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

MAIN FINANCIAL DATA

	Amount '000 PLN		Amount '000 EUR	
	4 quarters / period from 1.01.2008-31.12.2008	4 quarters / period from 1.01.2007-31.12.2007	4 quarters / period from 1.01.2008-31.12.2008	4 quarters / period from 1.01.2007-31.12.2007
I. Interest income	2 490 922	1 611 082	705 226	426 574
II. Fee and commission income	568 895	626 869	161 065	165 979
III. Operating income	1 866 651	1 741 071	528 483	460 992
IV. Operating profit	521 736	584 555	147 713	154 776
V. Profit / (loss) before taxes	521 736	584 555	147 713	154 776
VI. Profit (loss) after taxes	413 409	461 595	117 044	122 219
VII. Net cash flows from operating activities	700 982	-1 754 882	198 461	-464 649
VIII. Net cash flows from investing activities	-389 689	951 775	-110 328	252 006
IX. Net cash flows from financing activities	455 709	1 333 043	129 020	352 956
X. Net cash flows, total	767 002	529 936	217 152	140 314
XI. Total Assets	47 114 922	30 530 106	11 292 043	8 523 201
XII. Deposits from banks	3 060 550	2 568 688	733 523	717 110
XIII. Deposits from customers	31 702 279	21 800 662	7 598 092	6 086 170
XIV. Equity	2 814 883	2 519 932	674 644	703 499
XV. Share capital	849 182	849 182	203 524	237 069
XVI. Number of shares	849 181 744	849 181 744	849 181 744	849 181 744
XVII. Book value per share (in PLN / EUR)	3.31	2.97	0.79	0.83
XVIII. Diluted book value per share (in PLN / EUR)	3.31	2.97	0.79	0.83
XIX. Capital adequacy ratio	9.73%	13.75%	9.73%	13.75%
XX. Earnings (losses) per ordinary share (in PLN / EUR)	0.49	0.54	0.14	0.14
XXI. Diluted earnings (losses) per ordinary share (in PLN / EUR)	0.49	0.54	0.14	0.14
XXII. Pledged or paid dividend per share (in PLN/EUR)	0.19	0.17	0.06	0.05

Comparable balance sheet data (items XI-XIX and XXII) are presented as at 31 December 2007. Other comparable data are presented for the period from 1 January 2007 to 31 December 2007.

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I. INTRODUCTION AND ACCOUNTING PRINCIPLES

The below extended financial report, containing data of the Capital Group of Bank Millennium S.A. (the Group) and of Bank Millennium S.A. (the Bank) for the 4th quarter of 2008, 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 report of the Group on the 1st half-year of 2008, published on 29th September 2008 and constitutes a condensed interim report pursuant to IAS 34.

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

The consolidated net profit of Bank Millennium Capital Group in 2008 reached PLN 413 million i.e. 10% lower than in 2007 (PLN 462 million). In 4th quarter 2008, the Group's net profit reached PLN 36 million and was negatively affected by an adjustment of FX derivatives valuations related to credit risks of corporate customers. This issue was the result of the very strong devaluation of Polish złoty observed in 4Q, as a consequence of the impact of the global financial crisis on the Polish economy.

The main indicators of 2008 financial results are the following:

- **Deposits and retail bonds:** +46% y/y (+7.4% q/q)
- **Loans:** +53% y/y (+21.5% q/q, + 4% q/q excluding FX impact)
- **ROE:** 15.7%
- **Cost Income ratio :** 64.5%
- **Loans to Deposits ratio:** 102.6%
- **Capital Adequacy ratio:** 10.2% assuming full year net profit retention

The intention of the Management Board of the Bank is to propose to the General Shareholders Meeting the retention of full net profit of the Bank for 2008 year.

Bank Millennium Group managed to improve its market position in many products, especially in the retail banking area, since 2006 and especially during 2008:

Product category	2006	2007	2008
Deposits from individuals	4.0%	5.3%	7.1%
Deposits from companies	3.7%	3.9%	3.8%
Total Deposits	**3.9%**	**4.6%**	**5.6%**
Loans to individuals	5.4%	6.6%	7.4%
of which mortgage	9.8%	11.2%	11.5%
of which cards loans	4.9%	5.5%	5.6%
Loans to companies	3.4%	3.2%	3.2%
Total Loans	**4.3%**	**4.8%**	**5.4%**

Bank Millennium fulfilled its goal for branches to be opened in 2008 (80 of which 25 were opened just in 4Q), finishing the year with a network of 490 outlets.

The main events that affected the 4th quarter activity were the following:

- Significant turmoil in the financial markets
- High devaluation of the Polish Złoty with strong volatility of FX and interest rates
- Negative effect of FX options with corporate customers
- Withdrawal of mortgage loans in foreign currencies from the Bank's product offer since 1st December 2008
- Higher cost of funding in foreign currencies
- Change of NBP monetary policy from increasing to dropping rates in the end of 2008
- Further slide on capital markets, especially in the emerging markets (including Poland)

a) Macroeconomic situation in Poland in 4Q 2008

In 2006, 2007 and the first half of 2008, domestic demand was the main factor conducive to economic growth, especially investments, which grew by double digits. The first symptoms of the outlook deterioration were noted in Q3 2008, when, following the deterioration of business sentiment, the pace of investment fell to merely 3.5% yoy. However, the real slowdown came only in Q4 2008. According to our estimates the rate of GDP growth was then merely 2.9% yoy, a figure two times lower than at the beginning of the year. The consequences of the crisis on global financial markets touched first of all industry. The business outlook ratios for this sector of the economy were in Q4 last year at record-breaking low levels. The growth rate of investments in Q4 was at a level similar to the preceding quarter, private consumption being the sole pillar of economic growth, having gone up according to our calculations by 5.6% yoy.

Q4 2008 brought clear symptoms of deterioration in the labour market and, consequently, deterioration of consumer sentiment. The registered unemployment rate went up in December 2008 to 9.5% from 8.8% in October. Employment in the corporate sector went down in Q4 by 0.8%, while the nominal wage growth rate went down to 5.4% yoy from 10.9% in September. The economic slowdown and reduction of wage pressures, as well as declining prices in the in the raw material market, and slower than the previous year growth of food prices resulted in the relaxing of inflation pressures at year-end 2008. In December 2008, consumer inflation stood at 3.3.% and for the first time since October 2007 was inside the desirable NBP target fluctuation band. In November, the NBP concerned about an impending economic slowdown and in the face of Poland's falling inflation, embarked upon a cycle of relaxing monetary policy. The reference rate returned to the level of 5.0% at year-end 2008.

Also, the situation in the currency market significantly changed compared to the previous periods. The spreading of the financial crisis on global markets contributed to investors' fleeing from emerging markets, which resulted in a strong depreciation of local currencies. Over just three months the zloty depreciated 22% compared to the euro, 23% to the dollar and 29% to the swiss franc. The Polish currency was subject to the fastest depreciation in this decade, just as the remaining currencies in the region: the Hungarian forint and the Czech crown.

Zloty depreciation resulted in a strong growth of the zloty value of FX lending portfolio, notably the loans for households, which increased 44.5% yoy in December (but merely 33% on the assumption of a fixed zloty exchange rate). The value of zloty denominated loans kept increasing over the whole, but a slower growth rates. The turmoil in financial markets in autumn 2008 resulted in an one-off very clear increase of cash in circulation, which increased by PLN 8.1 in October and remained at a similar level until the end of the year. In the same period, total deposits decreased by PLN 376 million. This situation triggered a dynamic deposit campaign conducted by most Polish banks, increasing their interest on deposits. These moves increased total deposits by PLN 33.5 billion over the last two months of the year, December being the best month in history in terms of deposit growth (by PLN 20.4 billion). At the same time volume of mutual funds continued to decrease, mainly due to further collapse of valuations on stock exchanges.

b) Financial results after 4Q 2008

Operating Income (PLN million)	2008	2007	Change
Net Interest Income *	1 181.3	819.9	44.1%
Net Commissions Income	472.0	543.2	-13.1%
Other Non-Interest Income **	195.3	346.3	-43.6%
of which FX derivatives issue	*-152.1*		
Operating Income	**1 848.6**	**1 709.4**	**8.1%**

(*) Pro-forma data: Net Interest Income includes margin from all derivatives. From 1st January 2006 the Bank started to treat under hedge accounting principles the combination of mortgage floating rate foreign currency loans, floating rate PLN deposits and related cross currency interest rate swaps. The margin from these operations is reflected in Net Interest Income since afore-mentioned change. However, as this hedge accounting does not cover all the portfolio denominated in foreign currency, the Bank provides pro-forma data, which presents all margin from derivatives in Net Interest Income caption, whereas in accounting terms part of this margin (PLN 200 m in 2008 and PLN 48 m in 2007) 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.
(**) includes net "other operating income and costs"

Net interest income (on a pro-forma basis) of the Group in 2008 reached PLN 1181.3 million and was 44% higher than in 2007. Interest income was consistently growing quarter by quarter. In the 4th quarter, NII reached PLN 335.9 million and grew by 6.3% versus previous quarter. This positive result was achieved despite strong competition in the banking sector for deposits, especially observed since the beginning of October, which reduced margins. Net Interest Margin of Bank Millennium Group in 4Q 2008 stood at 3.4% and was 0.2 p.p. lower than the margin reached in 3Q 2008.

Net commissions income reached PLN 472.0 million in 2008, which means a 13% drop versus the previous year. Quarterly net commissions stood on similar level of the last two quarters (2% drop in 4Q versus 3Q). Bank has managed to offset most of the decrease of commissions from own and third parties' mutual funds with growth in fees from distributing insurance products, cards, loans and other transactions with Customers. As a consequence, commissions from cards and insurance products raised its share from 10% (for both products) to 16% and 20% respectively while mutual funds share in total commissions income dropped from 39% in 2007 to 22% in 2008.

Other non-interest income dropped by 43.6% versus 2007 and reached PLN 195.3 million. This was caused by a negative effect from adjustment in the valuation of FX options with customers, which was driven by a sudden depreciation of the Polish zloty in 4Q 2008 and the assessment of credit risk connected with some transactions with customers. The net pre-tax impact of the adjustment of the value of FX derivatives contracts with customers was negative (PLN 152.1 million) and was reflected in FX and Result on financial instruments. Additionally, there was a dividend income of PLN 24.8 million in this item, coming from VISA International.

Total operating income of the Group reached PLN 1,849 million in 2008, which means 8% growth versus the previous year.

Operating Costs (PLN million)	**2008**	**2007**	**Change**
Personnel Costs	609.0	538.8	13.0%
Other Administrative Costs	510.2	431.1	18.3%
Depreciation & impairment of fixed assets	72.6	88.4	-18%
Total Operating Costs	**1 191.7**	**1 058.3**	**12.6%**

Total costs in 2008 reached PLN 1 191.7 million and decelerated its growth to 12.6% y/y (from 23.3% in 2007). The costs increased by 4.2% in the 4Q 2008 versus 3Q due to branch expansion and typical seasonality.

Personnel costs grew 13% during the year, however dropped by 3.5% during the 4th quarter. During the 4Q 2008, the number of employees in Bank Millennium Group decreased by 38 and reached in the end of December 7,049 employees (982 more than on 31 December 2007).

Other administrative costs grew by 18.3% during 2008 year and 11.6% just in 4Q 2008. This was caused by branch expansion, more marketing costs associated with campaigns in 4Q (especially on deposits) and seasonal increase of these costs in the last quarter of the year.

Depreciation (together with impairment charges for non-financial assets) dropped by 18% versus 2007 year, in which there was an extraordinary cost of PLN 20.9 million connected with a move to the new headquarter concluded in February 2008.

Cost to income ratio stood at 64.5% level and was higher than in 2007 (61.9%).

Net impairment provisions created by the Group during 2008 amounted to PLN 135.1 million, which means 103.2% more versus 2007. Such increase of provisions resulted partially from considerable loan portfolio growth (53%) but also from increased impairment of corporate portfolio caused by deterioration of economic situation of some companies. In relative terms, provisions created in 2008 represented 52 basis points of average loan portfolio, compared to 35 b.p. for 2007 year and stood within the range initially forecasted.

Profit before tax of Bank Millennium Group in 2008 amounted to PLN 521.7 million (-10.7% y/y) and net profit amounted to PLN 413.4 million (-10.4% y/y). When isolating FX derivatives negative effect and extra dividend from VISA, net profit of the Group for 2008 (PLN 516.5 million) was 12% higher than net profit of 2007 (PLN 461.6 million).

Return on Equity (ROE) reached 15.7%.

c) Business results in 2008

Total assets of Bank Millennium Group reached on 31 December 2008 PLN 47,115 million, growing 54% versus the end of 2007. The main driver of this growth was the depreciation of the Polish złoty, which caused an increase in złoty terms of the loan portfolio denominated in foreign currency.

Key Business Volumes (PLN million)	**31.12.2008**	**31.12.2007**	**Change**
Total Assets	47 115	30 530	54.3%
Total Customer Funds	**34 229**	**28 016**	**22.2%**
- where Deposits & retail bonds	*31 826*	*21 801*	*46.0%*
*- where Investment products **	*2 404*	*6 215*	*-61.3%*
Total Loans to Customers	**33 748**	**22 027**	**53.2%**
- where Mortgage loans	*22 162*	*13 093*	*69.3%*
- where Leasing	*3 643*	*2 687*	*35.6%*

(*) 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 46% y/y, of which deposits from individuals grew by 73%. This excellent result was achieved thanks to the promotion campaigns of various term deposits and savings products, supported by constantly expanding distribution network (80 new or transformed branches during last 12 months). In the last quarter, which was extremely competitive for deposits, total retail deposits grew by 12% allowing the Group, for the first time in its history, to exceed 7% of the household deposits market. Corporate deposits grew by 6% y/y, but decreased 2% in 4Q.

Total Customers' funds of Bank Millennium Group, which include also bonds sold to retail customers and mutual funds, reached PLN 34,229 million, growing 22% during the last 12 months thanks to mentioned above high growth of deposits, which compensated for a huge drop in the mutual funds assets. The continued slide on capital market triggered another strong decrease of mutual funds in 4Q. As a consequence, the volume of other **investment products** held by Bank Millennium's customers (mainly own and third parties' mutual funds) dropped by 61% versus end of 2007.

Total **loans** of the Group reached 33,748 million, thus grew 53% yearly, partly as a result of the change in value of the FX loans, after strong depreciation of the Polish currency. Without the FX effect, the loan portfolio would have grown by c.a. 30% yearly (and 4% quarterly).

Mortgage loans, the main item of the Banks' loan portfolio, grew by 69% to the level of PLN 22,162 million. FX effect significantly contributed to this high yearly growth rate of mortgage portfolio. Mortgage loans origination in 4Q 2008 amounted to PLN 949 million, which means 53% below 3Q amount. This is a partial consequence of the Bank's decision to end origination of loans in foreign currency in 4Q'08, following significant changes on the market environment driven by the tightening FX lending conditions. Share of PLN contracts in the new loans signed in December reached already 65%.

The number of **credit cards** continued to grow and reached 561 thousand giving the Bank c.a. 6% market share. **Cash loans** portfolio grew very well, by 54% y/y reaching PLN 1,621 million.

Corporate loans grew by 28% during last 12 months. The Bank is focusing on SME segment, supported by a strong promotion campaign (Bank Millennium was awarded "the best for small and medium enterprises" by Forbes monthly for the 3rd consecutive time). The Bank keeps a well-diversified corporate loan portfolio among different industries; none of them exceeds 17% of the total corporate portfolio. **Leasing** business slowed in 2008 (new production went down 4% versus 2007) mainly in the road transportation vehicles segment.

d) Loans quality, solvency and liquidity

The Group maintains strong **quality** of the loan portfolio: impaired over total loans ratios remains at the same level as at the end of 2007 (3.4%) which means that impaired loans grew at the same pace as total portfolio. Total impaired loans comprise PLN 64 million net receivables connected with FX options as a result of Bank's detailed analysis of all open and closed exposures. Based on the credit risk analysis the Bank adjusted the valuation of the mentioned above transactions, which was reported in "Result on financial instruments" line.

This was one of the reasons of the coverage ratio drop during the year to 64%. Growing share in total impaired loans of leasing, where coverage ratio is always lower (higher collaterals), was another reason. Finally, write-off of PLN 30 m of fully provisioned cases during 2008 and effective recovery of the exposures with high coverage ratio were the remaining reasons.

The dominating retail loan portfolio keeps very low ratio of impaired loans below 1.0%, of which mortgage 0.3%. The average LTV for mortgage loans, adjusted to actual real-estate prices from the end of 2008, was at 70% level. The impaired loans ratio for corporate loans remains higher (9.7%) and recently deteriorated together with worsening macroeconomic situation.

Loan quality and solvency indicators	**31.12.2008**	**31.12.2007**
Total impaired loans (PLN million)	1 163	766
Impaired Loans over Total Loans	3.4%	3.4%
Total Provisions over Impaired Loans (coverage)	64%	79%
Regulatory capital (for CAR)	3 373	2 872
Capital Adequacy Ratio	9.7%	13.7%
Capital Adequacy Ratio (including entire year net profit)	10.2%	
Loans to Deposits ratio *	102.6%	95.1%

(*) 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 decreased to 9.7% in the end of the year, as a consequence of the growth of risk weighted assets due to Polish złoty depreciation. It is the intention of the Management Board to submit to shareholders meeting a proposal of retention of 100% of net profit of 2008, which will put the solvency ratio at 10.2%. Own funds used for calculation of capital adequacy grew by 17.4% during the year to the level of PLN 3,373 million. They include the retention of the 1st half-year net profit.

Liquidity position of the Bank, measured by loan to deposits ratio (under definition provided in the table above) is remaining in the safe level of 102.6%, despite strong PLN devaluation effect on FX denominated portfolio observed in the 4th quarter. Due to this effect, in accounting terms loans grew much faster than deposits during this quarter (22% versus 7%, but only 4% without FX effect), whereas in the previous 4 quarters deposits were growing faster than loans. Comfortable liquidity position of the Bank allowed not to be dependent on the money market and increased its liquid debt securities portfolio from PLN 4.2 billion to PLN 6.4 billion (vast majority of which are Polish State Treasury and the central bank papers). In 2008, Bank Millennium did not use the FX swaps facility provided by NBP.

e) Rating and share price main indicators

During 4Q 2008 Moody's rating agency changed the outlook for Bank Millennium rating from "positive" to "stable" explaining it by "deteriorating operating environment". There were no other rating actions during 2008 and on 9th February 2009 Fitch rating agency has confirmed all ratings assigned to Bank Millennium keeping 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.

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

Market indicators	31.12.2008	31.12.2007
Shares outstanding	849 181 744	849 181 744
Share price (PLN)	2.88	11.63
Market capitalization (PLN million)	2 446	9 876
Book value per share (PLN)	3.31	2.97
Earnings per share (PLN) – annualized	0.49	0.54

III. NEW STRATEGY – MILLENNIUM 2010

In view of the current situation on financial markets and near-term forecasts, Bank Millennium revised the assumptions of its medium-term strategy. Its point of departure is the Bank's strong position in the polish retail banking market: 1.1 million of active retail clients, giving the bank a 7.1% share in deposits in this segment and the fifth place in the ranking of the biggest deposit banks for individual clients, as well as a 7.4% share in loans to individuals (mortgage, cards and cash loans).

The assumptions for the updated strategy „Millennium 2010" will be based on the following priorities:

1. **reinforcing branch-based banking in retail**

   The Bank will reinforce the focus on using its own retail branch network potential of 490 outlets (end of 2008). In 2009, the Bank's network will go up to 500 outlets (which will conclude, at this stage, the network expansion project), while the branches will continue new client acquisition thanks to the high awareness of the Millennium brand and the quality of services provided. In addition to an active sale of current accounts, time deposits and different consumer loans, which will improve cross-selling results, the Bank intends to improve its position as the first-choice bank for deposit clients. The affluent and micro business offer will also be optimised.

2. **focus on SME clients in corporate**

   Based on its Poland-wide network of outlets and specialised Relationship Managers in its corporate banking activities, the Bank will focus on SME relationships. The Bank will offer to SMEs primarily various forms of business finance, non real estate asset based loans (leasing, factoring) and simple treasury products.

3. **achieving higher efficiency and tight cost management**

   The Bank will pursue cost savings to be achieved in 2009 and 2010. The necessary reductions will pertain to administrative costs (including costs related with IT, communications, marketing, renegotiation of premises' lease and maintenance agreements). It is also planned to streamline the Bank's organisational structure by reducing the number of organisational units through merging different units and consolidation of back-office functions. Personnel costs will also be reduced among others through new bonus payout principles. A leaner and fitter organisational structure will thus be adjusted to new market conditions. The Bank expects to capture PLN 200 million cost savings on an annualised basis until 2010.

4. enforcing more conservative risk management principles

The Bank will also maintain more restrictive capital and liquidity management and loan growth to deposit growth ratios. It will also enforce more conservative credit risk assessment policies, limit large exposures and improve collaterals. A necessary step will also be the adjusting of prices to the level of risk and borrowing costs and tight control of all the market risks.

IV. CONSOLIDATED FINANCIAL DATA (GROUP)

ASSETS

Amount '000 PLN	**31.12.2008**	**31.12.2007**
I. Cash, balances with the Central Bank	1 802 594	1 257 128
II. Loans and advances to banks	1 580 027	1 053 052
III. Financial assets valued at fair value through profit and loss (held for trading)	6 279 933	3 134 582
IV. Hedging derivatives	9 977	218 321
V. Loans and advances to customers	33 748 166	22 027 152
VI. Investment financial assets	2 913 997	1 894 569
- available for sale	2 913 997	1 894 569
- held to maturity	0	0
VII. Investments in associates	5 395	5 100
VIII. Receivables from securities bought with sell-back clause (loans and advances)	61 282	28 807
IX. Property, plant and equipment	385 011	337 306
X. Intangible assets	21 837	18 162
XI. Non-current assets held for sale	1 111	1 571
XII. Receivables from Tax Office resulting from current tax	41 816	86 427
XIII. Deferred income tax assets	58 147	73 609
XIV. Other assets	205 629	394 320
Total Assets	**47 114 922**	**30 530 106**

LIABILITIES

Amount '000 PLN	**31.12.2008**	**31.12.2007**
I. Deposits from banks	3 060 550	2 568 688
II. Financial liabilities valued at fair value through profit and loss (held for trading)	4 399 498	566 821
III. Hedging derivatives	1 179 649	20 220
IV. Deposits from customers	31 702 279	21 800 662
V. Liabilities from securities sold with buy-back clause	1 502 062	725 976
VI. Debt securities	927 373	851 474
VII. Provisions	33 881	34 660
VIII. Deferred income tax liabilities	0	0
IX. Current tax liabilities	514	1 050
X. Other liabilities	532 813	614 588
XI. Subordinated debt	961 420	826 035
Total Liabilities	**44 300 039**	**28 010 174**

EQUITY

Amount '000 PLN		
I. Share capital	849 182	849 182
II. Share premium	471 709	471 709
III. Revaluation reserve	40 241	-2 742
IV. Retained earnings	1 453 751	1 201 783
Total equity attributable to equity holders of the parent company	2 814 883	2 519 932
Minority interests	0	0
Total Equity	**2 814 883**	**2 519 932**

Total Liabilities and Equity	**47 114 922**	**30 530 106**

Capital adequacy ratio	**9,73%**	**13,75%**

Book value	**2 814 883**	**2 519 932**
Number of shares	**849 181 744**	**849 181 744**
Book value per share (in PLN)	**3,31**	**2,97**

OFF-BALANCE SHEET ITEMS

Amount '000 PLN	**31.12.2008**	**31.12.2007**
Contingent liabilities granted and received	**8 961 660**	**8 032 120**
1. Liabilities granted:	8 245 876	7 331 787
a) financial	6 579 635	5 547 751
b) guarantees	1 666 241	1 784 036
2. Liabilities received:	715 784	700 333
a) financial	23 532	15 936
b) guarantees	692 252	684 397

CONSOLIDATED INCOME STATEMENT

Amount '000 PLN	**1.01.2008 - 31.12.2008**	**1.10.2008 - 31.12.2008**	**1.01.2007 - 31.12.2007**	**1.10.2007 - 31.12.2007**
I. Interest income	2 490 922	747 956	1 611 082	469 141
II. Interest expense	-1 510 068	-479 253	-839 390	-246 874
III. Net interest income	**980 854**	**268 703**	**771 692**	**222 267**
IV. Fee and commission income	568 895	135 936	626 869	168 091
V. Fee and commission expense	-96 907	-25 727	-83 662	-23 025
VI. Net fee and commission income	**471 988**	**110 209**	**543 207**	**145 066**
VII. Dividend income	26 244	24 804	1 614	5
VIII. Result on investment financial assets	2 988	682	5 770	541
IX. Result on financial instruments valued at fair value through profit and loss (held for trading)	146 825	7 539	85 417	24 693
X. Foreign exchange profit	198 586	-4 164	240 519	56 703
XI. Other operating income	39 166	9 032	92 852	19 142
XII. Operating income	**1 866 651**	**416 805**	**1 741 071**	**468 417**
XIII. General and administrative expenses	-1 119 171	-292 744	-969 897	-269 726
XIV. Impairment losses on financial assets	-135 138	-52 030	-66 506	-708
XV. Impairment losses on non financial assets	-2 128	-1 587	-1 286	-1 412
XVI. Depreciation and amortization	-70 427	-20 270	-87 124	-38 017
XVII. Other operating expenses	-18 051	-3 356	-31 703	-4 756
XVIII. Operating expenses	**-1 344 915**	**-369 987**	**-1 156 516**	**-314 619**
XIX. Operating profit	**521 736**	**46 818**	**584 555**	**153 798**
XX. Share of profit of associates	0	0	0	0
XXI. Profit / (loss) before taxes	**521 736**	**46 818**	**584 555**	**153 798**
XXII. Corporate income tax	-108 327	-11 255	-122 960	-31 726
XXIII. Profit / (loss) after taxes	**413 409**	**35 563**	**461 595**	**122 072**
Attributable to:				
Equity holders of the parent	413 409	35 563	461 595	122 072
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)	**0,49**	**0,04**	**0,54**	**0,14**

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) **01.01.2008**	**2 519 932**	**849 182**	**471 709**	**-1 949**	**-793**	**1 201 783**
- purchase/sale and valuation of available for sale financial assets	12 351	0	0	12 351	0	0
- effect of valuation of derivatives designated for future cash flows hedge	30 632	0	0	0	30 632	0
- profit / (loss) of the period after taxes	413 409	0	0	0	0	413 409
- dividend	-161 345	0	0	0	0	-161 345
- appropriation of profit – increase in the company social benefits fund (ZFŚS)	-96	0	0	0	0	-96
Equity at the end of the period (closing balance) **31.12.2008**	**2 814 883**	**849 182**	**471 709**	**10 402**	**29 839**	**1 453 751**

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	-11 231	0	0	-11 231	0	0
- effect of valuation of derivatives designated for future cash flows hedge	-1 392	0	0	0	-1 392	0
- profit / (loss) of the period after taxes	461 595	0	0	0	0	461 595
- dividend	-144 361	0	0	0	0	-144 361
Equity at the end of the period (closing balance) 31.12.2007	**2 519 932**	**849 182**	**471 709**	**-1 949**	**-793**	**1 201 783**

A. CASH FLOWS FROM OPERATING ACTIVITIES

Amount '000 PLN	**01.01.2008 – 31.12.2008**	**01.01.2007 – 31.12.2007**
I. Profit (loss) after taxes	**413 409**	**461 595**
II. Adjustments for:	**287 573**	**-2 216 477**
1. Minority profit (loss)	0	0
2. Interests in net income (loss) of associated companies	0	0
3. Depreciation and amortization	70 427	87 124
4. Foreign exchange (gains)/ losses	710 271	-165 772
5. Dividends	-26 244	-1 614
6. Changes in provisions	-779	4 473
7. Result on sale and liquidation of investing activity assets	-12 546	-53 951
8. Change in financial assets valued at fair value through profit and loss (held for trading)	-2 900 767	565 340
9. Change in loans and advances to banks	-992 875	300 488
10. Change in loans and advances to customers	-11 707 973	-7 101 692
11. Change in receivables from securities bought with sell-back clause (loans and advances)	-32 475	-13 298
12. Change in financial liabilities valued at fair value through profit and loss (held for trading)	4 992 106	273 826
13. Change in deposits from banks	-670 308	-1 132 131
14. Change in deposits from customers	9 901 617	5 731 361
15. Change in liabilities from securities sold with buy-back clause	776 086	-702 158
16. Change in debt securities	-10 870	134 356
17. Change in income tax settlements	111 055	45 818
18. Income tax paid	-61 600	-86 029
19. Change in other assets and liabilities	85 053	-121 297
20. Other	57 395	18 679
III. Net cash flows from operating activities	**700 982**	**-1 754 882**

B. CASH FLOWS FROM INVESTING ACTIVITIES

Amount '000 PLN	**01.01.2008 – 31.12.2008**	**01.01.2007 – 31.12.2007**
I. Inflows:	**45 064**	**1 046 339**
1. Proceeds form sale of property, plant and equipment and intangible assets	18 820	77 358
2. Proceeds form sale of shares in associates	0	216
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	967 151
5. Other	26 244	1 614
II. Outflows:	**-434 753**	**-94 564**
1. Acquisition of property, plant and equipment and intangible assets	-109 533	-94 564
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	-325 220	0
5. Other	0	0
III. Net cash flows from investing activities	**-389 689**	**951 775**

C. PRZEPŁYWY ŚRODKÓW PIENIĘŻNYCH Z DZIAŁALNOŚCI FINANSOWEJ

Amount '000 PLN	01.01.2008 – 31.12.2008	01.01.2007 – 31.12.2007
I. Inflows:	**674 332**	**1 535 968**
1. Long-term bank loans	587 563	275 400
2. Issue of debt securities	86 769	717 118
3. Increase in subordinated debt	0	543 450
4. Net proceeds from issues of shares and additional capital paid-in	0	0
5. Other	0	0
II. Outflows:	**-218 623**	**-202 925**
1. Repayment of long-term bank loans	0	0
2. Redemption of debt securities	0	-5 705
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	-161 345	-144 361
7. Other	-57 278	-52 859
III. Net cash flows from financing activities	**455 709**	**1 333 043**

D. NET CASH FLOWS, TOTAL (A III+B III+C III)	**767 002**	**529 936**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD	**2 172 683**	**1 642 747**
F. CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD (D+E)	**2 939 685**	**2 172 683**

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.

RE-CLASSIFICATION OF PROVISIONS AGAINST DISPUTABLE CLAIMS

In 2008 the Group, changed the method of presentation of provisions against disputable claims in the Balance Sheet. These provisions presented to date as a component of "other liabilities" are currently registered under "provisions" line item. Adjustment of comparable data (as on 31 December 2007) amounted to 22,309 thousand PLN.

RECLASSIFICATION OF DEBT SECURITIES

Considering the change of intention behind holding in the Bank's portfolio of 7-year Treasury Bonds with variable interest rate and the number WZ0911, in Q4 2008 the Bank reclassified these securities from the portfolio of financial assets held for trading to the portfolio of financial assets available for sale. Making this classification change was possible on the basis of amendment of IAS 39 and IFRS 7, implemented by virtue of European Commission Regulation (EC) No. 1004/2008 of 15th October 2008.

In keeping with the invoked standard the reclassification was done at fair value on the day it was transferred, while the mark-to-market losses recognised so far were not reversed. 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	120.000.000 zł.
Book value as at reclassification date	119.132.400 zł.
Interest rate as at reclassification date	6,64%
Losses from fair value valuation recognized in P&L for 2007 (comparatives)	-4,1 tys. zł. (gross)
Losses from fair value valuation recognized in P&L for 2008 (till reclassification date)	-1.253,8 tys. zł. (gross)
Effect of fair value valuation recognized directly in equity as at reporting date (31.12.2008)	-3.096,9 tys. zł. (gross)
Losses from fair value valuation, which would be additionally recognized in P&L for 2008 in case reclassification did not take place	-3.096,9 tys. zł. (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 4.1724 PLN/EUR rate of 31 December 2008 (for comparable data: 3.5820 PLN/EUR),
- For Profit and Loss Account items on the period 1 January – 31 December 2008 – 3.5321 PLN/EUR, rate calculated as an average of rates at end of months covered by the report (for comparable data 3.7768 PLN/EUR).

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

ASSETS

Amount '000 PLN	**31.12.2008**	**31.12.2007**
I. Cash, balances with the Central Bank	1 802 402	1 255 055
II. Loans and advances to banks	1 580 026	1 053 052
III. Financial assets valued at fair value through profit and loss (held for trading)	6 292 722	3 127 988
IV. Hedging derivatives	9 977	218 321
V. Loans and advances to customers	32 624 259	20 881 303
VI. Investment financial assets	2 913 379	1 893 949
- available for sale	2 913 379	1 893 949
- held to maturity	0	0
VII. Investments in associates	232 357	191 343
VIII. Receivables from securities bought with sell-back clause (loans and advances)	61 282	28 807
IX. Property, plant and equipment	225 603	247 382
X. Intangible assets	18 002	16 646
XI. Non-current assets held for sale	0	0
XII. Receivables from Tax Office resulting from current tax	38 760	81 132
XIII. Deferred income tax assets	21 927	25 843
XIV. Other assets	186 436	221 190
Total Assets	**46 007 132**	**29 242 011**

LIABILITIES

Amount '000 PLN	**31.12.2008**	**31.12.2007**
I. Deposits from banks	3 060 550	2 568 688
II. Financial liabilities valued at fair value through profit and loss (held for trading)	4 402 227	569 729
III. Hedging derivatives	1 179 649	20 220
IV. Deposits from customers	31 877 870	22 021 633
V. Liabilities from securities sold with buy-back clause	1 506 353	729 993
VI. Debt securities	123 486	0
VII. Provisions	32 552	33 232
VIII. Deferred income tax liabilities	0	0
IX. Current tax liabilities	400 473	388 495
X. Other liabilities	961 420	826 035
XI. Subordinated debt	**43 544 580**	**27 158 025**

EQUITY

Amount '000 PLN	31.12.2008	31.12.2007
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	765 203
Total Equity	**2 462 552**	**2 083 986**

Total Liabilities and Equity	**46 007 132**	**29 242 011**

Capital adequacy ratio	**8,58%**	**12,09%**

Book value	**2 462 552**	**2 083 986**
Number of shares	**849 181 744**	**849 181 744**
Book value per share (in PLN)	**2,90**	**2,45**

OFF-BALANCE SHEET ITEMS

Amount '000 PLN	31.12.2008	31.12.2007
Contingent liabilities granted and received	**9 203 270**	**8 284 026**
1. Liabilities granted:	8 486 330	7 582 956
a) financial	6 765 024	5 626 654
b) guarantees	1 721 306	1 956 302
2. Liabilities received:	716 940	701 070
a) financial	23 532	15 936
b) guarantees	693 408	685 134

INCOME STATEMENT

Amount '000 PLN	**1.01.2008 - 31.12.2008**	**1.10.2008 - 31.12.2008**	**1.01.2007 - 31.12.2007**	**1.10.2007 - 31.12.2007**
I. Interest income	2 310 612	701 981	1 500 467	434 933
II. Interest expense	-1 464 782	-468 083	-845 417	-247 047
III. Net interest income	**845 830**	**233 898**	**655 050**	**187 886**
IV. Fee and commission income	510 475	122 504	502 946	148 725
V. Fee and commission expense	-87 876	-23 524	-72 862	-19 935
VI. Net fee and commission income	**422 599**	**98 980**	**430 084**	**128 790**
VII. Dividend income	181 903	99 805	112 638	0
VIII. Result on investment financial assets	2 988	682	5 770	541
IX. Result on financial instruments valued at fair value through profit and loss (held for trading)	152 919	11 904	84 338	24 760
X. Foreign exchange profit	198 755	-1 294	241 373	58 891
XI. Other operating income	25 874	6 032	39 980	15 443
XII. Operating income	**1 830 868**	**450 007**	**1 569 233**	**416 311**
XIII. General and administrative expenses	-1 062 724	-278 575	-900 205	-249 842
XIV. Impairment losses on financial assets	-111 701	-42 153	-77 392	-13 623
XV. Impairment losses on non financial assets	-2 290	-1 509	-1 670	-1 181
XVI. Depreciation and amortization	-52 081	-14 638	-77 974	-34 610
XVII. Other operating expenses	-14 612	-5 608	-15 064	-2 510
XVIII. Operating expenses	**-1 243 408**	**-342 483**	**-1 072 305**	**-301 766**
XIX. Operating profit	**587 460**	**107 524**	**496 928**	**114 545**
XX. Profit / (loss) before taxes	**587 460**	**107 524**	**496 928**	**114 545**
XXI. Corporate income tax	-90 532	-8 910	-85 006	-24 332
XXII. Profit / (loss) after taxes	**496 928**	**98 614**	**411 922**	**90 213**
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)	**0,59**	**0,12**	**0,49**	**0,11**

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) 01.01.2008	**2 083 986**	**849 182**	**472 343**	**-1 949**	**-793**	**765 203**
- purchase/sale and valuation of available for sale financial assets	12 351	0	0	12 351	0	0
- effect of valuation of derivatives designated for future cash flows hedge	30 632	0	0	0	30 632	0
- profit / (loss) of the period after taxes	496 928	0	0	0	0	496 928
- dividend	-161 345	0	0	0	0	-161 345
Equity at the end of the period (closing balance) 31.12.2008	**2 462 552**	**849 182**	**472 343**	**10 402**	**29 839**	**1 100 786**

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	-11 231	0	0	-11 231	0	0
- effect of valuation of derivatives designated for future cash flows hedge	-1 392	0	0	0	-1 392	0
- profit / (loss) of the period after taxes	411 922	0	0	0	0	411 922
- dividend	-144 361	0	0	0	0	-144 361
Equity at the end of the period (closing balance) 31.12.2007	**2 083 986**	**849 182**	**472 343**	**-1 949**	**-793**	**765 203**

A. CASH FLOWS FROM OPERATING ACTIVITIES

Amount ‘000 PLN	**1.01.2008 - 31.12.2008**	**1.01.2007 - 31.12.2007**
I. Profit (loss) after taxes	**496 928**	**411 922**
II. Adjustments for:	**89 528**	**-1 540 501**
1. Interests in net income (loss) of associated companies	0	0
2. Depreciation and amortization	52 081	77 974
3. Foreign exchange (gains) losses	709 550	-165 469
4. Dividends	-181 903	-112 638
5. Changes in provisions	-680	3 737
6. Result on sale and liquidation of investing activity assets	-10 435	-19 515
7. Change in financial assets valued at fair value through profit and loss (held for trading)	-2 920 150	571 559
8. Change in loans and advances to banks	-992 875	300 488
9. Change in loans and advances to customers	-11 742 400	-6 781 879
10. Change in receivables from securities bought with sell-back clause (loans and advances)	-32 475	-13 298
11. Change in financial liabilities valued at fair value through profit and loss (held for trading)	4 991 927	276 699
12. Change in deposits from banks	-670 308	-1 132 131
13. Change in deposits from customers	9 856 237	5 826 611
14. Change in liabilities from securities sold with buy-back clause	776 360	-747 693
15. Change in debt securities	123 486	0
16. Change in income tax settlements	85 186	36 724
17. Income tax paid	-54 327	-59 060
18. Change in other assets and liabilities	37 101	379 442
19. Other	63 153	17 948
III. Net cash flows from operating activities	**586 456**	**-1 128 579**

B. CASH FLOWS FROM INVESTING ACTIVITIES

Amount ‘000 PLN	**1.01.2008 - 31.12.2008**	**1.01.2007 - 31.12.2007**
I. Inflows:	**197 005**	**1 107 717**
1. Proceeds form sale of property, plant and equipment and intangible assets	15 102	29 068
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	966 011
5. Other	181 903	112 638
II. Outflows:	**-383 518**	**-67 183**
1. Acquisition of property, plant and equipment and intangible assets	-18 002	-32 993
2. Acquisition of shares in associates	-40 294	-34 190
3. Acquisition of financial assets valued at fair value through profit and loss	0	0
4. Acquisition of investment financial assets	-325 222	0
5. Other	0	0
III. Net cash flows from investing activities	**-186 513**	**1 040 534**

C. CASH FLOWS FROM FINANCING ACTIVITIES

Amount '000 PLN	1.01.2008 - 31.12.2008	1.01.2007 - 31.12.2007
I. Inflows:	**587 563**	**818 850**
1. Long-term bank loans	587 563	275 400
2. Issue of debt securities	0	0
3. Increase in subordinated debt	0	543 450
4. Net proceeds from issues of shares and additional capital paid-in	0	0
5. Other	0	0
II. Outflows:	**-218 623**	**-202 925**
1. Repayment of long-term bank loans	0	0
2. Redemption of debt securities	0	-5 705
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	-161 345	-144 361
7. Other	-57 278	-52 859
III. Net cash flows from financing activities	**368 940**	**615 925**

D. NET CASH FLOWS, TOTAL (A III+B III+C III)	**768 883**	**527 880**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD	**2 170 610**	**1 642 730**
F. CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD (D+E)	**2 939 493**	**2 170 610**

ADDITIONAL EXPLANATIONS ON FINANCIAL DATA

WRITE-OFF OF UNCOLLECTIBLE RECEIVABLES AGAINST PROVISIONS

During the period from 1st January until 31 December 2008 the Bank charged uncollectible receivables into created provisions in the amount of 28,826 thousand PLN.

RE-CLASSIFICATION OF PROVISIONS AGAINST DISPUTABLE CLAIMS

In 2008 the Bank (and the Group), bearing in mind the market practices, changed the method of presentation of provisions against disputable claims in the Balance Sheet. These provisions presented to date as a component of "other liabilities" are currently registered under "provisions" line item. Adjustment of comparable data (as on 31 December 2007) amounted to 20,881 thousand PLN.

RECLASSIFICATION OF DEBT SECURITIES

Information about reclassification of debt securities done by the Bank in 4Q 2008 was presented in Chapter III "Consolidated Financial Data (the Group)"

VI. 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, 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 cash management and treasury product, including derivative products. Cross selling of leasing and trade finance products is very intensive for corporate clients.

c) Treasury and Investment activities

This segment consists of 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.

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

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

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

Tax charge is shown only at the Group level.

In 2008 the column "other" includes dividend from Visa Inc.

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 for the period 1 January – 31 December 2008

Amount '000 PLN	**Retail Banking**	**Corporate Banking**	**Treasury and Investment Banking**	**Other**	**Total consolidated**
Net interest income	698 801	264 621	17 432	0	980 854
external interest income	1 298 090	521 445	671 387	0	2 490 922
external interest cost	-917 317	-328 251	-264 499	0	-1 510 068
External interest income less cost	380 773	193 193	406 888	0	980 854
internal interest income	1 131 956	431 309	-1 563 264	0	0
internal interest cost	-813 928	-359 881	1 173 809	0	0
Internal interest income less cost	318 028	71 428	-389 455	0	0
Net commission income	347 379	104 065	20 545	0	471 989
Dividends, result from financial operations and FX transactions	211 219	-35 261	173 883	24 804	374 643
Other operating income and cost	206	1 315	19 594	0	21 115
Operating Income	**1 257 604**	**334 740**	**231 453**	24 804	**1 848 600**
Staff costs	-447 404	-138 807	-22 805	0	-609 016
Other administrative costs	-386 908	-93 992	-29 255	0	-510 155
Impairment cost of financial and non financial assets	-88 711	-45 707	-2 848	0	-137 266
Depreciation	-51 569	-13 858	-5 001		-70 427
Operating costs	**-974 591**	**-292 363**	**-59 910**	24 804	**-1 326 864**
Profit before taxes	**283 012**	**42 376**	**171 543**	24 804	**521 736**
Income taxes					-108 327
Net profit					**413 409**

Balance Sheet: 31 December 2008

Amount '000 PLN	**Retail Banking**	**Corporate Banking**	**Treasury and Investment Banking**	**Other**	**Total consolidated**
ASSETS					
Segment assets	26 299 927	9 388 885	8 278 731	25 120	43 992 662
Incl. capital investments	85 454	6 477	491	25 120	117 543
Assets allocated to segment	1 671 930	885 730	-2 557 660	0	0
Assets not allocated to segment	0	0	0	3 122 260	3 122 260
Total	**27 971 857**	**10 274 614**	**5 721 071**	**3 147 380**	**47 114 922**
LIABILITIES & EQUITY					
Segment Liabilities	23 872 589	9 196 000	5 085 095	0	38 153 684
Liabilities allocated to segment	2 590 445	372 018	- 2 962 462	0	0
Liabilities not allocated to segment	0	0	0	6 146 355	6 146 355
Equity	0	0	0	0	2 814 883
Total	**26 463 033**	**9 568 018**	**2 122 633**	**6 146 355**	**47 114 922**

Income Statement for the period 1 January – 31 December 2007

Amount '000 PLN	**Retail Banking**	**Corporate Banking**	**Treasury and Investment Banking**	**Other**	**Total consolidated**
Net interest income	525 184	224 918	21 590	0	771 692
external interest income	814 658	373 005	423 419	0	1 611 082
external interest cost	-347 805	-201 222	-290 363	0	-839 390
External interest income less cost	466 853	171 783	133 056	0	771 692
internal interest income	465 979	295 681	-761 660	0	0
internal interest cost	-407 649	-242 546	650 195	0	0
Internal interest income less cost	58 331	53 135	-111 465	0	0
Net commission income	409 247	101 692	32 268	0	543 207
Dividends, result from financial operations and FX transactions	172 581	81 019	79 720	0	333 320
Other operating income and cost	258	-100	60 991	0	61 149
Operating Income	**1 107 270**	**407 529**	**194 569**	**0**	**1 709 368**
Staff costs	-369 488	-130 401	-38 936	0	-538 825
Other administrative costs	-338 013	-76 499	-16 560		-431 072
Impairment cost of financial and non financial assets	-100 408	37 593	-4 977	0	-67 792
Depreciation	-55 711	-21 022	-10 391		-87 124
Operating costs	**-863 620**	**-190 329**	**-70 864**	**0**	**-1 124 813**
Profit before taxes	**243 650**	**217 199**	**123 705**	**0**	**584 555**
Income taxes					-122 960
Net profit					**461 595**

Balance Sheet: 31 December 2007

Amount '000 PLN	**Retail Banking**	**Corporate Banking**	**Treasury and Investment Banking**	**Other**	**Total consolidated**
ASSETS					
Segment assets	16 159 661	7 188 306	4 546 351	16 992	27 911 309
Incl. capital investments	78 429	10 286	1 491	16 992	107 198
Assets allocated to segment	758 472	1 750 679	-2 509 150	0	0
Assets not allocated to segment	0	0	0	2 618 797	2 618 797
Total	**16 918 133**	**8 938 984**	**2 037 201**	**2 635 789**	**30 530 106**
LIABILITIES & EQUITY					
Segment Liabilities	14 142 535	8 071 241	4 559 060	0	26 772 835
Liabilities allocated to segment	1 909 813	287 604	-2 197 416	0	0
Liabilities not allocated to segment	0	0	0	1 237 339	1 237 339
Equity	0	0	0	0	2 519 932
Total	**16 052 348**	**8 358 844**	**2 361 644**	**1 237 339**	**30 530 106**

VII. DIVIDEND FOR 2007 AND 2008

On 28.03.2008 The General Meeting of the Bank Shareholders adopted Resolution on designation of the amount of 161,344,531.36 PLN from profits of 2007 to dividend i.e. 0.19 PLN per share, determining, at the same time, that the right to dividend is granted to persons who were shareholders on 6.05.2008. The dividend was paid out on 20.05.2008.

The Management Board of the Bank intends to propose to the General Shareholders Meeting retention of the whole net profit earned in 2008.

VIII. EARNINGS PER SHARE

Earnings per share (and diluted earnings per share) for 2008, as calculated on the basis of consolidated profits, amounts to PLN 0.49.

IX. STRUCTURE OF THE CAPITAL GROUP OF THE BANK

During 2008 no changes occurred in the Group, hence the Group's organisational chart presented in the last full consolidated report on the 1st half of 2008 (published on 29th September 2008) remains valid.

X. 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.

XI. 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 on numbers of shares, percentage of shareholders' equity, number of votes and their percentage share in the total number of votes at a GSM 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 the annual information about the structure of assets in management disclosed by the Polish pension funds as at the end of financial years.

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

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 30 September 2008

Shareholder	**Number of shares**	***% share in share capital***	***Number of votes***	***% share in votes at Shareholde rs' Meeting***
Banco Comercial Portugues S.A.	556 325 794	65,51	556 325 794	65,51
Commercial Union Otwarty Fundusz Emerytalny BPH CU WBK	43 280 651	5,10	43 280 651	5,10

XII. 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 December 2008	Number of shares as of the day of submission of the quarterly report prepared as of 30 September 2008
Bogusław Kott	Chairman of the Management Board	3 126 174	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
Piotr Romanowski	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	60 470	26 200
Vitor Manuel Lopes Fernandes	Member of the Supervisory Board	0	0
Carlos Jorge Ramalho dos Santos Ferreira	Member of the Supervisory Board	0	0
Andrzej Koźmiński	Member of the Supervisory Board	0	0
Paulo Jose de Ribeiro Moita de Macedo	Member of the Supervisory Board	0	0
Nelson Ricardo Bessa Machado	Member of the Supervisory Board	0	0
Marek Rocki	Member of the Supervisory Board	0	0
Dariusz Rosati	Member of the Supervisory Board	0	0

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

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

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

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

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

The Bank Supervisory Board appointed Mr. Piotr Romanowski to perform the function of the Bank Management Board Member as of 5 May 2008.

XIII. PENDING LAWSUITS

The Bank is party to proceedings before the Supreme Court in result of a cassation claim lodged by Grzegorz Jedamski against the sentence of the Appellate Court of 10.04.2008 dismissing the appeal by Grzegorz Jedamski brought against the sentence of the District Court in Warsaw of 04.04.2007 dismissing the lawsuit of Grzegorz Jedamski for adjudication in his favour of the amount of PLN 299,833,300 as indemnification for BIG BANK Spółka Akcyjna (former ŁBR S.A.) taken over unlawfully in his opinion.

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

In 4th quarter 2008 the Group did not grant to any entity a loan or cash advance surety, guarantee as a result of which the total value of the Bank's exposure towards the Client as at 31 December 2008 would exceed 10% of the Group's equity.

XV. INFORMATION ON INCOME TAX

- The due income tax

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

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

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

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

The Bank's tax due for 3rd quarter 2008 was offset in part against dividend tax due for 2008 (remaining to be settled) and the overpayment of the tax due for 2007.

- 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 recognised in the Profit and Loss Account of the Group on 2008 reduced the value of profit after tax by the amount of PLN 5.3 million. The value of income tax due recognised in the consolidated Profit and Loss Account in the same period was PLN 103 million.

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

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

MOVEMENTS IN LIABILITIES FROM ISSUE OF DEBT SECURITIES

	01.01.2008-31.12.2008
Balance at the beginning of the period	**851 474**
- issue/ repurchase of bonds within a securitization of leasing receivables portfolio	86 769
- issue/ repurchase of Bank's commercial papers	123 486
- issue/ repurchase of short-term bonds of a subsidiary	-134 356
Balance at the end of the period	**927 373**

XVII. DESCRIPTION OF TRANSACTIONS WITH RELATED ENTITIES

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

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

ASSETS	31.12.2008
Accounts and deposits kept in the Bank	305 514
Receivables from loans, advances, purchased receivables between entities subject to consolidation	2 554 155
Receivables from securities bought with a sell-back clause	4 291
Investment financial assets	15 725
Shares in associated companies	240 388
Other assets	88 018

LIABILITIES	31.12.2008
Liabilities from accepted deposits, loans, advances, sold receivables between entities subject to consolidation	3 689 157
Liabilities from securities sold with a buy-back clause	4 291
Debt securities	-803 887
Subordinated liabilities	0
Other liabilities	111 401

INCOME STATEMENT	1.01.2008 – 31.12.2008
Income from:	
Interest on accounts, deposits and receivables from loans, advances, purchased receivables	127 347
Bank and brokerage commissions	75 028
Group internal dividends	208 806
Other net operating income	76 702
Expense from:	
Interest on accounts, deposits and receivables on loans, advances, sold receivables	130 721
Bank and brokerage commissions	73 501
Operations of entities subject to consolidation	74 455