



Report of the Bank Millennium S.A. Capital Group for 3Q 2009

MAIN CONSOLIDATED FINANCIAL DATA

	Amount '000 PLN		Amount '000 EUR	
	III quarters / period from 1.01.2009 - 30.09.2009	III quarters / period from 1.01.2008 - 30.09.2008*	III quarters / period from 1.01.2009 - 30.09.2009	III quarters / period from 1.01.2008 - 30.09.2008*
I. Interest income	1 801 003	1 734 359	409 387	506 423
II. Fee and commission income	419 060	432 959	95 257	126 422
III. Operating income	1 078 236	1 449 846	245 094	423 347
IV. Operating profit	-90 296	474 918	-20 525	138 673
V. Profit / (loss) before taxes	-83 296	474 918	-18 934	138 673
VI. Profit (loss) after taxes	-65 956	377 846	-14 992	110 329
VII. Total comprehensive income of the period	-110 587	384 973	-25 138	112 410
VIII. Net cash flows from operating activities	-1 568 891	2 008 158	-356 626	586 371
IX. Net cash flows from investing activities	269 364	-866 859	61 229	-253 118
X. Net cash flows from financing activities	846 885	481 330	192 506	140 546
XI. Net cash flows, total	-452 642	1 622 629	-102 890	473 799
XII. Total Assets	43 963 763	47 114 922	10 411 539	11 292 043
XIII. Deposits from banks	5 185 770	3 060 550	1 228 099	733 523
XIV. Deposits from customers	30 439 069	31 702 279	7 208 608	7 598 092
XV. Equity	2 704 296	2 814 883	640 434	674 644
XVI. Share capital	849 182	849 182	201 104	203 524
XVII. Number of shares	849 181 744	849 181 744	849 181 744	849 181 744
XVIII. Book value per share (in PLN / EUR)	3.18	3.31	0.75	0.79
XIX. Diluted book value per share (in PLN / EUR)	3.18	3.31	0.75	0.79
XX. Capital adequacy ratio	11.43%	10.20%	11.43%	10.20%
XXI. Earnings (losses) per ordinary share (in PLN / EUR)	-0.08	0.44	-0.02	0.13
XXII. Diluted earnings (losses) per ordinary share (in PLN / EUR)	-0.08	0.44	-0.02	0.13
XXIII. Pledged or paid dividend per share (in PLN/EUR)	-	0.19	-	0.06

* Comparative balance sheet data (items XII-XX and XXIII) were presented, in compliance with IFRS requirements, as at 31 December 2008. Other comparative data are presented for the period from 1 January 2008 to 30 September 2008.

EXCHANGE RATES ACCEPTED TO CONVERT SELECTED FINANCIAL DATA INTO EURO

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

- for balance sheet items: 4.2226 PLN/EURO – the exchange rate of 30 September 2009 (for comparative data as at 31.12.2008: 4.1724 PLN/EURO),
- for profit and loss account items for the period from 1 January – 30 September 2009 - 4.3993 PLN/EURO, the exchange rate was calculated as the average of the rates at the end of the months covered by the financial statements (for comparative data for the III quarters 2008: 3.4247 PLN/EURO).

MAIN QUARTERLY FINANCIAL DATA

CONSOLIDATED INCOME STATEMENT

Amount '000 PLN	1.01.2009 - 30.09.2009	1.07.2009 - 30.09.2009	1.01.2008 - 30.09.2008	1.07.2008 - 30.09.2008
I. Interest income	1 801 003	600 826	1 734 359	645 234
II. Interest expense	-1 397 985	-410 628	-1 030 815	-401 962
III. Net interest income	403 018	190 198	703 544	243 272
IV. Fee and commission income	419 060	142 637	432 959	138 302
V. Fee and commission expense	-64 516	-20 591	-71 180	-25 589
VI. Net fee and commission income	354 544	122 046	361 779	112 713
VII. Dividend income	2 147	45	1 440	346
VIII. Result on investment financial assets	12 787	1 880	2 306	2 314
IX. Result on financial instruments valued at fair value through profit and loss (held for trading)	222 505	-4 397	139 909	64 609
X. Foreign exchange profit	35 351	12 685	210 734	79 422
XI. Other operating income	47 884	6 339	30 134	9 777
XII. Operating income	1 078 236	328 796	1 449 846	512 453
XIII. General and administrative expenses	-721 961	-242 248	-826 427	-283 624
XIV. Impairment losses on financial assets	-344 732	-159 523	-83 108	-46 288
XV. Impairment losses on non financial assets	-843	-637	-541	1 100
XVI. Depreciation and amortization	-59 609	-19 715	-50 157	-19 408
XVII. Other operating expenses	-41 387	-12 548	-14 695	-7 483
XVIII. Operating expenses	-1 168 532	-434 671	-974 928	-355 703
XIX. Operating profit	-90 296	-105 875	474 918	156 750
XX. Share of profit of associates	7 000	0	0	0
XXI. Profit / (loss) before taxes	-83 296	-105 875	474 918	156 750
XXII. Corporate income tax	17 340	18 883	-97 072	-31 172
XXIII. Profit / (loss) after taxes	-65 956	-86 992	377 846	125 578
Attributable to:				
Equity holders of the parent	-65 956	-86 992	377 846	125 578
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)	-0.08	-0.10	0.44	0.15

CONSOLIDATED TOTAL COMPREHENSIVE INCOME STATEMENT	1.01.2009 - 30.09.2009	1.07.2009 - 30.09.2009	1.01.2008 - 30.09.2008	1.07.2008 - 30.09.2008
Profit / (loss) after taxes	-65 956	-86 992	377 846	125 578
OTHER ELEMENTS OF TOTAL COMPREHENSIVE INCOME, INCLUDING:				
Effect of valuation of available for sale debt securities	6 264	147	8 054	10 881
Effect of valuation of available for sale shares	2 094	1 133	0	0
Hedge accounting	-63 455	-71 787	744	352
OTHER ELEMENTS OF TOTAL COMPREHENSIVE INCOME BEFORE TAXES	-55 097	-70 507	8 799	11 233
Corporate income tax on other elements of total comprehensive income	10 466	13 396	-1 672	-21 34
OTHER ELEMENTS OF TOTAL COMPREHENSIVE INCOME AFTER TAXES	-44 631	-57 111	7 127	9 099
TOTAL COMPREHENSIVE INCOME OF THE PERIOD	-110 587	-144 103	384 973	134 677
Attributable to:				
Equity holders of the parent	-110 587	-144 103	384 973	134 677
Minority interests	0	0	0	0

INCOME STATEMENT OF THE BANK

Amount '000 PLN	1.01.2009 - 30.09.2009	1.07.2009 - 30.09.2009	1.01.2008 - 30.09.2008	1.07.2008 - 30.09.2008
I. Interest income	1 668 691	559 448	1 600 024	599 407
II. Interest expense	-1 370 990	-402 468	-996 699	-390 168
III. Net interest income	297 701	156 980	603 325	209 239
IV. Fee and commission income	383 007	129 512	387 971	126 917
V. Fee and commission expense	-55 131	-17 292	-64 352	-23 257
VI. Net fee and commission income	327 876	112 220	323 619	103 660
VII. Dividend income	101 430	42	82 098	428
VIII. Result on investment financial assets	12 787	1 880	2 306	2 314
IX. Result on financial instruments valued at fair value through profit and loss (held for trading)	221 824	-4 072	141 638	66 276
X. Foreign exchange profit	41 347	18 615	208 033	79 109
XI. Other operating income	30 885	5 272	19 842	5 586
XII. Operating income	1 033 850	290 937	1 380 861	466 612
XIII. General and administrative expenses	-701 736	-236 195	-784 149	-272 749
XIV. Impairment losses on financial assets	-296 408	-141 736	-69 548	-40 122
XV. Impairment losses on non financial assets	-253	-66	-781	-361
XVI. Depreciation and amortization	-38 473	-12 488	-37 443	-14 502
XVII. Other operating expenses	-17 883	-7 435	-9 004	-3 851
XVIII. Operating expenses	-1 054 753	-397 920	-900 925	-331 585
XIX. Operating profit	-20 903	-106 983	479 936	135 027
XX. Profit / (loss) before taxes	-20 903	-106 983	479 936	135 027
XXI. Corporate income tax	20 210	19 299	-81 622	-26 196
XXII. Profit / (loss) after taxes	-693	-87 684	398 314	108 831
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)	0.00	-0.10	0.47	0.13

TOTAL COMPREHENSIVE INCOME STATEMENT OF THE BANK

	1.01.2009 - 30.09.2009	1.07.2009 - 30.09.2009	1.01.2008 - 30.09.2008	1.07.2008 - 30.09.2008
Profit / (loss) after taxes	-693	-87 684	398 314	108 831
OTHER ELEMENTS OF TOTAL COMPREHENSIVE INCOME, INCLUDING:				
Effect of valuation of available for sale debt securities	6 264	147	8 054	10 868
Effect of valuation of available for sale shares	2 094	1 133	0	0
Hedge accounting	-63 455	-71 787	744	352
OTHER ELEMENTS OF TOTAL COMPREHENSIVE INCOME BEFORE TAXES	-55 097	-70 507	8 799	11 221
Corporate income tax on other elements of total comprehensive income	10 468	13 397	-1 672	-2 132
OTHER ELEMENTS OF TOTAL COMPREHENSIVE INCOME AFTER TAXES	-44 631	-57 110	7 127	9 089
TOTAL COMPREHENSIVE INCOME OF THE PERIOD	-45 324	-144 794	405 441	117 920

Information about the activity of Bank Millennium Capital Group after 3rd quarter of 2009

In the 3rd Quarter 2009, Bank Millennium successfully improved the quality of the revenues by strong recovery of net interest income and gradual increase of commissions and at the same time is overachieving its cost reduction program. On the other hand, the Bank made an extraordinary impairment charge of PLN 108 million in September, bringing the total amount of impairment charges done in 3Q 2009 to PLN 160 million. As a consequence of this extraordinary event, Bank Millennium Group registered a net loss in 3Q 2009 of PLN 87 million (consolidated figures) and reached after 3Q 2009 cumulated net loss of PLN 66 million on consolidated level (and PLN 1 million loss at Bank level).

a) Macroeconomic situation in Poland after 3Q 2009

Third quarter of 2009 showed stabilization of the economic activity in Poland. In the 2nd quarter GDP grew 1.1% year-on-year (0.8% in the 1st quarter) and it should stay above 1.0% in the 3rd quarter. The economic growth is however still well below 5.1% recorded last year. Industrial production in the 3rd quarter was lower than a year ago, but during the year the pace of decline moderated significantly. The decline was 2.0% year-on-year in the 3rd quarter (as compared with 7.4% and 10.6% in the 2nd and 1st quarter respectively) suggesting that the scale of deterioration in Polish industry might be not as strong as forecasted previously. Nevertheless signs of slowdown in consumer sector are still visible. Individual consumption increased by merely 1.7% year-on-year between April and June, reflecting worsening of the consumer confidence resulting from sharp deterioration of the labour market conditions at the beginning of the year. Polish companies continued to cut employment adjusting their capacity to lower economic activity, but the scale of the job shedding in the enterprise sector moderated to 13 thousands in the 3rd quarter from 45 thousands during 2nd quarter. Registered unemployment increased to 10.9% in September from 10.6% in June and 8.8% a year before. Labour market was still supported by the favourable seasonal factors (seasonal and fixed term jobs in agriculture, construction and services).

In the 3rd quarter annual CPI inflation remained above the central bank's target, and was close to the upper limit for deviations from the target set at 3.5%. Elevated inflation resulted, to a large extent, from the previous rises in regulated prices and the previously observed depreciation of PLN exchange rate. Core inflation excluding food and energy remained at 2.9%, and was also higher than the inflation target, indicating that the scale of demand weakening so far failed to fully offset the cost-driven price increases observed earlier this year. Decreasing PPI inflation, especially in the manufacturing sector, suggests that firms keep engaging in aggressive promotional activity, as market conditions remain intensely competitive.

The Monetary Policy Council has come to an end of the easing cycle. After cuts by 150 basis points between January and June, the MPC kept rates at the record low level of 3.50% in the 3rd quarter. Since its' October meeting the Monetary Policy Council assesses the probabilities of inflation in the medium term running below or above the inflation target to be balanced, signalling neutral monetary policy bias.

On the money supply side, one can observe a stabilization of the deposit base. After a sound increase at the beginning of 2009 households' deposits increased only moderately in the 3rd quarter (+0.4%) due to lower interest rates, reallocation of financial savings and slower growth of households' income. Nominal value of households' deposits in September was by PLN 1.6 bln higher than in June and by PLN 32.7 bln as compared with December 2008. A decrease of the deposits of the non-financial companies was observed in the 3rd quarter (-0.4%). At the end of September the nominal value of corporate deposits was by PLN 959 million lower than in June and by PLN 2 billion lower than at the end of 2008.

On the credit side one can observe moderate growth of the loans to households and a decline of loans to companies. The dynamics of household loans in September was equal to 1.4% quarter-on-quarter as compared with 1.0% quarter-on-quarter growth in June. When we exclude the FX effect, the growth of credit to households in the 3rd quarter was similar to the one observed in the 2nd quarter. Credit to non-financial companies continued its' decline on the back of lower demand for credit and tighter credit conditions. Corporate loans decreased by 1.1% quarter-on-quarter in September as compared with the decrease of 1.7% quarter-on-quarter in June.

b) Group profit and loss account after 3rd quarter 2009

Operating Income (PLN million)	3Q 2009	2Q 2009	Change q/q	9m 2009	9m 2008	Change y/y
Net Interest Income *	188.9	116.1	+62.8%	485.4	836.7	-42.0%
Net Commissions Income	122.0	106.6	+14.5%	354.5	361.8	-2.0%
Other Non-Interest Income **	5.3	97.6	-94.6%	196.9	236.6	-16.8%
Operating Income	316.2	320.2	-1.2%	1 036.8	1 435.2	-27.8%

(*) 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 (From 1st of April 2009 the Bank extended hedge accounting principles also to FX swaps). The margin from these operations is reflected in Net Interest Income since afore-mentioned change. However, as this hedge accounting does not cover all the portfolio denominated in foreign currency, the Bank provides pro-forma data, which presents all margin from derivatives in Net Interest Income caption, whereas in accounting terms part of this margin (PLN 82.4 m in 9m 2009 and PLN 133.2 m in 9m 2008) is presented in Other Non-Interest Income. In the Bank's opinion, such approach allows better understanding of the real evolution of this item from economic point of view.

(**) includes net "other operating income and costs"

Net Interest Income rebounded strongly during 3Q 2009 after a sharp fall experienced in the two previous quarters, when interest margin was under strong pressure of two negative factors: the price "war" on deposits and high cost of swaps for the Polish currency. The Bank re-priced strongly downwards its deposits since June. At the same time cost of swaps decreased significantly, so both negative factors began to ease during 3Q enabling net interest income to grow by 63% versus 2Q 2009. The Bank is also gradually increasing margins on loans, in both retail and corporate. The total NIM (on interest earnings assets) increased during 3Q from 1.1% to 1.8% and already exceeded the 1Q 09 level.

On a cumulative basis (pro-forma) net interest income in 9 months of 2009 reached PLN 485.4 million but was still 42% lower than during 9 months of 2008.

Net Commissions Income also grew visibly during 3Q by 15% versus the previous quarter reaching the level of PLN 122 million. Higher cards and account related fees, connected with the price adjustment introduced from 1st August, were the main drivers of the quarterly growth. Also capital markets related services (mutual funds and brokerage) contributed positively to this growth. On a cumulative basis net commission income after 3Q 2009 reached PLN 354.5 million and was only 2% lower than during 9 months of 2008 as lower income from investment products was compensated by other commissions items.

Other non-interest income reached during 3Q 2009 the amount of PLN 5.3 million. There were several factors that influenced the drop versus previous quarters, which were additionally distorted by FX instruments valuation driven by high FX rates and swaps volatility. The main ones were: lower FX

results due to risk restrictions applied to transactions with clients, lower results on the fixed income side (due to temporary increase of bond yields in August) and negative valuation of some other financial instruments.

Total operating income of the Group reached PLN 316.2 million in 3Q and remained on the similar level to 2Q (-1.2%). However its structure was significantly improved due to the much higher share of core income from interest and commission. During 9 months of 2009 total operating income reached PLN 1,036.8 million and was 27.8% lower than in the same period of the previous year.

Operating Costs (PLN million)	3Q 2009	2Q 2009	Change q/q	9m 2009	9m 2008	Change y/y
Personnel Costs	121.0	124.4	-2.8%	363.4	457.3	-20.5%
Other Administrative Costs	121.3	117.3	+3.4%	358.6	369.1	-2.8%
Depreciation*	20.4	20.3	+0.2%	60.5	50.7	+19.2%
Total Operating Costs	262.6	262.1	+0.2%	782.4	877.1	-10.8%

(*) includes impairment of fixed assets

Total costs in 3Q 2009 amounted to PLN 262.6 million, staying on the same level as in the previous quarter. Cumulated costs after 9 months of 2009 reached PLN 782.4 million and are keeping a strong, more than 10%, decrease rate versus 9 months of 2008. This remarkable result is an effect of the cost reduction program announced at the beginning of the year and consequently implemented, even ahead of the initial schedule. After 3Q 2009 the Bank exceeded PLN 101 million reduction in costs assumed for entire 2009 and the Bank expects to capture this year the entire savings that had been projected for 2010.

Personnel costs stabilized on quarterly terms and were remarkably lower on accumulated basis, by 21% or PLN 94 million versus 3 quarters 2008. Total number of employees in the Group dropped to 6303 FTEs, which is 784 lower than in September 2008. In quarterly terms the drop was smaller (111 FTEs in 3Q) and the number of staff should stabilize in the near future.

The structure of employment of Bank Millennium Group is presented in the table below:

Employment structure (in FTEs)	30.09.2009	30.09.2008	Change
Bank Millennium S.A.	5 927	6 658	- 731
Millennium Leasing Sp. z o.o.	229	255	- 26
Millennium Dom Maklerski S.A.	107	125	- 18
Millennium TFI S.A.	29	35	- 6
Other subsidiaries	11	14	- 3
Total Bank Millennium Group	6 303	7 087	- 784

Other administrative costs were stable both on yearly and quarterly basis. However, fixed administrative costs (including Banking Guarantee Fund and Financial Supervision Authority charge) increased yearly by 34% whereas other administrative costs decreased by 19%, thanks to lower marketing cost and saving initiatives implemented in many areas like external services, car fleet maintenance and business trips.

Depreciation (together with impairment charges for non-financial assets) remained on the same level as previous quarter and grew by 19% yearly namely due to branch expansion.

Cost to income ratio after 3Q 2009 reached 75.5% and was higher when compared to the 9 months of 2008 (61.1%) because dropping costs did not fully compensate for lower revenues.

Impairment provisions were still under influence of entire market trend of deterioration of loan portfolios for companies and recently also for consumers. Additionally, the Bank decided to make in September an extraordinary impairment charge of PLN 108.4 million. This charge brought the total amount of impairment charges done in Bank Millennium Group in 3Q 2009 to PLN 159.5 million and during 9 months 2009 to PLN 344.7 million i.e. four times more than during 9 months of 2008.

Additional impairment charges were done on credit exposures to companies. The Bank conducted a thorough review of the loan portfolio, including restructured cases due to FX derivatives transactions, and found out in some cases that planned restructuring results are not met, very often due to deterioration of overall economic and financial situation of a company. Thus the Bank decided to make additional provisions in order to cover potential risk of further deterioration. The current level of provisions done on impaired loans to companies should be deemed as adequate. Additionally, PLN 17 million more provisions in September 2009 were created for leasing exposures, including PLN 9 million increase of IBNR charges due to introduction of more conservative criteria.

Apart from this extraordinary impairment charge, the Bank created during 3Q PLN 46 million impairment charges on retail, mainly for unsecured loans, where some deterioration was observed following similar trend in the banking sector. Mortgage portfolio continued to have a very good quality.

With this additional impairment charge done in September Bank Millennium Group closed 3 quarters of 2009 with a **net loss** of PLN 66.0 million (PLN -0.7 million on unconsolidated level).

c) Business results after 3Q 2009

Business results achieved during 3Q must be analysed in the context of specific macroeconomic environment, which showed, for instance, strong deceleration of retail deposits growth and further strengthening of PLN, which decreased FX denominated loans portfolios.

In customer funds volumes Bank Millennium Group experienced a drop by 5.3% q/q, which was driven by a decrease of deposits (-7.2%, including retail bonds), especially from individuals, being a consequence of a drastic price adjustment done in recent months. However, if sell-buy-back transactions with customers are considered, the drop was -4.1% only. At the same time the Group managed to grow mutual funds by PLN 416 million (or 25%) during the quarter. Total clients' deposits, including retail bonds, reached in the end of September PLN 30,671 million and total customers' funds, including mutual funds and other third party investment products, reached PLN 33,661 million. These volumes mean a yearly growth of deposits (and bonds) by 3.5% and of total customer funds by 2.7%.

The structure of Group's deposits after 3rd quarter 2009 and 2008, by segment, is presented in the table below:

Client Deposits * (PLN million)	30.09.2009		30.09.2008		Change 2009/2008	
	Value	Structure	Value	Structure	Value	(%)
Deposits of individuals *	20 865	68.0%	19 933	67.3%	932	4.7%
Deposits of corporate Clients and public sector	9 805	32.0%	9 700	32.7%	106	1.1%
TOTAL	30 671	100.0%	29 633	100.0%	1 038	3.5%

* including retail bonds issued by the Bank and deposits in the form of insurance policies

On loans side, total portfolio dropped during 3Q by 3.5%, mainly due to appreciation of PLN. On yearly basis total loans decreased the growth rate to 21.3% reaching in the end of September volume of PLN 33,703 million.

The structure and evolution of loans and advances to Bank Millennium Group Clients, by key types of loans, is presented in the table below:

Loans and advances to Clients (PLN million)	30.09.2009		30.09.2008		Change 2009/2008	
	Value	Structure	Value	Structure	Value	(%)
Loans to households	25 024	74.2%	19 563	70.4%	5 461	27.9%
- mortgage loans	22 163	65.8%	17 287	62.2%	4 876	28.2%
- other loans to households	2 861	8.5%	2 276	8.2%	585	25.7%
Loans to businesses	8 679	25.8%	8 211	29.6%	468	5.7%
- leasing	3 320	9.9%	3 148	11.3%	172	5.4%
- other loans to businesses	5 359	15.9%	5 063	18.2%	296	5.8%
Total loans and advances to Clients	33 703	100.0%	27 774	100.0%	5 929	21.3%

Mortgage loans grew yearly by 28% but its CHF part practically did not change quarterly and PLN portfolio grew by 6% during the quarter. In the middle of September, the Bank started to promote its PLN mortgage credit offer and made it more attractive.

The value of other loans to households (including credit cards, overdraft limits, cash loans and other credit) reached PLN 2,861 million at the end of September, increasing by 26% during the last 12 months and by 4% during the quarter.

Loans granted to companies (including leasing) reached PLN 8,679 million at the end of September meaning a 6% yearly growth but a 5% quarterly drop, to large extent due to FX changes. Leasing portfolio also recorded quarterly drop. The share of small and medium-sized enterprises segment (companies with turnover up to PLN 30 million per annum, including micro-businesses) was material and accounted for 38% of the total loans to companies (including leasing).

d) Loans quality, solvency and liquidity

Quarterly evolution of a quality of Bank Millennium Group loans differs depending on type of the portfolio. The situation of the Group's portfolio quality in each type of loans is illustrated below:

Loan type	Past-due > 90 days		Impaired		Coverage of impaired	
	30/06/09	30/09/09	30/06/09	30/09/09	30/06/09	30/09/09
Mortgage	0.2%	0.2%	0.5%	0.6%	106%	93%
Other individuals	6.3%	7.4%	7.9%	9.1%	92%	89%
Leasing	2.9%	3.1%	12.6%	13.4%	29%	31%
Companies	4.8%	7.2%	15.1%	16.6%	50%	55%

Mortgage portfolio continued to have very good quality. During 3Q volume of impaired mortgage loans grew by PLN 22 million, of which volume of 90 days past-due mortgage loans increased only by PLN 1 million. Thus a small deterioration of impaired loans ratio for mortgage portfolio (from 0.46% to 0.58%) came mainly from a drop of total mortgage portfolio due to PLN appreciation. The share of actually non-performing mortgage loans (90 days past-due) remained on very low level of 0.20% in September. The coverage of impaired mortgage loans keeps very high level of 93%.

Some deterioration was observed in the consumer loans portfolio, following similar trend in the banking sector. Volume of impaired consumer loans grew by PLN 47 million during 3Q (past-due 90 days by PLN 42 million) and its share in total consumer loans grew from 7.9% to 9.1% during 3Q. The coverage of impaired consumer loans remains, like for mortgages, on very high level of 89%.

In companies portfolio the growth of impaired loans was moderate (PLN 60 million) but faster growth came in 90 days past-due category: PLN 133 million. Thus the impaired loans ratio grew already less than past-due 90 days ratio, which reached 5.7% (3.1% for leasing and 7.2% for other companies).

Additional provisions for companies portfolio done in September allowed for significant growth of coverage ratio of impaired corporate loans from 50% to 55% (and in leasing portfolio from 29% to 31%).

Total portfolio quality indicators	30.09.2009	30.06.2009	30.09.2008
Total impaired loans (PLN million)	1 851	1 721	865
Loans past-due over 90 days (PLN million)	807	631	256
Total provisions (PLN million)	1053	926	648
Impaired over total loans ratio (%)	5.3	4.8	3.0
Past-due >90d over total loans ratio (%)	2.3	1.8	0.9
Total provisions/impaired loans (%)	57%	54%	75%
Total provisions/past-due loans (>90 d)	131%	147%	253%

The total blended impaired loans ratio (calculated in keeping with International Accounting Standards) increased during 3Q from 4.8% to 5.3% whereas for entire market (although calculated according to Polish Accounting Standards) increased during 3Q from 6.3% to 7%. Also the share of loans past-due over 90 days deteriorated during 3Q from 1.8% to 2.3% of the entire loans portfolio.

As a consequence of the substantial impairment charge made in the 3Q 2009, the coverage ratio of all impaired loans by total provisions increased from 54% on 30/06/2009 to 57% on 30/09/2009.

Main solvency and liquidity ratios (in %)	30.09.2009	30.06.2009	30.09.2008
Capital Adequacy Ratio (consolidated)	11.4	11.2	12.0
Tier 1 ratio (consolidated)	8.7	8.4	9.3
Loans to Deposits ratio *	102.3	101.9	89.9

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

Consolidated **Capital Adequacy Ratio (CAR)** increased during 3Q by 0.27 p.p. and remains on very comfortable level, including core Tier1 ratio (no hybrid capital) of 8.7%. In the last 12 months, the group's CAR decreased from 12% to 11.4% mainly due to higher capital requirement for loans denominated in foreign currencies resulted from FX changes.

Liquidity position measured by the loan-to-deposits ratio (under definition provided in the table above) remained stable during 3Q at 102% level. This ratio, although higher than one year ago (90%), remains on a lower level than it was in March this year (108.8%).

e) Rating and share price main indicators

2009 brought a strong recovery of the Polish capital market after sharp fall in the end of 2008. Main index WIG gained 33% during 9th months of 2009 while the WIG Banks sector index increased by 13%. Index of mid cap companies mWiG40, which comprises the shares of Bank Millennium, also showed a solid performance of 46%. In the same period Bank Millennium share price increased significantly by 60%.

Market indicators	30.09.2009	05.01.2009	Change (%) in 2009 ytd	30.09.2008	Change (%) yearly
Number of shares (in ths.)	849 182	849 182		849 182	
Daily turnover (PLN ths, YTD avg.)	8 927			7 936	+12.5
Price of the Bank shares (PLN)	4.55	2.85	+59.6	6.29	-27.7
Market capitalisation (PLN million)	3 864	2 420	+59.6	5 311	-27.7
WIG - main index	37 580	28 332	+32.6	37 367	+0.6
WIG Banki	5 182	4 595	+12.8	5 957	-13.0
mWiG 40	2 259	1 548	+45.9	2 252	+0.3

During 3rd quarter of 2009, rating of Fitch agency remained the same. On September 16th 2009, Moody's agency downgraded rating for Millennium BCP – the Parent company of the Bank to A1. As a consequence long-term deposit ratings of Bank Millennium for local and foreign currency were downgraded from A3 to Baa2 with negative outlook and the short-term deposit rating from P2 to P3. With respect to such action the Bank disagrees with the timing and procedures adopted by Moody's. This rating action did not affect Bank Millennium financial strength rating (D), which kept a "stable" outlook. According to Moody's definition, new deposit ratings levels mean adequate credit quality of the Bank.

Shown below are the current ratings assigned to the Bank by two leading agencies, which give rating to Bank Millennium.

Type of rating	FITCH	MOODY'S
Long-term deposit rating/IDR	A (stable outlook)	Baa2 (negative outlook)
Short-term deposit rating	F-1	Prime-3
Financial strength rating	C/D (stable outlook)	D (stable outlook)
Support	1	n.a.

f) Main drivers which may affect financial situation of the Bank in 4Q 2009

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

- After seasonal stabilization in third quarter, unemployment is expected to resume upward trend which coupled with low growth of households' disposable income might reduce demand for some banking products, especially deposits and to affect negatively households' credit portfolio in longer horizon.
- Worse than in previous year financial standing of Polish companies, as a result of weaker domestic demand and lower foreign trade, might worsen asset quality in corporate sector and curb demand for some products.
- A possible increase in inter-bank margins and more intense deposit war in last months of this year might increase financing costs in final quarter of 2009.
- A possible appreciation of Polish zloty should improve liquidity and solvency of the Bank. In the same time stronger zloty will reduce dynamic of FX denominated loans.

The Bank is managing permanently all the risks including the ones coming from different scenarios of market environment and will try to mitigate the adverse influence on its financial situation. Additionally, the Bank is announcing today its new medium term targets, which will have impact on future financial results and standing of the Bank.

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**I. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
MILLENNIUM S.A. CAPITAL GROUP FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2009**

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I. GENERAL INFORMATION ON THE ISSUER

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

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

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

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

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

On 27 March 2009, General Meeting of Shareholders appointed the following to the Bank's Supervisory Board (in alphabetical order):

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

On 27 March 2009, a meeting of the Bank's Supervisory Board established on 27 March 2009 by General Meeting of Shareholders for the new term was held; at that meeting, the Supervisory Board was officially formed by appointing Mr. Maciej Bednarkiewicz to the position of the Supervisory Board Chairman and Mr. Carlos Jorge Ramalho dos Santos Ferreira and Mr. Ryszard Pospieszyński to the position of Supervisory Board Deputy Chairmen. Also, the Supervisory Board elected Mr. Marek Furtek to be the Supervisory Board Secretary.

The Supervisory Board resolved that the Bank's Management Board will consist of 7 people.

The Supervisory Board appointed the following to serve as:

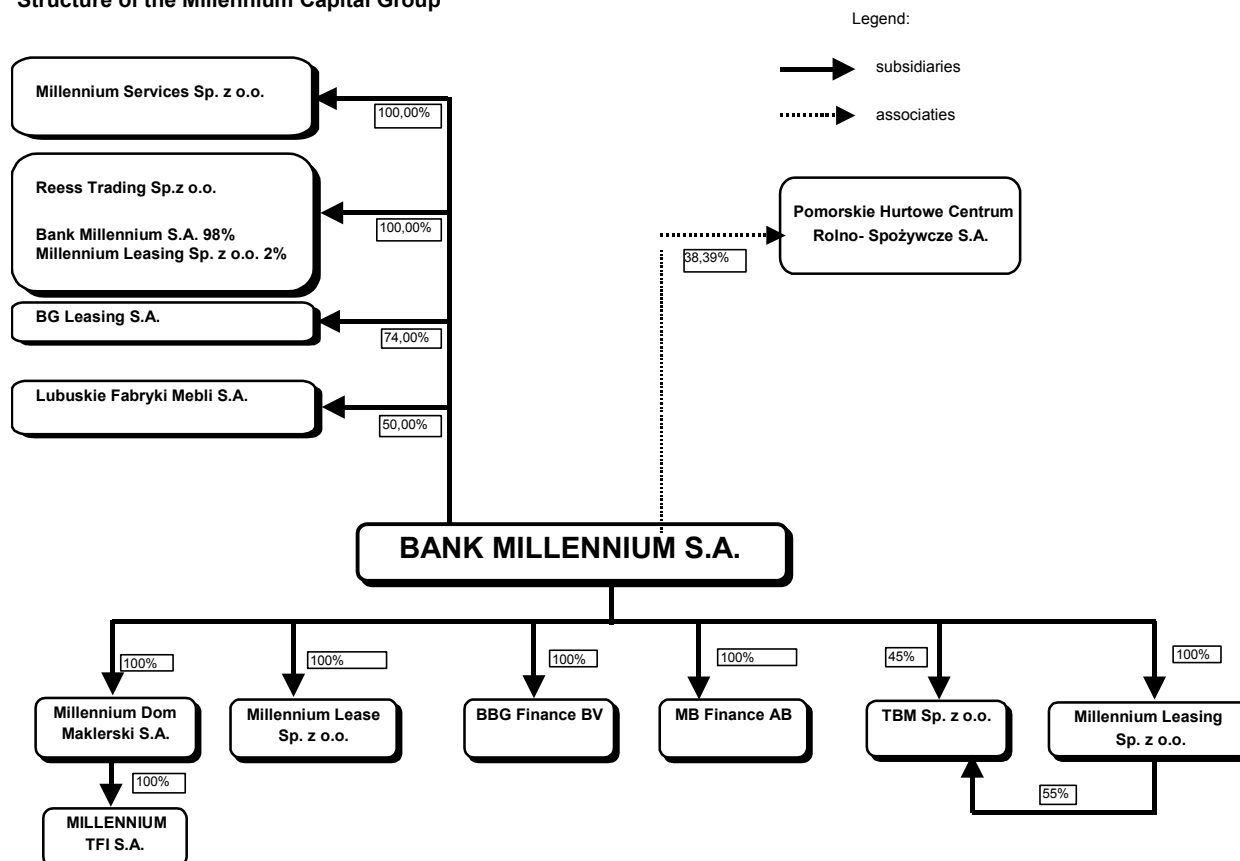
- Mr. Bogusław Jerzy Kott, Chairman of the Management Board
- Mr. Rui Manuel Teixeira, Deputy Chairman of the Management Board

and the following as Management Board members:

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

Bank Millennium S.A. is the parent company in the Group. The companies comprising the Group as at 30 September 2009 are presented below:

Structure of the Millennium Capital Group



Moreover, the Group consolidates a special purpose vehicle Orchis Sp. z o.o., which was established to support a securitization transaction carried out by the Group in 2007. According to IAS 27, IAS 39 and SIC 12, the Company was consolidated despite the fact that the Group has no capital exposure (for this reason it was not included in the above structure of the Group).

The companies Lubuskie Fabryki Mebli S.A. and Pomorskie Hurtowe Centrum Rolno-Spożywcze S.A. are valued using the equity method in the consolidated financial statements.

The Group applied provisions of paragraph 8 of IAS ("Accounting Policies, Changes In Accounting Estimates And Errors" according to which IFRS is a complete collection of accounting policies, which do not have to be used if their effect is insignificant. In accordance with the above, provisions of IAS 27 ("Consolidated And Separate Financial Statements") and IAS 28 ("Investments In Associates") were not applied to the financial statements of the following entities comprising the Capital Group as at 30 September 2009:

- Reess Trading Sp. z o.o.
- BG Leasing S.A. – in bankruptcy (despite holding the majority stake, due to the bankruptcy proceedings, the Group has practically no control over that entity).

II. INTRODUCTION AND ACCOUNTING PRINCIPLES

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2008.

In accordance with Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2009, No 33, item 259) the Bank is required to publish the financial results for the nine months ended 30 September 2009 which is deemed to be the current interim financial reporting period.

These condensed consolidated interim financial statements were approved by the Board of Directors on 5 November 2009.

Starting on 1 January 2009, the Group modified (as compared to the aforementioned statements of the Group for 2008) the adopted accounting principles and has been preparing its financial statements in accordance with the amended IAS 1. The changes applied to presentation: the statement of changes in equity was modified and the Comprehensive income statement was introduced.

Other adjustments were as follows:

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

In 2009, the Bank (Group) changed the presentation of FX differences on the interest denominated in foreign currencies accrued in the balance sheet. This revaluation effect, previously presented in the Profit and Loss Account as a component of interest margin or result on financial instruments, is currently presented as "FX result". The adjustment of comparative data (for 3Q 2008) is as follows:

Adjusted item	3 quarters of 2008 data as presented previously	3 quarters of 2008 comparatives	Difference
Interest income	1 742 966	1 734 359	-8 607
Result on financial instruments valued at fair value through profit and loss	139 286	139 909	+623
Foreign exchange profit	202 750	210 734	+7 984

CHANGE IN THE PRESENTATION METHOD OF THE RESULT ON OPTIONS

In 2009, the Bank (Group) unified its presentation of result on matured FX options. As a result of the above, the total result on currency options is presented in the Profit and Loss Account as “Result on financial instruments carried at fair value through profit and loss”. There was no need to adjust any comparative data.

RECLASSIFICATION OF DEBT SECURITIES

In 2008, the Bank reclassified 7-year variable income treasury bonds WZ0911 from the “held for trading” portfolio to the “available for sale” portfolio. This reclassification was possible based on the updated IAS 39 and IFRS 7 implemented by the Directive of the Commission Regulation (EC) No 1004/2008 of 15 October 2008. According to the aforementioned standard, the reclassification was done according to the fair value – revaluation losses recognized in the profit and loss account until reclassification were not reversed and the fair value of the instrument on the reclassification date became the new cost of acquisition. The reason for this reclassification (resulting from IAS 39.50B) was a changed intention concerning keeping such securities in the Bank’s portfolio; short-term investment profits were no longer available due to changes in macroeconomic environment.

Disclosure requirements for this transaction, which result from provisions of IFRS 7, are satisfied by the data presented in the following tables:

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%

Data in PLN ths.	Valuation recognized in P&L (with tax effect)	Valuation recognized in revaluation reserve (with tax effect)	Total effect recognized in equity
Year 2007			
Before reclassification in "trading" portfolio	-3	-	-3
Year 2008			
Before reclassification in "trading" portfolio	-1 016	-	-1 016
After reclassification in "available for sale" portfolio		-2 509	-2 509
TOTAL 2008	-1 016	-2 509	- 3 525
Year 2009			
After reclassification in "available for sale" portfolio	-	- 169	- 1 185
Year 2009 (proforma)			
If the reclassification did not occur	2 340	-	- 1 185

III. CONSOLIDATED FINANCIAL DATA (GROUP)

CONSOLIDATED INCOME STATEMENT

<i>Amount '000 PLN</i>	Note	1.01.2009 - 30.09.2009	1.01.2008 - 30.09.2008
I. Interest income	1	1 801 003	1 734 359
II. Interest expense	2	-1 397 985	-1 030 815
III. Net interest income		403 018	703 544
IV. Fee and commission income	3	419 060	432 959
V. Fee and commission expense	4	-64 516	-71 180
VI. Net fee and commission income		354 544	361 779
VII. Dividend income		2 147	1 440
VIII. Result on investment financial assets		12 787	2 306
IX. Result on financial instruments valued at fair value through profit and loss (held for trading)	5	222 505	139 909
X. Foreign exchange profit		35 351	210 734
XI. Other operating income		47 884	30 134
XII. Operating income		1 078 236	1 449 846
XIII. General and administrative expenses	6	-721 961	-826 427
XIV. Impairment losses on financial assets	7	-344 732	-83 108
XV. Impairment losses on non financial assets		-843	-541
XVI. Depreciation and amortization		-59 609	-50 157
XVII. Other operating expenses		-41 387	-14 695
XVIII. Operating expenses		-1 168 532	-974 928
XIX. Operating profit		-90 296	474 918
XX. Share of profit of associates		7 000	0
XXI. Profit / (loss) before taxes		-83 296	474 918
XXII. Corporate income tax	8	17 340	-97 072
XXIII. Profit / (loss) after taxes		-65 956	377 846
Attributable to:			
Equity holders of the parent		-65 956	377 846
Minority interests		0	0
Weighted average number of ordinary shares		849 181 744	849 181 744
Earnings (losses) per ordinary share (in PLN)		-0.08	0.44

CONSOLIDATED TOTAL COMPREHENSIVE INCOME STATEMENT	1.01.2009 - 30.09.2009	1.01.2008 - 30.09.2008
Profit / (loss) after taxes	-65 956	377 846
OTHER ELEMENTS OF TOTAL COMPREHENSIVE INCOME, INCLUDING:		
Effect of valuation of available for sale debt securities	6 264	8 054
Effect of valuation of available for sale shares	2 094	0
Hedge accounting	-63 455	744
OTHER ELEMENTS OF TOTAL COMPREHENSIVE INCOME BEFORE TAXES	-55 097	8 799
Corporate income tax on other elements of total comprehensive income	10 466	-1 672
OTHER ELEMENTS OF TOTAL COMPREHENSIVE INCOME AFTER TAXES	-44 631	7 127
TOTAL COMPREHENSIVE INCOME OF THE PERIOD	-110 587	384 973
Attributable to:		
Equity holders of the parent	-110 587	384 973
Minority interests	0	0

CONSOLIDATED BALANCE SHEET

ASSETS

<i>Amount '000 PLN</i>	Note	30.09.2009	31.12.2008
I. Cash, balances with the Central Bank		1 293 345	1 802 594
II. Loans and advances to banks	9	704 592	1 580 027
III. Financial assets valued at fair value through profit and loss (held for trading)	10	4 248 101	6 279 933
IV. Hedging derivatives	11	349 555	9 977
V. Loans and advances to customers	12	33 702 857	33 748 166
VI. Investment financial assets	13	2 787 405	2 913 997
- available for sale		2 787 405	2 913 997
- held to maturity		0	0
VII. Investments in associates		12 401	5 395
VIII. Receivables from securities bought with sell-back clause (loans and advances)		86 976	61 282
IX. Property, plant and equipment		360 348	385 011
X. Intangible assets		19 001	21 837
XI. Non-current assets held for sale		1 010	1 111
XII. Receivables from Tax Office resulting from current tax		19 529	48 710
XIII. Deferred tax assets		158 494	51 253
XIV. Other assets		220 149	205 629
Total Assets		43 963 763	47 114 922

LIABILITIES

<i>Amount '000 PLN</i>		30.09.2009	31.12.2008
I. Deposits from banks	14	5 185 770	3 060 550
II. Financial liabilities valued at fair value through profit and loss (held for trading)	15	652 743	4 399 498
III. Hedging derivatives	16	193 563	1 179 649
IV. Deposits from customers	17	30 439 069	31 702 279
V. Liabilities from securities sold with buy-back clause		2 271 316	1 502 062
VI. Debt securities	18	992 691	927 373
VII. Provisions		26 011	33 881
VIII. Deferred income tax liabilities		0	0
IX. Current tax liabilities		649	514
X. Other liabilities		517 904	532 813
XI. Subordinated debt		979 751	961 420
Total Liabilities		41 259 467	44 300 039

EQUITY

<i>Amount '000 PLN</i>			
I. Share capital		849 182	849 182
II. Share premium		472 343	472 343
III. Revaluation reserve		-4 390	40 241
IV. Retained earnings		1 387 161	1 453 117
Total equity attributable to equity holders of the parent company		2 704 296	2 814 883
Minority interests		0	0
Total Equity		2 704 296	2 814 883
Total Liabilities and Equity		43 963 763	47 114 922
Book value		2 704 296	2 814 883
Number of shares		849 181 744	849 181 744
Book value per share (in PLN)		3.18	3.31

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Total consolidated equity	Share capital	Share premium	Revaluation reserve	Retained earnings
Equity at the beginning of the period 01.01.2009	2 814 883	849 182	472 343	40 241	1 453 117
- total comprehensive income of the III quarters of 2009	-110 587	0	0	-44 631	-65 956
Equity at the end of the period 30.09.2009	2 704 296	849 182	472 343	-4 390	1 387 161

	Total consolidated equity	Share capital	Share premium	Revaluation reserve	Retained earnings
Equity at the beginning of the period 01.01.2008	2 519 932	849 182	471 709	-2 742	1 201 783
- total comprehensive income of 2008	456 392	0	0	42 983	413 409
- dividend payment	-161 345	0	0	0	-161 345
- other appropriation of profit (increase in social benefits fund of subordinated entity)	-96	0	0	0	-96
- consolidation adjustment	0	0	634	0	-634
Equity at the end of the period 31.12.2008	2 814 883	849 182	472 343	40 241	1 453 117

	Total consolidated equity	Share capital	Share premium	Revaluation reserve	Retained earnings
Equity at the beginning of the period 01.01.2008	2 519 932	849 182	471 709	-2 742	1 201 783
- total comprehensive income of the III quarters of 2008	384 973	0	0	7 127	377 846
- dividend payment	-161 345	0	0	0	-161 345
- other appropriation of profit (increase in social benefits fund of subordinated entity)	-96	0	0	0	-96
Equity at the end of the period 30.09.2008	2 743 464	849 182	471 709	4 385	1 418 188

CONSOLIDATED CASH FLOW

A. CASH FLOWS FROM OPERATING ACTIVITIES

<i>Amount '000 PLN</i>	1.01.2009 - 30.09.2009	1.01.2008 - 30.09.2008
I. Profit (loss) after taxes	-65 956	377 846
II. Adjustments for:	-1 502 935	1 630 312
1. Minority profit (loss)	0	0
2. Interests in net income (loss) of associated companies	-7 000	0
3. Depreciation and amortization	59 609	50 157
4. Foreign exchange (gains)/ losses	-52 674	-41 876
5. Dividends	-2 147	-1 440
6. Changes in provisions	-7 870	-3 991
7. Result on sale and liquidation of investing activity assets	-9 563	-8 013
8. Change in financial assets valued at fair value through profit and loss (held for trading)	1 560 583	-412 260
9. Change in loans and advances to banks	893 559	-17 190
10. Change in loans and advances to customers	-15 926	-5 739 889
11. Change in receivables from securities bought with sell-back clause (loans and advances)	-25 694	-220 907
12. Change in financial liabilities valued at fair value through profit and loss (held for trading)	-4 732 841	556 128
13. Change in deposits from banks	1 274 480	-470 928
14. Change in deposits from customers	-1 263 210	7 742 171
15. Change in liabilities from securities sold with buy-back clause	769 254	-141 342
16. Change in debt securities	108 011	-3 938
17. Change in income tax settlements	-15 824	-155
18. Income tax paid	-51 632	-47 119
19. Change in other assets and liabilities	-18 661	351 567
20. Other	34 611	39 337
III. Net cash flows from operating activities	-1 568 891	2 008 158

B. CASH FLOWS FROM INVESTING ACTIVITIES

<i>Amount '000 PLN</i>	1.01.2009 - 30.09.2009	1.01.2008 - 30.09.2008
I. Inflows:	298 466	16 118
1. Proceeds form sale of property, plant and equipment and intangible assets	33 031	14 678
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	263 288	0
5. Other	2 147	1 440
II. Outflows:	-29 102	-882 977
1. Acquisition of property, plant and equipment and intangible assets	-29 102	-75 936
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	-807 041
5. Other	0	0
III. Net cash flows from investing activities	269 364	-866 859

C. CASH FLOWS FROM FINANCING ACTIVITIES

<i>Amount '000 PLN</i>	1.01.2009 - 30.09.2009	1.01.2008 - 30.09.2008
I. Inflows:	914 960	667 998
1. Long-term bank loans	914 960	587 563
2. Issue of debt securities	0	80 435
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:	-68 075	-186 668
1. Repayment of long-term bank loans	0	0
2. Redemption of debt securities	-42 693	0
3. Decrease in subordinated debt	0	0
4. Issue of shares expenses	0	0
5. Redemption of shares	0	0
6. Dividends paid and other payments to owners	0	-161 345
7. Other	-25 382	-25 323
III. Net cash flows from financing activities	846 885	481 330
D. NET CASH FLOWS, TOTAL (A III+B III+C III)	-452 642	1 622 629
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD	2 939 685	2 172 683
F. CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD (D+E)	2 487 043	3 795 312

IV. NOTES TO CONSOLIDATED FINANCIAL DATA

Note (1) Interest income and other of similar nature

	1.01.2009 - 30.09.2009	1.01.2008 - 30.09.2008
Interest income and other of similar nature, including:		
Balances with the Central Bank	30 550	33 506
Deposits, loans and advances to banks	5 096	69 764
Loans and advances to customers	1 210 618	1 266 354
Transactions with repurchase agreement	9 962	11 038
Hedging derivatives	297 956	125 986
Financial assets held for trading (debt securities)	120 048	116 634
Investment securities	126 772	111 077
Total	1 801 003	1 734 359

Interest income for 3Q 2009 year-to-date includes interest accrued on loans with recognized impairment of PLN 66,808 thousand (for the comparative data for 3Q 2008 year-to-date, such interest was PLN 40,710 thousand). This interest income is calculated based on net exposure amounts, which take into account the impairment charges made.

Note (2) Interest expense and other of similar nature

	1.01.2009 - 30.09.2009	1.01.2008 - 30.09.2008
Interest expense and other of similar nature, including:		
Banking deposits	-10 034	-27 628
Loans and advances	-70 218	-50 572
Transactions with repurchase agreement	-64 760	-46 263
Hedging derivatives	0	0
Deposits from customers	-1 186 862	-822 027
Subordinated debt	-31 938	-38 677
Debt securities	-32 963	-44 570
Other	-1 210	-1 078
Total	-1 397 985	-1 030 815

Note (3) Fee and commission income

	1.01.2009 - 30.09.2009	1.01.2008 - 30.09.2008
Resulting from accounts service	56 627	50 452
Resulting from money transfers, cash payments and withdrawals and other payment transactions	27 987	28 829
Resulting from loan activity	30 290	32 704
Resulting from guarantees and sureties granted	8 687	8 118
Resulting from payment and credit cards	125 731	106 148
Resulting from sale of insurance products	89 834	71 756
Resulting from distribution of investment funds units and other savings products	6 813	17 926
Resulting from brokerage and custody service	21 600	23 389
Resulting from investment funds managed by the Group	44 248	87 230
Other	7 243	6 407
Total	419 060	432 959

Note (4) Fee and commission expense

	1.01.2009 - 30.09.2009	1.01.2008 - 30.09.2008
Resulting from accounts service	-839	-833
Resulting from money transfers, cash payments and withdrawals and other payment transactions	-865	-872
Resulting from loan activity	-13 694	-9 551
Resulting from payment and credit cards	-41 403	-50 656
Resulting from brokerage and custody service	-4 547	-4 506
Resulting from investment funds managed by the Group	-1 475	-2 699
Other	-1 693	-2 063
Total	-64 516	-71 180

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

	1.01.2009 - 30.09.2009	1.01.2008 - 30.09.2008
Operations on securities	32 057	-11 164
Operations on derivatives	192 057	149 123
Hedge accounting operations	-2 020	1 386
Other financial operations	411	564
Total	222 505	139 909

Note (6) General and administrative expenses

	1.01.2009 - 30.09.2009	1.01.2008 - 30.09.2008
Staff costs:	-363 353	-457 313
Salaries	-352 294	-440 833
Employee benefits, including:	-11 059	-16 481
- provisions for retirement benefits	0	0
- provisions for unused employee holiday	0	0
- other	-11 059	-16 481
General administrative costs	-358 608	-369 114
Costs of advertising, promotion and representation	-20 319	-44 261
Costs of software maintenance and IT services	-15 313	-11 281
Costs of renting	-129 432	-100 595
Costs of buildings maintenance, equipment and materials	-22 189	-27 531
ATM and cash costs	-15 872	-16 205
Costs of communications and IT	-51 831	-57 574
Costs of consultancy, audit and legal advisory and translation	-11 324	-16 037
Taxes and fees	-11 499	-13 993
KIR clearing charges	-2 130	-1 947
PFRON costs	-4 447	-4 052
Banking Guarantee Fund costs	-11 360	-3 325
Financial Supervision costs	-6 113	-5 036
Other	-56 779	-67 276
Total	-721 961	-826 427

Note (7) Impairment losses on financial assets

	1.01.2009 - 30.09.2009	1.01.2008 - 30.09.2008
Impairment losses on loans and advances to customers	-341 148	-80 922
- Impairment charges on loans and advances to customers	-728 382	-338 335
- Reversal of impairment charges on loans and advances to customers	385 216	246 795
- Amounts recovered from loans written off	2 018	7 784
- Result on sale of receivables	0	2 834
Impairment losses on off-balance sheet liabilities	-3 584	-2 186
- Impairment write-offs for off-balance sheet liabilities	-17 815	-15 547
- Reversal of impairment write-offs for off-balance sheet liabilities	14 231	13 361
Total	-344 732	-83 108

In September 2009 the Bank conducted a thorough review of the loan portfolio, including restructured cases due to FX derivatives transactions, and found out in some cases that planned restructuring results are not met, very often due to deterioration of overall economic and financial situation of a company. Thus the Bank decided to make additional provisions in the amount of PLN 108.4 million.

Note (8a) Income tax reported in income statement

	01.01.2009 - 30.09.2009	01.01.2008 - 30.09.2008
Current tax	-98 724	-143 799
Current year	-98 724	-143 799
Deferred tax	117 064	46 727
Recognizing and reversal of temporary differences	92 051	54 454
Appearance / (Utilisation) of tax loss	4 391	-7 727
Adjustment of CIT-8 declaration for the previous years	20 622	0
Other		
Receivables resulting from the article 38a of the CIT Act	-1 000	0
Total income tax reported in income statement	17 340	- 97 072

Note (8b) Effective tax rate

	01.01.2009 - 30.09.2009	01.01.2008 - 30.09.2008
Gross profit / (loss)	-83 296	474 918
Statutory tax rate	19%	19%
Income tax according to obligatory income tax rate of 19%	15 826	-90 234
Impact of permanent differences on tax charges:	2 514	-6 838
- Non taxable income	6 530	2 176
Dividend income	407	273
Reversal of other provisions	5 833	0
Other	290	1 903
- Cost which is not a tax cost	- 4 016	-9 014
Loss on sale of receivables	-215	-5 279
PFRON fee	-838	-815
Other	-2 963	-2 920
Receivables resulting from the article 38a of the CIT Act	- 1 000	0
Total income tax reported in income statement	17 340	-97 072

Note (8c) Deferred tax reported directly in equity

	30.09.2009	31.12.2008
Valuation of available for sale securities	- 4 028	-2 440
Valuation of cash flow hedging instruments	5 058	-6 999
Deferred tax reported directly in equity	1 030	-9 439

In light of the binding legal regulations, the Group does not constitute a fiscal group, and as a result the burden to the consolidated gross result with both current and deferred tax is the sum of respective tax values of individual consolidated companies.

In the consolidated balance sheet, the deferred tax liability and deferred tax assets are offset in accordance with IAS 12.

Note (9) Loans and advances to banks

	30.09.2009	31.12.2008
Current accounts	127 163	91 343
Deposits in other banks	240 055	1 170 639
Loans	335 767	316 258
Other	1 058	212
Interest	722	1 575
Total (gross) loans and advances to banks	704 765	1 580 027
Impairment write-offs	-173	0
Net loans and advances to banks	704 592	1 580 027

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

	30.09.2009	31.12.2008
Debt securities	3 452 543	3 471 808
Issued by State Treasury	3 452 543	3 471 808
a) bills	1 252 259	933 718
b) bonds	2 200 284	2 538 090
Equity instruments	480	428
Quoted on the active market	480	428
a) financial institutions	84	0
b) non-financial institutions	396	428
Positive valuation of derivatives	794 436	2 805 286
Other financial instruments	642	2 410
Total	4 248 101	6 279 933

Note (10)/Note (15) Valuation of derivatives and Liabilities from short sale of securities 30.09.2009

	Fair value		
	Total	Assets	Liabilities
1. Interest rate derivatives	10 633	396 033	385 400
Forward Rate Agreements (FRA)	-310	150	460
Interest rate swaps (IRS)	15 781	395 883	380 102
Other interest rate contracts: volatility swap, swap with FX option	-4 838		4 838
2. FX derivatives	120 792	348 282	227 490
FX contracts	76 748	84 066	7 318
FX swaps	73 433	96 105	22 672
Other FX contracts (CIRS)	-41 018	33 090	74 108
FX options	11 629	135 021	123 392
3. Commodity derivatives	470	29 716	29 246
Commodity forwards	319	28 582	28 263
Commodity options	151	1 134	983
4. Embedded instruments	-9 702	0	9 702
Options embedded in deposits	0	0	0
Options embedded in securities issued	-9 702	0	9 702
5. Fair value measurement of items subject to hedging	13 548	13 548	0
Valuation of future FX payments subject to hedging	161	161	0
Valuation of hedged consumer loans portfolio	13 387	13 387	0
6. Indexes options	5 952	6 857	905
Valuation of derivatives	141 693	794 436	652 743
Liabilities from short sale of securities			0
Financial liabilities valued at fair value through profit and loss (held for trading) - TOTAL		794 436	652 743

Note (10)/Note (15) Valuation of derivatives and Liabilities from short sale of securities 31.12.2008

	Fair value		
	Total	Assets	Liabilities
1. Interest rate derivatives	14 587	711 800	697 213
Forward Rate Agreements (FRA)	-1 830	2 736	4 566
Interest rate swaps (IRS)	12 300	704 443	692 143
Other interest rate contracts: volatility swap, swap with FX option	4 117	4 621	504
2. FX derivatives	-1 597 016	1 893 509	3 490 525
FX contracts	169 614	268 950	99 336
FX swaps	-1 907 547	151 674	2 059 221
Other FX contracts (CIRS)	-79 204	0	79 204
FX options	220 121	1 472 885	1 252 764
3. Commodity derivatives	737	164 455	163 718
Commodity forwards	581	126 216	125 635
Commodity options	156	38 239	38 083
4. Embedded instruments	-9 548	62	9 610
Options embedded in deposits	-4 907	62	4 969
Options embedded in securities issued	-4 641	0	4 641
5. Fair value measurement of items subject to hedging	20 893	28 215	7 322
Valuation of future FX payments subject to hedging	-7 322	0	7 322
Valuation of hedged consumer loans portfolio	28 215	28 215	0
6. Indexes options	3 357	7 245	3 888
Valuation of derivatives	-1 566 990	2 805 286	4 372 276
Liabilities from short sale of securities			27 222
Financial liabilities valued at fair value through profit and loss (held for trading) - TOTAL		2 805 286	4 399 498

The Group applies the following types of hedge accounting:

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

During first half of 2009 the Bank made a decision to terminate formal hedge relationship originally established for FX denominated the Bank's own transactions.

Starting from 1 April 2009 the Bank established formal cash flow hedge relationship designating FX Swap transactions against cash flow volatility generated by mortgage loans with floating rate, denominated in foreign currency, in time horizon limited to maturity of hedging instruments.

Note (11)/Note (16) Hedge accounting 30.09.2009

	Fair values			Adjustment to fair value of hedged items for hedged risk
	Total	Assets	Liabilities	
1. Fair value hedging derivatives connected with interest rate risk				
- IRS contracts	-13 831	475	14 307	13 386
2. Cash flows hedging derivatives connected with interest rate and/or FX rate				
- CIRS contracts	45 695	224 951	179 256	x
- FX SWAP contracts	124 127	124 127	0	x
3. Total hedging derivatives	155 991	349 553	193 563	x

Note (11)/Note (16) Hedge accounting 31.12.2008

	Fair values			Adjustment to fair value of hedged items for hedged risk
	Total	Assets	Liabilities	
1. Fair value hedging derivatives connected with interest rate risk				
- IRS contracts	-30 309	24	30 333	28 215
2. Fair value hedging derivatives connected with FX rate risk				
- CIRS contracts	6 167	9 953	3 786	-6 434
3. Cash flows hedging derivatives connected with interest rate and/or FX rate				
- CIRS contracts	-1 145 530	0	1 145 530	x
4. Total hedging derivatives	-1 169 672	9 977	1 179 649	x

Note (12) Loans and advances to customers

	30.09.2009	31.12.2008
Loans and advances	30 252 595	29 765 623
- to companies	5 562 152	5 455 817
- to private individuals	24 518 126	24 156 905
- to public sector	172 317	152 901
Receivables on account of payment cards	830 841	730 843
- due from companies	9 084	8 028
- due from private individuals	821 757	722 815
Purchased receivables	72 321	76 358
- from companies	65 798	59 027
- from private individuals	0	0
- from public sector	6 523	17 331
Guarantees and sureties realised	2 069	123
Debt securities eligible for rediscount at Central Bank	0	35 691
Financial leasing receivables	3 463 078	3 745 868
Other	7 321	2 639
Interest	127 331	140 099
Total gross	34 755 556	34 497 245
Impairment write-offs	-1 052 699	-749 078
Total net	33 702 857	33 748 166

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

	30.09.2009	31.12.2008
Loans and advances to customers (gross)	34 755 556	34 497 245
- impaired	1 850 786	1 163 428
- not impaired	32 904 770	33 333 816
Impairment write-offs	1 052 699	749 078
- for impaired exposures	778 669	464 824
- for incurred but not reported losses (IBNR)	274 030	284 254
Loans and advances to customers (net)	33 702 857	33 748 166

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

	30.09.2009	31.12.2008
Loans and advances to customers (gross)	34 755 556	34 497 245
- case by case analysis	1 277 780	834 470
- collective analysis	33 477 776	33 662 775
Impairment write-offs	1 052 699	749 078
- on the basis of case by case analysis	475 723	264 718
- on the basis of collective analysis	576 976	484 361
Loans and advances to customers (net)	33 702 857	33 748 166

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

	30.09.2009	31.12.2008
Loans and advances to customers (gross)	34 755 556	34 497 245
- corporate customers	9 359 083	9 545 543
- private individuals	25 396 473	24 951 702
Impairment write-offs	1 052 699	749 078
- for receivables from corporate customers	680 298	425 908
- for receivables from private individuals	372 401	323 170
Loans and advances to customers (net)	33 702 857	33 748 166

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

	01.01.2009 – 30.09.2009	01.01.2008 – 31.12.2008
Balance at the beginning of the period	749 078	608 389
Change in value of provisions:	303 795	140 690
Write-offs in the period	728 208	506 127
Amounts written off	-37 848	-30 036
Reversal of write-offs in the period	-385 216	-363 049
Sale of receivables	-77	-21 856
Changes resulting from FX rates differences	-2 346	47 872
Other	900	1 631
Balance at the end of the period	1 052 669	749 078

Note (13) Investment financial assets available for sale

	30.09.2009	31.12.2008
Debt securities	2 772 350	2 901 702
Issued by State Treasury	2 250 155	2 627 891
a) bills	1 298 150	675 447
b) bonds	952 004	1 952 444
Issued by Central Bank	397 885	167 247
a) bills	397 885	0
b) bonds	0	167 247
Other securities	124 310	106 564
a) listed	7 740	15 760
b) not listed	116 570	90 804
Shares and interests in other entities	15 055	12 295
Other financial instruments	0	0
Total financial assets available for sale	2 787 405	2 913 997

Note (14) Deposits from banks

	30.09.2009	31.12.2008
In current account	58 018	70 571
Term deposits	1 284 866	35 407
Loans and advances received	3 807 525	2 937 280
Other	29 736	75
Interest	5 625	17 217
Total	5 185 770	3 060 550

On 16th March 2009 an Agreement was concluded between Bank Millennium S.A. and Banco Comercial Portugues S.A., concerning mid-term loan extended to the Bank, for total amount of EUR 200,000,000 to be used for general corporate purposes.

Interest rate of the loan is based on EURIBOR and margin specified in the Agreement.

The loan is scheduled for repayment in April 2011.

Note (17) Deposits from customers by type structure

	30.09.2009	31.12.2008
Amounts due to private individuals	20 296 097	19 238 111
Balances on current accounts	5 138 704	2 918 109
Term deposits	14 627 945	15 931 154
Other	124 313	155 430
Accrued interest	405 135	233 418
Amounts due to companies	7 885 913	10 733 057
Balances on current accounts	2 746 280	2 499 183
Term deposits	4 830 812	7 742 361
Other	270 834	377 928
Accrued interest	37 987	113 585
Amounts due to public sector	2 257 059	1 731 112
Balances on current accounts	825 804	1 054 587
Term deposits	1 398 606	662 581
Other	28 259	10 951
Accrued interest	4 390	2 993
Total	30 439 069	31 702 279

Note (18) Change of debt securities

	01.01.2009 – 30.09.2009	01.01.2008 – 31.12.2008
Balance at the beginning of the period	927 373	851 474
- change of bonds issued in leasing portfolio securitization transaction	-42 693	86 769
- change of bonds issued by the Bank	108 011	123 486
- repurchase of short term bonds issued by subsidiary	0	-134 356
Balance at the end of the period	992 691	927 373

V. CHANGES IN RISK MANAGEMENT PROCESS

Credit risk

In connection with the financial crisis and the consequent slowdown, in Q3 2009 the Group continued a number of steps with respect to credit risk with a view to adjustment to the current situation and optimising the operations under the new circumstances.

In the retail segment such steps were taken among others in the following areas:

- 1) Creditworthiness assessment (underwriting) – more restrictive requirements in terms of the acceptable credit history of the client;
- 2) Application scoring cards for mortgage loans – modifications leading to increasing the model's discrimination power;
- 3) LTV ratio for mortgage loans – possibility of granting loans with the LTV ratio exceeding 90%, but with more restrictive principles of calculating the borrowing capacity for this type of transactions.

In the corporate segment the following actions were run in particular:

- 1) reducing the period of lending in the case of revolving transactions for clients with specific ratings and not satisfying collateral requirements;
- 2) increasing the decision-making competencies in the case of selected transactions;
- 3) new assessment principles in the case of clients applying for Treasury transactions.

Moreover, the earlier-implemented process of monitoring clients running a business activity, especially the monitoring (based on early warning signals) of clients running their books of account based on the Accounting Act.

To be effective in the debt recovery area in Q3 specific initiatives were continued started in the first half-year in the retail and small business sector, including

- intensification of monitoring and reminding activities in the period of the first 30 days after the occurrence of past-due debt (sms, telephone and written contacts, calls for payment) in order to restore the timely service of debt;
- immediate transfer of cases to the restructuring-recovery area if there is no client's reaction to the reminding steps in order to take a potential decision about the termination of the agreement/ repayment of the liability from the collateral (assets-backed loans);
- early this year the full implementation took place of the pilot program for handling clients correctly servicing their debt on credit risk bearing products, applying to the Bank for changing the terms of the original agreements in connection with the anticipated deterioration of own financial situation.

In the corporate segment the restructuring-recovery steps apart from the implementation of the current projects resulting from lending operations continued to focus on activities connected with Treasury (option) transactions and consisted first of all in:

- restructuring of liabilities resulting from Treasury transactions with the use of the full set of restructuring tools;
- leading to the clarification of discordant positions in disputes and approximating positions on an amiable basis;
- pursuing the Bank's matured claims in situations of durable cessation of paying liabilities by the Client;
- conducting litigation before courts in situations where no amicable solutions were found.

Also, additional provisions made at the end of September 2009 for the exposures from some of the Clients resulted from the following:

- deterioration of their financial situation;
- failure to achieve the planned effects of restructuring of Clients' enterprises in terms of organisation, products, revenues and finances;
- failure to obtain the planned capital reinforcement (the planned investors were not acquired);
- extension of the normalisation process relative to the restructuring conditions with the creditors;
- continued economic slowdown,

as result of which the Bank assumed a more conservative approach to evaluation of its planned recoveries.

Additionally, in the 3rd quarter 2009, there were provisions established in the Group's company - Millennium Leasing, which was related to:

- change in the risk parameters estimation approach;
- deterioration of economic and financial situation of companies from the transportation industry.

	30.09.2009		31.12.2008	
	Loans and advances to customers	Loans and advances to banks	Loans and advances to customers	Loans and advances to banks
Not overdue and without impairment	31 140 449	704 765	31 067 489	1 580 027
Overdue, but without impairment	1 764 321	0	2 266 328	0
With impairment	1 850 786	0	1 163 428	0
Gross	34 755 556	704 765	34 497 245	1 580 027
Impairment write-offs together with IBNR	-1 052 699	-173	-749 078	0
Net	33 702 857	704 592	33 748 166	1 580 027

Market risk

In Q3 2009 the VaR ratios for the Commercial Portfolio and the Financing Area reflect the average exposure to market risk at the level of about 8.2 mln PLN. Moreover, the data contains the interest rate risk transferred by the internal transactions from the Bank Portfolio.

VaR for market risk (thous. PLN)

	30.06.2009	Q3 2009			30.09.2009
		Average	Maximum	Minimum	
General risk	10 483	8 234	12 294	5 923	6 132
VaR interest rate	7 847	8 051	10 080	5 868	6 039
Interest rate risk	7 258	2 763	10 393	364	420
Diversification effect	44%				5%

Open positions contained mainly interest rate instruments and currency risk instruments. The currency risk covers all the exchange rate exposures of the Bank, because open positions are acceptable only in the Trading and Market Risk Strategy Areas. The exposure to the exchange risk was connected with the active management of the currency position through the opening of the position in order to reduce the credit risk connected with transactions concluded with the clients. As a result, the Bank accepted the non-linear risk of these instruments actively managing it.

In Q3 2009 VAR limits were not exceeded.

In the case of banking book in order to manage the interest rate risk an analysis is conducted of the sensitivity of non-trading portfolios, hedging strategies being used for its mitigation. Starting from June 2009 the Bank transfers interest rate risk from the Commercial and Structural areas of the banking book to areas in which such risk is managed at operational level (ALM, Trading and Financing Areas respectively).

Liquidity risk

In Q3 2009 the current liquidity ratio constantly adopted positive values, with a declining trend in the second half of the quarter. The quarterly liquidity ratio at the beginning of August started to take into account the repayment of the syndicated loan in the amount of 555 million CHF falling to the level of about 0.5 billion PLN.

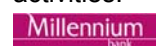
In Q3 2009 the limits for all the internal liquidity measures were observed.

Moreover, there were also no threats to short and long-term liquidity measures in the analysed period. The Bank prepared and implemented a plan for managing such ratios consisting in creating and monitoring the buffer levels assuring safe values for all the measures.

The main source of funding the Bank is the deposit base. The concentration of the deposit base as measured by the share of 5 and 20 biggest depositors went up slightly at the end of September 2009 compared to the end of the last quarter and stood respectively at 5.3% and 9.4% (in June 2009 respectively 3.9% and 7.6%).

Operational risk

In order to identify and assess operational risk in its activity the Group employs three complementary activities:



- collecting information about losses, both internal and external;
- monitoring key risk indicators; and
- conducting self-assessment, from time to time, of the level of risk in processes.

Risk assessment gives risk to appropriate decisions on implementing steps to mitigate potential risks.

The Group goes ahead with its steps towards continued highlighting and perfecting the awareness of threats among all the employees, in particular among employees who have an impact on the running of processes inside the organisation. In this area in of the previous quarter the Group put special emphasis on identifying risk, ways of their mitigation and monitoring.

VI. SEGMENTAL REPORTING

Industry segmentation

The Group's business activity is conducted based on differentiated business lines offering specific products and services addressed to the following market segments:

a) Retail Client Segment

The Retail Client Segment includes activity addressed to mass Clients, affluent Clients, small businesses and individual entrepreneurs.

Activity of the foregoing business lines is developed through the full offer of banking products and services and sales of specialized products offered by the Group's subsidiaries. In the credit products area, the main portfolio growth factors include mortgage loans, consumer loans, revolving credit card loans and leasing products for small businesses. The main customer funds include: current accounts, term deposits, mutual funds and structured products. Additionally, the offer includes savings products, mainly linked to loans and credit cards, as well as specialized savings products. The product offering to affluent customers has been strengthened by selected mutual funds from other financial intermediaries, foreign funds and structured bonds issued by the Bank.

b) Corporate Client Segment

The Corporate Client Segment is based on activity addressed to Medium and Large Companies as well as Strategic Companies.

The offer is also directed to Clients from the budget sector and Public Entities.

Business activity in the Corporate Client segment is conducted using a high quality offer of typical banking products (current activity loans, investment loans, current accounts, term deposits) supplemented by cash management products, Treasury products, including derivatives and leasing and factoring products.

c) Treasury and brokerage activity

This segment covers the Group's activity focused on equity investments for the Bank's account, brokerage activity, operations on the inter-bank market, exposure to the debt securities which are not assigned to other segments.

This segment contains other assets and other liabilities linked to hedging derivatives, and also costs of financing of balance sheet items denominated in foreign currency.

d) Unallocated (Other) assets and liabilities and revenues and expenses

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

Accounting principles

Gross financial result is determined for each segment, which includes:

- net interest income calculated based on interest, external working assets and liabilities of that segment and allocated assets and liabilities which generate internal interest income or expense. Internal income and expense are calculated based on market interest rates;
- net commission income;
- other income on financial operations and FX operations, such as: dividend income, result on investment and trading activity and FX result;
- other operating income and expenses;
- expenses on account of impairment of financial and non-financial assets;
- segment's share in operating expenses, including staff and administrative expenses;
- segment's share in depreciation expenses.

Commercial segment's assets and liabilities are operating assets and liabilities used by the segment in its operating activity, allocated based on rational business premises. The difference between operating assets and liabilities is covered by assets/liabilities of the money market and debt securities. Assets and liabilities of the Treasury are assets/liabilities of the money market and debt securities.

Unallocated assets and liabilities are presented in the "Other" item.

Real property and land, which will no longer be used in the Bank's future activity as a result of the pending operating activity optimization project, are presented as assets of the Retail Banking segment. Fixed assets to be sold, originating from expired leasing agreements are presented in assets of the Corporate Banking segment.

Income statement 01.01.09 – 30.09.2009

In '000 PLN	Retail Banking	Corporate Banking	Investment and Treasury Banking	Other	Total consolidated
Net interest income	406 504	139 199	-142 686	0	403 018
external income	864 182	362 221	574 599	0	1 801 003
external cost	-951 571	-307 877	-138 537	0	-1 397 985
External income less cost	-87 388	54 344	436 062	0	403 018
internal income	865 121	293 965	-1 159 086	0	0
internal cost	-371 229	-209 110	580 339	0	0
Internal income less cost	493 892	84 854	-578 746	0	0
Net fee and commission income	261 943	79 136	13 464	0	354 544
Dividends, other income from financial operations and foreign exchange profit	68 348	49 949	154 493	0	272 790
Other operating income and cost	355	-26	6 169	0	6 498
Operating income	737 150	268 259	31 440	0	1 036 849
Staff costs	-262 279	-79 336	-21 738	0	-363 353
Administrative costs	-286 773	-50 456	-21 379	0	-358 608
Impairment losses on assets	-52 007	-292 137	-1 431	0	-345 575
Depreciation and amortization	-42 531	-12 370	-4 708		-59 609
Operating expenses	-643 590	-434 299	-49 256	0	-1 127 145
Share of profit of associates			7 000		7 000
Profit / (loss) before taxes	93 560	-166 040	-10 816	0	-83 296
Income taxes					17 340
Profit / (loss) after taxes					-65 956

Balance sheet 30.09.2009

In '000 PLN	Retail Banking	Corporate Banking	Investment and Treasury Banking	Other	Total consolidated
ASSETS					
Segment assets	26 785 196	9 872 807	7 305 760	0	43 963 763
- including capital investment outlays	13 547	1 706	35	0	15 288
Assets allocated to segment	402 280	1 218 376	-1 620 657	0	0
Total	27 187 476	11 091 184	5 685 103	0	43 963 763
LIABILITIES					
Segment liabilities	22 666 735	10 279 864	8 312 867	0	41 259 467
Liabilities allocated to segment	3 053 452	235 469	-3 288 921	0	0
Equity allocated to segment	1 467 289	575 850	661 157	0	2 704 296
Total	27 187 476	11 091 184	5 685 103	0	43 963 763

Income statement 01.01.08 – 30.09.2008

In '000 PLN	Retail Banking	Corporate Banking	Investment and Treasury Banking	Other	Total consolidated
Net interest income	510 391	191 522	1 632	0	703 545
external income	871 690	386 086	476 583	0	1 734 359
external cost	-614 548	-242 220	-174 047	0	-1 030 815
External income less cost	257 142	143 866	302 536	0	703 544
internal income	795 642	317 212	-1 112 854	0	0
internal cost	-542 393	-269 555	811 948	0	0
Internal income less cost	253 250	47 657	-300 906	0	0
Net fee and commission income	274 713	71 060	16 006	0	361 779
Dividends, other income from financial operations and foreign exchange profit	176 610	82 756	95 021	0	354 388
Other operating income and cost	29	2 091	13 319	0	15 439
Operating income	961 744	347 429	125 978	0	1 435 151
Staff costs	-329 640	-95 406	-32 268	0	-457 313
Administrative costs	-279 739	-66 126	-23 249	0	-369 114
Impairment losses on assets	-47 034	-35 441	-1 174	0	-83 649
Depreciation and amortization	-39 062	-9 279	-1 817		-50 157
Operating expenses	-695 474	-206 251	-58 507	0	-960 233
Profit / (loss) before taxes	266 269	141 178	67 470	0	474 918
Income taxes					-97 072
Profit / (loss) after taxes					377 846

Balance sheet 31.12.2008

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

VII. DATA ON ASSETS SECURING LIABILITIES

As at 30 September 2009, the Bank's following assets secured its liabilities:

					In '000 PLN
No.	Type of assets	Portfolio	Secured liability	Par value of assets	Balance sheet value of assets
1.	Treasury bonds PS0310	trading	Lombard credit granted to the Bank by the NBP	60 000	62 261
2.	Treasury bonds OK0711	available for sale	Lombard credit granted to the Bank by the NBP	75 000	68 843
3.	Treasury bonds DZ0811	available for sale	Initial security deposit for bond futures	500	504
4.	Treasury bonds OK0710	trading	Security of Guaranteed Monies Protection Fund under the Bank Guarantee Fund	70 000	67 676
5.	Treasury bonds PS0310	trading	Security of Guaranteed Monies Protection Fund under the Bank Guarantee Fund	26 000	26 980
6.	Treasury bonds DS1110	trading	Security of Guaranteed Monies Protection Fund under the Bank Guarantee Fund	67 279	71 852
7.	Cash		Payment to the Futures Settlement Guarantee Fund	70	70
8.	Deposits	Deposits on other banks	Settlement on derivatives transactions	55 667	55 667
TOTAL				354 516	353 853

As at 31 December 2008, the Bank's following assets secured its liabilities:

					In '000 PLN
No.	Type of assets	Portfolio	Secured liability	Par value of assets	Balance sheet value of assets
1.	Treasury bonds DZ0109	trading	Lombard credit granted to the Bank by the NBP	75 000	79 778
2.	Treasury bonds DZ0110	available for sale	Lombard credit granted to the Bank by the NBP	120 000	128 836
3.	Treasury bonds DZ0811	available for sale	Initial security deposit for bond futures	500	516
4.	Treasury bonds DZ0110	available for sale	Security of Guaranteed Monies Protection Fund under the Bank Guarantee Fund	45 000	48 313
5.	Treasury bonds DZ0110	trading	Security of Guaranteed Monies Protection Fund under the Bank Guarantee Fund	15 000	16 104
6.	Treasury bonds DZ0109	trading	Security of Guaranteed Monies Protection Fund under the Bank Guarantee Fund	60 400	64 248
7.	Cash		Payment to the Futures Settlement Guarantee Fund	70	70
8.	Deposits	Deposits on other banks	Settlement on derivatives transactions	968 085	968 085
TOTAL				1 284 055	1 305 950

VIII. DIVIDEND FOR 2008

Considering the need to maintain the Bank's strong capital base in deteriorating market conditions and significant depreciation of the zloty vis-a-vis principal foreign currencies, which in practice meant an increase of capital requirements, on 27 March 2009 the Bank's Shareholder Meeting resolved to use all the net profit earned by the Bank in 2008 in the amount of PLN 496,927,275.92 to increase the Bank's additional reserve capital.

IX. EARNINGS PER SHARE

In the 3Q 2009 (YTD basis), loss per share (and diluted loss per share) calculated on the basis of the consolidated data amounted to PLN -0.08.

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

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

Data as of the date of delivery of the Report of the Bank Millennium S.A. Capital Group for the 3rd Quarter of 2009

<i>Shareholder</i>	<i>Number of shares</i>	<i>% share in share capital</i>	<i>Number of votes</i>	<i>% share in votes at Shareholders' Meeting</i>
Banco Comercial Portugues S.A.	556 325 794	65.51	556 325 794	65.51
Aviva OFE Aviva BZ WBK	55 000 000	6.48	55 000 000	6.48

Data as of the date of delivery of the Report of the Bank Millennium S.A. Capital Group For 1st Half 2009

<i>Shareholder</i>	<i>Number of shares</i>	<i>% share in share capital</i>	<i>Number of votes</i>	<i>% share in votes at Shareholders' Meeting</i>
Banco Comercial Portugues S.A.	556 325 794	65.51	556 325 794	65.51
Aviva OFE Aviva BZ WBK	55 000 000	6.48	55 000 000	6.48

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

In 3Q 2009, the Group did not grant any sureties or guarantees for a loan or bank loan to a single entity, which would cause the Group's exposure on this account to the Client as at 30 September 2009 to exceed 10% of the Group's equity as at the balance sheet date.

XII. DESCRIPTION OF RELATED PARTY TRANSACTIONS

(1) DESCRIPTION OF RELATED PARTY TRANSACTIONS

All the transactions concluded between Group entities in the period from 1 January 2009 to 30 September 2009 resulted from their ongoing activity. Below, we are presenting amounts of the most important intra-group transactions concluded between the following entities, which were eliminated in the data consolidation process:

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

and transaction amounts with the Bank Millennium's parent – Banco Comercial Portugues.

In the relevant period, except for the transactions described in this chapter, neither Bank Millennium S.A. nor any subsidiaries of Bank Millennium S.A. have executed any other transactions with any related parties which would, either individually or jointly, be material and which would have been executed other than on an arms-length basis.

ASSETS AND LIABILITIES FROM TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) AS AT 30.09.2009

	With subsidiaries	With controlling entity
ASSETS		
Loans and advances to banks – accounts and deposits	236 842	69 869
Loans and advances to customers	2 327 222	
Receivables from securities bought with sell-back clause	3 544	
Investments in associates	263 465	
Hedging derivatives		59 420
Investment financial assets	15 725	
Financial assets valued at fair value through profit and loss (held for trading)	4 430	21 806
Other assets	11 754	

LIABILITIES

Deposits from banks	2 343 582	2 120 693
Deposits from customers	1 028 311	
Liabilities from securities sold with buy-back clause	3 544	
Debt securities	-761 194	
Financial liabilities valued at fair value through profit and loss (held for trading)	3 237	
Other liabilities	31 365	

**ASSETS AND LIABILITIES FROM TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN)
AS AT 31.12.2008**

	With subsidiaries	With controlling entity
ASSETS		
Loans and advances to banks – accounts and deposits	305 514	100 333
Loans and advances to customers	2 554 155	
Receivables from securities bought with sell-back clause	4 291	
Investments in associates	240 388	
Investment financial assets	15 725	
Financial assets valued at fair value through profit and loss (held for trading)	15 628	2 774
Other assets	88 018	
LIABILITIES		
Deposits from banks	2 547 832	3 375
Deposits from customers	1 141 325	
Liabilities from securities sold with buy-back clause	4 291	
Debt securities	-803 887	
Financial liabilities valued at fair value through profit and loss (held for trading)	14 420	932
Other liabilities	111 401	5

**PROFIT AND LOSS ON TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN)
FOR THE PERIOD OF 1.01-30.09.2009**

	With subsidiaries	With controlling entity
Income from:		
Interest	76 112	20 993
Commissions	30 019	
Result on financial operations net	1 186	7 137
Dividends	119 798	
Other net operating income	84 279	
Expense from:		
Interest	83 762	31 452
Commissions	30 495	
General and administrative expenses	75 709	73

**PROFIT AND LOSS ON TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN)
FOR THE PERIOD OF 1.01-30.09.2008**

	With subsidiaries	With controlling entity
Income from:		
Interest	93 401	1 960
Commissions	66 498	
Dividends	133 806	
Other net operating income	53 000	

Expense from:

Interest	96 142	278
Commissions	62 432	2
Result on financial operations net	432	703
General and administrative expenses	51 332	-2 346

OFF-BALANCE TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) AS AT 30.09.2009

	With subsidiaries	With controlling entity
Conditional commitments	295 626	351 849
Derivatives (par value)	484 296	4 898 848

OFF-BALANCE TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) AS AT 31.12.2008

	With subsidiaries	With controlling entity
Conditional commitments	240 454	314 276
Derivatives (par value)	1 051 757	587 450

(2) BALANCE OF THE BANK'S SHARES HELD BY THE BANK'S SUPERVISORY AND MANAGEMENT BOARD MEMBERS

Name and surname	Function	Number of shares as of disclosure date for quarterly report prepared as at 30.09.2009	Number of shares as of disclosure date for quarterly report prepared as at 30.06.2009
Bogusław Kott	Chairman of the Management Board	3 126 174	3 126 174
Rui Manuel Teixeira	Deputy Chairman of the Management Board	0	0
Fernando Bicho	Member of the Management Board	0	0
Julianna Boniuk-Gorzelańczyk	Member of the Management Board	490 000	490 000
Wojciech Haase	Member of the Management Board	5 246	5 246
Joao Bras Jorge	Member of the Management Board	0	0
Artur Klimczak	Member of the Management Board	0	0
Jerzy Andrzejewicz	Proxy	6 260	6 260
Maciej Bednarkiewicz	Chairman of the Supervisory Board	94	94
Carlos Jorge Ramalho dos Santos Ferreira	Deputy Chairman of the Supervisory Board	0	0
Ryszard Pospieszyński	Deputy Chairman of the Supervisory Board	60 470	60 470
Marek Furtek	Secretary of the Supervisory Board	1	1
Luis Pereira Coutinho	Member of the Supervisory Board	0	0
Vitor Manuel Lopes Fernandes	Member of the Supervisory Board	0	0
Andrzej Koźmiński	Member of the Supervisory Board	0	0
Paulo Jose de Ribeiro Moita de Macedo	Member of the Supervisory Board	0	0
Nelson Ricardo Bessa Machado	Member of the Supervisory Board	0	0
Marek Rocki	Member of the Supervisory Board	0	0
Dariusz Rosati	Member of the Supervisory Board	0	0

XIII. CONTINGENT ASSETS AND LIABILITIES

The total value of the largest lawsuits as at 30 September 2009, in which Group companies acted as claimants or defendants before courts and arbitration bodies, was PLN 361.4 million. The total value of the largest lawsuits, in which Group companies acted as defendants was PLN 245.6 million and the total value of the largest lawsuits, in which Group companies acted as claimants was PLN 115.8 million.

The largest lawsuits in which Group companies are defendants:

1. **Claimant:** Natural person

Value of the subject matter of the dispute: PLN 5,108,036

Re: The statement of claim is based on an assertion that the Bank forced the claimant to make an order to sell 33,300 shares, by threatening the claimant's company that it would seize all the cash originating from the sale of 30,000 shares owned by that company.

Description of the case: A few hearings were held in the case; as a result, on 21 February 2008 as a result of the Claimant's failure to fulfill the Court's order to specify precisely the factual and legal grounds for the claim, the Court suspended the proceeding indefinitely.

Outlook: The probability of winning the case is estimated to be high.

2. **Claimant:** joint stock company in bankruptcy

Value of the subject matter of the dispute: PLN 159,461,349

Re: Ruling ineffectiveness of:

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

Description of the case: On 14 June 2006, the District Court in Gdańsk in its judgment dismissed the claim in its entirety; on 10 August 2006, the claimant appealed. In its ruling of 23 March 2007, the Appellate Court reversed the decision of the District Court in its entirety and forwarded the case to be reexamined to the 1st instance court. Currently, the case is pending before the District Court in Gdańsk and is at the evidence hearing stage. On 5 June 2008, the Court admitted expert witness evidence pertaining to the valuation of real estate as at 25 October 2002. As at 30 September 2009, it is assumed that the opinion will be prepared till the end of 2009.

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

3. **Claimant:** legal person

Value of the subject matter of the dispute: PLN 31,049,160

Re: The Plaintiff raised in his claim that transaction, which is the subject of dispute, was not concluded effectively due to the failed agreement of significant items. The Plaintiff additionally says that he avoided legal consequences of his declarations of will, which were placed under the impact of a mistake.

Case status: Reply to the suit was submitted.

In the Bank's opinion the above arguments are ungrounded, and raised arguments are not justified by the collected evidence materials in the case under consideration.

OFF-BALANCE ITEMS

<i>Amount '000 PLN</i>	30.09.2009	31.12.2008
Off-balance conditional commitments granted and received	7 094 560	8 961 660
1. Commitments granted:	6 398 460	8 245 876
a) financial	5 069 697	6 579 635
b) guarantee	1 328 763	1 666 241
2. Commitments received:	696 100	715 784
a) financial	3 167	23 532
b) guarantee	692 933	692 252

XIV. MATERIAL EVENTS OCCURRING BETWEEN THE DATE OF THIS REPORT AND THE PUBLICATION DATE, WHICH COULD IMPACT GROUP'S FUTURE FINANCIAL RESULTS

There were no such events.

II. CONDENSED INTERIM FINANCIAL STATEMENTS OF BANK MILLENNIUM S.A. FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2009

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I. INTRODUCTION AND ACCOUNTING PRINCIPLES

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Bank as at and for the year ended 31 December 2008.

In accordance with Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2009, No 33, item 259) the Bank is required to publish the financial results for the nine months ended September 30 2009 which is deemed to be the current interim financial reporting period.

These condensed unconsolidated interim financial statements were approved by the Board of Directors on 5 November 2009.

II. BANK'S UNCONSOLIDATED FINANCIAL DATA

INCOME STATEMENT		
<i>Amount '000 PLN</i>	1.01.2009 - 30.09.2009	1.01.2008 - 30.09.2008
I. Interest income	1 668 691	1 600 024
II. Interest expense	-1 370 990	-996 699
III. Net interest income	297 701	603 325
IV. Fee and commission income	383 007	387 971
V. Fee and commission expense	-55 131	-64 352
VI. Net fee and commission income	327 876	323 619
VII. Dividend income	101 430	82 098
VIII. Result on investment financial assets	12 787	2 306
IX. Result on financial instruments valued at fair value through profit and loss (held for trading)	221 824	141 638
X. Foreign exchange profit	41 347	208 033
XI. Other operating income	30 885	19 842
XII. Operating income	1 033 850	1 380 861
XIII. General and administrative expenses	-701 736	-784 149
XIV. Impairment losses on financial assets	-296 408	-69 548
XV. Impairment losses on non financial assets	-253	-781
XVI. Depreciation and amortization	-38 473	-37 443
XVII. Other operating expenses	-17 883	-9 004
XVIII. Operating expenses	-1 054 753	-900 925
XIX. Operating profit	-20 903	479 936
XX. Profit / (loss) before taxes	-20 903	479 936
XXI. Corporate income tax	20 210	-81 622
XXII. Profit / (loss) after taxes	-693	398 314
Weighted average number of ordinary shares	849 181 744	849 181 744
Earnings (losses) per ordinary share (in PLN)	0.00	0.47

TOTAL COMPREHENSIVE INCOME STATEMENT	1.01.2009 - 30.09.2009	1.01.2008 - 30.09.2008
Profit / (loss) after taxes	-693	398 314
OTHER ELEMENTS OF TOTAL COMPREHENSIVE INCOME, INCLUDING:		
Effect of valuation of available for sale debt securities	6 264	8 054
Effect of valuation of available for sale shares	2 094	0
Hedge accounting	-63 455	744
OTHER ELEMENTS OF TOTAL COMPREHENSIVE INCOME BEFORE TAXES	-55 097	8 799
Corporate income tax on other elements of total comprehensive income	10 468	-1 672
OTHER ELEMENTS OF TOTAL COMPREHENSIVE INCOME AFTER TAXES	-44 631	7 127
TOTAL COMPREHENSIVE INCOME OF THE PERIOD	-45 324	405 441

BALANCE SHEET

ASSETS

<i>Amount '000 PLN</i>	30.09.2009	31.12.2008
I. Cash, balances with the Central Bank	1 293 138	1 802 402
II. Loans and advances to banks	704 592	1 580 026
III. Financial assets valued at fair value through profit and loss (held for trading)	4 245 534	6 292 722
IV. Hedging derivatives	349 555	9 977
V. Loans and advances to customers	32 679 323	32 624 259
VI. Investment financial assets	2 786 823	2 913 379
- available for sale	2 786 823	2 913 379
- held to maturity	0	0
VII. Investments in associates	262 434	232 357
VIII. Receivables from securities bought with sell-back clause (loans and advances)	86 976	61 282
IX. Property, plant and equipment	159 133	225 603
X. Intangible assets	14 474	18 002
XI. Non-current assets held for sale	0	0
XII. Receivables from Tax Office resulting from current tax	19 281	45 656
XIII. Deferred tax assets	122 761	15 031
XIV. Other assets	157 669	186 436
Total Assets	42 881 693	46 007 132

LIABILITIES

<i>Amount '000 PLN</i>	30.09.2009	31.12.2008
I. Deposits from banks	5 185 770	3 060 550
II. Financial liabilities valued at fair value through profit and loss (held for trading)	654 425	4 402 227
III. Hedging derivatives	193 563	1 179 649
IV. Deposits from customers	30 533 851	31 877 870
V. Liabilities from securities sold with buy-back clause	2 274 860	1 506 353
VI. Debt securities	231 497	123 486
VII. Provisions	24 682	32 552
VIII. Deferred income tax liabilities	0	0
IX. Current tax liabilities	0	0
X. Other liabilities	386 066	400 473
XI. Subordinated debt	979 751	961 420
Total Liabilities	40 464 465	43 544 580

EQUITY

<i>Amount '000 PLN</i>	30.09.2009	31.12.2008
I. Share capital	849 182	849 182
II. Share premium	472 343	472 343
III. Revaluation reserve	-4 390	40 241
IV. Retained earnings	1 100 093	1 100 786
Total Equity	2 417 228	2 462 552

Total Liabilities and Equity	42 881 693	46 007 132
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Book value	2 417 228	2 462 552
Number of shares	849 181 744	849 181 744
Book value per share (in PLN)	2.85	2.90

STATEMENT OF CHANGES IN EQUITY

	Total equity	Share capital	Share premium	Revaluation reserve	Retained earnings
Equity at the beginning of the period (opening balance) 01.01.2009	2 462 552	849 182	472 343	40 241	1 100 786
- total comprehensive income of the III quarters of 2009	-45 324	0	0	-44 631	-693
Equity at the end of the period (closing balance) 30.09.2009	2 417 228	849 182	472 343	-4 390	1 100 093

	Total equity	Share capital	Share premium	Revaluation reserve	Retained earnings
Equity at the beginning of the period (opening balance) 01.01.2008	2 083 986	849 182	472 343	-2 742	765 203
- total comprehensive income of 2008	539 911	0	0	42 983	496 928
- dividend payment	-161 345	0	0	0	-161 345
Equity at the end of the period (closing balance) 31.12.2008	2 462 552	849 182	472 343	40 241	1 100 786

	Total equity	Share capital	Share premium	Revaluation reserve	Retained earnings
Equity at the beginning of the period (opening balance) 01.01.2008	2 083 986	849 182	472 343	-2 742	765 203
- total comprehensive income of the III quarters of 2008	405 441	0	0	7 127	398 314
- dividend payment	-161 345	0	0	0	-161 345
Equity at the end of the period (closing balance) 30.09.2008	2 328 082	849 182	472 343	4 385	1 002 172

CASH FLOWS

A. CASH FLOWS FROM OPERATING ACTIVITIES

Amount '000 PLN	1.01.2009 - 30.09.2009	1.01.2008 - 30.09.2008
I. Profit (loss) after taxes	-693	398 314
II. Adjustments for:	-1 717 466	1 601 751
1. Interests in net income (loss) of associated companies	0	0
2. Depreciation and amortization	38 473	37 443
3. Foreign exchange (gains) losses	-52 751	-41 649
4. Dividends	-101 430	-82 098
5. Changes in provisions	-7 870	-3 846
6. Result on sale and liquidation of investing activity assets	-23 441	-9 664
7. Change in financial assets valued at fair value through profit and loss (held for trading)	1 575 939	-424 275
8. Change in loans and advances to banks	893 559	-17 186
9. Change in loans and advances to customers	-63 920	-5 735 045
10. Change in receivables from securities bought with sell-back clause (loans and advances)	-25 694	-220 907
11. Change in financial liabilities valued at fair value through profit and loss (held for trading)	-4 733 888	556 746
12. Change in deposits from banks	1 274 480	-470 928
13. Change in deposits from customers	-1 344 019	7 728 232
14. Change in liabilities from securities sold with buy-back clause	768 507	-141 788
15. Change in debt securities	108 011	89 956
16. Change in income tax settlements	-21 210	-4 857
17. Income tax paid	-49 676	-40 178
18. Change in other assets and liabilities	13 150	341 429
19. Other	34 314	40 366
III. Net cash flows from operating activities	-1 718 159	2 000 065

B. CASH FLOWS FROM INVESTING ACTIVITIES

Amount '000 PLN	1.01.2009 - 30.09.2009	1.01.2008 - 30.09.2008
I. Inflows:	403 327	95 718
1. Proceeds from sale of property, plant and equipment and intangible assets	38 645	13 620
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	263 252	0
5. Other	101 430	82 098
II. Outflows:	-27 403	-872 151
1. Acquisition of property, plant and equipment and intangible assets	-4 403	-25 110
2. Acquisition of shares in associates	-23 000	-40 000
3. Acquisition of financial assets valued at fair value through profit and loss	0	0
4. Acquisition of investment financial assets	0	-807 041
5. Other	0	0
III. Net cash flows from investing activities	375 924	-776 433

C. CASH FLOWS FROM FINANCING ACTIVITIES

<i>Amount '000 PLN</i>	1.01.2009 - 30.09.2009	1.01.2008 - 30.09.2008
I. Inflows:	914 960	587 563
1. Long-term bank loans	914 960	587 563
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:	-25 382	-186 668
1. Repayment of long-term bank loans	0	0
2. Redemption of debt securities	0	0
3. Decrease in subordinated debt	0	0
4. Issue of shares expenses	0	0
5. Redemption of shares	0	0
6. Dividends paid and other payments to owners	0	-161 345
7. Other	-25 382	-25 323
III. Net cash flows from financing activities	889 578	400 895
D. NET CASH FLOWS, TOTAL (A III+B III+C III)	-452 657	1 624 527
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD	2 939 493	2 170 610
F. CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD (D+E)	2 486 836	3 795 137

ADDITIONAL EXPLANTATIONS TO FINANCIAL DATA

WRITING OFF UNCOLLECTABLE RECEIVABLES TO RESERVES

In the period from 1 January to 30 September 2009, the Bank wrote off uncollectable receivables of PLN 21,530 thousand and charged them to reserves established.

CORRECTIONS OF COMPARATIVE DATA, RECLASSIFICATION OF DEBT SECURITIES

This information was presented in the Abbreviated Consolidated Statements, in Chapter II "Introduction and Accounting Principles".

III. SEASONALITY AND BUSINESS CYCLES

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

IV. DESCRIPTION OF NON-STANDARD FACTORS AND EVENTS

The Bank's unconsolidated profit and loss account includes dividends received from subsidiaries, which, for the purposes of the Group's consolidated statements are eliminated as intra-group transactions. The value of such dividends for 3 quarters of 2009 and 3 quarters of 2008 (comparative data) was PLN 99,287 thousand and PLN 80,680 thousand, respectively.

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

During the 9 months ended 30 September 2009, the Bank's liabilities on account of a debt securities issues increased by PLN 108,011 thousand as a result of commercial bond issues. The bonds were issued under the Banks' Bond Issue Scheme, under which the Bank may issue multiple bond series (private placement issues) in the total nominal value not exceeding PLN 2,000,000,000 or its equivalent in EUR, USD, CHF.

VI. DIVIDEND FOR 2008

Considering the need to maintain the Bank's strong capital base in deteriorating market conditions and significant depreciation of the zloty vis-a-vis principal foreign currencies, which in practice meant an increase of capital requirements, on 27 March 2009 the Bank's Shareholder Meeting resolved to use all the net profit earned by the Bank in 2008 in the amount of PLN 496,927,275.92 to increase the Bank's additional reserve capital.

VII. OFF-BALANCE SHEET LIABILITIES

As at 30 September 2009 and 31 December 2008, the structure of off-balance sheet liabilities was as follows:

OFF-BALANCE ITEMS

<i>Amount '000 PLN</i>	30.09.2009	31.12.2008
Off-balance conditional commitments granted and received	7 390 186	9 203 270
1. Commitments granted:	6 692 878	8 486 330
a) financial	5 309 795	6 765 024
b) guarantee	1 383 083	1 721 306
2. Commitments received:	697 308	716 940
a) financial	3 167	23 532
b) guarantee	694 141	693 408

VIII. STATEMENT OF RELATED PARTY TRANSACTIONS

All the transactions concluded between Group entities in the period from 1 January 2009 and 30 September 2009 resulted from their ongoing activity. Below, we are presenting amounts of the most important intra-group transactions concluded between the following entities:

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

and transaction amounts with the Bank Millennium's parent – Banco Comercial Portugues.

**ASSETS AND LIABILITIES FROM TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN)
AS AT 30.09.2009**

	With subsidiaries	With controlling entity
ASSETS		
Loans and advances to banks – accounts and deposits		69 869
Loans and advances to customers	2 298 463	
Receivables from securities bought with sell-back clause	0	
Investments in associates	252 380	
Hedging derivatives		59 420
Financial assets valued at fair value through profit and loss (held for trading)	4 255	21 806
Other assets	11 931	
LIABILITIES		
Deposits from banks		2 120 693
Deposits from customers	242 640	
Liabilities from securities sold with buy-back clause	3 544	
Debt securities		
Financial liabilities valued at fair value through profit and loss (held for trading)	1 682	
Other liabilities	17 789	

**ASSETS AND LIABILITIES FROM TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN)
AS AT 31.12.2008**

	With subsidiaries	With controlling entity
ASSETS		
Loans and advances to banks – accounts and deposits		100 333
Loans and advances to customers	2 520 025	
Receivables from securities bought with sell-back clause		
Investments in associates	229 380	
Investment financial assets		
Financial assets valued at fair value through profit and loss (held for trading)	15 628	2 774
Other assets	88 436	

LIABILITIES

Deposits from banks		3 375
Deposits from customers	311 317	
Liabilities from securities sold with buy-back clause	4 291	
Debt securities		
Financial liabilities valued at fair value through profit and loss (held for trading)	3 617	932
Other liabilities	21 622	

**PROFIT AND LOSS ON TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN)
FOR THE PERIOD OF 1.01-30.09.2009**

	With subsidiaries	With controlling entity
Income from:		
Interest	56 464	20 993
Commissions	29 835	
Financial operations result net	0	7 137
Dividends	99 287	
Other net operating income	2 449	
Expense from:		
Interest	4 699	31 452
Commissions	10	
Financial operations result net	7 854	
General and administrative expenses	68 492	9

**PROFIT AND LOSS ON TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN)
FOR THE PERIOD OF 1.01-30.09.2008**

	With subsidiaries	With controlling entity
Income from:		
Interest	60 217	1 960
Commissions	66 222	0
Financial operations result net	6 427	0
Dividends	80 680	0
Other net operating income	2 801	0
Expense from:		
Interest	14 707	278
Commissions	42	2
Financial operations result net	0	703
General and administrative expenses	44 160	-2 410

OFF-BALANCE TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) AS AT 30.09.2009

	With subsidiaries	With controlling entity
Conditional commitments	295 626	351 849
Derivatives (par value)	484 296	4 898 848

OFF-BALANCE TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) AS AT 31.12.2008

	With subsidiaries	With controlling entity
Conditional commitments	240 454	314 276
Derivatives (par value)	1 051 757	587 450