



Report of the Bank Millennium S.A. Capital Group for III quarters of 2010

MAIN CONSOLIDATED FINANCIAL DATA

	Amount '000 PLN		Amount '000 EUR	
	III quarters / period from 1.01.2010 – 30.09.2010	III quarters / period from 1.01.2009 – 30.09.2009*	III quarters / period from 1.01.2010 – 30.09.2010	III quarters / period from 1.01.2009 – 30.09.2009*
I. Interest income	1 754 557	1 801 003	438 345	409 387
II. Fee and commission income	464 898	419 060	116 146	95 257
III. Operating income	1 284 828	1 078 236	320 991	245 094
IV. Operating profit	266 404	-90 296	66 556	-20 525
V. Profit / (loss) before taxes	266 404	-83 296	66 556	-18 934
VI. Profit (loss) after taxes	213 891	-65 956	53 437	-14 992
VII. Total comprehensive income of the period	195 571	-110 587	48 860	-25 138
VIII. Net cash flows from operating activities	-776 231	-1 568 891	-193 927	-356 626
IX. Net cash flows from investing activities	-290 211	269 364	-72 504	61 229
X. Net cash flows from financing activities	54 553	846 885	13 629	192 506
XI. Net cash flows, total	-1 011 889	-452 642	-252 802	-102 890
XII. Total Assets	44 796 929	44 913 824	11 235 748	10 932 726
XIII. Deposits from banks	1 853 530	4 909 370	464 893	1 195 017
XIV. Deposits from customers	33 290 262	31 558 664	8 349 702	7 681 871
XV. Equity	4 022 001	2 787 336	1 008 779	678 481
XVI. Share capital	1 213 117	849 182	304 268	206 704
XVII. Number of shares	1 213 116 777	849 181 744	1 213 116 777	849 181 744
XVIII. Book value per share (in PLN / EUR)	3.32	3.28	0.83	0.80
XIX. Diluted book value per share (in PLN / EUR)	3.32	3.28	0.83	0.80
XX. Capital adequacy ratio	14.78%	11.29%	14.78%	11.29%
XXI. Earnings (losses) per ordinary share (in PLN / EUR)	0.19	-0.08	0.05	-0.02
XXII. Diluted earnings (losses) per ordinary share (in PLN / EUR)	0.19	-0.08	0.05	-0.02
XXIII. Pledged or paid dividend per share (in PLN/EUR)	-	-	-	-

* Comparative balance sheet data (items XII-XX and XXIII) were presented, in compliance with IFRS requirements, as at 31 December 2009. Other comparative data are presented for the period from 1 January 2009 to 30 September 2009.

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: 3.9870 PLN/EURO – the exchange rate of 30 September 2010 (for comparative data as at 31.12.2009: 4.1082 PLN/EURO),
- for profit and loss account items for the period from 1 January – 30 September 2010 – 4.0027 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; 1 January – 30 September 2009: 4.3993 PLN/EURO).

Information about the activity of Bank Millennium Capital Group during 3 quarters of 2010

During the 3rd Quarter 2010 Bank Millennium Group continued improving its profitability, net profit in 3Q grew 10% versus the 2Q, reaching PLN 76.3 m, and the accumulated net profit of the current year reached PLN 213.9 m. The main drivers of net profit growth were higher core income and strong cost discipline. Particularly positive was the sustained improvement of net interest income, which grew 9% quarterly and 51% yearly. Strong asset quality enabled the Group to reduce cost of risk versus last year. Third quarter brought also high sales of loans to individuals, both mortgage and consumer ones.

a) Macroeconomic situation in Poland after 3Q 2010

Third quarter of 2010 showed continuation of the economic recovery in Poland. In the second quarter the GDP increased by 3.5% year-on-year driven by restocking and private consumption. The investment dynamics was negative, -1.7% year-on-year, but the result was much better than the decline of 12.4% year-on-year in 1Q caused by difficult weather conditions. In 3Q construction and assembly production increased by more than 7% year-on-year after growing by ca 2% year-on-year in 2Q, suggesting that the investment dynamics could turn into positive territory. Corporate investment in metal products and machinery was probably still muted due to high uncertainty and relatively low, but growing, capacity utilization. Industrial production increased by 11.9% year-on-year in 3Q 2010 after growing by 12.5% in 2Q, confirming that the industry is still the main driver of the value added growth. The recovery in this sector seems to be driven by both exports and the domestic demand. Business confidence indicators suggest that the economy should continue to grow despite expected slowdown in the Eurozone. The economic growth in the third quarter is estimated at c.a. 3.6% year-on-year.

Private consumption rebounded in 2Q and increased by 3.0% year-on-year after growing by 2.2% year-on-year in 1Q. Consumption was supported by growing wages and declining unemployment. The labour market conditions improved in 3Q 2010, driven by both seasonal factors and improvement of economic sentiment. Registered unemployment fell to 11.4% in September from 11.6% in June. Companies kept increasing employment while the wage growth was moderate.

In the third quarter of 2010 CPI inflation stayed below the NBP target. The annual inflation increased from 2.3% in June to 2.5% in September, but the increase resulted from the statistical base effects and growing food prices. At the same time core inflation excluding food and energy fell to 1.2% year-on-year from 1.5% in June. The Monetary Policy Council kept interest rates unchanged at 3.50% in the third quarter of 2010. However the expectations for monetary tightening this year prevail.

In the third quarter of 2010 households' deposits grew very moderately on the back of stable wage growth. Corporate deposits increased slightly supported by improving financial standing of companies.

At the same time high liquidity of companies and low investment activity limited demand for corporate credit. Credit to households recorded moderate growth in 3Q 2010. The credit portfolio was influenced by the PLN appreciation that reduced the PLN value of FX loans.

b) Group profit and loss account on 3Q 2010

Operating Income (PLN million)	3Q 2010	2Q 2010	1-3Q 2010	1-3Q 2009	Change q/q	Change y/y
Net Interest Income *	261.1	240.2	734.8	485.4	8.7%	51.4%
Net Commissions Income	135.4	136.2	419.4	354.5	-0.6%	18.3%
CORE INCOME**	396.6	376.4	1154.2	840.0	5.3%	37.4%
Other Non-Interest Income ***	21.0	26.9	90.2	196.9	-21.8%	-54.2%
Total Operating Income	417.6	403.3	1244.4	1036.8	3.5%	20.0%

(*) Pro-forma data: Net Interest Income includes margin from all derivatives. From 1st January 2006 the Bank started to treat under hedge accounting principles the combination of mortgage floating rate foreign currency loans, floating rate PLN deposits and related cross currency interest rate swaps (and from 1st of April 2009 also 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 60.3 m in 1-3Q 2010 and PLN 82.4 m in 1-3Q 2009) 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.

(**) sum of Net Interest Income and Net Commission Income

(***) includes FX results, Results on Financial Operations and net other operating income and costs

Net Interest Income (on pro-forma basis) continued the growth showed during the previous quarters and amounted to PLN 734.8 million for the 9 months of 2010. This means a 51% growth versus homologous period of the previous year and in quarterly terms NII accelerated the growth to 9%. Net interest margin (over interest earnings assets) grew during 3Q from 2.12% to 2.36% and the average spread on deposits was already positive: 0.03%. On the assets side the Bank also managed to improve slightly the average spread to 2.98%.

Net Commissions Income reached PLN 419.4 million during the 9 months of 2010, which means a 18% increase compared to the corresponding period of the previous year. The growth came from payment cards, capital market related savings products and current accounts. On quarterly basis, NCI was stable as higher cards commissions were offset by lower fees from sale of third parties' saving products.

Other non-interest income (including net balance of other operating income and costs) reached PLN 90.2 million during 9 months of 2010 and PLN 21 million during 3Q. The 3Q amount was slightly lower than in 2Q since the improvement from FX income was offset by negative impact of swaps revaluation.

Total operating income of the Group reached PLN 1244.2 million in 9 months of 2010 and was 20% higher than in the corresponding period of the previous year thanks to a 37.4% growth in core income (net interest income and net commission income).

Operating Costs (PLN million)	3Q 2010	2Q 2010	1-3Q 2010	1-3Q 2009	Change q/q	Change y/y
Personnel Costs	135.3	133.1	390.8	363.4	1.7%	7.5%
Administrative Costs	120.2	117.1	350.6	358.6	2.6%	-2.2%
Depreciation*	18.1	18.6	56.0	60.5	-2.8%	-7.4%
Total Operating Costs	273.7	268.9	797.3	782.4	1.8%	1.9%

(*) includes impairment of non-financial assets

Total costs were stable both in yearly terms (+1.9% growth) and quarterly horizon (+1.8% growth), which reflects strong cost discipline implemented within Bank Millennium Group.

Personnel costs grew by 1.7% versus 2Q and the level of employment stabilized at 6 179 persons. The structure of employment of Bank Millennium Group is presented in the table below:

Employment structure (in FTEs)	30.09.2010	30.06.2010	30.09.2009	Change y/y
Bank Millennium S.A.	5 790	5 791	5 930	-140
Millennium Leasing Sp. z o.o.	238	240	229	9
Millennium Dom Maklerski S.A.	115	113	107	8
Millennium TFI S.A.	30	30	29	1
Other subsidiaries	6	6	12	-6
Total Bank Millennium Group	6 179	6 180	6 307	-128

Other administrative costs were 2.2% lower in the first 9 months of 2010 when compared with the same period of 2009. On a quarterly basis, the costs increased by 2.6% mostly driven by marketing costs associated with recent promotional campaigns of banking products (e.g. mortgage loans and saving accounts).

Depreciation (together with impairment charges for non-financial assets) decreased by 2.8% quarterly and by 7.4% yearly.

Cost to Income ratio reached 64.1% during 9 months 2010 and was much lower than the level recorded after 9 months of 2009 (75.5%), showing significant improvement in Group's efficiency.

Total net impairment provisions created by the Group during the 9 months of 2010 amounted to PLN 180.7 million and were 48% lower than the amount of PLN 344.7 million created during the 9

months of 2009. In relative terms, provisions created in 9 months 2010 represented 70 basis points of average loan portfolio (annualised), which means a decrease versus 133 basis points during the 9 months 2009. Provisions created during 3Q (PLN 50.7 m) were similar to PLN 46.8 m created during 2Q 2010.

Profit before tax of Bank Millennium Group in 9 months 2010 amounted to PLN 266.4 million and **net profit** amounted to PLN 213.9 million, whereas there was a loss after 9 months 2009 caused by extra provision charge done during 3Q 2009. In 3Q 2010 net profit reached PLN 76.3 million, which means 10% growth versus the previous quarter.

c) Business results after 3Q 2010

Total assets of the Group reached PLN 44,797 million on 30 September 2010, which is 1.9% higher compared to 30 September 2009.

Total **deposits** and retail bonds of Bank Millennium Group recorded visible growth of 9.8% year-on-year to PLN 33,669 million. On the quarterly base the deposits were flat. Retail deposits grew by 1.6% year-on-year but recorded slight quarterly decrease of 1.5%. Deposits from companies presented very high increase of 27.2% year-on-year and they grew also in 3Q 2010 by 2.9%.

At the same time other **saving products** (not reflected in the Balance Sheet, such as mutual funds and products linked to life insurances) kept their growing trend: 34.5% growth year-on-year (by PLN 1,031 million) and 5.2% growth quarterly (by PLN 197 million) and reached the total amount of PLN 4,021 million (including PLN 2,541 million of own mutual funds) as at 30 September 2010. The positively developing sales of investment products gives the Bank Millennium Group a 3.7% share of entire market.

Total customers' funds of the Group, including deposits, bonds sold to retail customers and other investment products, reached PLN 37,689 million at the end of September 2010, i.e. a 12.0% increase year-on-year and 0.6% increase during the quarter.

The structure of Group's customer funds is presented in the table below:

Customer Funds (PLN million)	30.09.2010	30.06.2010	30.09.2009	Change (%)	
				q/q	y/y
<i>Deposits of individuals *</i>	21 196.4	21 516.3	20 865.2	-1.5%	1.6%
<i>Deposits of corporate Clients and public sector</i>	12 472.2	12 116.4	9 805.4	2.9%	27.2%
Total Deposits	33 668.6	33 632.6	30 670.6	0.1%	9.8%
Investment products	4 020.8	3 823.5	2 990.1	5.2%	34.5%
TOTAL Customer Funds	37 689.4	37 456.2	33 660.6	0.6%	12.0%

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

Total **loans** of Bank Millennium Group reached PLN 35,575 million in the end of September 2010, which means an increase by 5.6% year-on-year, although large part of the growth resulted from FX rates changes. In quarterly terms the value of loans decreased by 2.5% due to FX changes. but in fact the growth excluding FX effect (appreciation of the Polish currency) was slightly positive (c.a. 0.5%).

Retail loans, which dominate in the Group's portfolio with 75% share, recorded 6.6% growth year-on-year and reached PLN 26.670 million as at 30 September 2010. The main group of loans in the retail portfolio were mortgage loans, which amounted PLN 23.658 million. Despite high sales of mortgages during 3Q (PLN 485 million) there was a decrease of portfolio by 3.2% versus June 2010 due to the above-mentioned FX effect. Other loans to individuals grew by 2.3% during 3Q as sale of main product – cash loans – grew strongly by 18% quarterly to the amount of PLN 280 million.

The portfolio of loans to companies (including leasing) recorded a modest decrease by 1.9% quarterly but the decrease was entirely an effect of Polish currency appreciation. In yearly horizon, loans to companies grew by 2.6%. Positive trends observed in leasing and factoring are maintained and the Group keeps high market share of 7.1% and 6.8% respectively. If excluding the sub-segment of large companies (annual turnover above PLN 200 million), the value of loans granted to other corporate clients was higher in September 2010 by PLN 1.3 billion (+32%) when compared to September 2009 and their share in total corporate loan portfolio was 80%.

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)	30.09.2010	30.06.2010	30.09.2009	Change (%)	
				q/q	y/y
Loans to households	26 669.9	27 391.9	25 024.1	-2.6%	6.6%
- mortgage loans	23 657.6	24 447.3	22 163.1	-3.2%	6.7%
- other loans to households	3 012.3	2 944.6	2 861.0	2.3%	5.3%
Loans to businesses	8 904.8	9 074.2	8 678.8	-1.9%	2.6%
- leasing	3 263.4	3 378.9	3 319.8	-3.4%	-1.7%
- other loans to businesses	5 641.4	5 695.3	5 359.0	-0.9%	5.3%
Total Loans & Advances to Clients	35 574.7	36 466.1	33 702.9	-2.4%	5.6%

d) Asset quality, solvency and liquidity

Total value of **impaired loans** decreased for the first time since 3Q 2008 by PLN 63 million to the amount of PLN 2.159 million. Only PLN 20 million loans were written-off during the quarter so there was a real improvement of asset quality during the quarter of PLN 43 million.

The drop of impaired exposures referred to loans to companies (PLN -105 million) whereas in households segment there was an increase by PLN 43 million, of which 40 million in consumer loans. It means that mortgage portfolio keeps stable and positive quality and was not affected by CHF appreciation observed especially in 2Q 2010.

The evolution of main indicators of the Group's loan portfolio quality during the year and last quarter is presented below:

Total portfolio quality indicators	30.09.2010	30.06.2010	30.09.2009
Total impaired loans (PLN million)*	2 159	2 222	1 851
Loans past-due over 90 days (PLN million)	1 055	982	807
Total provisions (PLN million)*	1 187	1 180	1 053
Impaired over total loans ratio (%)	5.87	5.90	5.33
Past-due >90d over total loans ratio (%)	2.87	2.61	2.32
Total provisions/impaired loans (%)	55%	53%	57%

(*) Since 30 September 2009 the Group made a write-off of impaired loans in charge of provisions in the amount of: PLN 167.9 million and just in 3Q 2010 the write-off was PLN 19.5 million.

As regards loans past due over 90 days, there was a growth of PLN 73 million due to the change of status of a few already impaired exposures in companies loans and leasing.

As a consequence of above evolution and FX changes on entire portfolio, there was a drop of total impaired loans ratio during the quarter to 5.87% (market average was 8.6% in August 2010) and growth of past-due loans ratio to 2.87%, which however still remains much lower than the main ratio.

The breakdown of the quarterly evolution of the loan portfolio quality by main loan categories is presented in the following table:

Loan type	Change of impaired loans volume (PLN m)	Loans past-due > 90 days ratio		Impaired loans ratio		Coverage by total provisions (on 30/09/10) of	
		30/09/10	30/06/10	30/09/10	30/06/10	Impaired	Past-due 90d
Mortgage	+ 2.7	0.33%	0.32%	0.77%	0.74%	70%	163%
Other individuals	+ 39.6	12.1%	10.9%	14.1%	12.8%	83%	98%
Leasing	- 60.3	2.6%	2.8%	13.1%	14.4%	34%	167%
Other companies	- 44.8	7.7%	6.9%	17.0%	17.6%	48%	107%
Total loan portfolio	- 62.9	2.87%	2.61%	5.87%	5.90%	55%	112%

Impaired ratio for mortgage loans remained stable at very low 0.77%. Share of past-due more than 90 days loans in mortgage portfolio was even lower at 0.33% level. As regards consumer loans, impairment ratio increased during the quarter to 14.1%.

Companies portfolio impaired ratios, after temporary worsening during 2Q, continued positive trend noticed during 1Q this year and improved to 13.1% for leasing and 17% for other loans to companies.

As regards **coverage ratio**, the total impaired portfolio coverage with all provisions went up to 55% during the quarter. Total provisions covering loans past-due over 90 days remain close or above 100% level for all groups of loan products.

Consolidated **Capital Adequacy Ratio (CAR)** remains after 3Q 2010 on a very strong level of 14.8% and Tier 1 (core equity) of 12.5%.

Appreciation of the Zloty affecting loans volumes during 3Q 2010 caused the decrease of **Loans-to-Deposits** ratio (under definition provided in the table below) to the level of 102.2% i.e. similar to the one a year ago.

Main solvency and liquidity ratios	30.09.2010	30.06.2010	30.09.2009
Consolidated equity (PLN million)	4 022	3 970	2 704
Capital Adequacy Ratio (% , consolidated)	14.8	14.0	11.4
Tier 1 ratio (% , consolidated)	12.5	11.6	8.7
Loans to Deposits ratio (%)*	102.2	105.8	102.3

(*) Includes liabilities (bonds) from leasing securitisation, bonds for retail clients and sel-buy-back/ buy-sell-back transactions with customers

e) Share price and rating evolution

The main indexes of the Warsaw Stock Exchange grew c.a. 11% during the nine months of 2010. mWIG40 index, which comprises the shares of Bank Millennium, grew 12%. In the same period Bank Millennium share price grew by 17%. This change of Bank Millennium price is related to TERP¹ price, which considers the rights issue of 363,935,033 shares concluded in February 2010. Change of share price and the new issue brought together market capitalization of Bank Millennium to the level of 6.1 billion as at the end of September 2010 (46% growth y-t-d). In comparison to September 2009 Bank Millennium shares grew by 24% and market capitalization by 58%.

¹ TERP – theoretical ex-right price

	30.09.2010	04.01.2010	30.09.2009	Change (%) y-t-d	Change (%) yearly
Number of Bank's shares (in ths.)	1 213 117	849 182	849 182	42.9	42.9
Shares daily trading (PLN ths)	8 393	-	8 289	-	1.3
Price of Bank's share (PLN)	5.02	4.31*	4.06*	16.5*	23.6*
Market capitalisation (PLN million)	6 090	4 169	3 864	46.1	57.6
WIG - main index	45 237	40 775	24 036	10.9	88.2
WIG Banki	6 647	6 003	2 799	10.7	137.5
mWIG 40	2 653	2 378	2 259	11.6	17.5

(*) share price and its change is based on TERP¹

During 3rd quarter of 2010, Bank's ratings provided by Moodys agency remained the same. On 22nd July, Fitch agency downgraded Bank's rating (Long-term Issuer Default Rating and short term IDR) from A/F1/AA+(pol) to A-/F2/AA (pol) as a consequence of changes made on 21st July 2010 to ratings of Millennium bcp. Individual rating for the Bank remained at the same level C/D.

Shown below are the current ratings assigned to the Bank by both agencies: Moody's and Fitch:

Type of rating	FITCH	MOODY'S
Long-term deposit rating>IDR	A-	Baa2 (negative outlook)
National Long-term IDR	AA(pol)	-
Short-term deposit rating	F-2	Prime-3
Financial strength rating	C/D	D (stable outlook)
Support	1	"high probability" from the Parent
Outlook	negative	

f) Main drivers which may affect financial situation of the Bank in 4Q 2010

The most important factors that could influence financial standing of the Bank in the current quarter include:

- The unemployment rate may increase slightly driven by the seasonal factors but the underlying labour market conditions are improving driven by further economic recovery. Consequently, unemployment rate at the end of the year will not be higher than one observed in December 2009, which may limit credit risk associated with household loans. Stable wage growth and growing employment may support demand for deposits and mutual funds.

- Improved financial standing of the companies should reduce credit risk associated with corporate loans.
- Growing production and trade may increase demand for corporate banking services (factoring, export loans, etc).
- NBP rate hike expected in the fourth quarter may translate into higher market rates.
- High infrastructural investment activity may increase local governments' financing needs.

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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 2010**

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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.

Composition of the Supervisory Board of the Bank Millennium S.A. as at 30 September 2010 was as follows:

1. Maciej Bednarkiewicz – Chairman of the Supervisory Board,
2. Ryszard Pospieszynski – Deputy Chairman of the Supervisory Board,
3. Carlos Jorge Ramalho dos Santos Ferreira – Deputy Chairman of the Supervisory Board,
4. Marek Furtek – Secretary of the Supervisory Board,
5. Luis Maria Franca de Castro Pereira Coutinho – Supervisory Board Member,
6. Vitor Manuel Lopes Fernandes – Supervisory Board Member,
7. Andrzej Koźmiński – Supervisory Board Member,
8. Paulo José de Ribeiro Moita de Macedo – Supervisory Board Member,
9. Nelson Ricardo Bessa Machado – Supervisory Board Member,
10. Marek Rocki – Supervisory Board Member,
11. Dariusz Rosati – Supervisory Board Member,

On 22 April 2010 the Bank's Supervisory Board held a meeting, where the Supervisory Board acknowledged the resignation of Mr. Rui Manuel da Silva Teixeira from the position as Vice-Chairman of the Management Board of Bank Millennium S.A and the Member of the Management Board due to personal reasons, effective as of 22 April 2010.

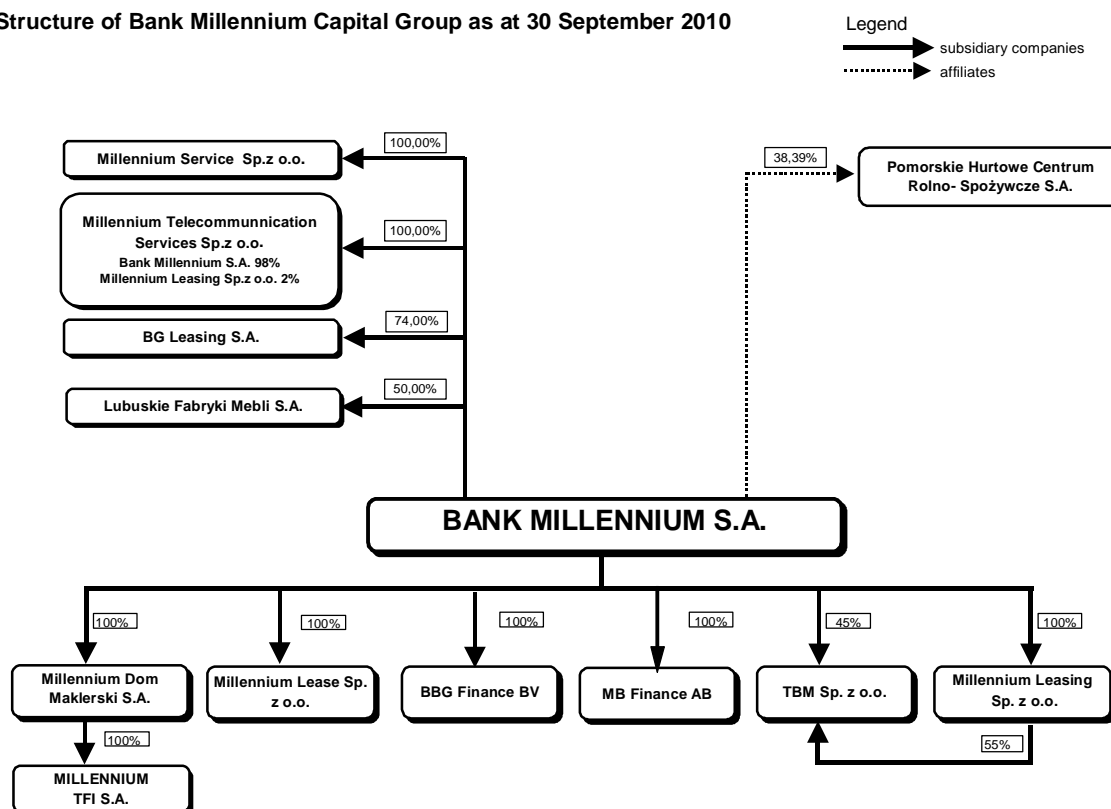
Moreover, the Supervisory Board changed the composition of the Management Board of the current term in office, increasing the number of the Management Board members from 7 to 8 members. The Supervisory Board appointed one of the Members of the Management Board Mr. Joao Nuno Lima Bras Jorge as Vice-Chairman of Bank Millennium S.A. Management Board and appointed Mr. Andrzej Gliński and Mr. Antonio Pinto Junior for posts of Management Board Members of the current term in office.

Composition of the Management Board of the Bank Millennium S.A. as at 30 September 2010 was as follows:

1. Bogusław Kott – Chairman of the Management Board,
2. Joao Bras Jorge – Deputy Chairman of the Management Board,
3. Fernando Bicho – Member of the Management Board,
4. Andrzej Gliński - Member of the Management Board,
5. Julianna Boniuk-Gorzelańczyk – Member of the Management Board,
6. Wojciech Haase – Member of the Management Board,
7. Artur Klimczak – Member of the Management Board,
8. Antonio Pinto – Member of the Management Board.

Bank Millennium S.A. ("Bank") is the parent company of the Group Millennium S.A. ("Group"). The companies comprising the Group as at 30 September 2010 are presented below:

Structure of Bank Millennium Capital Group as at 30 September 2010



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 is consolidated despite the fact that the Group has no capital exposure (for this reason it has not been included in the above structure of the Group).

The Group applied provisions of paragraph 8 of IAS 8 ("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") were not applied to the financial statements of BG Leasing S.A. where despite holding the majority stake, due to the bankruptcy proceedings, the Group has practically no control over that entity.

There were no changes in Group's structure during III quarters of 2010.

II. INTRODUCTION AND ACCOUNTING PRINCIPLES

This condensed consolidated interim financial statement has been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting. The condensed consolidated interim financial statement does 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 2009.

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 2010 which is deemed to be the current interim financial reporting period.

The Board of Directors approved this condensed consolidated interim financial statement on 25 October 2010.

L-SERIES SHARE ISSUE

In connection with implementation of resolution No. 2 of the Extraordinary Annual Meeting of 3 December 2009 as well as resolution No. 5/2010 of the Management Board of the Bank dated 13 January 2010 on increasing initial capital through an issue of ordinary bearer shares, the L-series share issue took place. 722,222,644 shares were duly subscribed and paid for, therefore on 8 February 2010 the number of 363,935,033 L-series shares were allocated. During the subscription period there were 6,410 primary subscriptions for 361,796,921 shares and 804 additional subscriptions for 360,425,723 shares. The reduction of additional subscriptions was 99.41 %. On 26 February 2010 the Court registered the Bank's share capital increase from PLN 849,181,744 up to PLN 1,213,116,777 and respective change in Bank's Statute.

The effect of L-shares issue recognised in unconsolidated and consolidated equity as at 30 September 2010 was as follows (data in PLN):

30.09.2010 (data in PLN)	Unconsolidated equity (Bank)	Consolidation adjustments	Consolidated equity (Group)
Number of L-shares issued	363 935 033		363 935 033
PLN per share	2.90		2.90
Income from L-shares issue	1 055 411 596		1 055 411 596
Share capital	363 935 033		363 935 033
Income from National Depository for Securities	1 162 694		1 162 694
Costs of issue	-17 741 425	261 000	-17 480 425
Share premium	674 897 832	261 000	675 158 832

Costs of Bank's series L shares issue

In connection to current report no 19/2010 dated February 11 2010, the final costs of Bank's series L shares issue are presented below.

As at 30 September 2010 the final costs of the issue calculated on the grounds of the invoices received and accepted by the Bank totalled 17,741,424.73 PLN gross, including:

- a) Preparation, conducting of the offer and underwriting the issue: 9,590,929.81 PLN;
- b) Preparation of the issue prospectus: 2,203,306.26 PLN;
- c) Promotion of the offer: 2,460,357.17 PLN; and
- d) Taxes (including VAT): 3,486,831.49 PLN.

The method of relevant accounting in the books and capturing in the financial report: the costs of the Bank's series L shares issue were accounted in the books through reduction of the share premium - surplus of the value of the shares issued over their nominal value. These costs were reflected in the financial statement under "Share premium".

According to the costs calculated on the basis of the invoices received and accepted by the Bank, average cost of conducting the series L share issue per share of series L under the subscription was 0.05 PLN.

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	PLN 120,000,000
Book value as at reclassification date	PLN 119,132,400
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	-	- 461	- 1 477
Year 2010			
After reclassification in "available for sale" portfolio	-	401	-618
Year 2010 (proforma)			
If the reclassification did not occur	862	-	-618

III. CONSOLIDATED FINANCIAL DATA (GROUP)

CONSOLIDATED INCOME STATEMENT

Amount '000 PLN	Note	1.01.2010 - 30.09.2010	1.07.2010 - 30.09.2010	1.01.2009 - 30.09.2009	1.07.2009 - 30.09.2009
I. Interest income	1	1 754 557	588 187	1 801 003	600 826
II. Interest expense	2	-1 080 046	-349 044	-1 397 985	-410 628
III. Net interest income		674 511	239 143	403 018	190 198
IV. Fee and commission income	3	464 898	149 984	419 060	142 637
V. Fee and commission expense	4	-45 464	-14 568	-64 516	-20 591
VI. Net fee and commission income		419 434	135 416	354 544	122 046
VII. Dividend income		1 989	71	2 147	45
VIII. Result on investment financial assets		6 253	2 864	12 787	1 880
IX. Result on financial instruments valued at fair value through profit and loss (held for trading) and Foreign exchange result	5	142 004	41 244	257 856	8 288
X. Other operating income		40 637	12 155	47 884	6 339
XI. Operating income		1 284 828	430 893	1 078 236	328 796
XII. General and administrative expenses	6	-741 323	-255 558	-721 961	-242 248
XIII. Impairment losses on financial assets	7	-180 677	-50 657	-344 732	-159 523
XIV. Impairment losses on non financial assets		698	159	-843	-637
XV. Depreciation and amortization		-56 676	-18 272	-59 609	-19 715
XVI. Other operating expenses		-40 446	-13 305	-41 387	-12 548
XVII. Operating expenses		-1 018 424	-337 633	-1 168 532	-434 671
XVIII. Operating profit		266 404	93 260	-90 296	-105 875
XIX. Share of profit of associates		0	0	7 000	0
XX. Profit / (loss) before taxes		266 404	93 260	-83 296	-105 875
XXI. Corporate income tax	8	-52 513	-16 987	17 340	18 883
XXII. Profit / (loss) after taxes		213 891	76 273	-65 956	-86 992
Attributable to:					
Equity holders of the parent		213 891	76 273	-65 956	-86 992
Minority interests		0	0	0	0
Weighted average number of ordinary shares		1 137 130 342	1 213 116 777	849 181 744	849 181 744
Earnings (losses) per ordinary share (in PLN)		0.19	0.06	-0.08	-0.10

CONSOLIDATED TOTAL COMPREHENSIVE INCOME STATEMENT	1.01.2010 - 30.09.2010	1.07.2010 - 30.09.2010	1.01.2009 - 30.09.2009	1.07.2009 - 30.09.2009
Profit / (loss) after taxes	213 891	76 273	-65 956	-86 992
OTHER ELEMENTS OF TOTAL COMPREHENSIVE INCOME, INCLUDING:				
Effect of valuation of available for sale debt securities	4 326	929	6 264	147
Effect of valuation of available for sale shares	-1 692	73	2 094	1 133
Hedge accounting	-25 251	-31 567	-63 455	-71 787
OTHER ELEMENTS OF TOTAL COMPREHENSIVE INCOME BEFORE TAXES	-22 617	-30 565	-55 097	-70 507
Corporate income tax on other elements of total comprehensive income	4 297	5 807	10 466	13 395
OTHER ELEMENTS OF TOTAL COMPREHENSIVE INCOME AFTER TAXES	-18 320	-24 758	-44 631	-57 112
TOTAL COMPREHENSIVE INCOME OF THE PERIOD	195 571	51 515	-110 587	-144 104
Attributable to:				
Equity holders of the parent	195 571	51 515	-110 587	-144 104
Minority interests				

CONSOLIDATED BALANCE SHEET

ASSETS

<i>Amount '000 PLN</i>	Note	30.09.2010	31.12.2009
I. Cash, balances with the Central Bank		1 956 066	2 191 227
II. Loans and advances to banks	9	873 749	695 697
III. Financial assets valued at fair value through profit and loss (held for trading)	10	1 452 516	3 032 081
IV. Hedging derivatives	11	310 307	377 334
V. Loans and advances to customers	12	35 574 676	33 484 935
VI. Investment financial assets	13	3 743 500	4 163 657
- available for sale		3 743 500	4 163 657
- held to maturity		0	0
VII. Investments in associates		12 000	12 000
VIII. Receivables from securities bought with sell-back clause (loans and advances)		238 588	208 781
IX. Property, plant and equipment		251 468	346 671
X. Intangible assets		26 802	22 821
XI. Non-current assets held for sale		630	869
XII. Receivables from Tax Office resulting from current tax		17 577	37 475
XIII. Deferred tax assets		142 607	140 325
XIV. Other assets		196 443	199 951
Total Assets		44 796 929	44 913 824

LIABILITIES

<i>Amount '000 PLN</i>		30.09.2010	31.12.2009
I. Deposits from banks	14	1 853 530	4 909 370
II. Financial liabilities valued at fair value through profit and loss (held for trading)	15	618 130	682 203
III. Hedging derivatives	16	541 197	122 813
IV. Deposits from customers	17	33 290 262	31 558 664
V. Liabilities from securities sold with buy-back clause		1 683 099	2 342 684
VI. Debt securities	18	1 154 951	1 024 335
VII. Provisions		21 454	24 577
VIII. Deferred income tax liabilities		0	0
IX. Current tax liabilities		1 279	2 080
X. Other liabilities		686 674	513 967
XI. Subordinated debt		924 352	945 795
Total Liabilities		40 774 928	42 126 488

EQUITY

<i>Amount '000 PLN</i>			
I. Share capital		1 213 117	849 182
II. Share premium		1 147 502	472 343
III. Revaluation reserve		-7 121	11 199
IV. Retained earnings		1 668 503	1 454 612
Total equity attributable to equity holders of the parent company		4 022 001	2 787 336
Minority interests		0	0
Total Equity		4 022 001	2 787 336
Total Liabilities and Equity		44 796 929	44 913 824
Book value		4 022 001	2 787 336
Number of shares		1 213 116 777	849 181 744
Book value per share (in PLN)		3.32	3.28

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Total consolidated equity	Share capital	Share premium	Revaluation reserve	Retained earnings
Equity at the beginning of the period 01.01.2010	2 787 336	849 182	472 343	11 199	1 454 612
- L-shares issue*	1 039 094	363 935	675 159	0	0
- total comprehensive income of the III quarters of 2010	195 571	0	0	-18 320	213 891
Equity at the end of the period 30.09.2010	4 022 001	1 213 117	1 147 502	-7 121	1 668 503

* Detailed description (including quantification) of L-shares issue has been presented in Chapter II 'Introduction and accounting principles'.

	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 2009	-27 547	0	0	-29 042	1 495
Equity at the end of the period 31.12.2009	2 787 336	849 182	472 343	11 199	1 454 612

	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

CONSOLIDATED CASH FLOW

A. CASH FLOWS FROM OPERATING ACTIVITIES

<i>Amount '000 PLN</i>	1.01.2010 - 30.09.2010	1.01.2009 - 30.09.2009
I. Profit (loss) after taxes	213 891	-65 956
II. Adjustments for:	-990 122	-1 502 935
1. Minority profit (loss)	0	0
2. Interests in net income (loss) of associated companies	0	-7 000
3. Depreciation and amortization	56 676	59 609
4. Foreign exchange (gains)/ losses	-58 166	-52 674
5. Dividends	-1 989	-2 147
6. Changes in provisions	-3 123	-7 870
7. Result on sale and liquidation of investing activity assets	-2 789	-9 563
8. Change in financial assets valued at fair value through profit and loss (held for trading)	1 618 924	1 560 583
9. Change in loans and advances to banks	-261 461	893 559
10. Change in loans and advances to customers	-2 027 605	-15 926
11. Change in receivables from securities bought with sell-back clause (loans and advances)	-29 807	-25 694
12. Change in financial liabilities valued at fair value through profit and loss (held for trading)	354 311	-4 732 841
13. Change in deposits from banks	-2 039 096	1 274 480
14. Change in deposits from customers	1 731 598	-1 263 210
15. Change in liabilities from securities sold with buy-back clause	-659 585	769 254
16. Change in debt securities	115 874	108 011
17. Change in income tax settlements	50 439	-15 824
18. Income tax paid	-30 128	-51 632
19. Change in other assets and liabilities	176 458	-18 661
20. Other	19 347	34 611
III. Net cash flows from operating activities	-776 231	-1 568 891

B. CASH FLOWS FROM INVESTING ACTIVITIES

<i>Amount '000 PLN</i>	1.01.2010 - 30.09.2010	1.01.2009 - 30.09.2009
I. Inflows:	3 826	298 466
1. Proceeds from sale of property, plant and equipment and intangible assets	1 837	33 031
2. Proceeds from sale of shares in associates	0	0
3. Proceeds from sale of financial assets valued at fair value through profit and loss	0	0
4. Proceeds from sale of investment financial assets	0	263 288
5. Other	1 989	2 147
II. Outflows:	-294 037	-29 102
1. Acquisition of property, plant and equipment and intangible assets	-23 348	-29 102
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	-270 689	0
5. Other	0	0
III. Net cash flows from investing activities	-290 211	269 364

C. CASH FLOWS FROM FINANCING ACTIVITIES

<i>Amount '000 PLN</i>	1.01.2010 - 30.09.2010	1.01.2009 - 30.09.2009
I. Inflows:	1 119 279	914 960
1. Long-term bank loans	65 443	914 960
2. Issue of debt securities	14 742	0
3. Increase in subordinated debt	0	0
4. Net proceeds from issues of shares and additional capital paid-in	1 039 094	0
5. Other	0	0
II. Outflows:	-1 064 726	-68 075
1. Repayment of long-term bank loans	-1 051 873	0
2. Redemption of debt securities	0	-42 693
3. Decrease in subordinated debt	0	0
4. Issue of shares expenses	0	0
5. Redemption of shares	0	0
6. Dividends paid and other payments to owners	0	0
7. Other	-12 853	-25 382
III. Net cash flows from financing activities	54 553	846 885
D. NET CASH FLOWS, TOTAL (AIII + BIII + CIII)	-1 011 889	-452 642
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD	4 128 608	2 939 685
F. CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD (D+E)	3 116 719	2 487 043

IV. NOTES TO CONSOLIDATED FINANCIAL DATA

Note (1) Interest income and other of similar nature, including:

	1.01.2010 - 30.09.2010	1.07.2010 - 30.09.2010	1.01.2009 - 30.09.2009	1.07.2009 - 30.09.2009
Balances with the Central Bank	26 263	9 200	30 550	8 629
Deposits, loans and advances to banks	9 646	608	5 096	1 114
Loans and advances to customers	1 197 892	410 426	1 210 618	394 681
Transactions with repurchase agreement	7 795	2 426	9 962	2 596
Hedging derivatives	269 959	99 300	297 956	110 997
Financial assets held for trading (debt securities)	79 882	15 042	120 048	39 791
Investment securities	163 120	51 185	126 772	43 017
Total	1 754 557	588 187	1 801 003	600 826

Interest income for three quarters of 2010 on year-to-date basis includes interest accrued on loans with recognized impairment of PLN 92,250 thousand (for the comparative data for three quarters of 2009 year-to-date, such interest was PLN 66,808 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, including:

	1.01.2010 - 30.09.2010	1.07.2010 - 30.09.2010	1.01.2009 - 30.09.2009	1.07.2009 - 30.09.2009
Banking deposits	-15 379	-3 858	-10 034	-6 232
Loans and advances	-60 188	-19 465	-70 218	-21 694
Transactions with repurchase agreement	-34 437	-8 273	-64 760	-14 788
Deposits from customers	-916 529	-300 055	-1 186 862	-350 227
Subordinated debt	-19 262	-6 483	-31 938	-7 481
Debt securities	-32 105	-10 452	-32 963	-9 825
Other	-2 147	-459	-1 210	-382
Total	-1 080 046	-349 044	-1 397 985	-410 628

Note (3) Fee and commission income

	1.01.2010 - 30.09.2010	1.07.2010 - 30.09.2010	1.01.2009 - 30.09.2009	1.07.2009 - 30.09.2009
Resulting from accounts service	77 223	25 965	56 627	20 929
Resulting from money transfers, cash payments and withdrawals and other payment transactions	31 861	12 016	27 987	9 621
Resulting from loans granted	35 937	11 601	30 290	10 152
Resulting from guarantees and sureties granted	11 382	3 971	8 687	3 140
Resulting from payment and credit cards	133 577	45 754	125 731	46 148
Resulting from sale of insurance products	58 697	14 439	89 834	22 668
Resulting from distribution of investment funds units and other savings products	27 816	6 908	6 813	3 398
Resulting from brokerage and custody service	23 984	8 096	21 600	7 992
Resulting from investment funds managed by the Group	58 395	19 768	44 248	16 348
Other	6 027	1 466	7 243	2 241
Total	464 898	149 984	419 060	142 637

Note (4) Fee and commission expense

	1.01.2010 - 30.09.2010	1.07.2010 - 30.09.2010	1.01.2009 - 30.09.2009	1.07.2009 - 30.09.2009
Resulting from accounts service	-934	-321	-839	-230
Resulting from money transfers, cash payments and withdrawals and other payment transactions	-2 626	-1 589	-865	-107
Resulting from loans granted	-6 109	-2 250	-13 694	-5 691
Resulting from payment and credit cards	-25 833	-6 828	-41 403	-11 634
Resulting from brokerage and custody service	-4 874	-1 681	-4 547	-1 683
Resulting from investment funds managed by the Group	-3 106	-1 041	-1 475	-507
Other	-1 983	-859	-1 693	-739
Total	-45 464	-14 568	-64 516	-20 591

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

	1.01.2010 - 30.09.2010	1.07.2010 - 30.09.2010	1.01.2009 - 30.09.2009	1.07.2009 - 30.09.2009
Operations on securities	3 970	995	32 057	6 411
Operations on derivatives	52 219	1 546	192 057	-9 481
Hedge accounting operations	-5 325	472	-2 020	-1 465
Foreign exchange result	92 124	38 680	35 351	12 685
Other financial operations	-984	-449	411	138
Total	142 004	41 244	257 856	8 288

Note (6) General and administrative expenses

	1.01.2010 - 30.09.2010	1.07.2010 - 30.09.2010	1.01.2009 - 30.09.2009	1.07.2009 - 30.09.2009
Staff costs:	-390 770	-135 315	-363 353	-120 953
Salaries	-381 310	-132 157	-352 294	-117 396
Employee benefits, including:	-9 460	-3 158	-11 059	-3 557
- provisions for retirement benefits	0	0	0	0
- provisions for unused employee holiday	-37	-18	0	0
- other	-9 423	-3 141	-11 059	-3 557
General administrative costs	-350 553	-120 243	-358 608	-121 295
Costs of advertising, promotion and representation	-32 793	-14 214	-20 319	-10 229
Costs of software maintenance and IT services	-14 040	-3 580	-15 313	-5 166
Costs of renting	-125 851	-41 976	-129 432	-42 090
Costs of buildings maintenance, equipment and materials	-20 207	-6 782	-22 189	-8 429
ATM and cash costs	-13 890	-4 897	-15 872	-4 561
Costs of communications and IT	-49 352	-16 921	-51 831	-16 941
Costs of consultancy, audit and legal advisory and translation	-12 608	-5 072	-11 324	-4 303
Taxes and fees	-13 995	-5 164	-11 499	-3 646
KIR clearing charges	-1 991	-646	-2 130	-721
PFRON costs	-4 344	-1 480	-4 447	-1 469
Banking Guarantee Fund costs	-10 216	-3 405	-11 360	-3 786
Financial Supervision costs	-4 920	-282	-6 113	-1 224
Other	-46 347	-15 825	-56 779	-18 730
Total	-741 323	-255 558	-721 961	-242 248

Note (7) Impairment losses on financial assets

	1.01.2010 - 30.09.2010	1.07.2010 - 30.09.2010	1.01.2009 - 30.09.2009	1.07.2009 - 30.09.2009
Impairment losses on loans and advances to customers	-181 749	-50 952	-341 148	-155 065
- Impairment write-offs created in the period	-633 294	-146 416	-728 382	-219 606
- Impairment write-offs released in the period	449 035	95 315	385 216	64 005
- Amounts recovered from loans written off	2 510	149	2 018	536
Impairment losses on securities	-1 592	0	0	0
- Impairment write-offs created in the period	-1 592	0	0	0
- Impairment write-offs released in the period	0	0	0	0
Impairment losses on off-balance sheet liabilities	2 664	295	-3 584	-4 458
- Impairment write-offs for off-balance sheet liabilities	-8 135	-568	-17 815	-5 736
- Reversal of impairment write-offs for off-balance sheet liabilities	10 799	863	14 231	1 278
Total	-180 677	-50 657	-344 732	-159 523

Note (8a) Income tax reported in income statement

	1.01.2010 - 30.09.2010	1.07.2010 - 30.09.2010	1.01.2009 - 30.09.2009	1.07.2009 - 30.09.2009
Current tax	-50 494	-4 619	-98 724	3 561
Current year	-50 494	-4 619	-98 724	3 561
Deferred tax:	-2 019	-12 368	117 064	15 322
Recognizing and reversal of temporary differences	6 210	-12 370	92 051	18 251
Appearance / (Utilisation) of tax loss	-8 229	2	4 391	-2 929
Adjustment of CIT-8 declaration for the previous years	0	0	20 622	0
Other:	0	0	-1 000	0
Receivables resulting from the article 38a of CIT Act	0	0	-1 000	0
Total income tax reported in income statement	-52 513	-16 987	17 340	18 883

Note (8b) Effective tax rate

	1.01.2010 - 30.09.2010	1.07.2010 - 30.09.2010	1.01.2009 - 30.09.2009	1.07.2009 - 30.09.2009
Gross profit / (loss)	266 404	93 260	-83 296	-105 874
Statutory tax rate	19%	19%	19%	19%
Income tax according to obligatory income tax rate of 19%	-50 617	-17 719	15 826	20 116
Impact of permanent differences on tax charges:	-1 896	732	2 514	-1 233
- Non taxable income	570	46	6 530	72
Dividend income	369	12	407	8
Reversal of other provisions	0	0	5 833	1
Other	201	34	290	63
- Cost which is not a tax cost	-2 466	686	-4 016	-1 305
Loss on sale of receivables	0	0	-215	-146
PFRON fee	-825	-281	-838	-126
Other	-1 641	967	-2 963	-1 033
Receivables resulting from the article 38a of CIT Act	0	0	-1 000	0
Total income tax reported in income statement	-52 513	-16 987	17 340	18 883

Note (8c) Deferred tax reported directly in equity

	30.09.2010	31.12.2009
Valuation of available for sale securities	-2 849	-2 349
Valuation of cash flow hedging instruments	4 520	-278
Deferred tax reported directly in equity	1 671	-2 627

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

	30.09.2010	31.12.2009
Current accounts	255 364	87 647
Deposits in other banks	254 071	265 347
Loans	363 751	342 610
Interest	563	93
Total (gross) loans and advances to banks	873 749	695 697
Impairment write-offs	0	0
Net loans and advances to banks	873 749	695 697

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

	30.09.2010	31.12.2009
Debt securities	920 996	2 320 318
Issued by State Treasury	920 996	2 320 318
a) bills	70 695	511 977
b) bonds	850 301	1 808 341
Equity instruments	1 880	430
Quoted on the active market	1 880	430
a) financial institutions	25	32
b) non-financial institutions	1 855	398
Positive valuation of derivatives	529 639	710 797
Other financial instruments	0	536
Total	1 452 516	3 032 081

Note (10)/Note (15) Valuation of derivatives and Liabilities from short sale of securities 30.09.2010

	Fair value		
	Total	Assets	Liabilities
1. Interest rate derivatives	13 120	319 887	306 766
Forward Rate Agreements (FRA)	1 592	4 552	2 960
Interest rate swaps (IRS)	15 260	313 698	298 437
Other interest rate contracts: volatility swap, swap with FX option	-3 732	1 637	5 369
2. FX derivatives	-15 155	129 132	144 287
FX contracts	40 909	43 359	2 450
FX swaps	-11 543	56 703	68 246
Other FX contracts (CIRS)	-45 280	28 069	73 349
FX options	759	1 001	242
3. Commodity derivatives	179	4 863	4 684
Commodity forwards	26	502	476
Commodity options	153	4 361	4 208
4. Embedded instruments	-39 542	13 824	53 366
Options embedded in deposits	-9 728	13 824	23 552
Options embedded in securities issued	-29 814	0	29 814
5. Fair value measurement of items subject to hedging	21 266	21 266	0
Valuation of future FX payments subject to hedging	783	783	0
Valuation of hedged consumer loans portfolio	20 483	20 483	0
6. Indexes options	38 405	40 667	2 262
Valuation of derivatives	18 274	529 639	511 365
Liabilities from short sale of securities			106 765
Financial assets and liabilities valued at fair value through profit and loss (held for trading) - TOTAL		529 639	618 130

Note (10)/Note (15) Valuation of derivatives and Liabilities from short sale of securities 31.12.2009

	Fair value		
	Total	Assets	Liabilities
1. Interest rate derivatives	-1 026	342 786	343 812
Forward Rate Agreements (FRA)	141	194	53
Interest rate swaps (IRS)	3 701	342 536	338 835
Other interest rate contracts: volatility swap, swap with FX option	-4 868	56	4 924
2. FX derivatives	128 646	331 384	202 738
FX contracts	61 351	65 450	4 099
FX swaps	80 884	110 356	29 472
Other FX contracts (CIRS)	-17 669	78 261	95 930
FX options	4 080	77 317	73 237
3. Commodity derivatives	288	6 854	6 566
Commodity forwards	139	6 003	5 864
Commodity options	149	851	702
4. Embedded instruments	-19 478	8 118	27 596
Options embedded in deposits	637	8 118	7 481
Options embedded in securities issued	-20 115	0	20 115
5. Fair value measurement of items subject to hedging	6 853	6 853	0
Valuation of future FX payments subject to hedging	0	0	0
Valuation of hedged consumer loans portfolio	6 853	6 853	0
6. Indexes options	13 512	14 802	1 290
Valuation of derivatives	128 795	710 797	582 002
Liabilities from short sale of securities			100 201
Financial assets and liabilities valued at fair value through profit and loss (held for trading) - TOTAL		710 797	682 203

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	Cash flow volatility hedge for the flow generated by future revenues and expenditures 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 Group 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.	The Group hedges FX risk resulted from future revenues and expenditures denominated in foreign currency by exchange of aforementioned flows into PLN ones.
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.	Cash flows resulting from future revenues and expenditures denominated in foreign currency.
Hedging instruments	IRS transactions	CIRS transactions	FX Swap transactions	FX Forward 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	effective part of spot revaluation of hedging instruments is recognised in revaluation reserve;

Note (11)/Note (16) Hedge accounting 30.09.2010

	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	-29 495	145	29 640	20 483
2. Cash flows hedging derivatives connected with interest rate and/or FX rate				
- CIRS contracts	-162 140	285 376	447 516	x
- FX Forward contracts	-27 210	0	27 210	x
- FX SWAP contracts	-12 045	24 786	36 831	x
3. Total hedging derivatives	-230 890	310 307	541 197	x

Note (11)/Note (16) Hedge accounting 31.12.2009

	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	-7 617	3 862	11 479	6 853
2. Cash flows hedging derivatives connected with interest rate and/or FX rate				
- CIRS contracts	157 787	269 121	111 334	x
- FX SWAP contracts	104 351	104 351	0	x
3. Total hedging derivatives	254 521	377 334	122 813	x

Note (12) Loans and advances to customers

	30.09.2010	31.12.2009
Loans and advances	32 261 224	30 249 097
- to companies	5 304 642	5 404 678
- to private individuals	26 241 992	24 334 758
- to public sector	714 590	509 661
Receivables on account of payment cards	887 760	854 798
- due from companies	13 438	8 896
- due from private individuals	874 322	845 902
Purchased receivables	13 729	19 325
- from companies	5 793	16 479
- from private individuals	0	0
- from public sector	7 936	2 846
Guarantees and sureties realised	231	2 496
Debt securities eligible for rediscount at Central Bank	31 657	22 826
Financial leasing receivables	3 414 042	3 332 506
Other	3 092	2 595
Interest	149 727	107 783
Total gross	36 761 462	34 591 426
Impairment write-offs	-1 186 786	-1 106 491
Total net	35 574 676	33 484 935

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

	30.09.2010	31.12.2009
Loans and advances to customers (gross)	36 761 462	34 591 426
- impaired	2 158 950	2 032 835
- not impaired	34 602 512	32 558 591
Impairment write-offs	1 186 786	1 106 491
- for impaired exposures	981 548	819 383
- for incurred but not reported losses (IBNR)	205 238	287 108
Loans and advances to customers (net)	35 574 676	33 484 935

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

	30.09.2010	31.12.2009
Loans and advances to customers (gross)	36 761 462	34 591 426
- case by case analysis	1 353 331	1 403 552
- collective analysis	35 408 131	33 187 874
Impairment write-offs	1 186 786	1 106 491
- on the basis of case by case analysis	494 853	482 172
- on the basis of collective analysis	691 933	624 319
Loans and advances to customers (net)	35 574 676	33 484 935

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

	30.09.2010	31.12.2009
Loans and advances to customers (gross)	36 761 462	34 591 426
- corporate customers	9 561 645	9 348 166
- private individuals	27 199 817	25 243 260
Impairment write-offs	1 186 786	1 106 491
- for receivables from corporate customers	656 870	672 910
- for receivables from private individuals	529 916	433 581
Loans and advances to customers (net)	35 574 676	33 484 935

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

	01.01.2010 – 30.09.2010	1.01.2009 – 31.12.2009
Balance at the beginning of the period	1 106 491	749 078
Change in value of provisions:	80 295	357 413
Impairment write-offs created in the period	633 294	894 460
Amounts written off	-119 574	-73 970
Impairment write-offs released in the period	-449 035	-457 631
Sale of receivables	0	-77
Changes resulting from FX rates differences	16 435	-6 269
Other	-825	900
Balance at the end of the period	1 186 786	1 106 491

Note (13) Investment financial assets available for sale

	30.09.2010	31.12.2009
Debt securities	3 731 631	4 150 277
Issued by State Treasury	2 763 109	2 462 341
a) bills	537 095	539 287
b) bonds	2 226 014	1 923 054
Issued by Central Bank	899 650	1 499 417
a) bills	899 650	1 499 417
b) bonds	0	0
Other securities	68 872	188 519
a) listed	8 207	55 459
b) not listed	60 665	133 060
Shares and interests in other entities	11 869	13 380
Other financial instruments	0	0
Total financial assets available for sale	3 743 500	4 163 657

Note (14) Deposits from banks

	30.09.2010	31.12.2009
In current account	48 402	45 670
Term deposits	173 817	2 221 768
Loans and advances received	1 627 264	2 625 839
Interest	4 047	16 093
Total	1 853 530	4 909 370

Note (17) Deposits from customers by type structure

	30.09.2010	31.12.2009
Amounts due to private individuals	20 813 348	19 583 888
Balances on current accounts	7 558 279	5 442 404
Term deposits	12 914 391	13 673 853
Other	155 736	125 565
Accrued interest	184 942	342 066
Amounts due to companies	9 896 963	9 841 049
Balances on current accounts	2 830 608	2 384 458
Term deposits	6 866 897	7 196 292
Other	168 472	224 316
Accrued interest	30 986	35 983
Amounts due to public sector	2 579 951	2 133 727
Balances on current accounts	727 361	954 505
Term deposits	1 814 948	1 161 374
Other	32 017	14 923
Accrued interest	5 625	2 925
Total	33 290 262	31 558 664

Note (18) Change of debt securities

	01.01.2010 – 30.09.2010	01.01.2009 – 31.12.2009
Balance at the beginning of the period	1 024 335	917 094
- change of bonds issued in leasing portfolio securitization transaction	14 742	-42 018
- change of bonds issued by the Bank	62 595	149 259
- change of bank's securities issued	53 279	0
Balance at the end of the period	1 154 951	1 024 335

V. CHANGES IN RISK MANAGEMENT PROCESS

Risk management performs a key role in the strategy of balanced and sustainable development of the Bank Millennium Group, supporting optimisation of relationships between risk and returns within various business lines and maintenance of adequate risk profile relative to capital and liquidity.

In order to ensure effective risk management and coherent policy the Bank Millennium Group has implemented risk management model under which credit, market, liquidity and operational risks are managed in an integrated manner.

Credit risk

In the third quarter, *in the retail segment*, credit policy activities focused, primarily, on continuation of the change process implementation to ensure compliance with provisions of Recommendation T issued by the Polish Financial Supervision Authority at the beginning of 2010.

Within the said activities, collateral management policy with respect to Consumer Finance product area has been modified by way, *inter alia*, introduction of ratios adjusting collateral values with respect to specific parameters defining the credit transaction structures.

Furthermore, retail exposure monitoring process has been expanded by adding verification of credit product servicing quality in other banks, performed by the Bank's Clients to provide early warning and opportunity to apply appropriate remedial measures to credit transactions for which the Bank identifies signals of increasing credit risk level.

The above-mentioned modifications facilitate further improvement of the credit risk management system quality in retail segment and increase the level of safety of the Bank's operations.

On the other hand, in the *corporate segment*, the Bank's policy in the area of treasury transaction offer has been modified by:

- Introduction of interest rate risk hedging transactions (including CIRS),
- Extension of maturity of the FX risk hedging transactions.

The above modifications improve attractiveness of the relevant Bank's offer and facilitate more effective risk management policies for the Bank's Clients.

Due to better adjustment to current market conditions and improving macro-economic situation, in the third quarter Bank adjusted parameters of the credit capacity assessment model applicable to SME segment Clients thereby increasing attractiveness of the Bank's offer addressed to the Clients of this segment.

In '000 PLN	30.09.2010		31.12.2009	
	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	32 685 383	873 749	30 785 445	695 697
Overdue, but without impairment	1 917 129	0	1 773 146	0
With impairment	2 158 950	0	2 032 835	0
Gross	36 761 462	873 749	34 591 426	695 697
Impairment write-offs together with IBNR	-1 186 786	0	-1 106 491	0
Net	35 574 676	873 749	33 484 935	695 697

Market risk

In the third quarter of 2010, the Bank maintained its conservative approach to market risk management adopted already in 2009. In effect, VaR indicators for the Trading Book and Banking Book recorded average exposure to market risk at the level of, respectively, ca. 5.1 mln PLN (21% of the limit) and 6.4 mln PLN (7.2% of the limit). Exposures by risk types are presented in the tables below.

VaR measures for market risk (thous. PLN)

Trading Book	30.06.2010	Q3 2010			30.09.2010
		Average	Maximum	Minimum	
General risk	6 937	5 121	8 558	2 044	5 022
VaR for interest rate	5 524	4 994	8 384	2 019	5 025
FX risk	2 795	587	3 406	28	122
Diversification effect	20%				2%

Banking Book	30.06.2010	Q3 2010			30.09.2010
		Average	Maximum	Minimum	
General risk	6 972	6 352	9 474	4 194	4 959
VaR for interest rate	6 972	6 352	9 474	4 194	4 959
FX risk	0	1	79	0	0
Diversification effect	0%				0%

Open positions contain, mainly, interest rate and FX risk instruments. FX risk covers all the Bank's FX exposures since the open positions are permitted only in the areas of Trading and Market Risk Strategy belonging to the Trading Book.

In Q3 2010 Value at Risk limits were not exceeded.

In case of the Banking Book, in order to manage interest rate risk, the non-trading portfolio sensitivity analysis has been performed and hedging strategies have been applied to mitigate this risk. Interest rate risk is transferred from the Commercial area to Financing and ALM areas in monthly cycles.

In connection with the interest rate risk transfer from Commercial area, the process of hedged portfolio value calculation was implemented (cash loans and leasing) within a series of additional stress tests performed for hedging structures. The objective of these tests is to verify effectiveness of hedging against interest rate risks.

Liquidity risk

In Q3 2010, current and quarterly liquidity measures continued to be positive and remained in neutral trend. At the end of September 2010, these measures reached the levels, respectively, of 4.9 bn PLN and 4.4 bn PLN. In the area of structural liquidity a declining trend was recorded, however remaining safely at positive values, far away from defined limits.

During the said period, limits established for all internal and supervisory measures were complied with.

In the area of all liquidity measures, supervisory including, the bank noted slight deterioration connected, mainly, with repayment of the long-term loans in July 2010 and September 2010 to the total value of ca. 1 bn PLN, largely netted off by an increasing deposit base.

Large, strongly diversified and stable deposit base provides the bank with its main financing source. Deposit base concentration, measured by share of 5 and 20 highest depositors has been maintained, for years, at levels of 5% and 10% respectively. In order to prevent deposit base fluctuations, the bank maintains the reserves of liquid assets in the form of securities portfolio.

In July 2010, the Bank participated in a stress test, defined by PFSA, covering, *inter alia*, liquidity. Test results confirmed the bank's stable position in the liquidity area.

During the period, the Bank continued its work on supplementing the structural liquidity risk testing model by introducing additional stress tests to ensure early identification of potential threats.

Operational risk

In order to identify and measure operational risk relative to its operations, the group has been performing 3 mutually complementing activities:

- collecting information on losses, both internal and external;
- monitoring key risk indicators; and
- performing periodical self-evaluation of risk level in processes.

In Q3 2010, the Group continued performance of activities focusing on continuous improvement and increase of threat awareness among its work force including, in particular, employees having impact upon implementation of processes within organisation. In this area, in the last quarter, the group focused, primarily, upon risk identification as well as ways to limit and monitor risk.

VI. OPERATIONAL SEGMENTS

The Group's activity is pursued on the basis of diverse business lines, which offer specific products and services targeted at the market segments listed below:

a) Retail Customer Segment

The Retail Customers Segment covers activity targeted at mass-market Customers, affluent Customers, micro companies and individual entrepreneurs.

The activity of the above business lines is developed with use of the full offer of banking products and services as well as sales of specialised products offered by subsidiaries in the group. In the credit products area the key portfolio growth factors are mortgage loans, retail credit products, credit card revolving credit as well leasing products for small companies.

Meanwhile key Customers funds include: current accounts, savings accounts, term deposits, mutual funds and structured products. Additionally the offer comprises insurance products, mainly linked with loans and credit cards, as well as specialised savings products. The product offer for affluent customers was enriched to include selected mutual funds of other financial intermediaries, foreign funds and issued by the Bank structured bonds and Bank Securities.

b) Corporate Customer Segment

The Corporate Customers Segment is based on activity targeted at Small and Medium Companies as well as Large Corporations. The offer is also addressed to Customers from the Public Sector.

Business in the Corporate Customers segment is pursued with use of a high quality offer of typical banking products (loans for day-to-day activity, investment loans, current accounts, term deposits) supplemented by a range of cash management products as well as treasury products (including derivatives) and leasing and factoring services.

c) Treasury and investment activity

This segment covers the Group's activity as regards investments by the Treasury Department, brokerage, inter-bank market transactions and taking positions in debt securities, which are not assigned to other segments. This segment includes other assets and other liabilities, assets and liabilities connected with hedging derivatives and deferred income tax assets not assigned to any of the segments.

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

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

Accounting principles

For each segment the pre-tax profit is determined, comprising:

- Net interest income calculated on the basis of interest on external working assets and liabilities of the segment as well as allocated assets and liabilities generating internal interest income or cost. Internal income and costs are calculated based on market interest rates;
- Net commission income;
- Other income from financial transactions and FX gains, such as: dividend income, result on investment and trading activity, FX gains/losses and result on other financial instruments;
- Other operating income and expenses;
- Costs on account of impairment of financial and non-financial assets;
- Segment share in operating costs, including personnel and administration costs;
- Segment share in depreciation costs.

The assets and liabilities of commercial segments are the operating assets and liabilities used by the segment in its operations, allocated on reasonable business grounds. The difference between operating assets and liabilities is covered by money market assets/liabilities and debt securities. The assets and liabilities of the Treasury and Investment Banking segment are money market assets/liabilities and debt securities.

Adjustment of fair value on account of measurement of credit risk component of FX derivatives concluded with Customers is assigned to the "Corporate Banking" segment.

Income statement 01.01.10 – 30.09.2010

In '000 PLN	Retail Banking	Corporate Banking	Investment and Treasury Banking	Other	Total consolidated
Net interest income	599 233	170 764	-95 487	0	674 511
external income	895 643	378 094	480 819	0	1 754 557
external cost	-638 224	-267 829	-173 993	0	-1 080 046
External income less cost	257 420	110 265	306 826	0	674 511
internal income	635 234	256 837	-892 071	0	0
internal cost	-293 421	-196 338	489 759	0	0
Internal income less cost	341 814	60 499	-402 313	0	0
Net fee and commission income	324 083	81 501	13 850	0	419 434
Dividends, other income from financial operations and foreign exchange profit	12 056	32 262	105 928	0	150 246
Other operating income and cost	-7 177	-5 807	13 174		191
Operating income	928 196	278 721	37 465	0	1 244 382
Staff costs	-278 639	-87 018	-25 114	0	-390 770
Administrative costs	-276 774	-52 056	-21 724	0	-350 553
Impairment losses on assets	-98 268	-80 299	-1 412	0	-179 979
Depreciation and amortization	-47 676	-7 001	-1 999	0	-56 676
Operating expenses	-701 356	-226 374	-50 249	0	-977 978
Share in net profit of associated companies	0	0	0	0	0
Profit / (loss) before taxes	226 840	52 347	-12 784	0	266 404
Income taxes	0	0	0	0	-52 513
Profit / (loss) after taxes	0	0	0	0	213 891

Balance sheet 30.09.2010

In '000 PLN	Retail Banking	Corporate Banking	Investment and Treasury Banking	Other	Total consolidated
ASSETS					
Segment assets	24 742 175	12 659 347	7 395 407	0	44 796 929
Assets allocated to segment	2 464 079	181 627	-2 645 706	0	0
Total	27 206 254	12 840 974	4 749 701	0	44 796 929
LIABILITIES					
Segment liabilities	23 521 535	12 146 411	5 106 982	0	40 774 928
Liabilities allocated to segment	2 097 505	170 667	-2 268 172	0	0
Equity allocated to segment	1 587 213	523 896	1 910 892	0	4 022 001
Total	27 206 254	12 840 974	4 749 701	0	44 796 929

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 in net profit of associated companies			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 31.12.2009

In '000 PLN	Retail Banking	Corporate Banking	Investment and Treasury Banking	Other	Total consolidated
ASSETS					
Segment assets	26 376 319	10 293 886	8 243 619	0	44 913 824
Assets allocated to segment	433 163	2 280 126	-2 713 290	0	0
Total	26 809 482	12 574 012	5 530 329	0	44 913 824
LIABILITIES					
Segment liabilities	22 371 437	11 774 305	7 980 748	0	42 126 488
Liabilities allocated to segment	2 984 296	204 001	-3 188 297	0	0
Equity allocated to segment	1 453 750	595 706	737 878	0	2 787 336
Total	26 809 482	12 574 012	5 530 329	0	44 913 824

VII. DATA ON ASSETS SECURING LIABILITIES

As at 30 September 2010, 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 DZ0811	available for sale	Lombard credit granted to the Bank by the NBP	65 000	65 220
2.	Treasury bonds OK0711	available for sale	Lombard credit granted to the Bank by the NBP	75 000	72 608
3.	Treasury bonds DZ0811	available for sale	Initial security deposit for bond futures	500	502
4.	Treasury bonds OK0711	available for sale	Security of Guaranteed Monies Protection Fund under the Bank Guarantee Fund	75 000	72 608
5.	Treasury bonds DZ0811	available for sale	Security of Guaranteed Monies Protection Fund under the Bank Guarantee Fund	30 000	30 101
6.	Treasury bonds OK0112	available for sale	Security of Guaranteed Monies Protection Fund under the Bank Guarantee Fund	85 000	80 274
7.	Cash		Payment to the Futures Settlement Guarantee Fund	70	70
8.	Deposits	Deposits on other banks	Settlement on transactions entered	254 071	254 071
TOTAL				584 641	575 453

As at 31 December 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 DZ0811	available for sale	Lombard credit granted to the Bank by the NBP	65 000	66 250
2.	Treasury bonds OK0711	available for sale	Lombard credit granted to the Bank by the NBP	75 000	69 795
3.	Treasury bonds DZ0811	available for sale	Initial security deposit for bond futures	500	510
4.	Treasury bonds DS1110	trading	Security of Guaranteed Monies Protection Fund under the Bank Guarantee Fund	67 279	68 759
5.	Treasury bonds DZ0811	available for sale	Security of Guaranteed Monies Protection Fund under the Bank Guarantee Fund	30 000	30 577
6.	Treasury bonds OK0710	trading	Security of Guaranteed Monies Protection Fund under the Bank Guarantee Fund	70 000	68 506
7.	Cash		Payment to the Futures Settlement Guarantee Fund	70	70
8.	Deposits	Deposits on other banks	Settlement on transactions entered	41 055	41 055
TOTAL				348 904	345 522

VIII. DIVIDEND FOR 2009

Accordingly decision of Ordinary General Meeting of Shareholders taking place 22 April 2010, the Bank will not pay dividend from profits generated in financial year ending 31 December 2009.

IX. EARNINGS PER SHARE

Profit per share calculated for III quarters of 2010 on the basis of the consolidated data, with effect of issue of L-shares considered in weighted average amount of shares calculation (value presented in P&L) amounted to PLN 0.19.

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 S.A.

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 at the delivery date of the report for III Q 2010

Shareholder	Number of shares	% share in share capital	Number of votes	% share in votes at Shareholders' Meeting
Banco Comercial Portugues S.A.	794 751 136	65.51	794 751 136	65.51
AVIVA Otwarty Fundusz Emerytalny Aviva BZ WBK	96 341 239	7.94	96 341 239	7.94

Data as at the delivery date of the quarterly report for 1H 2010

Shareholder	Number of shares	% share in share capital	Number of votes	% share in votes at Shareholders' Meeting
Banco Comercial Portugues S.A.	794 751 136	65.51	794 751 136	65.51
AVIVA Otwarty Fundusz Emerytalny Aviva BZ WBK	96 341 239	7.94	96 341 239	7.94

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

In 3Q 2010, 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 2010 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 2010 to 30 September 2010 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.,
- MILLENNIUM TELECOMMUNICATION SERVICES Sp. z o.o.,
- TBM Sp. z o.o.

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

Apart from transactions described herein, in the indicated period neither Bank Millennium S.A., nor subsidiaries of Bank Millennium S.A. made any other transactions with related entities, which individually or jointly may have been significant and concluded under terms and conditions other than market-based.

ASSETS AND LIABILITIES FROM TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) AS AT 30.09.2010

	With subsidiaries	With controlling entity
ASSETS		
Loans and advances to banks – accounts and deposits	293 037	11 384
Loans and advances to customers	2 375 962	
Receivables from securities bought with sell-back clause	3 587	
Investments in associates	261 296	
Investment financial assets	15 725	
Financial assets valued at fair value through profit and loss (held for trading)	4 938	14 091
Hedging derivatives	0	55 349
Other assets	12 984	923

LIABILITIES		
Deposits from banks	2 216 647	798 351
Deposits from customers	1 095 640	
Liabilities from securities sold with buy-back clause	3 587	
Debt securities	-776 611	
Hedging derivatives	0	37 536
Financial liabilities valued at fair value through profit and loss (held for trading)	1 938	
Other liabilities	169 692	
- including liabilities from financial leasing	141 842	

**ASSETS AND LIABILITIES FROM TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN)
AS AT 31.12.2009**

	With subsidiaries	With controlling entity
ASSETS		
Loans and advances to banks – accounts and deposits	229 807	70 542
Loans and advances to customers	2 220 036	
Receivables from securities bought with sell-back clause	3 506	
Investments in associates	263 720	
Investment financial assets	15 725	
Financial assets valued at fair value through profit and loss (held for trading)	4 160	53 043
Hedging derivatives		74 839
Other assets	12 761	
LIABILITIES		
Deposits from banks	2 219 232	2 892 670
Deposits from customers	1 020 686	
Liabilities from securities sold with buy-back clause	3 506	
Debt securities	-761 869	
Financial liabilities valued at fair value through profit and loss (held for trading)	2 644	757
Other liabilities	164 187	5
- including liabilities from financial leasing	150 320	

**PROFIT AND LOSS ON TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN)
FOR THE PERIOD OF 1.01-30.09.2010**

	With subsidiaries	With controlling entity
Income from:		
Interest	72 249	63 679
Commissions	39 941	
Derivatives net	1 484	
Dividends	28 822	
Other net operating income	59 644	
Expense from:		
Interest	72 440	44 522
Commissions	39 837	622
Derivatives net	0	7 672
General and administrative expenses	59 665	74

**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	
Derivatives 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

OFF-BALANCE TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) AS AT 30.09.2010

	With subsidiaries	With controlling entity
Conditional commitments	147 450	120 491
Derivatives (par value)	330 197	4 513 764

OFF-BALANCE TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) AS AT 31.12.2009

	With subsidiaries	With controlling entity
Conditional commitments	274 008	160 481
Derivatives (par value)	439 504	4 316 181

(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 reporting date for quarterly report prepared as at 30.09.2010	Number of shares as of reporting date for quarterly report prepared as at 30.06.2010
Bogusław Kott	Chairman of the Management Board	4 465 791	4 465 791
Joao Bras Jorge	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	492 248	492 248
Wojciech Haase	Member of the Management Board	7 494	7 494
Artur Klimczak	Member of the Management Board	0	0
Antonio Pinto Junior	Member of the Management Board	0	0
Andrzej Gliński	Member of the Management Board	0	0
Jerzy Andrzejewicz	Proxy	6 260	6 260
Maciej Bednarkiewicz	Chairman of the Supervisory Board	134	134
Carlos Jorge Ramalho dos Santos Ferreira	Deputy Chairman of the Supervisory Board	0	0
Ryszard Pospieszyński	Deputy Chairman of the Supervisory Board	86 300	86 300
Marek Furtek	Secretary of the Supervisory Board	1	1
Andrzej Koźmiński	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
Paulo Jose de Ribeiro Moita de Macedo	Member of the Supervisory Board	0	0
Vitor Manuel Lopes Fernandes	Member of the Supervisory Board	0	0
Nelson Ricardo Bessa Machado	Member of the Supervisory Board	0	0
Luis Pereira Coutinho	Member of the Supervisory Board	0	0

XIII. CONTINGENT ASSETS AND LIABILITIES

The total value of the largest lawsuits as at 30 September 2010, in which Group companies acted as claimants or defendants before courts and arbitration bodies, was PLN 523.4 million. The total value of the largest lawsuits, in which Group companies acted as defendants was PLN 336.0 million and the total value of the largest lawsuits, in which Group companies acted as claimants was PLN 187.4 million.

The largest lawsuits in which Group companies are defendants:

1. **Plaintiff:** 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: Currently, the case is pending at the District Court in Gdańsk – at evidence proceedings. The Court allowed evidence in the form of expert's opinion as regards property appraisal as at October 25 2002 and next expanded the evidence thesis by its decision of September 2008. The experts appointed by the Court addressed a letter drafted on February 22 2010, in which they informed that it was impossible to prepare an opinion pursuant to the evidence decision. Following this letter, a letter was sent to the Court with comments and reservations concerning the position presented by the experts. In response to the procedural letter of the plaintiff dated 15.03.2010 with application for change in the evidence thesis, a procedural letter was filed by the defendant applying for dismissal of the plaintiff's application for changing the decision of the District Court dated September 8 2008.

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.

2. **Plaintiff:** legal person

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

Re: The plaintiff's claim is based on the statement that the Bank forced the plaintiff to make a sales order for 33 300 items of shares by threatening to the plaintiff's company that the Bank would take over all the funds which would come from the sale of all the 30 000 shares constituting the ownership of such company.

Case status: There were several hearings in this case and as a result on 21.02.2008 due to the non-implementation of the court order relating to the precisioning of the factual and legal grounds of the suit – the Court suspended the proceedings indefinitely.

Prospects: probability of winning the case is estimated as high.

OFF-BALANCE ITEMS

<i>Amount '000 PLN</i>	30.09.2010	31.12.2009
Off-balance conditional commitments granted and received	8 189 267	8 118 413
1. Commitments granted:	7 676 370	7 134 510
a) financial	5 981 568	5 647 744
b) guarantee	1 694 802	1 486 766
2. Commitments received:	512 897	983 903
a) financial	31 734	480 398
b) guarantee	481 163	503 505

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 2010**

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I. INTRODUCTION AND ACCOUNTING PRINCIPLES

This condensed interim financial statement has been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting. The condensed interim financial statement does 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 2009.

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 2010 which is deemed to be the current interim financial reporting period.

The Board of Directors approved this condensed unconsolidated interim financial statement on 25 October 2010.

II. BANK'S UNCONSOLIDATED FINANCIAL DATA

INCOME STATEMENT				
<i>Amount '000 PLN</i>	1.01.2010 - 30.09.2010	1.07.2010 - 30.09.2010	1.01.2009 - 30.09.2009	1.07.2009 - 30.09.2009
I. Interest income	1 638 255	550 532	1 668 691	559 448
II. Interest expense	-1 058 679	-342 242	-1 370 990	-402 468
III. Net interest income	579 576	208 290	297 701	156 980
IV. Fee and commission income	422 359	135 087	383 007	129 512
V. Fee and commission expense	-35 087	-11 024	-55 131	-17 292
VI. Net fee and commission income	387 272	124 063	327 876	112 220
VII. Dividend income	20 178	53	101 430	42
VIII. Result on investment financial assets	6 181	2 864	12 787	1 880
IX. Result on financial instruments valued at fair value through profit and loss (held for trading) and Foreign exchange result	139 230	42 858	263 171	14 543
X. Other operating income	20 217	5 097	30 885	5 272
XI. Operating income	1 152 654	383 225	1 033 850	290 937
XII. General and administrative expenses	-701 742	-242 797	-701 736	-236 195
XIII. Impairment losses on financial assets	-116 282	-37 977	-296 408	-141 736
XIV. Impairment losses on non financial assets	140	129	-253	-66
XV. Depreciation and amortization	-54 519	-17 533	-38 473	-12 488
XVI. Other operating expenses	-18 060	-6 198	-17 883	-7 435
XVII. Operating expenses	-890 463	-304 376	-1 054 753	-397 920
XVIII. Operating profit	262 191	78 849	-20 903	-106 983
XIX. Profit / (loss) before taxes	262 191	78 849	-20 903	-106 983
XX. Corporate income tax	-42 161	-13 329	20 210	19 299
XXI. Profit / (loss) after taxes	220 030	65 520	-693	-87 684
Weighted average number of ordinary shares	1 137 130 342	1 213 116 777	849 181 744	849 181 744
Earnings (losses) per ordinary share (in PLN)	0.19	0.05	0.00	-0.10
TOTAL COMPREHENSIVE INCOME STATEMENT				
Profit / (loss) after taxes	220 030	65 520	-693	-87 684
OTHER ELEMENTS OF TOTAL COMPREHENSIVE INCOME, INCLUDING:				
Effect of valuation of available for sale debt securities	4 326	929	6 264	147
Effect of valuation of available for sale shares	-1 692	73	2 094	1 133
Hedge accounting	-25 251	-31 567	-63 455	-71 787
OTHER ELEMENTS OF TOTAL COMPREHENSIVE INCOME BEFORE TAXES	-22 617	-30 565	-55 097	-70 507
Corporate income tax on other elements of total comprehensive income	4 297	5 807	10 466	13 396
OTHER ELEMENTS OF TOTAL COMPREHENSIVE INCOME AFTER TAXES	-18 320	-24 758	-44 631	-57 111
TOTAL COMPREHENSIVE INCOME OF THE PERIOD	201 710	40 762	-45 324	-144 795



Condensed interim financial statements of Bank Millennium S.A. for the nine months ended 30 September 2010

BALANCE SHEET

ASSETS

<i>Amount '000 PLN</i>	30.09.2010	31.12.2009
I. Cash, balances with the Central Bank	1 955 847	2 191 027
II. Loans and advances to banks	873 740	695 689
III. Financial assets valued at fair value through profit and loss (held for trading)	1 451 371	3 029 253
IV. Hedging derivatives	310 307	377 334
V. Loans and advances to customers	34 522 516	32 482 473
VI. Investment financial assets	3 742 918	4 163 076
- available for sale	3 742 918	4 163 076
- held to maturity	0	0
VII. Investments in associates	262 158	262 288
VIII. Receivables from securities bought with sell-back clause (loans and advances)	238 588	208 781
IX. Property, plant and equipment	246 803	285 490
X. Intangible assets	26 279	18 458
XI. Non-current assets held for sale	0	0
XII. Receivables from Tax Office resulting from current tax	15 783	36 548
XIII. Deferred tax assets	102 356	102 660
XIV. Other assets	102 468	116 073
Total Assets	43 851 134	43 969 150

LIABILITIES

<i>Amount '000 PLN</i>	30.09.2010	31.12.2009
I. Deposits from banks	1 853 530	4 909 356
II. Financial liabilities valued at fair value through profit and loss (held for trading)	618 892	683 378
III. Hedging derivatives	541 197	122 813
IV. Deposits from customers	33 428 311	31 653 587
V. Liabilities from securities sold with buy-back clause	1 686 686	2 346 190
VI. Debt securities	378 340	262 466
VII. Provisions	20 072	23 196
VIII. Deferred income tax liabilities	0	0
IX. Current tax liabilities	0	0
X. Other liabilities	641 586	504 744
XI. Subordinated debt	924 352	945 795
Total Liabilities	40 092 966	41 451 525

EQUITY

<i>Amount '000 PLN</i>	30.09.2010	31.12.2009
I. Share capital	1 213 117	849 182
II. Share premium	1 147 241	472 343
III. Revaluation reserve	-7 121	11 199
IV. Retained earnings	1 404 931	1 184 901
Total Equity	3 758 168	2 517 625

Total Liabilities and Equity	43 851 134	43 969 150
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Book value	3 758 168	2 517 625
Number of shares	1 213 116 777	849 181 744
Book value per share (in PLN)	3.10	2.96

STATEMENT OF CHANGES IN EQUITY

	Total equity	Share capital	Share premium	Revaluation reserve	Retained earnings
Equity at the beginning of the period 01.01.2010	2 517 625	849 182	472 343	11 199	1 184 901
- L-shares issue	1 038 833	363 935	674 898	0	0
- total comprehensive income of the III quarters 2010	201 710	0	0	-18 320	220 030
Equity at the end of the period 30.09.2010	3 758 168	1 213 117	1 147 241	-7 121	1 404 931

	Total equity	Share capital	Share premium	Revaluation reserve	Retained earnings
Equity at the beginning of the period 01.01.2009	2 462 552	849 182	472 343	40 241	1 100 786
- total comprehensive income of 2009	55 073	0	0	-29 042	84 115
Equity at the end of the period 31.12.2009	2 517 625	849 182	472 343	11 199	1 184 901

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

CASH FLOWS

A. CASH FLOWS FROM OPERATING ACTIVITIES

<i>Amount '000 PLN</i>	1.01.2010 - 30.09.2010	1.01.2009 - 30.09.2009
I. Profit (loss) after taxes	220 030	-693
II. Adjustments for:	-999 443	-1 717 466
1. Interests in net income (loss) of associated companies	0	0
2. Depreciation and amortization	54 519	38 473
3. Foreign exchange (gains) losses	-58 036	-52 751
4. Dividends	-20 178	-101 430
5. Changes in provisions	-3 124	-7 870
6. Result on sale and liquidation of investing activity assets	-5 952	-23 441
7. Change in financial assets valued at fair value through profit and loss (held for trading)	1 617 241	1 575 939
8. Change in loans and advances to banks	-261 460	893 559
9. Change in loans and advances to customers	-2 031 212	-63 920
10. Change in receivables from securities bought with sell-back clause (loans and advances)	-29 807	-25 694
11. Change in financial liabilities valued at fair value through profit and loss (held for trading)	353 898	-4 733 888
12. Change in deposits from banks	-2 039 082	1 274 480
13. Change in deposits from customers	1 770 574	-1 344 019
14. Change in liabilities from securities sold with buy-back clause	-659 504	768 507
15. Change in debt securities	115 874	108 011
16. Change in income tax settlements	42 161	-21 210
17. Income tax paid	-16 795	-49 676
18. Change in other assets and liabilities	150 414	13 150
19. Other	21 026	34 314
III. Net cash flows from operating activities	-779 413	-1 718 159

B. CASH FLOWS FROM INVESTING ACTIVITIES

<i>Amount '000 PLN</i>	1.01.2010 - 30.09.2010	1.01.2009 - 30.09.2009
I. Inflows:	20 246	403 327
1. Proceeds form sale of property, plant and equipment and intangible assets	68	38 645
2. Proceeds form sale of shares in associates	0	0
3. Proceeds form sale of financial assets valued at fair value through profit and loss	0	0
4. Proceeds form sale of investment financial assets	0	263 252
5. Other	20 178	101 430
II. Outflows:	-292 291	-27 403
1. Acquisition of property, plant and equipment and intangible assets	-21 531	-4 403
2. Acquisition of shares in associates	0	-23 000
3. Acquisition of financial assets valued at fair value through profit and loss	0	0
4. Acquisition of investment financial assets	-270 760	0
5. Other	0	0
III. Net cash flows from investing activities	-272 045	375 924

C. CASH FLOWS FROM FINANCING ACTIVITIES

<i>Amount '000 PLN</i>	1.01.2010 - 30.09.2010	1.01.2009 - 30.09.2009
I. Inflows:	1 104 276	914 960
1. Long-term bank loans	65 443	914 960
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	1 038 833	0
5. Other	0	0
II. Outflows:	-1 064 726	-25 382
1. Repayment of long-term bank loans	-1 051 873	0
2. Redemption of debt securities	0	0
3. Decrease in subordinated debt	0	0
4. Issue of shares expenses	0	0
5. Redemption of shares	0	0
6. Dividends paid and other payments to owners	0	0
7. Other	-12 853	-25 382
III. Net cash flows from financing activities	39 550	889 578
D. NET CASH FLOWS, TOTAL (A III+B III+C III)	-1 011 908	-452 657
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD	4 128 408	2 939 493
F. CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD (D+E)	3 116 500	2 486 836

ADDITIONAL EXPLANTATIONS TO FINANCIAL DATA***WRITING OFF UNCOLLECTABLE RECEIVABLES TO IMPAIRMENT PROVISIONS***

In the period from 1 January to 30 September 2010, the Bank wrote off uncollectable receivables of PLN 89,042 thousand and charged them to impairment provisions established.

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 III quarters of 2010 and III quarters of 2009 (comparative data) was PLN 18,207 thousand and PLN 99,287 thousand, respectively.

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

During the 9 months ended 30 September 2010, the Bank's liabilities on account of a debt securities issues increased by PLN 115.9 million as a result of commercial bond (increase of PLN 62.6 million) and Bank Securities (increase of PLN 53.3 million) 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. Additionally starting from June 2010 Bank Millennium offers new structured products in the form of Bank Securities, which are issued under Banking Law and are restricted to banks only.

VI. DIVIDEND FOR 2009

Accordingly decision of Ordinary General Meeting of Shareholders taking place 22 April 2010, the Bank will not pay dividend from profits generated in financial year ending 31 December 2009.

VII. OFF-BALANCE SHEET LIABILITIES

As at 30 September 2010 and 31 December 2009, the structure of off-balance sheet liabilities was as follows:

OFF-BALANCE ITEMS

<i>Amount '000 PLN</i>	30.09.2010	31.12.2009
Off-balance conditional commitments granted and received	8 336 717	8 392 421
1. Commitments granted:	7 822 623	7 407 330
a) financial	6 055 955	5 867 405
b) guarantee	1 766 668	1 539 925
2. Commitments received:	514 094	985 091
a) financial	31 734	480 398
b) guarantee	482 360	504 693

VIII. STATEMENT OF RELATED PARTY TRANSACTIONS

All the transactions concluded between Group entities in the period from 1 January 2010 to 30 September 2010 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.,
- MILLENNIUM TELECOMMUNICATION SERVICES,
- TBM Sp. z o.o.

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

Apart from transactions described herein, in the indicated period neither Bank Millennium S.A., nor subsidiaries of Bank Millennium S.A. made any other transactions with related entities, which individually or jointly may have been significant and concluded under terms and conditions other than market-based.

ASSETS AND LIABILITIES FROM TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) AS AT 30.09.2010

	With subsidiaries	With controlling entity
ASSETS		
Loans and advances to banks – accounts and deposits		11 384
Loans and advances to customers	2 212 821	
Investments in associates	250 158	
Financial assets valued at fair value through profit and loss (held for trading)	4 938	14 091
Hedging derivatives		55 349
Other assets	12 746	923
LIABILITIES		
Deposits from banks		798 351
Deposits from customers	298 950	
Liabilities from securities sold with buy-back clause	3 587	
Hedging derivatives		37 536
Financial liabilities valued at fair value through profit and loss (held for trading)	762	
Other liabilities	142 742	
- including liabilities from financial leasing	140 690	

ASSETS AND LIABILITIES FROM TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) AS AT 31.12.2009

	With subsidiaries	With controlling entity
ASSETS		
Loans and advances to banks – accounts and deposits		70 542
Loans and advances to customers	2 193 055	
Investments in associates	252 772	
Financial assets valued at fair value through profit and loss (held for trading)	4 093	53 043
Hedging derivatives		74 839
Other assets	12 264	
LIABILITIES		
Deposits from banks		2 892 670
Deposits from customers	235 627	
Liabilities from securities sold with buy-back clause	3 506	
Financial liabilities valued at fair value through profit and loss (held for trading)	1 175	757
Other liabilities	151 155	
- including liabilities from financial leasing	149 057	

PROFIT AND LOSS ON TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) FOR THE PERIOD OF 1.01-30.09.2010

	With subsidiaries	With controlling entity
Income from:		
Interest	45 297	63 679
Commissions	39 479	
Derivatives net	2 041	
Dividends	18 207	
Other net operating income	2 505	
Expense from:		
Interest	4 851	44 522
Commissions	27	622
Derivatives net	0	7 672
General and administrative expenses	52 865	9

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	
Derivatives net	0	7 137
Dividends	99 287	
Other net operating income	2 449	
Expense from:		
Interest	4 699	31 452
Commissions	10	
Derivatives net	7 854	
General and administrative expenses	68 492	9

OFF-BALANCE TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) AS AT 30.09.2010

	With subsidiaries	With controlling entity
Conditional commitments	147 450	120 491
Derivatives (par value)	330 197	4 513 764

OFF-BALANCE TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) AS AT 31.12.2009

	With subsidiaries	With controlling entity
Conditional commitments	274 008	160 481
Derivatives (par value)	439 504	4 316 181