. TOTAL COMPREHENSIVE INCOME OF THE PERIOD	**249 823**	**141 819**

STATEMENT OF CHANGES IN EQUITY

	Total equity	Share capital	Share premium	Revaluation reserve	Retained earnings	Total comprehensive income
Equity at the beginning of the period (opening balance) 01.01.2009	**2 462 552**	**849 182**	**472 343**	**-2 742**	**603 858**	**539 911**
- reclassification of total comprehensive income of 2008				**42 983**	**496 928**	**-539 911**
- total comprehensive income of the I quarter 2009	249 823	0	0	0	0	249 823
Equity at the end of the period (closing balance) 31.03.2009	**2 712 375**	**849 182**	**472 343**	**40 241**	**1 100 786**	**249 823**

STATEMENT OF CHANGES IN EQUITY

	Total equity	Share capital	Share premium	Revaluation reserve	Retained earnings	Total comprehensive income
Equity at the beginning of the period (opening balance) 01.01.2008	**2 083 986**	**849 182**	**472 343**	**9 881**	**353 281**	**399 299**
- reclassification of total comprehensive income of 2007	0	0	0	-12 623	411 922	-399 299
- total comprehensive income of the I quarter 2008	141 819	0	0	0	0	141 819
- dividend payment	-161 345	0	0	0	-161 345	0
Equity at the end of the period (closing balance) 31.03.2008	**2 064 460**	**849 182**	**472 343**	**-2 742**	**603 858**	**141 819**

A. CASH FLOWS FROM OPERATING ACTIVITIES

Amount '000 PLN	**1.01.2009 - 31.03.2009**	**1.01.2008 - 31.03.2008**
I. Profit (loss) after taxes	**84 687**	**141 870**
II. Adjustments for:	**-184 229**	**1 799 339**
1. Interests in net income (loss) of associated companies	0	0
2. Depreciation and amortization	13 078	9 016
3. Foreign exchange (gains) losses	415 387	81 338
4. Dividends	-87 832	-36 916
5. Changes in provisions	-2 909	474
6. Result on sale and liquidation of investing activity assets	-6 525	-4 264
7. Change in financial assets valued at fair value through profit and loss (held for trading)	1 433 749	527 587
8. Change in loans and advances to banks	499 639	-13 634
9. Change in loans and advances to customers	-2 569 610	-1 882 343
10. Change in receivables from securities bought with sell-back clause (loans and advances)	-319 312	-123 116
11. Change in financial liabilities valued at fair value through profit and loss (held for trading)	-2 230 170	558 534
12. Change in deposits from banks	1 151 906	-264 827
13. Change in deposits from customers	557 152	2 323 935
14. Change in liabilities from securities sold with buy-back clause	662 860	453 873
15. Change in debt securities	15 292	15 351
16. Change in income tax settlements	1 860	30 549
17. Income tax paid	0	-4 745
18. Change in other assets and liabilities	267 874	115 298
19. Other	13 332	13 229
III. Net cash flows from operating activities	**-99 542**	**1 941 209**

B. CASH FLOWS FROM INVESTING ACTIVITIES

Amount '000 PLN	**1.01.2009 - 31.03.2009**	**1.01.2008 - 31.03.2008**
I. Inflows:	**90 058**	**41 974**
1. Proceeds form sale of property, plant and equipment and intangible assets	2 226	5 058
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	0
5. Other	87 832	36 916
II. Outflows:	**-165 410**	**-103 101**
1. Acquisition of property, plant and equipment and intangible assets	-774	-1 645
2. Acquisition of shares in associates	-20 000	-20 000
3. Acquisition of financial assets valued at fair value through profit and loss	0	0
4. Acquisition of investment financial assets	-144 636	-81 456
5. Other	0	0
III. Net cash flows from investing activities	**-75 352**	**-61 127**

C. CASH FLOWS FROM FINANCING ACTIVITIES

Amount '000 PLN	**1.01.2009 - 31.03.2009**	**1.01.2008 - 31.03.2008**
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)	**-174 894**	**1 880 082**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD	**2 939 493**	**2 170 610**
F. CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD (D+E)	**2 764 599**	**4 050 692**

ADDITIONAL EXPLANATIONS ON FINANCIAL DATA

WRITE-OFF OF UNCOLLECTIBLE RECEIVABLES AGAINST PROVISIONS

During the period from 1st January until 31 March 2008 the Bank charged uncollectible receivables into created provisions in the amount of 4,757 thousand PLN.

RECLASSIFICATION OF THE EFFECT OF REVALUATION OF INTEREST ACCRUED IN THE BALANCE SHEET

A description of the adjustment was presented in Chapter III "Consolidated Financial Data (Group)"

RECLASSIFICATION OF DEBT SECURITIES

Information meeting disclosure requirements stipulated from IFRS 7 with respect to the reclassification of debt securities done by the Bank in Q4 2008 was presented in Chapter III "Consolidated Financial Data (Group)".

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. The main customer funds components are such products as: current accounts, term deposits, mutual funds and structured products. Insurance products are also commercialised in this segment, especially together with loans and credit cards. The offer for affluent segment was enriched with selective mutual funds of other financial entities, international investment funds and structured bonds issued by the Bank.

b) Corporate Segment

The corporate segment includes the commercial activity made with SME, big and large corporate clients. 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 a range of cash management products as well as treasury products (including derivatives) and leasing and factoring services.

c) Treasury and Investment activities

This segment consists of such Group activities as capital investments for the Bank's own account, brokerage activities, inter-bank and debt securities transactions that are not allocated to other segments.
This segment includes other assets and other liabilities, assets and liabilities connected with hedging derivatives and deferred income tax assets not assigned to any of the segments.

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

Income tax charge has been presented on the Group level only.

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 polices

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 result 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 and income from FX transactions,
- Other operating income and cost;
- Provisions for impairment of financial and non financial assets;
- Share of the segment in operating costs including 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 or 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 01.01.2009 - 31.03.2009

In '000 PLN	Retail Banking	Corporate Banking	Investment and Treasury Banking	Other	Total consolidated
Net interest income	142 425	54 633	-69 165	0	127 893
external income	272 381	140 591	218 557	0	631 528
external cost	-338 657	-118 832	-46 597	0	-503 635
External income less cost	-66 276	22 209	171 960	0	127 893
internal income	326 026	117 941	-443 967	0	0
internal cost	-117 325	-85 517	202 842	0	0
Internal income less cost	208 702	32 424	-241 126	0	0
Net fee and commission income	91 466	30 693	3 789	0	125 948
Dividends, other income from financial operations and foreign exchange profit	26 296	35 045	82 140	0	143 480
Other operating income and cost	53	26	2 984	0	3 063
Operating income	**260 240**	**120 397**	**19 747**	0	**400 385**
Staff costs	-87 885	-27 203	-2 881	0	-117 969
Administrative costs	-94 084	-17 704	-8 195	0	-119 984
Impairment losses on assets	-27 732	-105 172	3 288	0	-129 616
Depreciation and amortization	-13 074	-3 790	-2 636		-19 501
Operating expenses	**-222 776**	**-153 869**	**-10 424**	0	**-387 069**
Profit / (loss) before taxes	**37 464**	**-33 472**	**9 324**	0	**13 315**
Income taxes					-1 219
Profit / (loss) after taxes					**12 096**

Balance sheet 31.03.2009

In '000 PLN	Retail Banking	Corporate Banking	Investment and Treasury Banking	Other	Total consolidated
ASSETS					
Segment assets	28 704 818	10 836 607	8 699 010	0	48 240 435
- including capital investment outlays	6 151	1 016	0	0	7 176
Assets allocated to segment	1 675 251	917 252	-2 592 503	0	0
Total	**30 380 069**	**11 753 859**	**6 106 507**	**0**	**48 240 435**
LIABILITIES					
Segment liabilities	24 200 347	10 783 528	10 264 444	0	45 248 320
Liabilities allocated to segment	4 538 796	256 112	- 4 794 908	0	0
Equity allocated to segment	1 640 926	714 219	636 970	0	2 992 115
Total	**30 380 069**	**11 753 859**	**6 106 507**	**0**	**48 240 435**

Income statement 01.01.2008 - 31.03.2008

In '000 PLN	Retail Banking	Corporate Banking	Investment and Treasury Banking	Other	Total consolidated
Net interest income	156 025	54 528	9 648	0	220 201
external income	270 236	105 817	147 705	0	523 758
external cost	-172 988	-94 624	-35 945	0	-303 557
External income less cost	97 248	11 193	111 760	0	220 201
internal income	216 232	116 386	-332 618	0	0
internal cost	-157 454	-73 051	230 506	0	0
Internal income less cost	58 778	43 334	-102 112	0	0
Net fee and commission income	103 367	23 867	7 759	0	134 994
Dividends, other income from financial operations and foreign exchange profit	42 321	20 426	19 766	0	82 514
Other operating income and cost	-84	-139	7 544	0	7 321
Operating income	**301 630**	**98 682**	**44 717**	**0**	**445 030**
Staff costs	-110 921	-31 239	-6 785	0	-148 945
Administrative costs	-90 191	-19 342	-3 548	0	-113 081
Impairment losses on assets	-4 948	-6 048	-636	0	-11 632
Depreciation and amortization	-10 064	-1 698	-850		-12 612
Operating expenses	**-216 124**	**-58 328**	**-11 818**	**0**	**-286 270**
Profit / (loss) before taxes	**85 506**	**40 355**	**32 899**	**0**	**158 760**
Income taxes					-31 737
Profit / (loss) after taxes					**127 023**

Balance sheet 31.12.2008

In '000 PLN	Retail Banking	Corporate Banking	Investment and Treasury Banking	Other	Total consolidated
ASSETS					
Segment assets	26 299 927	9 388 884	11 426 111	0	47 114 922
- including capital investment outlays	85 454	6 477	25 613	0	117 543
Assets allocated to segment	1 671 930	885 730	-2 557 660	0	0
Total	**27 971 857**	**10 274 614**	**8 868 451**	**0**	**47 114 922**
LIABILITIES					
Segment liabilities	23 872 589	9 196 000	11 231 450	0	44 300 039
Liabilities allocated to segment	2 590 444	372 018	-2 962 462	0	0
Equity allocated to segment	1 508 824	706 596	599 463	0	2 814 883
Total	**27 971 857**	**10 274 614**	**8 868 451**	**0**	**47 114 922**

VI. DIVIDEND FOR 2008

With a view to maintaining a strong capital base in a deteriorating market environment as well as the strong depreciation of the zloty with respect to the key foreign currencies, which in practice means increase of capital requirements, the Annual General Meeting of Shareholders of the Bank on 27 March 2009 decided to allocate all of the Bank's 2008 net profit in the amount of PLN 496,927,275.92, to increase of the Bank's reserve capital.

VII. EARNINGS PER SHARE

Earnings Per Share (as well as diluted Earnings Per Share) in 1st Quarter 2009, calculated on the basis of consolidated profit, is PLN 0.01.

VIII. STRUCTURE OF THE CAPITAL GROUP OF THE BANK

In the course of 1st quarter 2009 no changes occurred in the Group's structure, therefore the Group's organisational chart as presented in the last full consolidated report on 2008 (published on 27 February 2009) remains valid.

IX. MATERIAL EVENTS THAT OCURRED 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 ANNUAL GENERAL MEETING OF SHAREHOLDERS OF THE DOMINANT ENTITY OF THE GROUP - BANK MILLENNIUM S.A.

Data on numbers of shares, percentage of shareholders' equity, number of votes and their percentage share in the total number of votes at a AGM were prepared on the basis of information contained in notifications sent to the Bank by the shareholders, under art. 69 of the "Act on the Public Offer and Conditions of Introducing Financial Instruments to an Organised Trading and on Public Companies" and on the basis of information from shareholders within the confines of registration on AGM of the Bank (however the number of shares registered at AGM by a shareholder may be lower than really held).

Data as the day of disclosure of the quarterly report with reporting period ending as at 31 March 2009

Shareholder	**Number of shares**	***% share in share capital***	***Number of votes***	***% share in votes at Shareholders' Meeting***
Banco Comercial Portugues S.A.	556 325 794	65.51	556 325 794	65.51
Commercial Union Otwarty Fundusz Emerytalny BPH CU WBK	55 000 000	6.48	55 000 000	6.48

According to its annual report, the largest Polish pension fund, Commercial Union Otwarty Fundusz Emerytalny BPH CU WBK, increased its holding in the Bank's share equity to 7.32% as at 31 December 2008 and remains the second largest investor in the Bank, after Millennium bcp.

Data as the day of disclosure of the quarterly report with reporting period ending as at 31 December 2008

Shareholder	**Number of shares**	***% share in share capital***	***Number of votes***	***% share in votes at Shareholders' Meeting***
Banco Comercial Portugues S.A.	556 325 794	65.51	556 325 794	65.51
Commercial Union Otwarty Fundusz Emerytalny BPH CU WBK	62 200 437	7.32	62 200 437	7.32

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 disclosure date for quarterly report prepared as at 31.03.2009	Number of shares as of disclosure date for quarterly report prepared as at 31.12.2008
Bogusław Kott	Chairman of the Management Board	3 126 174	3 126 174
Rui Manuel Teixeira	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
Artur Klimczak	Member of the Management Board	0	0
Jerzy Andrzejewicz	Proxy	6 260	6 260
Maciej Bednarkiewicz	Chairman of the Supervisory Board	94	94
Carlos Jorge Ramalho dos Santos Ferreira	Deputy Chairman of the Supervisory Board	0	0
Ryszard Pospieszyński	Deputy Chairman of the Supervisory Board	60 470	60 470
Marek Furtek	Secretary of the Supervisory Board	1	1
Luis Pereira Coutinho	Member of the Supervisory Board		
Vitor Manuel Lopes Fernandes	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

At its meeting on 12 February 2009 the Supervisory Board of the Bank recalled Mr Luis Pereira Coutinho from the function of Member of the Management Board and Deputy Chairman of the Bank. The Supervisory Board also recalled from the function of Member of the Management Board Mr Zbigniew Kudaś and Mr Piotr Romanowski.

At the same time the Supervisory Board of the Bank appointed to the management Board Mr Rui Manuel Teixeira and Artur Klimczak. Mr Rui Manuel Teixeira assumed the function of Deputy Chairman of the Bank.

The Annual General Meeting of Shareholders of the Bank on 27 March 2009 appointed following persons, in alphabetical order, as members of the Supervisory Board of the Bank:

1. Mr. Maciej Bednarkiewicz,
2. Mr. Luis Maria Franca de Castro Pereira Coutinho ,
3. Mr. Vitor Manuel Lopes Fernandes,
4. Mr. Carlos Jorge Ramalho dos Santos Ferreira,
5. Mr. Marek Furtek,
6. Mr. Andrzej K. Koźmiński,
7. Mr. Paulo José de Ribeiro Moita de Macedo,
8. Mr. Nelson Ricardo Bessa Machado,
9. Mr. Ryszard Pospieszyński,
10. Mr. Marek Rocki,
11. Mr Dariusz Rosati

On 27 March a meeting was held of the Supervisory Board appointed on 27 March 2009 by the AGM of the Bank for a new tenure, at which the Supervisory Board constituted itself, appointing Mr Maciej Bednarkiewicz for the Function of Chairman of the Supervisory Board and Mr Carlos Jorge Ramalho dos Santos Ferreira as well as Mr Ryszard Pospieszyński for the function of Deputy Chairman. The Supervisory Board also elected Mr Marek Furtek for Secretary of the Supervisory Board.
The Supervisory Board decided that the Management Board of the Bank shall number 7 persons.
The Supervisory Board appointed following persons for the Functions below:

- Chairman of the Management Board – Mr Bogusław Jerzy Kott,
- Deputy Chairman of the Management Board - Mr Rui Manuel Teixeira,

and Members of the Management Board:

- Mr Fernando Bicho,
- Ms Julianna Boniuk-Gorzelańczyk,
- Mr Wojciech Haase,
- Mr Joao Bras Jorge,
- Mr Artur Klimczak.

XII. INDICATION OF LAWSUITS

At present the bank is not party to any lawsuit, in which the value of the dispute would exceed 10% of the value of the Bank's own funds.

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

In 1st quarter 2009 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 2009 would exceed 10% of the Group's equity.

XIV. INFORMATION ON INCOME TAX

- Income tax due

In light of binding legal provisions the Group does not constitute a tax group, therefore 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 at 31 March 2009 the Group's parent – the Bank generated income subject to taxation with Corporate Income Tax.
The main items determining the taxable income in the Bank were:

- Realised income on receivables from previous years;
- Cash profit on debt securities;
- Interest accrued for payment on bank deposits;
- Interest accrued on derivatives' transactions;

The Bank's tax due as at 31 March 2009 was largely offset against excess payment of tax due for 2008.

- 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, the 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.

Tax due, recognised in the Group's Profit and Loss Account on 1st quarter 2009 reduced the value of gross profit (before tax) by the amount of PLN 82.9 million. The effect of accrual of deferred tax recognised in the consolidated Profit and Loss Account in the analogous period was PLN 81.7 million and caused gross profit (before tax) to increase.

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

	01.01.2009-31.03.2009
Balance at the beginning of the period	**927 373**
- issue/ repurchase of bonds within a securitization of leasing receivables portfolio	1 876
- issue/ repurchase of Bank's commercial papers	15 292
Balance at the end of the period	**944 541**

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 there are presented the amounts of intra-group transactions and eliminations done in the process of consolidation, as well as the amounts of transactions with parent company of the Group, i.e. MILLENNIUM BCP (data in PLN thousands).

	CONSOLIDATED	CONTROLLING ENTITY
ASSETS		
Accounts and deposits kept in the Bank	196 074	287 000
Receivables from loans, advances, purchased receivables	2 698 170	-
Financial assets valued at fair value through profit and loss (held for trading)	9 517	6 020
Receivables from securities bought with a sell-back clause	4 355	-
Investment financial assets	15 725	-
Shares in associated companies	261 055	-
Other assets	32 312	-
LIABILITIES		
Liabilities from accepted deposits, loans, advances, sold receivables	3 735 528	941 729
Financial liabilities valued at fair value through profit and loss (held for trading)	8 326	18 920
Liabilities from securities sold with a buy-back clause	4 355	-
Debt securities	-805 763	-
Subordinated liabilities	0	-
Other liabilities	53 940	-
INCOME STATEMENT		
Income from:		
Interest on accounts, deposits and receivables from loans, advances, purchased receivables	30 622	2 764
Bank and brokerage commissions	9 336	-
Group internal dividends	108 342	-
Result on financial instruments valued at fair value through profit and loss (held for trading)	-76	-2 067
Foreign exchange profit	-2 054	-13 858
Other net operating income	27 848	-
Expense from:		
Interest on accounts, deposits and receivables on loans, advances, sold receivables	32 139	2 388
Bank and brokerage commissions	9 138	-
Operations	24 702	2 371