

Interim Extended Financial Statement of Capital Group of Bank Millennium S.A. issued under International Financial Reporting Standards for the third quarter 2007

MAIN FINANCIAL DATA

	Amount '000 PLN		Amount '000 EUR	
	3 quarters / period from 1.01.2007 - 30.09.2007	3 quarters / period from 1.01.2006 - 30.09.2006*	3 quarters / period from 1.01.2007 - 30.09.2007	3 quarters / period from 1.01.2006 - 30.09.2006*
I. Interest income	1 141 941	929 001	298 051	237 166
II. Fee and commission income	458 778	290 532	119 743	74 170
III. Operating income	1 245 707	896 160	325 135	228 781
IV. Operating profit	430 757	263 478	112 429	67 264
V. Profit / (loss) before taxes	430 757	263 478	112 429	67 264
VI. Profit (loss) after taxes	339 523	211 914	88 617	54 100
VII. Net cash flows from operating activities	-1 331 633	-2 446 438	-347 562	-624 553
VIII. Net cash flows from investing activities	881 971	1 884 419	230 198	481 075
IX. Net cash flows from financing activities	100 414	-465 392	26 208	-118 810
X. Net cash flows, total	-349 248	-1 027 411	-91 155	-262 289
XI. Total Assets	28 941 191	24 692 125	7 661 467	6 445 011
XII. Deposits from banks	3 775 117	3 600 205	999 369	939 707
XIII. Deposits from customers	18 395 594	16 069 301	4 869 780	4 194 326
XIV. Equity	2 401 857	2 215 321	635 832	578 232
XV. Share capital	849 182	849 182	224 800	221 649
XVI. Number of shares	849 181 744	849 181 744	849 181 744	849 181 744
XVII. Book value per share (in PLN / EUR)	2.83	2.61	0.75	0.68
XVIII. Diluted book value per share (in PLN / EUR)	2.83	2.61	0.75	0.68
XIX. Capital adequacy ratio	11.55%	13.63%	11.55%	13.63%
XX. Earnings (losses) per ordinary share (in PLN / EUR)	0.40	0.25	0.10	0.06
XXI. Diluted earnings (losses) per ordinary share (in PLN / EUR)	0.40	0.25	0.10	0.06
XXII. Pledged or paid dividend per share (in PLN/EUR)	0.17	0.54	0.05	0.13

* - Comparable balance sheet data (items XI-XIX and XXII) are presented, as required by IFRS, at 31.12.2006. Other comparable data are presented for the period from 1.01.2006 till 30.09.2006.

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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 third quarter 2007, 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 1st half 2007 consolidated report, published on 28th September 2007 and constitutes a condensed interim report pursuant to IAS 34.

II. INFORMATION ABOUT THE ACTIVITY OF BANK MILLENNIUM GROUP AFTER THE FIRST NINE MONTHS 2007

During the first 9 months of 2007, the consolidated net profit of Bank Millennium Capital Group totaled PLN 339.5 million, showing a growth of 60.2% versus the corresponding period of 2006 (PLN 211.9 million). In the third quarter of 2007 only, net profit reached PLN 127.4 million i.e. 76.5% higher than in the third quarter of 2006.

The evidence of improving Bank's profitability can be summarized by the following main financial indicators achieved after the third quarter of 2007:

- **ROE (annualized):** 20%
- **Net interest income:** +17.2% y/y (on a pro-forma basis)
- **Net commissions income:** +58.3% y/y
- **Total operating income:** +39.0% y/y
- **Total costs:** +24.6% (or +11.1% if excluding branch expansion project)
- **Cost to income ratio:** 60.1%
- **Solvency ratio:** 11.5%

On the business side, the third quarter of 2007 brought more balanced development, with faster deposits growth compensating slower sales of mutual funds and still strong growth of loans. The main business highlights after 3Q 2007 are the following:

- **Active clients in Retail:** 891 thousand, 48 thousand new customers in 3rd quarter
- **Total customers funds** grew 40% y/y, of which:
 - deposits:** + 20.8% y/y
 - mutual funds:** + 133% y/y, market share of 4.24%,
- **Total loans** grew 55.4% y/y, of which:
 - mortgage loans:** + 89% y/y, market share of portfolio: 11.3%
 - credit cards loans:** + 100% y/y, 39 thousand new cards in 3rd quarter 2007
 - cash loans:** + 87% y/y, PLN 611 million disbursed year-to-date
 - leasing:** + 36% y/y (portfolio), market share in movables production: 6.7%

As at the end of September 2007, Bank Millennium's network reached the total number of 400 branches. Within the scope of the current branch expansion project, 114 new branches have been opened, of which 41 transformed to the new format.

a) **Financial results after 3rd 2007**

Operating Income (PLN million)	1-3Q 2007	1-3Q 2006	Change
Net Interest Income *	579,5	494,3	17,2%
Net Commissions Income	398,1	251,6	58,3%
Other Non-Interest Income *	268,1	150,3	78,4%
Operating Income	1245,7	896,2	39,0%

(*) 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 aforementioned change. However, as this hedge accounting does not cover all the portfolio denominated in foreign currency, the Bank provides pro-forma data. For the purpose of the report the pro-forma statement presents all margin from derivatives included in Net Interest Income, whereas in accounting terms part of this margin (PLN 30 m in 2007 and PLN 16 m in 2006) 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 9 months of 2007 amounted to PLN 579.5 million and was 17.2% higher than for comparable period of the last year and over 11% higher than in the previous quarter. Net interest margin, after stabilisation during last 3 quarters, increased to 3.1%, due to the volumes growth and margin protection policy introduced to several strategic products (e.g. mortgage loans).

Net commissions income has beaten another quarterly record – PLN 143.6 million, growing 58.3% y/y and 2.2% q/q. Mutual funds, despite lower sales in 3Q, remain the main source of commission income. Bancassurance products and credit cards were also important drivers of net commission growth. Net commission income represents 32% share level of total operating income.

Despite markets turmoil in 3Q, **other non-interest income** kept strong growth of 78.4% versus last year. Foreign exchange results grew by 44.3% yearly, reaching the total amount of PLN 183.8 million after 9 months 2007. Net positive balance of other operating income and costs (+30 million in 3Q 2007) was due to gains from the sale of non-core real estate.

The increase of the three above mentioned income groups translated into strong **net operating income** growth of 39% compared with the 9 months of 2006 (to the amount of PLN 1245.7 million).

Operating Costs (PLN million)	1-3Q 2007	1-3Q 2006	Change
Personnel Costs	393,1	284,2	38,4%
Other Administrative Costs	307,0	271,7	13,0%
Depreciation & impairment of fixed assets	49,0	45,5	7,7%
Total Operating Costs	749,2	601,3	24,6%
<i>Of which expansion and new image</i>	110,8	26,8	
Operating costs without expansion	638,3	574,5	11,1%

Total costs after 3Q 2007 grew 24.6% y/y mainly as a result of branch expansion project. If not considering the costs connected with expansion (PLN 110.8 million), total costs would grow 11.1%, of which administration costs only 2.6%.

Number of staff increased since September 2006 by 951 employees; Bank Millennium Group was employing 5829 persons at the end of September 2007.

Despite the additional costs of the network expansion, Bank Millennium Group kept the **cost to income ratio** at previous quarter level of 60% (and was significantly lower than year ago level of 67.1%).

In the 9 months of 2007, the Group created **net impairment provisions** of PLN 65.8 million. As in the previous quarters, this value was strongly influenced by creation of "generic" (IBNR) provisions of PLN 40.1 million year-to-date associated with the strong growth of the loan portfolio.

Pre-tax profit of the Group in 9 months of 2007 stood at PLN 430.8 million (+63.5% y/y), with **net profit** at PLN 339.5 million (+60.2% y/y).

b) Business results after 3rd quarter 2007

As at 30 September 2007, **total assets** of the Group stood at PLN 28,941 million, growing 17.8% versus last year.

Key Business Volumes (PLN million)	30.09.2007	30.09.2006	Change
Total Assets	28 941	24 571	17,8%
Total Customer Funds	25 394	18 143	40,0%
- where Deposits and Retail Bonds	18 396	15 224	20,8%
- where Investment products *	6 998	2 919	140%
Total Loans to Customers	21 068	13 557	55,4%
- where Mortgage loans	12 375	6 563	88,6%
- where Leasing	2 474	1 824	35,7%

(*) include investment funds/assets managed by Millennium TFI but also third party savings products sold to Millennium customers

Net loans to Customers kept an excellent growth rate, of 55.4% y/y, and reached PLN 21,068 million. Retail loans continued to be the main driver of the increase (+ 86% y/y) and already represent 67% of the total net loan portfolio.

Mortgage loans total portfolio grew 88.6% y/y to the level of PLN 12,375 million. Sale of new mortgages during the 3Q (PLN 2,006 million) was only slightly lower than the “record” 2Q. After 8 months, Bank’s market share in new mortgages sold stayed at 14% level and in total stock grew to 11.3%. The share of new PLN denominated loans is gradually increasing and reached 39% in the 3Q 2007.

Credit cards loans doubled during last 12 months, to PLN 427 million. Bank Millennium reached 387 thousand credit cards and what is especially important, average cards usage is much higher than market average. Based on total market NBP data, Bank Millennium estimates its market share in total payments done by credit cards holders at 8%.

In **cash loans** the Bank managed to equal last quarter record sale of PLN 207 million. Total portfolio of cash loans reached PLN 965 million (up 87% y/y).

Corporate loans keep higher pace of growth with 5% increase versus previous quarter and 16.8% yearly growth. As previously, **leasing** remains the main driver of the growth with 36% increase y/y. New contracts in 3Q 2007 outperformed last year value by 63%. Millennium Leasing kept strong, 4th position on the movables leasing market, with 6.7% share.

Total **customers’ funds**, including own mutual funds and savings products of third parties, reached PLN 25,394 million as at 30 September 2007, which means an increase of 40% y/y. Slight drop in mutual funds during last quarter (- PLN 244 million or – 3.9%), caused by stock market correction, was more than compensated by retail deposits growth (+ PLN 900 million or 10%). Thus, the yearly growth of deposits of individual customers reached 16.2%, outperforming significantly the total market growth rate of 6%. Saving products of third parties, sold to affluent Customers of the Bank, slightly increased during the quarter (+ 2.9%) and increased almost three times when compared to September last year (from PLN 357 million in 2006 to PLN 1,031 million).

Total **number of active retail clients** grew by 48 thousand during the 3Q and by 186 thousand y/y and reached 891 thousand, thus being on track to achieve 2009 target of 1.2 million. The number of individual Customers registered in the Bank’s **internet service** reached 593 thousand, keeping strong growth rate of 53% y/y. Internet users among companies also grew to the total number of 39 thousand. Despite so strong growth of number of customers, Bank Millennium managed to increase cross-selling ratio during the quarter by 0.02 to the level of 3.09 products per customer. This was achieved thanks to continued improvement of sales effort effectiveness.

During 3Q the Bank acquired also 363 new **business clients**, increasing the total number of new businesses acquired in 2007 to 1096. Of this number, 926 customers are from SME segment. Bank Millennium's offer for small and medium enterprises was once ranked top in the annual ranking of the *Forbes* magazine - **Best bank for small and medium enterprises**.

c) Loans quality and solvency

Loan quality and solvency indicators	30.09.2007	30.09.2006
Total impaired loans (PLN million)	818	938
Impaired Loans over Total Loans	3.8%	6.6%
Total Provisions over Impaired Loans	78%	75%
Equity (for CAR)	2 430	2 162
Capital Adequacy Ratio	11.5%	14.5%

Assets quality measured by the “Impaired to total loans” ratio set a new low of 3.8%. This improvement was not only due to the increase of the loan portfolio, but also thanks to the drop in total impaired loans (by PLN 83 million during the quarter and 120 million during the year). Impaired loans coverage by provisions (including IBNR) increased to very strong, 78% level.

Strong lending expansion caused another drop of the Group's **solvency ratio** to 11.5% level i.e. 0.7 p.p. against last quarter and 3 p.p. against September 2006. Total equity calculated according to CAD I rules increased by 12% y/y to PLN 2,430 million.

d) Branch expansion program status

As on 30 September 2007, Bank Millennium has a network of 400 branches, thanks to the progress of the current branch expansion plan. Within the scope of this program, 114 branches have been opened (or transformed from the previous outlets) so far, including 34 financial centers, 53 “retail & business”, 13 pure retail and 14 credit centers.

Bank Millennium is targeting now at having 560 locations at the end of 2009. This number includes 100 new branches announced last quarter as the extension of network expansion plan. As for today, Bank has selected more than 40 new locations from the remaining 160 to be opened until the end of 2009.

After 3Q 2007 total cumulated investments connected with the current branch expansion (for years 2006-2007) were at PLN 110.4 million. Additionally PLN 110.8 million more operating costs were

incurred during the first 9 months of 2007. These additional costs are mainly connected with 1287 new employees already deployed in new branches or being trained for the forthcoming openings and with administrative costs associated with the new branches. The new investments needed to complete whole 560 branches program (to be finished in December 2009) are estimated at PLN 130-140 million.

e) Rating and share price main indicators

As on 30 September 2007, Bank Millennium has the following ratings:

Fitch Ratings:	Current rating
Issuer Default (IDR)	A
Short-term deposit rating	F-1
Individual	C/D
Support	1

Moody's Investor Services:	Current rating
Long-term deposit rating	A3
Short-term deposit rating	Prime-2
Financial strength rating	D

Shares of Bank Millennium in the Warsaw Stock Exchange grew 84% between 30th September 2006 and 30th September 2007, outperforming the main indexes (WIG Index: +37% and WIG Banks: +45%). Due to the global market correction, which took place during 3Q, market capitalization of the Bank dropped versus last quarter, but remained on the level almost two times higher than year ago (PLN 10,020 million).

Market indicators	30.09.2007	30.09.2006
Shares outstanding – period end	849 181 744	849 181 744
Closing price – period end (PLN)	11.80	6.40
Market capitalization (PLN million)	10 020	5 435
Book value per share (PLN)	2.83	2.49
Earnings per share (PLN) – for 9 months of the year	0.40	0.25
Return on equity (ROE, annualised)	20.0%	12.5%

III. CONSOLIDATED FINANCIAL DATA (GROUP)

ASSETS

<i>Amount '000 PLN</i>	30.09.2007	31.12.2006
I. Cash, balances with the Central Bank	773 571	965 834
II. Loans and advances to banks	812 487	1 123 131
III. Financial assets valued at fair value through profit and loss (held for trading)	3 502 825	3 742 760
IV. Hedging derivatives	116 264	108 027
V. Loans and advances to customers	21 067 977	14 937 743
VI. Investment financial assets	1 972 477	2 931 656
- available for sale	1 972 477	2 931 656
- held to maturity	0	0
VII. Investments in associates	5 100	7 016
VIII. Receivables from securities bought with sell-back clause (loans and advances)	0	15 509
IX. Property, plant and equipment	311 609	297 040
X. Intangible assets	17 469	21 578
XI. Non-current assets held for sale	4 124	25 907
XII. Deferred income tax assets	141 813	127 370
XIII. Other assets	215 475	388 554
Total Assets	28 941 191	24 692 125

LIABILITIES

<i>Amount '000 PLN</i>	30.09.2007	31.12.2006
I. Deposits from banks	3 775 117	3 600 205
II. Financial liabilities valued at fair value through profit and loss (held for trading)	420 392	298 709
III. Hedging derivatives	10 899	14 506
IV. Deposits from customers	18 395 594	16 069 301
V. Liabilities from securities sold with buy-back clause	2 969 680	1 428 134
VI. Debt securities	140 216	5 705
VII. Provisions	11 478	10 400
VIII. Deferred income tax liabilities	0	0
IX. Current tax liabilities	8 930	1 436
X. Other liabilities	498 792	741 099
XI. Subordinated debt	308 236	307 309
Total Liabilities	26 539 334	22 476 804

EQUITY

I. Share capital	849 182	849 182
II. Share premium	471 709	471 709
III. Revaluation reserve	1 255	9 881
IV. Retained earnings	1 079 711	884 549
Total equity attributable to equity holders of the parent company	2 401 857	2 215 321
Minority interests	0	0
Total Equity	2 401 857	2 215 321
Total Liabilities and Equity	28 941 191	24 692 125
Capital adequacy ratio	11.55%	13.63%
Book value	2 401 857	2 215 321
Number of shares	849 181 744	849 181 744
Book value per share (in PLN)	2.83	2.61

OFF-BALANCE SHEET ITEMS

<i>Amount '000 PLN</i>	30.09.2007	31.12.2006
Contingent liabilities granted and received	9 354 707	6 442 924
1. Liabilities granted:	7 371 776	5 960 867
a) financial	5 655 601	4 582 952
b) guarantees	1 716 175	1 377 915
2. Liabilities received:	1 982 931	482 057
a) financial	1 363 746	50 000
b) guarantees	619 185	432 057

CONSOLIDATED INCOME STATEMENT

<i>Amount '000 PLN</i>	1.01.2007 - 30.09.2007	1.07.2007 - 30.09.2007	1.01.2006 - 30.09.2006	1.07.2006 - 30.09.2006
I. Interest income	1 141 941	422 592	929 001	318 296
II. Interest expense	-592 516	-221 083	-450 875	-156 243
III. Net interest income	549 425	201 509	478 126	162 053
IV. Fee and commission income	458 778	165 284	290 532	101 798
V. Fee and commission expense	-60 637	-21 642	-38 956	-14 606
VI. Net fee and commission income	398 141	143 642	251 576	87 192
VII. Dividend income	1 609	596	2 573	0
VIII. Result on investment financial assets	5 229	928	1 829	-1 296
IX. Result on financial instruments valued at fair value through profit and loss (held for trading)	70 099	10 123	29 231	20 300
X. Result on other financial instruments	-9 375	-4 153	-7 754	-3 020
XI. Foreign exchange profit	183 816	65 174	127 442	45 340
XII. Other operating income	73 710	39 340	57 385	9 440
XIII. Other operating expenses	-26 947	-8 913	-44 248	-10 638
XIV. Operating income	1 245 707	448 246	896 160	309 371
XV. General and administrative expenses	-700 171	-253 547	-555 818	-190 782
XVI. Impairment losses on financial assets	-65 798	-15 028	-31 404	-12 619
XVII. Impairment losses on non financial assets	126	-379	-352	-290
XVIII. Depreciation and amortization	-49 107	-16 802	-45 108	-14 732
XIX. Operating expenses	-814 950	-285 756	-632 682	-218 423
XX. Operating profit	430 757	162 490	263 478	90 948
XXI. Share of profit of associates	0	0	0	0
XXII. Profit / (loss) before taxes	430 757	162 490	263 478	90 948
XXIII. Corporate income tax	-91 234	-35 113	-51 564	-18 711
XXIV. Profit / (loss) after taxes	339 523	127 377	211 914	72 237
Attributable to:				
Equity holders of the parent	339 523	127 377	211 914	72 237
Minority interests	0	0	0	0
Weighted average number of ordinary shares	849 181 744	849 181 744	849 181 744	849 181 744
Earnings (losses) per ordinary share (in PLN)	0.40	0.15	0.25	0.09

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	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	-6 129	0	0	-6 129	0	0
- effect of valuation of derivatives designated for future cash flows hedge	-2 497	0	0	0	-2 497	0
- dividend	-144 361	0	0	0	0	-144 361
- profit / (loss) of the period after taxes	339 523	0	0	0	0	339 523
Equity at the end of the period (closing balance) 30.09.2007	2 401 857	849 182	471 709	3 153	-1 898	1 079 711

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	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) 01.01.2006	2 390 823	849 182	471 709	27 612	0	1 042 320
- purchase/sale and valuation of available for sale financial assets	-26 558	0	0	-26 558	0	0
- effect of valuation of derivatives designated for future cash flows hedge	321	0	0	0	321	0
- dividend	-458 558	0	0	0	0	-458 558
- profit / (loss) of the period after taxes	211 914	0	0	0	0	211 914
Equity at the end of the period (closing balance) 30.09.2006	2 117 942	849 182	471 709	1 054	321	795 676

A. CASH FLOWS FROM OPERATING ACTIVITIES

<i>Amount '000 PLN</i>	1.01.2007 - 30.09.2007	1.01.2006 - 30.09.2006
I. Profit (loss) after taxes	339 523	211 914
II. Adjustments for:	-1 671 156	-2 658 352
1. Minority profit (loss)	0	0
2. Interests in net income (loss) of associated companies	0	0
3. Depreciation and amortization	49 107	45 108
4. Foreign exchange (gains)/ losses	-66 492	9 896
5. Dividends	-1 609	-2 573
6. Changes in provisions	1 078	1 923
7. Result on sale and liquidation of investing activity assets	-47 728	-14 853
8. Change in financial assets valued at fair value through profit and loss (held for trading)	217 198	-1 084 799
9. Change in loans and advances to banks	255 356	152 844
10. Change in loans and advances to customers	-6 138 592	-3 971 023
11. Change in receivables from securities bought with sell-back clause (loans and advances)	15 509	235 180
12. Change in liabilities valued at fair value through profit and loss (held for trading)	118 076	73 873
13. Change in deposits from banks	-16 660	200 344
14. Change in deposits from customers	2 326 293	1 220 697
15. Change in liabilities from securities sold with buy-back clause	1 541 546	944 828
16. Change in debt securities	134 511	-36 553
17. Change in income tax settlements	49 897	66 181
18. Income tax paid	-36 220	-149 944
19. Change in other assets and liabilities	-87 831	-359 788
20. Other	15 405	10 307
III. Net cash flows from operating activities	-1 331 633	-2 446 438

B. CASH FLOWS FROM INVESTING ACTIVITIES

<i>Amount '000 PLN</i>	1.01.2007 - 30.09.2007	1.01.2006 - 30.09.2006
I. Inflows:	938 168	1 922 318
1. Proceeds from sale of property, plant and equipment and intangible assets	69 310	143 847
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	867 249	1 775 898
5. Other	1 609	2 573
II. Outflows:	-56 197	-37 899
1. Acquisition of property, plant and equipment and intangible assets	-56 197	-37 899
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	0	0
5. Other	0	0
III. Net cash flows from investing activities	881 971	1 884 419

C. CASH FLOWS FROM FINANCING ACTIVITIES

<i>Amount '000 PLN</i>	1.01.2007 - 30.09.2007	1.01.2006 - 30.09.2006
I. Inflows:	275 400	0
1. Long-term bank loans	275 400	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:	-174 986	-465 392
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	-144 361	-458 558
7. Other	-30 625	-6 834
III. Net cash flows from financing activities	100 414	-465 392
D. NET CASH FLOWS, TOTAL (A III+B III+C III)	-349 248	-1 027 411
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD	1 642 747	3 555 653
F. CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD (D+E)	1 293 499	2 528 242

ADDITIONAL EXPLANATIONS ON FINANCIAL DATA***DISCOUNT/PREMIUM ON DEBT SECURITIES WITH INTEREST COUPON***

In 2007 the Group changed the methodology of presentation in the Profit and Loss Account of revenues (costs) from debt securities with interest coupon classified for the "Held for trading" portfolio. Until the end of 2006 the settled discount (premium) on these securities was reported as "result on financial instruments measured at fair value through the profit and loss account". As of 1st January 2007 the settled discount (premium) is presented as a component of interest margin, with appropriate adjustments of comparable data being done.

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: 3.7775 PLN/EURO rate on 30 September 2007 (for comparable data: 3.8312 PLN/EURO),
- for profit and loss account items for the period between 1 January – 30 September 2007 – 3.8314 PLN/EURO, computed as average of rates at ends of months covered by the report (for comparable data: 3.9171 PLN/EURO).

IV. FINANCIAL DATA (BANK)

ASSETS

<i>Amount '000 PLN</i>	30.09.2007	31.12.2006
I. Cash, balances with the Central Bank	770 771	965 817
II. Loans and advances to banks	812 487	1 123 131
III. Financial assets valued at fair value through profit and loss (held for trading)	3 491 896	3 742 385
IV. Hedging derivatives	116 264	108 027
V. Loans and advances to customers	20 680 547	14 109 193
VI. Investment financial assets	1 971 856	2 929 896
- available for sale	1 971 856	2 929 896
- held to maturity	0	0
VII. Investments in associates	176 391	159 156
VIII. Receivables from securities bought with sell-back clause (loans and advances)	0	15 509
IX. Property, plant and equipment	246 596	263 910
X. Intangible assets	16 181	20 936
XI. Non-current assets held for sale	377	12 086
XII. Deferred income tax assets	93 414	82 451
XIII. Other assets	164 835	837 466
Total Assets	28 541 615	24 369 963

LIABILITIES

<i>Amount '000 PLN</i>	30.09.2007	31.12.2006
I. Deposits from banks	3 775 117	3 600 205
II. Financial liabilities valued at fair value through profit and loss (held for trading)	421 372	298 744
III. Hedging derivatives	10 899	14 506
IV. Deposits from customers	18 613 804	16 195 022
V. Liabilities from securities sold with buy-back clause	2 977 445	1 477 686
VI. Debt securities	5 705	5 705
VII. Provisions	11 478	10 400
VIII. Deferred income tax liabilities	0	0
IX. Current tax liabilities	5 232	0
X. Other liabilities	414 557	631 338
XI. Subordinated debt	308 236	307 309
Total Liabilities	26 543 845	22 540 915

EQUITY

I. Share capital	849 182	849 182
II. Share premium	472 343	472 343
III. Revaluation reserve	1 255	9 881
IV. Retained earnings	674 990	497 642
Total Equity	1 997 770	1 829 048
Total Liabilities and Equity	28 541 615	24 369 963

Capital adequacy ratio	9.61%	11.92%
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Book value	1 997 770	1 829 048
Number of shares	849 181 744	849 181 744
Book value per share (in PLN)	2.35	2.15

OFF-BALANCE SHEET ITEMS

<i>Amount '000 PLN</i>	30.09.2007	31.12.2006
Contingent liabilities granted and received	9 687 211	6 583 398
1. Liabilities granted:	7 701 039	6 045 675
a) financial	5 848 161	4 666 790
b) guarantees	1 852 878	1 378 885
2. Liabilities received:	1 986 172	537 723
a) financial	1 363 746	50 000
b) guarantees	622 426	487 723

INCOME STATEMENT

<i>Amount '000 PLN</i>	1.01.2007 - 30.09.2007	1.07.2007 - 30.09.2007	1.01.2006 - 30.09.2006	1.07.2006 - 30.09.2006
I. Interest income	1 065 534	396 382	835 134	287 427
II. Interest expense	-598 370	-222 543	-462 654	-158 063
III. Net interest income	467 164	173 839	372 480	129 364
IV. Fee and commission income	354 221	134 425	231 364	82 533
V. Fee and commission expense	-52 927	-19 352	-33 001	-12 946
VI. Net fee and commission income	301 294	115 073	198 363	69 587
VII. Dividend income	112 638	563	503 711	5 117
VIII. Result on investment financial assets	5 229	928	1 828	-1 297
IX. Result on financial instruments valued at fair value through profit and loss (held for trading)	68 953	10 253	28 992	20 331
X. Result from other financial instruments	-9 375	-4 153	-7 754	-3 020
XI. Foreign exchange profit	182 482	63 461	121 795	45 243
XII. Other operating income	34 546	10 954	30 276	4 665
XIII. Other operating expenses	-22 563	-11 429	-16 630	-1 785
XIV. Operating income	1 140 368	359 489	1 233 061	268 205
XV. General and administrative expenses	-650 363	-235 585	-507 962	-174 379
XVI. Impairment losses on financial assets	-63 769	-14 792	-32 636	-14 956
XVII. Impairment losses on non financial assets	-489	-379	-3 061	-1 264
XVIII. Depreciation and amortization	-43 364	-14 505	-42 985	-13 888
XIX. Operating expenses	-757 985	-265 261	-586 644	-204 487
XX. Operating profit	382 383	94 228	646 417	63 718
XXI. Share of profit of associates	0	0	0	0
XXII. Profit/ (loss) before taxes	382 383	94 228	646 417	63 718
XXIII. Corporate income tax	-60 674	-22 258	-31 148	-11 842
XXIV. Profit/ (loss) after taxes	321 709	71 970	615 269	51 876
Weighted average number of ordinary shares	849 181 744	849 181 744	849 181 744	849 181 744
Earnings (losses) per ordinary share (in PLN)	0.38	0.08	0.72	0.06

STATEMENT OF CHANGES IN EQUITY

	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	-6 129	0	0	-6 129	0	0
- effect of valuation of derivatives designated for future cash flows hedge	-2 497	0	0	0	-2 497	0
- dividend	-144 361	0	0	0	0	-144 361
- profit/ (loss) of the period after taxes	321 709	0	0	0	0	321 709
Equity at the end of the period (closing balance) 30.09.2007	1 997 770	849 182	472 343	3 153	-1 898	674 990

STATEMENT OF CHANGES IN EQUITY

	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) 01.01.2006	1 642 662	849 182	472 343	27 617	0	293 520
- purchase/sale and valuation of available for sale financial assets	-26 563	0	0	-26 563	0	0
- effect of valuation of derivatives designated for future cash flows hedge	321	0	0	0	321	0
- dividend	-458 558	0	0	0	0	-458 558
- profit/ (loss) of the period after taxes	615 269	0	0	0	0	615 269
Equity at the end of the period (closing balance) 30.09.2006	1 773 129	849 182	472 343	1 054	321	450 231

A. CASH FLOWS FROM OPERATING ACTIVITIES

<i>Amount '000 PLN</i>	1.01.2007 - 30.09.2007	1.01.2006 - 30.09.2006
I. Profit (loss) after taxes	321 709	615 269
II. Adjustments for:	-1 739 848	-3 062 084
1. Interests in net income (loss) of associated companies	0	0
2. Depreciation and amortization	43 364	42 985
3. Foreign exchange (gains) losses	-66 427	9 745
4. Dividends	-112 638	-503 711
5. Changes in provisions	1 078	2 550
6. Result on sale and liquidation of investing activity assets	-13 870	-8 260
7. Change in financial assets valued at fair value through profit and loss (held for trading)	227 752	-1 086 135
8. Change in loans and advances to banks	255 356	152 807
9. Change in loans and advances to customers	-6 577 970	-3 759 452
10. Change in receivables from securities bought with sell-back clause (loans and advances)	15 509	255 208
11. Change in financial liabilities valued at fair value through profit and loss (held for trading)	119 021	73 348
12. Change in deposits from banks	-16 660	200 334
13. Change in deposits from customers	2 418 782	1 240 507
14. Change in liabilities from securities sold with buy-back clause	1 499 759	582 844
15. Change in debt securities	0	296
16. Change in income tax settlements	14 136	31 139
17. Income tax paid	-20 380	0
18. Change in other assets and liabilities	458 386	-306 651
19. Other	14 954	10 362
III. Net cash flows from operating activities	-1 418 139	-2 446 815

B. CASH FLOWS FROM INVESTING ACTIVITIES

<i>Amount '000 PLN</i>	1.01.2007 - 30.09.2007	1.01.2006 - 30.09.2006
I. Inflows:	1 003 896	1 921 745
1. Proceeds form sale of property, plant and equipment and intangible assets	25 364	112 082
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	865 894	1 783 973
5. Other	112 638	25 690
II. Outflows:	-38 202	-36 950
1. Acquisition of property, plant and equipment and intangible assets	-19 202	0
2. Acquisition of shares in associates	-19 000	-950
3. Acquisition of financial assets valued at fair value through profit and loss	0	0
4. Acquisition of investment financial assets	0	0
5. Other	0	-36 000
III. Net cash flows from investing activities	965 694	1 884 795

C. CASH FLOWS FROM FINANCING ACTIVITIES

<i>Amount '000 PLN</i>	1.01.2007 - 30.09.2007	1.01.2006 - 30.09.2006
I. Inflows:	275 400	0
1. Long-term bank loans	275 400	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:	-174 986	-465 392
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	-144 361	-458 558
7. Other	-30 625	-6 834
III. Net cash flows from financing activities	100 414	-465 392
D. NET CASH FLOWS, TOTAL (A III+B III+C III)	-352 031	-1 027 412
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD	1 642 730	3 555 633
F. CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD (D+E)	1 290 699	2 528 221

ADDITIONAL EXPLANATIONS ON FINANCIAL DATA

Write-off of uncollectible receivables against provisions

Between January 1 and September 30, 2007 the Bank wrote off uncollectible receivables against created provisions at PLN 4 425 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) Investment and treasury activities

The segment of investment activities consists of the Group activities in capital investment for the Bank's own account, brokerage activities, interbank and debt securities market operations that are not allocated to other segments.

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 presented at the Group level only in "Total" column.

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 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 like 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 banking 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 30.09.2007

Amount '000 PLN

	Retail Banking	Corporate Banking	Treasury and Investment Banking	Other	Total consolidated
Net interest income	361 943	179 084	8 398	0	549 425
external interest income	533 269	285 671	323 001	0	1 141 941
external interest cost	-226 911	-131 350	-234 255	0	-592 516
External interest income less cost	306 358	154 321	88 746	0	549 425
internal interest income	333 041	204 712	-537 754	0	0
internal interest cost	-277 456	-179 950	457 406	0	0
Internal interest income less cost	55 585	24 762	-80 348	0	0
Net commission income	302 055	68 706	27 380	0	398 141
Result from financial operations and FX transactions	129 095	54 902	67 381	0	251 378
Other operating income and cost	169	-10	46 604	0	46 763
Operating Income	793 262	302 682	149 763	0	1 245 707
Staff costs	-281 987	-88 526	-22 614	0	-393 127
Other administrative costs	-227 327	-56 165	-23 552		-307 044
Impairment cost of assets	-74 744	8 690	382	0	-65 672
Depreciation	-37 909	-9 188	-2 010		-49 107
Operating costs	-621 967	-145 189	-47 796	0	-814 950
Operating Profit	171 296	157 493	101 967	0	430 757
Profit before taxes	171 296	157 493	101 967	0	430 757
Income taxes					-91 234
Net profit					339 523

Balance Sheet 30.09.2007

Amount '000 PLN

	Retail Banking	Corporate Banking	Treasury and Investment Banking	Other	Total consolidated
ASSETS					
Segment assets	15 062 060	8 010 388	4 843 622	3 734	27 919 804
Incl. capital investments	46 472	6 431	316	3 734	56 953
Assets allocated to segment	456 280	2 281 026	-2 737 306	0	0
Assets not allocated to segment	0	0	0	1 021 387	1 021 387
Total	15 518 340	10 291 414	2 106 316	1 025 121	28 941 191
LIABILITIES & EQUITY					
Segment Liabilities	11 458 099	9 605 987	4 524 757	0	25 588 843
Liabilities allocated to segment	3 216 453	107 511	-3 323 963	0	0
Liabilities not allocated to segment	0	0	0	950 491	950 491
Equity	0	0	0	0	2 401 857
Total	14 674 551	9 713 498	1 200 794	950 491	28 941 191

Income Statement 30.09.2006

Amount '000 PLN	Retail Banking	Corporate Banking	Treasury and Investment Banking	Other	Total consolidated
Net interest income	276 076	145 624	56 426	0	478 126
external interest income	284 266	254 197	390 538	0	929 001
external interest cost	-169 607	-107 734	-173 534	0	-450 875
External interest income less cost	114 659	146 463	217 004	0	478 126
internal interest income	264 943	160 732	-425 675	0	0
internal interest cost	-103 525	-161 572	265 096	0	0
Internal interest income less cost	161 418	-839	-160 578	0	0
Net commission income	164 200	61 955	25 421	0	251 576
Result from financial operations and FX transactions	83 070	28 191	42 060	0	153 321
Other operating income and cost	-193	507	12 823	0	13 137
Operating Income	523 153	236 277	136 730	0	896 160
Staff costs	-178 554	-74 225	-31 372	0	-284 151
Other administrative costs	-193 058	-56 564	-22 046	0	-271 667
Impairment cost of assets	-42 827	11 071	0	0	-31 756
Depreciation	-35 591	-8 583	-934	0	-45 108
Operating costs	-450 030	-128 300	-54 352	0	-632 682
Operating Profit	73 124	107 977	82 378	0	263 478
Profit before taxes	73 124	107 977	82 378	0	263 478
Income taxes					-51 564
Net profit					211 914

Balance Sheet 31.12.2006

Amount '000 PLN	Retail Banking	Corporate Banking	Treasury and Investment Banking	Other	Total consolidated
ASSETS					
Segment assets	10 226 125	6 855 735	6 370 405	25 102	23 477 367
Incl. capital investments	58 576	5 617	2 981	25 102	92 276
Assets allocated to segment	2 366 936	2 596 831	-4 963 767	0	0
Assets not allocated to segment	0	0	0	1 214 758	1 214 758
Total	12 593 060	9 452 567	1 406 638	1 239 860	24 692 125
LIABILITIES & EQUITY					
Segment Liabilities	9 652 091	6 168 095	5 590 467	0	21 410 654
Liabilities allocated to segment	2 330 022	2 794 867	-5 124 888	0	0
Liabilities not allocated to segment	0	0	0	1 066 150	1 066 150
Equity	0	0	0	0	2 215 321
Total	11 982 113	8 962 962	465 579	1 066 150	24 692 125

VI. DIVIDEND FOR 2006

On 26 March 2007 the Bank's Ordinary GSM passed a resolution on assignment for payment of dividend of the amount of PLN 144,360,896.48, which gives PLN 0.17 gross per share. The payment of dividend was done on 23 May 2007.

VII. EARNINGS PER SHARE

Earnings per share (and the diluted EPS) for the three quarters of 2007, calculated based on the consolidated profit is PLN 0.40.

VIII. STRUCTURE OF THE CAPITAL GROUP OF THE BANK

In the period from 1st January to 30th September 2007 no changes took place in the Group's structure. In result the Group's chart presented in the 1st half 2007 extended consolidated financial report, published on 28th September 2007, 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 30 September 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

Data as at the closing date of the current quarterly report based on data as at 30 June 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 30 September 2006	Number of shares as of the day of submission of the quarterly report prepared as of 30 June 2006
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 Pospieszyński	Deputy Chairman of the Supervisory Board	26 200	26 200
Christopher de Beck	Member of the Supervisory Board	95 000	95 000
Dimitrios Contominas	Member of the Supervisory Board	0	0
Pedro Teixeira Duarte	Member of the Supervisory Board	0	0
Marek Furtek	Member of the Supervisory Board	1	1
Jorge Manuel Jardim Goncalves	Member of the Supervisory Board	10 000	10 000
Andrzej Koźmiński	Member of the Supervisory Board	0	0
Francisco de Lacerda	Member of the Supervisory Board	0	0
Vasco de Mello	Member of the Supervisory Board	0	0
Paulo Teixeira Pinto	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
Zbigniew Sobolewski	Member of the Supervisory Board	0	0

XII. PENDING COURT CASES

The largest pending court cases involving Bank Millennium S.A. are as follows:

- Case instituted by the Bank with the suit dated 22 July 1998 against the State Treasury for PLN 65,613,512.20 under the responsibility of the State Treasury in connection with purchase, by former Bank Gdański S.A., of the receivables from health service providers, which contrary to the assurances proved disputable; On 26 April 2006 the Bank filed an appeal against the ruling, dated March 20, 2006, dismissing the Bank's lawsuit. The appeal was dismissed. The sentence is valid. On 30.04.2007 the Bank filed for cassation.
- Case instituted by Grzegorz Jedamski against the Bank, in connection with the suit filed to the District Court in Warsaw for awarding in his favour an amount of PLN 299 833 300 as indemnity for the illegally taken-over BIG BANK Spółka Akcyjna (former ŁBR S.A.). On 11 April 2007 a court sentence was issued dismissing the action. The sentence is not legally valid. The Plaintiff filed an appeal and the Bank replied to the appeal.

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

In the 3rd Quarter of 2007 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 30 September 2007 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 at the end of 3rd quarter 2007 the Bank had income subject to taxation with corporate income tax. Despite consideration of 50% of 2005 loss, due this year for settlement, taxable income was generated. The main drivers of Bank's taxable income are:

- ü Interest realised on receivables from past years;
- ü Cash profit on debt securities;
- ü Additional payments to principal of concluded CIRS transactions;
- ü Premiums received on option contracts;
- ü Sale and securitisation of receivables

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 3rd quarter 2007 Profit and Loss Account increased after-tax profit by the amount of PLN 11.7 million. The value of due income tax reported in the consolidated Profit and Loss Account in the same period was PLN 102.9 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

	01.01.2007- 30.09.2007
Balance at the beginning of the period	5 705
a) increases (of which)	134 511
- issue of short-term bonds by a subsidiary	134 511
b) decreases (of which)	0
Balance at the end of the period	140 216

XVI. DESCRIPTION OF TRANSACTIONS WITH RELATED ENTITIES

Any transactions made between the Group's entities in during three quarters of 2007 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 (PLN thous.)	
<hr/>	
ASSETS	30.09.2007
Accounts and deposits kept in the Bank	530 691
Loans, advances, purchased receivables between entities subject to consolidation	2 144 701
Receivables from securities bought with a sell-back clause	7 765
Investment financial assets	0
Shares in associated companies	184 716
Other assets	205 922
<hr/>	
LIABILITIES	30.09.07
Liabilities from accepted deposits, loans, advances, sold receivables between entities subject to consolidation	2 869 530
Liabilities from securities sold with a buy-back clause	7 765
Debt securities	0
Subordinated liabilities	0
Other liabilities	27 439
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INCOME STATEMENT	1.01.07 – 30.09.2007
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Income from:	
Interest on accounts, deposits and receivables from loans, advances, purchased receivables	74 880
Bank and brokerage commissions	99 046
Group internal dividends	134 804
Other net operating income	24 919
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Expense from:	
Interest on accounts, deposits and receivables on loans, advances, sold receivables	74 255
Bank and brokerage commissions	106 798
Operations of entities subject to consolidation	23 357