



Report of the Bank Millennium S.A. Capital Group for III quarter 2011

MAIN CONSOLIDATED FINANCIAL DATA

	Amount '000 PLN		Amount '000 EUR	
	period from 1.01.2011 – 30.09.2011	period from 1.01.2010 – 30.09.2010*	period from 1.01.2011 – 30.09.2011	period from 1.01.2010 – 30.09.2010*
Interest income	1 979 947	1 754 557	489 928	438 343
Fee and commission income	492 645	464 898	121 903	116 146
Operating income	1 448 587	1 284 828	358 446	320 990
Operating profit	432 979	266 404	107 139	66 556
Profit (loss) before taxes	433 859	266 404	107 356	66 556
Profit (loss) after taxes	341 395	213 891	84 477	53 437
Total comprehensive income of the period	464 829	195 571	115 020	48 860
Net cash flows from operating activities	(1 021 801)	(776 231)	(252 840)	(193 927)
Net cash flows from investing activities	2 090 234	(290 211)	517 218	(72 504)
Net cash flows from financing activities	(1 219 193)	54 553	(301 683)	13 629
Net cash flows, total	(150 760)	(1 011 889)	(37 305)	(252 802)
Total Assets	50 012 340	46 984 418	11 337 582	11 863 853
Deposits from banks	1 714 310	2 084 456	388 627	526 338
Deposits from customers	36 682 209	35 395 147	8 315 698	8 937 491
Equity	4 434 489	4 090 972	1 005 280	1 032 995
Share capital	1 213 117	1 213 117	275 008	306 319
Number of shares	1 213 116 777	1 213 116 777	1 213 116 777	1 213 116 777
Book value per share (in PLN / EUR)	3.66	3.37	0.83	0.85
Diluted book value per share (in PLN / EUR)	3.66	3.37	0.83	0.85
Capital adequacy ratio	13.47%	14.39%	13.47%	14.39%
Earnings (losses) per ordinary share (in PLN / EUR)	0.28	0.19	0.07	0.05
Diluted earnings (losses) per ordinary share (in PLN / EUR)	0.28	0.19	0.07	0.05
Pledged or paid dividend per share (in PLN/EUR)	0.10	-	0.03	-

* Comparative balance sheet data were presented, in compliance with IFRS requirements, as at 31 December 2010. Other comparative data are presented for the period from 1 January 2010 to 30 September 2010.

EXCHANGE RATES ACCEPTED TO CONVERT SELECTED FINANCIAL DATA INTO EURO

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

- for balance sheet items: 4.4112 PLN/EURO – the exchange rate of 30 September 2011 (for comparative data as at 31 December 2010: 3.9603 PLN/EURO),
- for profit and loss account items for the period from 1 January – 30 September 2011: 4.0413 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 2010: 4.0027 PLN/EURO).

Information about the activity of Bank Millennium Capital Group during 3 quarters of 2011

Bank Millennium Group (the "Group") consolidated net profit amounted to PLN 341,4 million during the first nine months of 2011, which is a 60% increase when compared to corresponding period of 2010.

This high yearly growth of net profit has been achieved thanks to a strong increase of core income (+15% y/y) and lower provisioning on credit risk (-29% y/y) as a consequence of improved quality of loan portfolio. Share of impaired loans in the consolidated portfolio dropped below 5%, which happened for the first time since June 2009. The Group also improved its cost efficiency and managed to bring down the Cost-to-Income ratio below 60% (one year ahead of the target).

Bank Millennium achieved during the third quarter several prestigious awards as recognition of quality improvement and customer's satisfaction, which were the goals of special efforts conducted within dedicated project launched in the beginning of 2011. According to Newsweek, Bank Millennium is among top three most Friendly Banks, both in a general ranking for banks with traditional branch network, as well as in a ranking for purely internet banks. In both rankings the Bank got the highest score in the "quality of service" category. The Bank was also recently awarded with the 2011 Service Quality Emblem, which is based on a real customers' feedback. The third award was achieved in the ranking of Forbes magazine for the Best Bank for Companies. Bank Millennium got the highest 5 stars score in general ranking and also the highest score in the "quality and transparency" sub-ranking .

a) Macroeconomic situation in Poland after three quarters of 2011

The second quarter of 2011 showed further economic growth in Poland. In 2Q GDP increased by 4.3% year-on-year underpinned by private consumption, investment in fixed assets and restocking. Investment outlays increased by a solid 7.8% year-on-year and were driven by construction, especially public-financed infrastructure investment. According to the Eurostat figures, annual dynamics of investment in metal products and machinery has been negative for 10 quarters in a row, which was probably connected with uncertainty over the economic outlook and relatively low level of capacity utilization. Overall investment probably kept increasing trend in 3Q, as construction and assembly production grew by 15.2% year-on-year, a touch below 18.8% year-on-year recorded in 2Q. Sold industrial output increased in 3Q by 5.9% year-on-year after growing by 5.4% in 2Q confirming, that despite the global slowdown, Polish industry remains the pillar of the value added growth. Leading indicators suggest, that Polish economic growth is likely to slow down, but the economy should remain on the upward path. The Bank estimates that the GDP growth in 3Q was only slightly lower than the one observed in 2Q reaching ca. 4.1%.

In 2Q individual consumption continued to grow, but its pace decelerated to 3.5% year-on-year from 3.9% in 1Q. Consumption was supported by growing wages and stable unemployment. The registered unemployment rate declined slightly to 11.7% in September from 11.8% recorded at the end of 2Q. The decline of unemployment was caused by seasonal factors, but the decline was lower than observed in 2010 and the unemployment rate was by 0.2 pp higher than in the corresponding period of the previous year. The rate was pushed up by the reduced scale of active labour market policies and overall worsening of the labour market conditions. In 3Q non-financial big and medium-sized enterprises slightly reduced employment on the back of growing uncertainty regarding future economic conditions. At the same time wage growth was slightly above the inflation rate ensuring growth of the purchasing power of the households.

In 3Q inflation remained above the upper band of the NBP target (3.5%). CPI inflation was equal to 3.9% year-on-year in September, down from 4.2% in June. Core inflation excluding food and energy increased to 2.6% year-on-year from 2.4% at the end of 2Q. Weaker zloty and higher commodity prices kept PPI inflation on elevated levels. According to the NBP, in the coming months annual CPI inflation will continue to run at an elevated level, primarily due to the previously observed sharp rise in global commodity prices. In the medium term the MPC expects price growth to be curbed by the decline in domestic economic growth amidst fiscal tightening and interest rate increases implemented in the first half of 2011. In 3Q 2011 the NBP kept interest rates unchanged.

In the third quarter one could observe increased risk aversion on the global financial markets resulting from the controversies over the US debt ceiling, the downgrade of the US rating and intensification of the European debt crisis. As a result, Polish zloty depreciated substantially against the main currencies. EURPLN exchange rate increased by 10.5% in the quarter reaching 4.41, the highest level since mid-2009. CHFPLN went up by 9.5% to 3.61. In 3Q Swiss franc recorded massive appreciation against all major currencies and the highest NBP fixing rate for CHFPLN was equal to 3.9562. The rate declined substantially after the SNB announced that it will not accept EURCHF rate below 1.20 and started FX interventions. Due to increased market volatility and previous PLN depreciation, Polish central bank conducted market interventions at the end of the quarter.

In the third quarter of 2011 households' deposits increased on the back of the stable wage growth and growing aversion to more risky assets. Corporate deposits increased as well supported by good financial standing of the companies. Corporate loans kept growing and, according to Bank's estimates, at the end of September were by ca. 13.5% higher than last year. This reflects the recovery in corporate investment observed in 3Q. Loans to households recorded significant growth, but the portfolio was affected by the PLN depreciation (especially against the Swiss Franc) that increased the PLN value of FX loans.

b) Group profit and loss account after 3Q 2011

Operating Income (PLN million)	3Q 2011	2Q 2011	1-3Q 2011	1-3Q 2010	Change q/q	Change y/y
Net Interest Income *	316.6	300.6	890.4	734.8	5.3%	21.2%
Net Commissions Income	138.9	144.1	433.0	419.4	-3.6%	3.2%
CORE INCOME**	455.6	444.7	1323.3	1154.2	2.4%	14.7%
Other Non-Interest Income ***	32.8	28.2	77.4	90.2	16.0%	-14.2%
Total Operating Income	488.3	473.0	1400.7	1244.4	3.2%	12.6%

(*) 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 46 m in 1-3Q 2011 and PLN 60.3 m in 1-3Q 2010) 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 890.4 million for the 9 months of 2011. This means a 21% growth versus homologous period of the previous year. In quarterly terms, NII also visibly grew, by 5.3%, despite growing pressure on deposit margin noticed since August. This is the record level of quarterly NII in the Bank's history. Net interest margin (over interest earnings assets) grew from 2.23% last year to 2.56% in 1-3Q 2011, but in quarterly terms it slightly decreased from 2.64% in 2Q 2011 to 2.61% in 3Q 2011. The average spread on deposits grew slightly during quarter to 0.41% whereas average spread on loans decreased a little to 2.88%.

Net Commissions Income reached PLN 433 million during the 9 months of 2011, which means a 3.2% increase compared to the corresponding period of the previous year, mainly in account related areas and fees from sale of investment products. In quarterly terms, total NCI dropped by 3.6% to PLN 138.9 million level due to reduction of sale of the latter products due to unfavourable market conditions.

Other non-interest income (including net balance of other operating income and costs) reached PLN 77.4 million during 9 months of 2011 and was 14% lower yearly. On quarterly basis there was an improvement: 3Q 2011 result of this item reached PLN 32.8 million and was 16% higher than for 2Q 2011.

Total operating income of the Group reached PLN 1400.7 million in 9 months of 2011 and was 12.6% higher than in the corresponding period of the previous year thanks to a 14.7% growth in core income (net interest income and net commission income).

Operating Costs (PLN million)	3Q 2011	2Q 2011	1-3Q 2011	1-3Q 2010	Change q/q	Change y/y
Personnel Costs	(136.0)	(135.4)	(404.9)	(390.8)	0.5%	3.6%
Administrative Costs	(133.7)	(130.0)	(385.6)	(350.6)	2.9%	10.0%
Depreciation	(15.7)	(16.9)	(49.9)	(56.7)	-6.9%	-12.0%
Total Operating Costs	(285.4)	(282.2)	(840.4)	(798.0)	1.1%	5.3%

Total costs reached PLN 285.4 million during 3Q which gave 5.3% yearly and 1.1% quarterly growth. Total costs grew slower than the growth of income, thus the Bank managed to improve again its Cost-to-income ratio to 58,4% in the 3Q and to 60% year-to-date.

Personnel costs grew by 0.5% quarterly and 3.6% yearly. Total Group employment reached 6 251 persons (in FTE) at the end of September 2011 and grew by 116 FTE quarterly - for the first time since the end of 2008 – as a consequence of the new sales project conducted in co-operation with Makro Cash & Carry (new service points in all 29 hipermarkets).

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

Employment (in FTEs)	30.09.2011	30.06.2011	30.09.2010	Change q/q	Change y/y
Bank Millennium S.A.	5 856	5 773	5 790	+1.4%	+1.1%
Subsidiaries	395	381	389	+3.7%	+1.5%
Total Bank Millennium Group	6 251	6 154	6 179	+1.6%	+1.2%

Other administrative costs grew by 2.9% quarterly and 10% yearly. Higher non-personnel costs resulted from FX impact on rental and some IT costs, higher marketing costs as well as higher charges to Banking Guarantee Fund (the last mentioned factor had its impact on yearly comparison only).

Depreciation decreased both yearly (by 12%) and quarterly (by 6.9%) thus contributing positively to the cost efficiency efforts.

Total net impairment provisions created by the Group during the 9 months of 2011 amounted to PLN 127.4 million and were 29% lower than the amount of PLN 180 million created during the 9 months of 2010. This was possible thanks to the improvement of the quality of loan portfolio. In relative terms, provisions created in 9 months 2011 represented 45 basis points of average loan portfolio (annualised), well compared to 69 basis points created during the 9 months 2010. Provisions created during 3Q 2011 (PLN 46.8 million) were only slightly higher than PLN 43.2 million created during 2Q 2011, representing 47 b.p. (annualised) over total loans.

Profit before tax of Bank Millennium Group in 9 months 2011 amounted to PLN 433.9 million and **net profit** amounted to PLN 341.4 million. During 3Q the Group achieved PLN 157.1 million gross and PLN 125 million net profit, which almost matched the record quarterly profits achieved in 2007-2008 years.

c) Business results after 3Q 2011

Total assets of the Group crossed for the first time PLN 50 billion level, which is 11.6% higher compared to 30 September 2010.

Total **deposits** and retail bonds of Bank Millennium Group reached PLN 37,064 million which means a visible 10.1% growth year-on-year and 0.5% growth quarter-on-quarter. The Bank kept its main offer for retail Customers unchanged, despite higher pressure on deposit margins observed during 3Q, and was only selectively more competitive for companies funds. Thus, deposits of companies grew faster, by 21% y/y and 1.4% q/q, than retail ones (3.9% y/y and flat q/q).

Poor performance of the capital markets during 3Q caused that other **saving products** (not reflected in the Balance Sheet, such as mutual funds and insurances saving products) recorded a decrease by 11% q/q, which made also an yearly decrease by 9%.

Total customers' funds of the Group, including deposits, bonds sold to retail customers and other investment products, reached PLN 40,733 million at the end of September 2011, i.e. a 8.1% increase year-on-year and -0.6% decrease during the quarter.

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

Customer Funds (PLN million)	30.09.2011	30.06.2011	30.09.2010	Change (%)	
				q/q	y/y
<i>Deposits of individuals *</i>	22 021,4	22 038,6	21 196,4	-0,1%	3,9%
<i>Deposits of Companies and public sector</i>	15 042,9	14 828,6	12 472,2	1,4%	20,6%
Total Deposits	37 064,3	36 867,2	33 668,6	0,5%	10,1%
Investment products	3 668,3	4 107,9	4 020,8	-10,7%	-8,8%
TOTAL Customer Funds	40 732,6	40 975,2	37 689,4	-0,6%	8,1%

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

Total **loans** of Bank Millennium Group reached PLN 41,085 million in the end of September 2011, which means an increase by 15.5% year-on-year and 6.5% quarter-on-quarter, although large part of the growth resulted from FX rates changes: excluding it, the growth would be 4.5% y/y and 1.1% q/q.

Retail loans, which dominate in the Group's portfolio with 75% share, recorded 16.1% growth year-on-year and reached PLN 30,957 million as at 30 September 2011. The main group of loans in the retail portfolio were mortgage loans, which amounted PLN 28,115 million. 3Q 2011 brought strong improvement in sales of mortgages (PLN 658 million) which allowed the Group to get closer to target 6% market share in new sales (5.8% in July and August). Sale of other loans to individuals in 3Q 2011 reached PLN 174 million and was slightly lower than the sales of 2Q 2011.

The portfolio of loans to companies (including leasing) recorded an increase of 13.7% yearly and 3.5% quarterly. Positive trends observed in leasing and factoring are maintained; the Group keeps high market shares of 7.5% in leased movables.

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)	30.09.2011	30.06.2011	30.09.2010	Change (%)	
				q/q	y/y
Loans to households	30 957,1	28 805,1	26 669,9	7,5%	16,1%
- mortgage loans	28 114,7	25 928,2	23 657,6	8,4%	18,8%
- other loans to households	2 842,4	2 877,0	3 012,3	-1,2%	-5,6%
Loans to businesses	10 127,6	9 787,8	8 904,8	3,5%	13,7%
- leasing	3 308,3	3 237,9	3 263,4	2,2%	1,4%
- other loans to businesses	6 819,3	6 549,9	5 641,4	4,1%	20,9%
Total Loans & Advances to Clients	41 084,7	38 592,9	35 574,7	6,5%	15,5%

d) Asset quality, solvency and liquidity

Quality of loan portfolio measured by **impaired loans** ratio continued during 3Q its positive trend and for the first time since June 2009 dropped below 5% level. Improving quality of loans to companies and stable, good quality of mortgage loans were the main factors of the improvement. Also the ratio of loans past-due over 90 days to total portfolio decreased to 2.8%, mainly thanks to a decrease of these loans volume by PLN 37 million in 3Q 2011.

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	30.09.2011	30.06.2011	30.09.2010
Total impaired loans (PLN million)*	2 108	2 087	2 159
Loans past-due over 90 days (PLN million)	1 176	1 213	1 055
Total provisions (PLN million)*	1 260	1 237	1 187
Impaired over total loans ratio (%)	4.98%	5.2%	5.9%
Past-due >90d over total loans ratio (%)	2.78%	3.0%	2.9%
Total provisions/impaired loans (%)	60%	59%	55%
Total provisions/Past-due 90 d loans (%)	107%	102%	112%

(*) Since 30 September 2010 the Group made a write-off of impaired loans in charge of provisions in the amount of PLN 117 million and just in 3Q 2011 the amount of write-off was PLN 47 million.

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

Ratio by loan type (in %)	Loans past-due > 90 days ratio			Impaired loans ratio		
	30.09.2011	30.06.2011	30.09.2010	30.09.2011	30.06.2011	30.09.2010
Mortgage	0.3%	0.3%	0.3%	0.9%	0.9%	0.8%
Other individuals	13.3%	13.3%	12.1%	17.2%	16.8%	14.1%
Companies	5.9%	6.5%	5.9%	11.8%	12.3%	15.6%
Total loan portfolio	2.78%	3.0%	2.9%	4.98%	5.2%	5.9%

Coverage ratio of impaired loans by total provisions improved during 3Q by 1 p.p. to 60%, especially in companies portfolio. Total provisions covering loans past-due over 90 days remain above 100% level for all main groups of loan products.

FX impact on loans has influenced the **capital adequacy ratios**, which remain however on very comfortable levels: consolidated CAR at 13.47% and Core Tier 1 ratio at 11.44%.

FX impact on FX denominated part of loan portfolio caused also that Loans-to-deposits ratio increased during 3Q 2011 to 108% level. Despite that, share of FX loans in the Group's total loan portfolio is consistently decreasing from 59% in the end of 2010 to 57% currently, thanks to a consequent amortization of FX portfolio (equivalent of PLN 1.3 billion since December 2010).

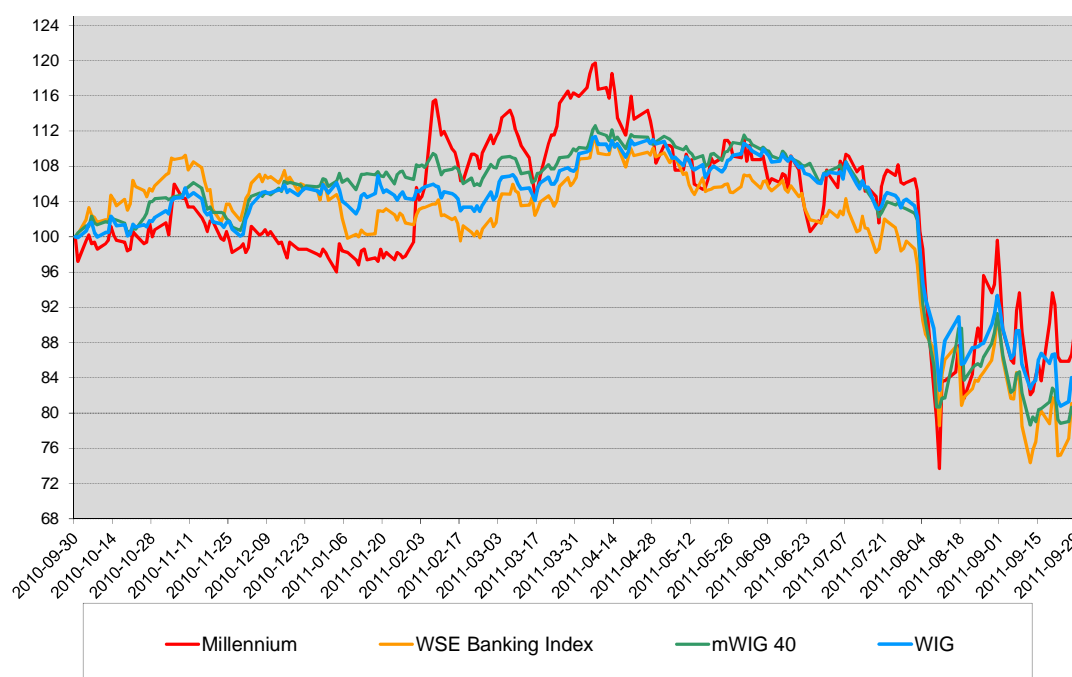
Main solvency and liquidity ratios	30.09.2011	30.06.2011	30.09.2010
Consolidated equity (PLN million)	4 434	4 135	4 022
Capital Adequacy Ratio (% , consolidated)	13.5	13.8	14,0
Core Tier 1 ratio (% , consolidated)	11.4	11.9	11.6
Loans to Deposits ratio (%)*	108.2	101.2	102.2

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

e) Share price performance and ratings

3rd quarter of 2011 brought a very strong, worldwide equity markets contraction, which was also visible on the Warsaw Stock Exchange, amplified by Polish Zloty weakening which was a consequence of increased risk aversion, especially to the emerging markets.

The evolution of Bank Millennium share price versus main WSE indices is presented below:



This quarter's market devaluation caused also a remarkable drop of main indexes during the nine months of 2011. WIG index fell 20.3%, the WIG Banks sector index was down -21.7% and mWIG40 index, which comprises the shares of Bank Millennium, dropped 23.1%. In the same period Bank Millennium performed relatively better than the market and decreased only by 4.6% and in yearly comparison by 8.4%.

	30.09.2011	03.01.2011	Change (%) y-t-d	30.09.2010	Change (%) Yearly
Bank's number of shares (in ths.)	1 213 117	1 213 117	0.0	1 213 117	0.0
Daily trading (PLN ths, avg. ytd) *	5 827	-	-	4 197	38.8
Price of the Bank shares (PLN)	4.60	4.82	-4.6	5.02	-8.4
Market cap. (PLN million)	5 580	5 847	-4.6	6 090	-8.4
WIG - main index	38 269	48 005	-20.3	45 237	-15.4
WIG Banks	5 456	6 965	-21.7	6 647	-17.9
mWIG 40	2 169	2 821	-23.1	2 653	-18.2

* Daily turnover according to the new method adopted by WSE from January 2011

During the nine months of 2011 ratings of Bank Millennium assigned by Moody's and Fitch rating agencies remained unchanged.

The table below presents the current ratings of Bank Millennium:

Type of rating	FITCH	MOODY'S
Long-term deposit rating/IDR	BBB- (stable outlook)	Baa3 (negative outlook)
National Long-term IDR	A-(pol) (stable outlook)	-
Short-term deposit rating	F-3	Prime-3
Individual rating / financial strength	C/D (no outlook)	D (stable outlook)
Support	3	

f) Main factors that could affect the situation of the Bank in 4Q 2011 and beyond

The most important external factors that could influence financial standing of Bank Millennium Group in the fourth quarter are the following:

- High uncertainty connected with fiscal problems of the euro area peripheries translates into higher volatility in the financial markets. Risk aversion on the global markets may lead to increased costs of financing and to Polish Zloty depreciation, which in turn may increase liquidity needs of the Bank and may affect the quality of its loan portfolio.
- Market interest rates are likely to remain stable and the MPC probably will not change interest rates. At the end of the year one may expect seasonal growth of money market rates and increased cost of deposits.
- Labour market conditions may worsen driven by both seasonal factors and some slowdown of the economic growth. Stable wage growth and inflation along with cyclically increasing propensity to save may support demand for savings products.
- Stagnation on the real estate market connected with regulatory environment may translate to subdued demand for mortgage loans.
- Still solid financial standing of the companies, especially exporters, should keep credit risk associated with corporate loans at a moderate level. Possible growth of private investment may lead to higher demand for credit and growth of industrial production and foreign trade should translate into continued demand for corporate banking services (factoring, export loans, etc).

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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 2011**

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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 (the Group): banking, leasing, factoring, brokerage, capital activity and management of mutual funds.

Composition of the Supervisory Board of the Bank Millennium S.A. (parent company of the Group) as at 30 September 2011 was as follows:

1. Maciej Bednarkiewicz – Chairman of the Supervisory Board,
2. Ryszard Pospieszyński – 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. António Manuel Palma Ramalho – Supervisory Board Member,
9. Nelson Ricardo Bessa Machado – Supervisory Board Member,
10. Marek Rocki – Supervisory Board Member,
11. Dariusz Rosati – Supervisory Board Member,

On 30 March 2011 Bank received information on the filing by Mr. Paulo Jose de Ribeiro Moita de Macedo of the resignation from the membership of Supervisory Board of Bank Millennium effective as of 31 March 2011.

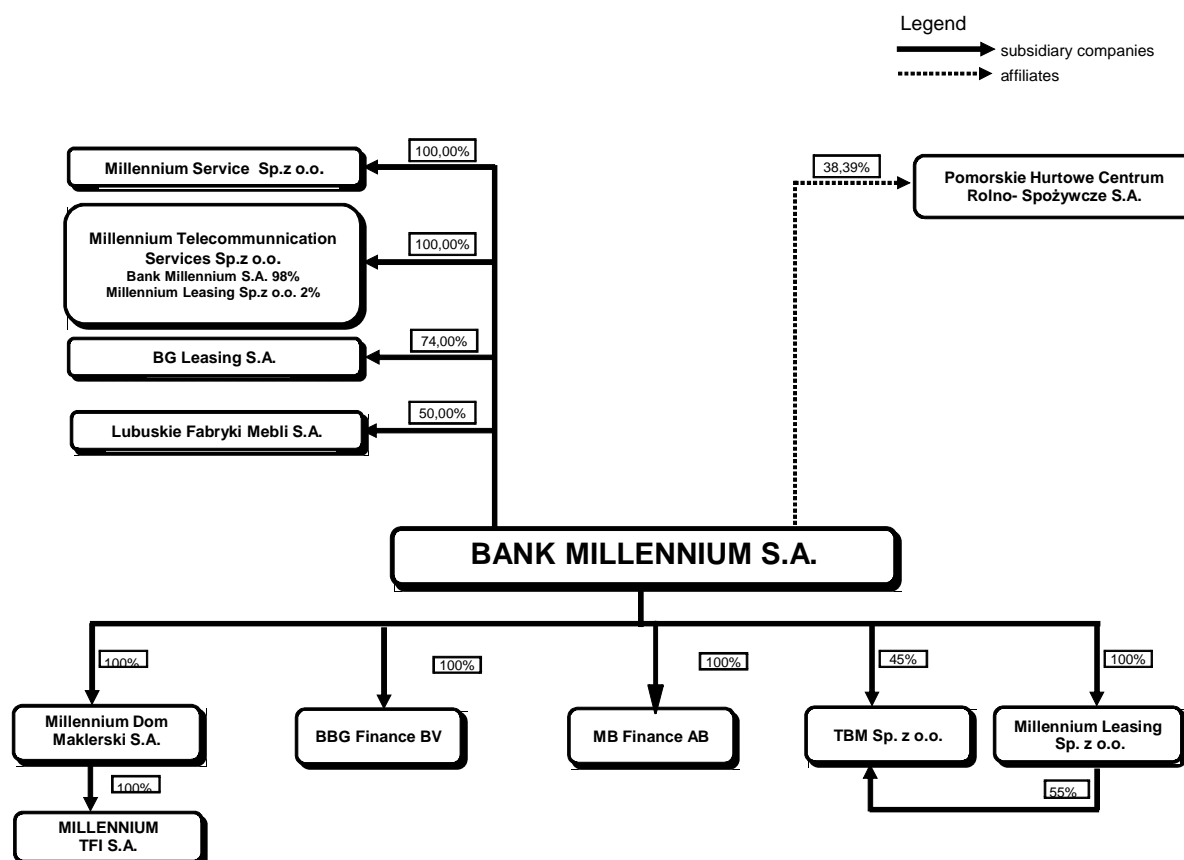
Ordinary General Meeting of Shareholders of the Bank on 31 March 2011 elected Mr. António Manuel Palma Ramalho to the membership of the Bank Supervisory Board of the current term of office.

Composition of the Management Board of the Bank Millennium S.A. as at 30 September 2011 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. Julianna Boniuk-Gorzelańczyk – Member of the Management Board,
5. Maria Jose Campos – Member of the Management Board,
6. Andrzej Gliński - Member of the Management Board,
7. Wojciech Haase – Member of the Management Board,
8. Artur Klimczak – Member of the Management Board.

The Supervisory Board of the Bank, at its meeting on 22 July 2011, accepted the resignation - effective as of 22 July 2011 - of Mr. Antonio Pinto Junior from the function of Member of the Bank's Management Board, for personal reasons. Moreover, the Supervisory Board changed the composition of the Management Board of the current term in office appointing Ms. Maria Jose Campos for the post of Banks Management Board Member of the current term in office.

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 2011 are presented below:



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. 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 does not consolidate the financial statements of BG Leasing S.A. despite holding the majority stake, due to the undergoing bankruptcy proceedings,.

In September 2011 two entities conducting leasing activities remaining under common control of the Bank were merged (Millennium Leasing Sp. z o.o. - acquiring company and the Millennium Lease Sp. z o.o. - acquired company, both units used to be 100% subsidiaries of the Bank). Aforementioned transaction was accounted using the pooling of interests method and as such had no effect on the financial data presented in the consolidated financial statement of the Bank.

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 2010.

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 2011.

The Board of Directors approved this condensed consolidated interim financial statement on 20 October 2011.

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	-	274	-742
May 2011			
After reclassification in "available for sale" portfolio	-	119	-897
May 2011 (proforma)			
If the reclassification did not occur	-155	-	-897

On June 3, 2011 the Bank made the sale of aforementioned securities realizing a profit of PLN 133 thousand.

III. CONSOLIDATED FINANCIAL DATA (GROUP)

CONSOLIDATED INCOME STATEMENT

Amount '000 PLN	Note	1.01.2011 - 30.09.2011	1.07.2011 - 30.09.2011	1.01.2010 - 30.09.2010	1.07.2010 - 30.09.2010
Interest income	1	1 979 947	707 980	1 754 557	588 187
Interest expense	2	(1 135 581)	(407 416)	(1 080 046)	(349 044)
Net interest income		844 366	300 564	674 511	239 143
Fee and commission income	3	492 645	161 052	464 898	149 983
Fee and commission expense	4	(59 689)	(22 114)	(45 464)	(14 568)
Net fee and commission income		432 956	138 938	419 434	135 415
Dividend income		1 934	763	1 989	71
Result on investment financial assets		2 439	409	6 253	2 864
Result on financial instruments valued at fair value through profit and loss (held for trading) and Foreign exchange result	5	133 163	52 145	142 004	41 245
Other operating income		33 729	9 361	40 637	12 155
Operating income		1 448 587	502 180	1 284 828	430 893
General and administrative expenses	6	(790 510)	(269 751)	(741 323)	(255 558)
Impairment losses on financial assets	7	(127 742)	(46 557)	(180 677)	(50 657)
Impairment losses on non-financial assets		386	(281)	698	159
Depreciation and amortization		(49 861)	(15 698)	(56 676)	(18 272)
Other operating expenses		(47 881)	(13 849)	(40 446)	(13 305)
Operating expenses		(1 015 608)	(346 136)	(1 018 424)	(337 633)
Operating profit		432 979	156 044	266 404	93 260
Share of profit of associates		880	1 090	0	0
Profit / (loss) before taxes		433 859	157 134	266 404	93 260
Corporate income tax	8	(92 464)	(32 161)	(52 513)	(16 987)
Profit / (loss) after taxes		341 395	124 973	213 891	76 273
Attributable to:					
Owners of the parent		341 395	124 973	213 891	76 273
Non-controlling interests		0	0	0	0
Weighted average number of ordinary shares		1 213 116 777	1 213 116 777	1 137 130 342	1 213 116 777
Earnings (losses) per ordinary share (in PLN)		0,28	0,10	0,19	0,06

CONSOLIDATED TOTAL COMPREHENSIVE INCOME STATEMENT	1.01.2011 - 30.09.2011	1.07.2011 - 30.09.2011	1.01.2010 - 30.09.2010	1.07.2010 - 30.09.2010
Profit / (loss) after taxes	341 395	124 973	213 891	76 273
OTHER ELEMENTS OF TOTAL COMPREHENSIVE INCOME, INCLUDING:				
Effect of valuation of available for sale debt securities	(10 514)	(1 769)	4 326	929
Effect of valuation of available for sale shares	2 601	986	(1 692)	73
Hedge accounting	160 301	216 558	(25 251)	(31 567)
OTHER ELEMENTS OF TOTAL COMPREHENSIVE INCOME BEFORE TAXES	152 388	215 775	(22 617)	(30 565)
Corporate income tax on other elements of total comprehensive income	(28 954)	(40 997)	4 297	5 807
OTHER ELEMENTS OF TOTAL COMPREHENSIVE INCOME AFTER TAXES	123 434	174 778	(18 320)	(24 758)
TOTAL COMPREHENSIVE INCOME OF THE PERIOD	464 829	299 751	195 571	51 515
Attributable to:				
Owners of the parent	464 829	299 751	195 571	51 515
Non-controlling interests	0	0	0	0

CONSOLIDATED BALANCE SHEET

ASSETS

<i>Amount '000 PLN</i>	Note	30.09.2011	31.12.2010
Cash, balances with the Central Bank		2 500 102	2 050 736
Loans and advances to banks	9	3 013 225	1 485 810
Financial assets valued at fair value through profit and loss (held for trading) and adjustment from fair value hedge	10	798 810	1 429 820
Hedging derivatives	11	195 075	80 231
Loans and advances to customers	12	41 084 703	36 738 493
Investment financial assets	13	1 402 513	4 508 430
- available for sale		1 402 513	4 508 430
- held to maturity		0	0
Investments in associates		12 262	12 000
Receivables from securities bought with sell-back clause (loans and advances)		243 177	55 085
Property, plant and equipment		207 924	242 052
Intangible assets		29 363	30 407
Non-current assets held for sale		9 866	599
Receivables from Tax Office resulting from current tax		8 702	6 176
Deferred tax assets		135 356	146 014
Other assets		371 262	198 565
Total Assets		50 012 340	46 984 418

LIABILITIES

<i>Amount '000 PLN</i>		30.09.2011	31.12.2010
Deposits from banks	14	1 714 310	2 084 456
Financial liabilities valued at fair value through profit and loss (held for trading)	15	905 387	804 331
Hedging derivatives	16	2 556 033	1 315 321
Deposits from customers	17	36 682 209	35 395 147
Liabilities from securities sold with buy-back clause		480 571	670 691
Debt securities	18	1 363 830	1 141 007
Provisions		22 872	21 445
Deferred income tax liabilities		0	0
Current tax liabilities		12 788	0
Other liabilities		814 874	549 060
Subordinated debt		1 024 977	911 988
Total Liabilities		45 577 851	42 893 446

EQUITY

<i>Amount '000 PLN</i>			
Share capital		1 213 117	1 213 117
Share premium		1 147 502	1 147 502
Revaluation reserve		73 178	(50 256)
Retained earnings		2 000 692	1 780 609
Total equity attributable to owners of the parent		4 434 489	4 090 972
Non-controlling interests		0	0
Total Equity		4 434 489	4 090 972
Total Liabilities and Equity		50 012 340	46 984 418
Book value		4 434 489	4 090 972
Number of shares		1 213 116 777	1 213 116 777
Book value per share (in PLN)		3.66	3.37

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Total consolidated equity	Share capital	Share premium	Revaluation reserve	Retained earnings
Equity at the beginning of the period 01.01.2011	4 090 972	1 213 117	1 147 502	(50 256)	1 780 609
- dividend for 2010	(121 312)	0	0	0	(121 312)
- total comprehensive income of 2011	464 829	0	0	123 434	341 395
Equity at the end of the period 30.09.2011	4 434 489	1 213 117	1 147 502	73 178	2 000 692

	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 2010	264 542	0	0	(61 455)	325 997
Equity at the end of the period 31.12.2010	4 090 972	1 213 117	1 147 502	(50 256)	1 780 609

	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 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

CONSOLIDATED CASH FLOW

A. CASH FLOWS FROM OPERATING ACTIVITIES

<i>Amount '000 PLN</i>	1.01.2011 - 30.09.2011	1.01.2010 - 30.09.2010
Profit (loss) after taxes	341 395	213 891
Adjustments for:	(1 363 196)	(990 122)
Non-controlling interests profit (loss)	0	0
Interests in net income (loss) of associated companies	(880)	0
Depreciation and amortization	49 861	56 676
Foreign exchange (gains)/ losses	182 983	(58 166)
Dividends	(1 934)	(1 989)
Changes in provisions	1 427	(3 123)
Result on sale and liquidation of investing activity assets	(2 439)	(2 789)
Change in financial assets valued at fair value through profit and loss (held for trading)	612 880	1 618 924
Change in loans and advances to banks	(1 052 739)	(261 461)
Change in loans and advances to customers	(4 360 464)	(2 027 605)
Change in receivables from securities bought with sell-back clause (loans and advances)	(188 092)	(29 807)
Change in financial liabilities valued at fair value through profit and loss (held for trading)	1 341 768	354 311
Change in deposits from banks	359 976	(2 039 096)
Change in deposits from customers	1 287 062	1 731 598
Change in liabilities from securities sold with buy-back clause	(190 120)	(659 585)
Change in debt securities	498 196	115 874
Change in income tax settlements	88 782	50 439
Income tax paid	(99 980)	(30 128)
Change in other assets and liabilities	84 003	176 458
Other	26 514	19 347
Net cash flows from operating activities	(1 021 801)	(776 231)

B. CASH FLOWS FROM INVESTING ACTIVITIES

<i>Amount '000 PLN</i>	1.01.2011 - 30.09.2011	1.01.2010 - 30.09.2010
Inflows:	2 103 198	3 826
Proceeds from sale of property, plant and equipment and intangible assets	529	1 837
Proceeds from sale of shares in associates	0	0
Proceeds from sale of financial assets valued at fair value through profit and loss	0	0
Proceeds from sale of investment financial assets	2 100 735	0
Other	1 934	1 989
Outflows:	(12 964)	(294 037)
Acquisition of property, plant and equipment and intangible assets	(12 964)	(23 348)
Acquisition of shares in associates	0	0
Acquisition of financial assets valued at fair value through profit and loss	0	0
Acquisition of investment financial assets	0	(270 689)
Other	0	0
Net cash flows from investing activities	2 090 234	(290 211)

C. CASH FLOWS FROM FINANCING ACTIVITIES

<i>Amount '000 PLN</i>	1.01.2011 - 30.09.2011	1.01.2010 - 30.09.2010
Inflows:	0	1 119 279
Long-term bank loans	0	65 443
Issue of debt securities	0	14 742
Increase in subordinated debt	0	0
Net proceeds from issues of shares and additional capital paid-in	0	1 039 094
Other	0	0
Outflows:	(1 219 193)	(1 064 726)
Repayment of long-term bank loans	(787 520)	(1 051 873)
Redemption of debt securities	(275 373)	0
Decrease in subordinated debt	0	0
Issue of shares expenses	0	0
Redemption of shares	0	0
Dividends paid and other payments to owners	(121 312)	0
Other	(34 988)	(12 853)
Net cash flows from financing activities	(1 219 193)	54 553
D. NET CASH FLOWS, TOTAL (A + B + C)	(150 760)	(1 011 889)
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD	3 259 049	4 128 608
F. CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD (D+E)	3 108 289	3 116 719

IV. NOTES TO CONSOLIDATED FINANCIAL DATA

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

	1.01.2011 - 30.09.2011	1.07.2011- 30.09.2011	1.01.2010 - 30.09.2010	1.07.2010- 30.09.2010
Balances with the Central Bank	37 421	13 893	26 263	9 200
Deposits, loans and advances to banks	13 808	6 200	9 646	608
Loans and advances to customers	1 342 383	486 922	1 197 892	410 426
Transactions with repurchase agreement	8 554	3 723	7 795	2 426
Hedging derivatives	401 818	159 845	269 959	99 300
Financial assets held for trading (debt securities)	21 333	3 445	79 882	15 042
Investment securities	154 630	33 952	163 120	51 185
Total	1 979 947	707 980	1 754 557	588 187

Interest income for III quarters of 2011 includes interest accrued on loans with recognized impairment of PLN 77,267 thousand (for the comparative data for III quarters of 2010, such interest was PLN 92,250 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:

	1.01.2011 - 30.09.2011	1.07.2011- 30.09.2011	1.01.2010 - 30.09.2010	1.07.2010- 30.09.2010
Banking deposits	(6 424)	(288)	(15 379)	(3 858)
Loans and advances	(57 337)	(20 574)	(60 188)	(19 465)
Transactions with repurchase agreement	(44 175)	(12 684)	(34 437)	(8 273)
Deposits from customers	(973 455)	(352 596)	(916 528)	(300 054)
Subordinated debt	(22 393)	(8 512)	(19 262)	(6 483)
Debt securities	(30 669)	(12 439)	(32 105)	(10 452)
Other	(1 128)	(323)	(2 147)	(459)
Total	(1 135 581)	(407 416)	(1 080 046)	(349 044)

Note (3) Fee and commission income

	1.01.2011 - 30.09.2011	1.07.2011- 30.09.2011	1.01.2010 - 30.09.2010	1.07.2010- 30.09.2010
Resulting from accounts service	84 374	30 452	77 223	25 965
Resulting from money transfers, cash payments and withdrawals and other payment transactions	32 166	10 423	31 518	11 890
Resulting from loans granted	47 338	15 879	35 748	12 579
Resulting from guarantees and sureties granted	14 125	4 430	12 212	3 891
Resulting from payment and credit cards	137 454	48 330	133 577	45 754
Resulting from sale of insurance products	55 636	15 736	57 932	13 417
Resulting from distribution of investment funds units and other savings products	33 070	7 749	27 816	6 908
Resulting from brokerage and custody service	25 381	8 210	23 984	8 096
Resulting from investment funds managed by the Group	54 436	16 914	58 395	19 768
Other	8 665	2 929	6 493	1 715
Total	492 645	161 052	464 898	149 983

Note (4) Fee and commission expense

	1.01.2011 - 30.09.2011	1.07.2011- 30.09.2011	1.01.2010 - 30.09.2010	1.07.2010- 30.09.2010
Resulting from accounts service	(1 158)	(464)	(934)	(321)
Resulting from money transfers, cash payments and withdrawals and other payment transactions	(2 233)	(699)	(2 283)	(1 463)
Resulting from loans granted	(13 549)	(5 207)	(6 109)	(2 250)
Resulting from payment and credit cards	(28 255)	(11 376)	(25 832)	(6 827)
Resulting from brokerage and custody service	(4 698)	(1 721)	(4 874)	(1 681)
Resulting from investment funds managed by the Group	(2 291)	(925)	(3 106)	(1 041)
Other	(7 505)	(1 722)	(2 326)	(985)
Total	(59 689)	(22 114)	(45 464)	(14 568)

In 2011 the Bank changed the presentation of financial data in the area of classification of the various types of commission. These changes concern the grouping of financial data and in view of the financial statements affect only the presentation of information in above note. In order to maintain comparability of financial information appropriate changes in the presentation of financial data for 2010 have been made in relation to previously published data in the consolidated financial statements for III quarter 2010.

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

	1.01.2011 - 30.09.2011	1.07.2011- 30.09.2011	1.01.2010 - 30.09.2010	1.07.2010- 30.09.2010
Operations on securities	(12 978)	(6 233)	3 970	995
Operations on derivatives	84 147	57 649	52 219	1 546
Fair value hedge accounting operations	(10 609)	(10 371)	(5 325)	472
Foreign exchange result	73 982	11 580	92 124	38 680
Costs of financial operations	(1 379)	(480)	(984)	(448)
Total	133 163	52 145	142 004	41 245

Note (6) General and administrative expenses

	1.01.2011 - 30.09.2011	1.07.2011- 30.09.2011	1.01.2010 - 30.09.2010	1.07.2010- 30.09.2010
Staff costs:	(404 946)	(136 046)	(390 770)	(135 315)
Salaries	(394 778)	(132 738)	(381 310)	(132 157)
Employee benefits, including:	(10 168)	(3 308)	(9 460)	(3 158)
- provisions for unused employee holiday	(25)	(7)	(37)	(18)
- other	(10 143)	(3 301)	(9 423)	(3 140)
General administrative costs	(385 564)	(133 705)	(350 553)	(120 243)
Costs of advertising, promotion and representation	(36 868)	(15 649)	(32 793)	(14 214)
Costs of software maintenance and IT services	(15 639)	(5 330)	(14 040)	(3 580)
Costs of renting	(138 541)	(46 725)	(125 851)	(41 976)
Costs of buildings maintenance, equipment and materials	(19 748)	(6 369)	(20 207)	(6 782)
ATM and cash costs	(14 821)	(5 208)	(13 890)	(4 897)
Costs of communications and IT	(51 213)	(17 120)	(49 352)	(16 921)
Costs of consultancy, audit and legal advisory and translation	(14 202)	(6 676)	(12 608)	(5 072)
Taxes and fees	(13 778)	(4 705)	(13 995)	(5 164)
KIR clearing charges	(2 194)	(755)	(1 991)	(646)
PFRON costs	(4 489)	(1 553)	(4 344)	(1 480)
Banking Guarantee Fund costs	(23 075)	(7 692)	(10 216)	(3 405)
Financial Supervision costs	(4 753)	31	(4 920)	(282)
Other	(46 243)	(15 954)	(46 346)	(15 824)
Total	(790 510)	(269 751)	(741 323)	(255 558)

Note (7) Impairment losses on financial assets

	1.01.2011 - 30.09.2011	1.07.2011- 30.09.2011	1.01.2010 - 30.09.2010	1.07.2010- 30.09.2010
Impairment losses on loans and advances to customers	(131 904)	(46 227)	(181 749)	(50 952)
- Impairment write-offs created in the period	(439 768)	(136 092)	(633 294)	(146 416)
- Impairment write-offs released in the period	307 052	89 449	449 035	95 315
- Amounts recovered from loans written off	812	416	2 510	149
Impairment losses on securities	0	0	(1 592)	0
- Impairment write-offs created in the period	0	0	(1 592)	0
- Impairment write-offs released in the period	0	0	0	0
Impairment losses on off-balance sheet liabilities	4 162	(330)	2 664	295
- Impairment write-offs for off-balance sheet liabilities	(4 586)	(685)	(8 135)	(568)
- Reversal of impairment write-offs for off-balance sheet liabilities	8 748	355	10 799	863
Total	(127 742)	(46 557)	(180 677)	(50 657)

Note (8a) Income tax reported in income statement

	1.01.2011 - 30.09.2011	1.07.2011- 30.09.2011	1.01.2010 - 30.09.2010	1.07.2010- 30.09.2010
Current tax	(110 764)	(38 383)	(50 494)	(4 619)
Current year	(110 764)	(38 383)	(50 494)	(4 619)
Deferred tax:	18 300	6 222	(2 019)	(12 368)
Recognition and reversal of temporary differences	21 267	6 221	6 210	(12 370)
Recognition / (Utilisation) of tax loss	(2 967)	1	(8 229)	2
Total income tax reported in income statement	(92 464)	(32 161)	(52 513)	(16 987)

Note (8b) Effective tax rate

	1.01.2011 - 30.09.2011	1.07.2011- 30.09.2011	1.01.2010 - 30.09.2010	1.07.2010- 30.09.2010
Gross profit / (loss)	433 859	157 134	266 404	93 260
Statutory tax rate	19%	19%	19%	19%
Income tax according to obligatory income tax rate of 19%	(82 433)	(29 855)	(50 617)	(17 719)
Impact of permanent differences on tax charges:	(10 031)	(2 306)	(1 896)	732
- Non taxable income	1 202	275	570	46
Dividend income	479	145	369	12
Other	723	130	201	34
- Non tax-deductible costs	(11 233)	(2 581)	(2 466)	686
PFRON fee	(853)	(296)	(825)	(281)
Other	(10 380)	(2 285)	(1 641)	967
Total income tax reported in income statement	(92 464)	(32 161)	(52 513)	(16 987)

Note (8c) Deferred tax reported directly in equity

	30.09.2011	31.12.2010
Valuation of available for sale securities	(843)	(2 347)
Valuation of cash flow hedging instruments	(16 322)	14 135
Deferred tax reported directly in equity	(17 165)	11 788

On 1 January 2011 the Bank created with a subsidiary - Millennium Services Sp. z o.o. ., Tax Capital Group (TCG). TCG is a vehicle, described in and subject to the provisions of the Polish Corporate Income Tax law. The essence of TCG is to concentrate two or more related entities as one taxpayer for the corporate income tax purposes. The creation of TCG does not lead to the creation of a new entity, and consolidation is done only at the level of corporate income tax settlements.

TCG formation is aimed at increasing the efficiency of tax management within the Group and reducing risks resulting from the corporate income tax settlements through centralization of expertise of tax calculations and payments obligations to one chosen entity of the Group (the Bank).

Tax Inspection Office control procedures*Millennium Leasing Sp. z o.o. tax control*

As a result of the control conducted by the Tax Inspection Office at Millennium Leasing Sp. z o.o., the correctness of income tax calculation was questioned resulting in the assessment of PLN 16.6 million additional tax payment by the Company, consisting of PLN 11.4 million of additional tax liability and PLN 5.2 million interest on overdue tax. PLN 4.8 million of the additional tax liability and PLN 2.9 million interest were paid by the Company on 11th July 2011 and 4th October 2011. The payment of tax does not confirm the Company's concurrence with the position of the tax authorities. The Company intends to appeal and as such the final outcome will depend on the result of the appeal and court proceedings. The Management Board assesses the probability of resolving the matter in the Bank's favour as high and as a result there was no provision recorded as at 30th September 2011.

Bank Millennium S.A. tax control procedures

The tax control procedure is being conducted by the Tax Inspection Office at Bank Millennium S.A. The date of completion is set for 22nd November 2011. Based on the correspondence received by the Bank to date it appears that the calculation of income tax for the year 2005 is being questioned, which may result in an increase of the Bank's tax liability by PLN 53.9 million and additionally by an estimated PLN 15.9 million of interest on overdue tax liability. In Management Board's view, such position from the Tax Inspection Office, if confirmed, is not substantiated. And as such, as at 30th September 2011, no provision was recorded in respect of the described control procedures.

Note (9) Loans and advances to banks

	30.09.2011	31.12.2010
Current accounts	71 423	110 127
Deposits in other banks	2 541 465	1 003 003
Loans	394 120	371 439
Interest	6 217	1 241
Total (gross) loans and advances to banks	3 013 225	1 485 810
Impairment write-offs	0	0
Net loans and advances to banks	3 013 225	1 485 810

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

	30.09.2011	31.12.2010
Debt securities	348 894	980 360
Issued by State Treasury	348 894	980 360
a) bills	0	67 486
b) bonds	348 894	912 874
Equity instruments	761	931
Quoted on the active market	761	931
a) financial institutions	0	60
b) non-financial institutions	761	871
Positive valuation of derivatives	449 155	448 529
Total	798 810	1 429 820

Note (10)/Note (15) Valuation of derivatives, Liabilities from short sale of securities 30.09.2011

	Fair value		
	Total	Assets	Liabilities
1. Interest rate derivatives	(1 070)	238 091	239 161
Forward Rate Agreements (FRA)	4 644	6 010	1 366
Interest rate swaps (IRS)	2 496	232 072	229 576
Other interest rate contracts: volatility swap, swap with FX option	(8 210)	9	8 219
2. FX derivatives	(250 682)	148 708	399 390
FX contracts	29 667	54 733	25 066
FX swaps	(264 748)	54 758	319 506
Other FX contracts (CIRS)	(15 675)	38 858	54 533
FX options	74	359	285
3. Embedded instruments	(39 557)	0	39 557
Options embedded in deposits	(18 255)		18 255
Options embedded in securities issued	(21 302)		21 302
4. Fair value measurement of items subject to hedging	14 213	14 213	0
Valuation of hedged consumer loans portfolio	14 213	14 213	0
5. Indexes options	36 316	48 142	11 826
Valuation of derivatives	(240 780)	449 154	689 934
Liabilities from short sale of securities			215 453
Financial assets and liabilities valued at fair value through profit and loss (held for trading) - TOTAL		449 154	905 387

Note (10)/Note (15) Valuation of derivatives and Liabilities from short sale of securities 31.12.2010

	Fair value		
	Total	Assets	Liabilities
1. Interest rate derivatives	5 061	279 214	274 153
Forward Rate Agreements (FRA)	(304)	1 346	1 650
Interest rate swaps (IRS)	8 696	274 770	266 074
Other interest rate contracts: volatility swap, swap with FX option	(3 331)	3 098	6 429
2. FX derivatives	(281 498)	86 833	368 331
FX contracts	38 974	41 873	2 899
FX swaps	(186 357)	17 034	203 391
Other FX contracts (CIRS)	(134 622)	27 381	162 003
FX options	507	545	38
3. Commodity derivatives	6	268	262
Commodity forwards	6	268	262
4. Embedded instruments	(47 880)	19 003	66 883
Options embedded in deposits	(13 578)	19 003	32 581
Options embedded in securities issued	(34 302)	0	34 302
5. Fair value measurement of items subject to hedging	8 301	8 301	0
Valuation of hedged consumer loans portfolio	8 301	8 301	0
6. Indexes options	51 498	54 910	3 412
Valuation of derivatives	(264 512)	448 529	713 041
Liabilities from short sale of securities			91 290
Financial assets and liabilities valued at fair value through profit and loss (held for trading) - TOTAL		448 529	804 331

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 Group 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 Group 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 resulting from volatility in cash flows generated by mortgage loans with floating rate denominated in foreign currency.	The Group hedges FX risk resulting 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 and foreign exchange result; 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 financial instruments valued at fair value through profit and loss and foreign exchange result	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 30.09.2011

	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	(21 157)	107	21 264	14 213
2. Cash flows hedging derivatives connected with interest rate and/or FX rate				
- CIRS contracts	(2 156 626)	167 061	2 323 687	x
- FX SWAP contracts	(108 253)	27 907	136 160	x
- FX Forward contracts	(74 922)	0	74 922	x
3. Total hedging derivatives	(2 360 958)	195 075	2 556 033	x

Note (11)/Note (16) Hedge accounting 31.12.2010

	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	(17 700)	2 193	19 893	8 301
2. Cash flows hedging derivatives connected with interest rate and/or FX rate				
- CIRS contracts	(1 069 082)	78 038	1 147 120	x
- FX SWAP contracts	(99 509)	0	99 509	x
- FX Forward contracts	(48 799)	0	48 799	x
3. Total hedging derivatives	(1 235 090)	80 231	1 315 321	x

Note (12) Loans and advances to customers

	30.09.2011	31.12.2010
Loans and advances	37 742 092	33 365 376
- to companies	6 299 463	5 229 190
- to private individuals	30 598 437	27 459 922
- to public sector	844 192	676 264
Receivables on account of payment cards	873 045	895 822
- due from companies	18 385	12 950
- due from private individuals	854 660	882 872
Purchased receivables	65 494	61 037
- from companies	6 445	10 031
- from public sector	59 049	51 006
Guarantees and sureties realised	289	255
Debt securities eligible for rediscount at Central Bank	20 697	32 204
Financial leasing receivables	3 446 774	3 410 340
Other	5 098	7 475
Interest	191 138	153 270
Total gross	42 344 627	37 925 779
Impairment write-offs	(1 259 924)	(1 187 286)
Total net	41 084 703	36 738 493

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

	30.09.2011	31.12.2010
Loans and advances to customers (gross)	42 344 627	37 925 779
- impaired	2 107 764	2 195 119
- not impaired	40 236 863	35 730 660
Impairment write-offs	(1 259 924)	(1 187 286)
- for impaired exposures	(1 060 689)	(989 997)
- for incurred but not reported losses (IBNR)	(199 235)	(197 289)
Loans and advances to customers (net)	41 084 703	36 738 493

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

	30.09.2011	31.12.2010
Loans and advances to customers (gross)	42 344 627	37 925 779
- case by case analysis	1 119 120	1 311 967
- collective analysis	41 225 507	36 613 812
Impairment write-offs	(1 259 924)	(1 187 286)
- on the basis of case by case analysis	(448 623)	(469 231)
- on the basis of collective analysis	(811 301)	(718 055)
Loans and advances to customers (net)	41 084 703	36 738 493

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

	30.09.2011	31.12.2010
Loans and advances to customers (gross)	42 344 627	37 925 779
- corporate customers	10 788 714	9 497 968
- individuals	31 555 913	28 427 811
Impairment write-offs	(1 259 924)	(1 187 286)
- for receivables from corporate customers	(661 135)	(643 811)
- for receivables from private individuals	(598 789)	(543 475)
Loans and advances to customers (net)	41 084 703	36 738 493

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

	01.01.2011 – 30.09.2011	01.01.2010 – 31.12.2010
Balance at the beginning of the period	1 187 286	1 106 491
Change in value of provisions:	72 638	80 795
Impairment write-offs created in the period	439 768	773 831
Amounts written off	(78 655)	(158 826)
Impairment write-offs released in the period	(307 052)	(557 586)
Changes resulting from FX rates differences	21 267	24 055
Other	(2 690)	(680)
Balance at the end of the period	1 259 924	1 187 286

Note (13) Investment financial assets available for sale

	30.09.2011	31.12.2010
Debt securities	1 388 291	4 496 965
Issued by State Treasury	1 277 999	3 355 514
a) bills	98 510	245 308
b) bonds	1 179 489	3 110 206
Issued by Central Bank	0	999 708
a) bills	0	999 708
b) bonds	0	0
Other securities	110 292	141 743
a) listed	0	8 342
b) not listed	110 292	133 401
Shares and interests in other entities	14 222	11 465
Total financial assets available for sale	1 402 513	4 508 430

Note (14) Deposits from banks

	30.09.2011	31.12.2010
In current account	45 424	54 328
Term deposits	151 730	139 573
Loans and advances received	1 510 568	1 888 384
Interest	6 588	2 171
Total	1 714 310	2 084 456

Note (17) Deposits from customers by type structure

	30.09.2011	31.12.2010
Amounts due to private individuals	21 639 316	20 928 083
Balances on current accounts	7 262 838	7 241 195
Term deposits	14 067 745	13 368 776
Other	145 480	158 733
Accrued interest	163 253	159 379
Amounts due to companies	12 666 817	12 424 688
Balances on current accounts	2 651 173	2 956 393
Term deposits	9 775 035	9 257 874
Other	189 294	172 334
Accrued interest	51 315	38 087
Amounts due to public sector	2 376 076	2 042 376
Balances on current accounts	671 628	855 928
Term deposits	1 648 187	1 149 996
Other	48 363	31 990
Accrued interest	7 898	4 462
Total	36 682 209	35 395 147

Note (18) Change of debt securities

	01.01.2011 – 30.09.2011	01.01.2010 – 31.12.2010
Balance at the beginning of the period	1 141 007	1 024 335
- change of bonds issued in leasing portfolio securitization transaction	(275 373)	(25 431)
- change of bonds issued by subsidiary company	500 625	20 032
- change of bonds issued by the Bank	(100 421)	33 957
- change of bank's securities issued	97 992	88 114
Balance at the end of the period	1 363 830	1 141 007

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 3rd quarter the activity of the Group in terms of risk management within corporate portfolio in particular concerns tasks such as:

- implementation of new rating model,
- introduction of new collateral policy,
- modification of process in terms of selected transaction grant,
- improvement of reporting system (corporate MIS).

In the retail segment in the 3rd quarter of 2011, activities in risk management, focused in the following areas:

- segmentation – introduction of customer segment that includes customers who have assets in the Bank in the amount of over PLN 1 million (so-called Private Banking)
- collateral security – introduction of restrictions on the kind of collateral security required for granting cash loans secured by assets,
- creditworthiness assessment - modification of credit rating model for external customers (without a history of cooperation with the Bank) - the new model, extends the use of information from external databases,
- small business segment - introduction a new credit process, and special product offerings for customers working with a network of Makro Cash and Carry - offer includes credit cards, overdrafts, cash loans, investment credits.

Significant changes that have taken place in 3rd quarter of 2011 in the retail recovery process included:

- at soft collection stage (till 45 DPD) - implementation of changes in the organization of the process consists in reducing the waiting time for payment of debt by the customer
- at mortgage restructuring and recovery stage -implementation of the new, automated module in IT applications, which is supporting the retail recovery process
- at telephone recovery stage - implementation of technical solution, enabling more effective calls from debtors

Changes in the loan portfolio of the Group in 2011 is summarized below:

In '000 PLN	30.09.2011		31.12.2010	
	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	38 230 857	3 013 225	33 682 351	1 485 810
Overdue, but without impairment	2 006 006	0	2 048 309	0
With impairment	2 107 764	0	2 195 119	0
Gross	42 344 627	3 013 225	37 925 779	1 485 810
Impairment write-offs together with IBNR	(1 259 924)	0	(1 187 286)	0
Net	41 084 703	3 013 225	36 738 493	1 485 810

Market risk

In the 3rd quarter of 2011, the Bank continued its conservative approach to market risk management adopted already in 2009 and 2010. In effect, VaR indicators for the Global Bank, that is Trading Book and Banking Book, remained in the period under consideration at medium-low levels with average exposure to market risk of approx. PLN 14,7 m (13% of the limit) and approx. PLN 20,6 m (18% of the limit) as of the end of September 2011. Exposures by risk types are presented in the table below.

VaR measures for market risk ('000 PLN)

	30.09.2011		VaR (from 31 December 2010 till 30 September 2011)			31.12.2010	
	Exposure	limit consumption	Average	Maximum	Minimum	Exposure	limit consumption
Total risk	20 649	18%	14 673	25 980	8 495	11 979	11%
Generic risk	17 742	20%	11 890	23 106	5 752	9 247	10%
Interest Rate VaR	17 857	n.a.	11 923	23 774	5 764	9 264	n.a.
FX Risk	762	8%	567	6 847	24	152	2%
Equity risk	0	n.a.	0	0	0	0	n.a.
Diversification Effect	5%					2%	
Non-linear risk	0	0%	9	57	0	22	0%
Commodities risk	0	0%	0	0	0	0	0%
Specific risk	2 907	6%	2 774	2 982	2 680	2 710	6%

Open positions contain mainly interest rate and FX risk instruments. In Q3 2011 Value at Risk limits were not exceeded and the FX open positions was kept at low levels, within defined limits.

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 in monthly cycles and follows the rule of placing the transactions below 1 year to Funding and above the year to ALM area.

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, assuming changes of the shape and positioning of the yield curves, is to verify effectiveness of hedging against interest rate risk.

Liquidity risk

During 3Q 2011 the main liquidity measures, both internal and supervisory, remained within the limits. At the end of September 2011, immediate and quarterly liquidity internal indicators were positive and reached the levels of PLN 1,33 bn and PLN 0,95 bn., respectively. In the area of structural liquidity remained safely at positive values, far away from the defined limits.

Large, strongly diversified and stable deposit base provides the bank with its main financing source. The actions aimed at improving the supervisory liquidity measures in face of PLN depreciation, that is mainly increasing the deposit base, increased the concentration of deposit in July. However at the end of August 2011 the shares of 5 and 20 biggest depositors returned to levels observed for years, that is approx. 6% and 12% respectively. No negative impact of short-term concentration increase has been observed on the stability of the deposit base. Despite of that, in order to prevent deposit base fluctuations, the bank maintains the reserves of liquid assets in the form of securities portfolio.

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-assessment of risk level in processes.

In 3rd quarter 2011, 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.

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, small 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 and saving 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 structured bonds issued by the Bank.

b) Corporate Customer Segment

The Corporate Customers Segment is based on activity targeted at Small and Medium sized 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, liabilities connected with external funding of the Group 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 01.01.2011 – 30.09.2011

In '000 PLN	Retail Banking	Corporate Banking	Treasury and Investment Banking	Total consolidated
Net interest income	756 920	207 155	(119 709)	844 366
external income	996 402	422 377	561 167	1 979 947
external cost	(621 428)	(356 764)	(157 389)	(1 135 581)
External income less cost	374 974	65 613	403 778	844 366
internal income	716 568	349 456	(1 066 024)	0
internal cost	(334 622)	(207 915)	542 537	0
Internal income less cost	381 946	141 542	(523 487)	0
Net fee and commission income	327 226	91 410	14 320	432 956
Dividends, other income from financial operations and foreign exchange profit	67 037	37 993	32 505	137 535
Other operating income and cost	(5 095)	(12 039)	2 982	(14 152)
Operating income	1 146 087	324 519	(69 902)	1 400 705
Staff costs	(285 958)	(94 054)	(24 935)	(404 947)
Administrative costs	(305 852)	(56 851)	(22 860)	(385 563)
Impairment losses on assets	(73 097)	(54 694)	435	(127 356)
Depreciation and amortization	(42 073)	(6 232)	(1 556)	(49 861)
Operating expenses	(706 981)	(211 830)	(48 916)	(967 726)
Share in net profit of associated companies	0	0	880	880
Profit / (loss) before taxes	439 107	112 689	(117 937)	433 859
Income taxes	0	0	0	(92 464)
Profit / (loss) after taxes	0	0	0	341 395

Balance sheet 30.09.2011 In '000 PLN	Retail Banking	Corporate Banking	Treasury and Investment Banking	Total consolidated
ASSETS				
Segment assets	31 478 072	10 726 455	7 807 813	50 012 340
Assets allocated to segment	339 760	3 531 957	(3 871 717)	0
Total	31 817 833	14 258 412	3 936 096	50 012 340
LIABILITIES				
Segment liabilities	26 738 067	13 031 825	5 807 959	45 577 851
Liabilities allocated to segment	2 192 156	173 734	(2 365 890)	0
Equity allocated to segment	2 887 610	1 052 852	494 027	4 434 489
Total	31 817 833	14 258 412	3 936 096	50 012 340

Income statement 01.01.2010 – 30.09.2010

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

Balance sheet 31.12.2010 In '000 PLN	Retail Banking	Corporate Banking	Treasury and Investment Banking	Total consolidated
ASSETS				
Segment assets	29 479 718	10 231 055	7 273 645	46 984 418
Assets allocated to segment	865 947	2 585 560	(3 451 507)	0
Total	30 345 665	12 816 616	3 822 138	46 984 418
LIABILITIES				
Segment liabilities	26 086 390	10 691 351	6 115 705	42 893 446
Liabilities allocated to segment	1 431 752	1 161 213	(2 592 966)	0
Equity allocated to segment	2 827 523	964 051	299 398	4 090 972
Total	30 345 665	12 816 616	3 822 138	46 984 418

VII. DATA ON ASSETS SECURING LIABILITIES

As at 30 September 2011, 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 WZ0115	available for sale	Lombard credit granted to the Bank by the NBP	130 000	130 833
2.	Treasury bonds OK0114	available for sale	Initial security deposit for bond futures	500	451
3.	Treasury bonds WZ0115	available for sale	Security of Guaranteed Monies Protection Fund under the Bank Guarantee Fund	200 000	201 282
4.	Cash		Payment to the Futures Settlement Guarantee Fund	100	100
5.	Deposits	Deposits on other banks	Settlement on transactions entered	2 025 425	2 025 425
6.	Loans and advances to customers	Loans and advances	Loan agreement	153 244	118 296
TOTAL				2 509 269	2 476 387

As at 31 December 2010, the Bank's following assets securing 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	65 900
2.	Treasury bonds OK0711	available for sale	Lombard credit granted to the Bank by the NBP	75 000	73 350
3.	Treasury bonds DZ0811	available for sale	Initial security deposit for bond futures	500	507
4.	Treasury bonds OK0711	available for sale	Security of Guaranteed Monies Protection Fund under the Bank Guarantee Fund	75 000	73 350
5.	Treasury bonds DZ0811	available for sale	Security of Guaranteed Monies Protection Fund under the Bank Guarantee Fund	30 000	30 415
6.	Treasury bonds OK0112	available for sale	Security of Guaranteed Monies Protection Fund under the Bank Guarantee Fund	85 000	81 209
7.	Cash		Payment to the Futures Settlement Guarantee Fund	70	70
8.	Deposits	Deposits on other banks	Settlement on transactions entered	1 000 302	1 000 302
9.	Loans and advances to customers	Loans and advances	Loan agreement	164 708	141 385
TOTAL				1 495 580	1 466 488

VIII. DIVIDEND FOR 2010

According to the decision of the Ordinary General Meeting held on 31 March 2011, the Bank has paid the dividend from the profit for the year ended 31 December 2010. The dividend amounted to PLN 0.1 gross per share, the Dividend Day (the day of determining the right to dividend) was at 16 May 2011, while the dividend was paid on 30 May 2011.

The Bank has not paid dividends in 2010.

IX. EARNINGS PER SHARE

Profit per share calculated for III quarters 2011 (and diluted profit per share) on the basis of the consolidated data amounted to PLN 0.28.

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 quarter 2011

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
ING Otwarty Fundusz Emerytalny	60 762 472	5.01	60 762 472	5.01

Data as at the delivery date of the report for I half 2011

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
ING Otwarty Fundusz Emerytalny	60 762 472	5.01	60 762 472	5.01

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

In III Q 2011, 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 2011 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 2011 to 30 September 2011 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 30.09.2011

	With subsidiaries	With controlling entity
ASSETS		
Loans and advances to banks – accounts and deposits	618 619	348 920
Loans and advances to customers	1 909 218	
Receivables from securities bought with sell-back clause	16 166	
Investments in associates	311 356	
Investment financial assets	15 725	
Financial assets valued at fair value through profit and loss (held for trading)	3 820	
Hedging derivatives		
Other assets	328 410	

LIABILITIES		
Deposits from banks	1 835 042	35
Deposits from customers	1 103 433	
Liabilities from securities sold with buy-back clause	16 166	
Debt securities	(461 065)	499 840
Hedging derivatives		287 087
Financial liabilities valued at fair value through profit and loss (held for trading)	1 312	221
Other liabilities	396 379	160
- including liabilities from financial leasing	68 449	

**ASSETS AND LIABILITIES FROM TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN)
AS AT 31.12.2010**

	With subsidiaries	With controlling entity
ASSETS		
Loans and advances to banks – accounts and deposits	268 347	4 728
Loans and advances to customers	2 336 578	
Receivables from securities bought with sell-back clause	3 503	
Investments in associates	311 242	
Investment financial assets	15 725	
Financial assets valued at fair value through profit and loss (held for trading)	4 120	19 216
Hedging derivatives		69 616
Other assets	5 710	528
LIABILITIES		
Deposits from banks	2 195 823	793 828
Deposits from customers	1 029 747	
Liabilities from securities sold with buy-back clause	3 503	
Debt securities	(736 438)	
Financial liabilities valued at fair value through profit and loss (held for trading)	1 300	
Hedging derivatives		69 748
Other liabilities	144 969	
- including liabilities from financial leasing	138 786	

**PROFIT AND LOSS ON TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN)
FOR THE PERIOD OF 1.01-30.09.2011**

	With subsidiaries	With controlling entity
Income from:		
Interest	88 380	73 694
Commissions	37 563	
Derivatives net	0	3 546
Dividends	24 734	
Other net operating income	63 663	
Expense from:		
Interest	90 365	25 618
Commissions	37 292	4 614
Derivatives net	312	
General and administrative expenses	57 737	86

**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

OFF-BALANCE TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) AS AT 30.09.2011

	With subsidiaries	With controlling entity
Conditional commitments	343 058	985 350
Derivatives (par value)	180 875	5 355 069

OFF-BALANCE TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) AS AT 31.12.2010

	With subsidiaries	With controlling entity
Conditional commitments	150 124	805 797
Derivatives (par value)	303 809	4 536 378

(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 30.09.2011	Number of shares as of reporting date for quarterly report prepared as at 30.06.2011
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
Maria Jose Campos	Member of the Management Board	0	0
Andrzej Gliński	Member of the Management Board	0	0
Wojciech Haase	Member of the Management Board	7 494	7 494
Artur Klimczak	Member of the Management Board	0	0
Jerzy Andrzejewicz	Proxy	6 260	6 260
Maciej Bednarkiewicz	Chairman of the Supervisory Board	134	134
Ryszard Pospieszyński	Deputy Chairman of the Supervisory Board	86 300	86 300
Carlos Jorge Ramalho dos Santos Ferreira	Deputy Chairman of the Supervisory Board	0	0
Marek Furtek	Secretary of the Supervisory Board	1	1
Luis Pereira Coutinho	Member of the Supervisory Board	0	0
Vitor Manuel Lopes Fernandes	Member of the Supervisory Board	0	0
Andrzej Koźmiński	Member of the Supervisory Board	0	0
António Manuel Palma Ramalho	Member of the Supervisory Board	0	0
Nelson Ricardo Bessa Machado	Member of the Supervisory Board	0	0
Marek Rocki	Member of the Supervisory Board	0	0
Dariusz Rosati	Member of the Supervisory Board	0	0

XIII. CONTINGENT ASSETS AND LIABILITIES

The total value of the largest lawsuits as at 30 September 2011, in which Group companies acted as claimants or defendants before courts and arbitration bodies, was PLN 575 million. The total value of the largest lawsuits, in which Group companies acted as defendants was PLN 415.6 million and the total value of the largest lawsuits, in which Group companies acted as claimants was PLN 159.4 million.

Descriptions of the important, accordingly opinion of the issuer, ongoing lawsuits involving the Group's entities, broken down into three categories are following:

Proceedings connected with derivatives

As of 30 September 2011 the Bank was party to 41 lawsuits connected with derivatives, where in 33 cases the Bank was the defendant, while in 8 as the plaintiff. Accordingly to the Bank's best knowledge the total disputed value in these lawsuits was PLN 308 million. The highest unit value of the dispute was PLN 71 million.

The largest lawsuits connected with derivatives in which Group companies are defendants:

1. **Plaintiff:** legal person

Value of the object of the dispute: PLN 71,065,495

Object: Claim for return of amounts due on account of settlement of FX options.

Case status: On 10 January 2011 the lawsuit was formally received by an attorney of the Bank, who in cooperation with the Bank prepared and delivered on 24 January 2011 to the court a reply to the lawsuit. Currently procedural letters are being exchanged. The court set the date of the first hearing on 23 November 2011.

Expectations: the Bank's attorney has a positive view of the chances of the Bank getting a positive ruling.

2. **Plaintiff:** legal person

Value of the object of the dispute: PLN 31,049,160

Object: The plaintiff claims that the disputed transaction was not concluded effectively owing to failure to agree on essentials components. Additionally the plaintiff claims that he has evaded the legal effects of his statements of will, which were made in error.

Case status: The first hearing was held on 26 October 2010. During this hearing witnesses were questioned. The next hearing took place on 12 April 2011. Due to the absence of part of the witnesses the Court adjourned the hearing until 8 November 2011.

Expectations: the Bank's attorney has a positive view of the chances of the Bank getting a positive ruling.

The other largest lawsuits in which Group companies are defendants except Proceedings with participation of the Chairman of UOKiK:

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 before the District Court in Gdańsk. The Court accepted as evidence the opinion of an expert in the matter of appraisal of the value of real estate as on 25 October 2002. The opinion was delivered to the parties. The plaintiff in the letter of 15 October 2010 questioned the calculations resulting from the opinion, petitioned for preparing an additional opinion and for expanding the team of court experts to include an expert on the fuels trading market. In a letter dated 2 November 2010 the Group petitioned for dismissal of the plaintiff's petitions to admit evidence of the additional opinion and to expand the team of experts as well as for summoning the expert for the next hearing for him to provide explanations to the opinion. On 21 February 2011 a hearing was held with participation of the expert. In the letter of 1 March 2011 the plaintiff's attorney-at-law petitioned for disclosure of the books of the premises for purposes of preparing a new opinion and for expanding the team of court experts to include an expert on the fuels trading market. In the letter of 29 March 2011 the attorney-at-law of the defendant petitioned for new questioning of the expert about his opinion and for dismissal of the petitions, contained in the plaintiff's letter of 1 March 2011.

On 4 April 2011 another hearing was held, where the court dismissed the plaintiff's petitions as well as the defendant's petition for a supplementary questioning of the expert. On 29 April 2011 the District Court in Gdańsk dismissed all complaints of plaintiff, adjudging the amount of PLN 18 million to the Millennium Leasing as return of incurred court fees. On 27 June 2011 the Court received the appeal of the plaintiff, which the attorney of company received on 9 September. Then, on 26 September 2011, was sent a reply, which sought to dismiss the appeal in its entirety.

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 and then issued a verdict to discontinue proceedings, The plaintiff appealed against this decision.

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

Proceedings with participation of the Chairman of UOKiK:

Proceedings before the Chairman of UOKiK concerning provisions of mortgage loans

The Bank is party of the case before the Chairman of UOKiK concerning provisions of mortgage loan agreements as regards the method of calculation of insurance contribution, used by the Bank.

In such proceedings, the Chairmen calls for recognition of the illegal provisions of a standard agreement concerning the rules for setting the exchange rate at which the loan is repaid, criteria allowing changes in the price list of fees and rules for amendments to the regulations; the conditions under which the Bank may demand additional collateral, rules for the reimbursement of insurance premium for the period during which there has been no mortgage registration (the so-called bridge insurance).

On 14 December 2010, there was the sentence of the Court of First Instance recognizing all the clauses used by the Bank to be illegal therefore on 9 February 2011 the Bank's attorney appealed against the verdict. The answer for aforementioned appeal was delivered to Bank's attorney on 7 April 2011, the trial was held on 7 October 2011, the sentencing was postponed until 21 October 2011,

Proceedings concerning determination of interchange fees in connection with transactions done with Visa and Europay/Eurocard/Mastercard cards

The Bank is a party in proceedings instituted by the Chairman of UOKiK against operators of the Visa and Europay systems as well as banks – issuers of Visa and Europay/Eurocard/Mastercard cards. The proceedings concern practices restricting competition on the card payments market in Poland, whereby interchange fees were said to be agreed jointly for transactions done with Visa and Europay/Eurocard/Mastercard cards and also access was restricted for entrepreneurs who did not belong to the association of card issuers against whom the proceedings were instituted.

On 29 December 2006 the Chairman of UOKiK deemed the practices consisting in jointly agreeing on interchange fees as restricting competition and ordered desisting from their use, at the same time imposing i.a. on the Bank a cash penalty of PLN 12.148.370. On 19 January 2007 the Bank appealed against the decision of the Chairman of UOKiK to SOKiK. On 25 August 2008 SOKiK gave a ruling, in which it decided to suspend enforcement of the appealed decision in the item concerning the order to desist from jointly agreeing on the interchange fees.

In the ruling of 12 November 2008 SOKiK changed the appealed decision so that it did not find use of practice restricting competition, consisting in participation by banks participants in the proceedings (including the Bank) in an agreement restricting competition on the market of outsourcing of services connected with payment of consumers' liabilities to merchants on account of payments for goods and services purchased by the consumers with use of cards in Poland, by jointly agreeing on interchange fees charged on transactions done with Visa and MasterCard cards in Poland. On 12 January 2009 the Chairman of UOKiK appealed against this ruling. Response to the appeal has been lodged by the Bank on 13 February 2009. On 22/04/2010, the appeals hearing was held, after which the Court of Appeal overturned the verdict entirely, sending the case back to the court of first instance. A copy of the Judgement of the Court of Appeals reasoned served with the Bank on 1 June 2010.

As at 30.09.2011 trial date has not yet been appointed.

OFF-BALANCE ITEMS

<i>Amount '000 PLN</i>	30.09.2011	31.12.2010
Off-balance conditional commitments granted and received	10 047 240	9 249 386
Commitments granted:	8 690 538	7 977 715
- financial	6 707 147	6 166 837
- guarantee	1 983 391	1 810 878
Commitments received:	1 356 702	1 271 671
- financial	923 310	794 880
- guarantee	433 392	476 791

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 2011

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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 2010 and with the condensed interim financial statements of the Bank's Millennium Capital Group for nine months ended 30 September 2011.

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 2011.

The Board of Directors approved this condensed unconsolidated interim financial statement on 20 October 2011.

II. BANK'S UNCONSOLIDATED FINANCIAL DATA

INCOME STATEMENT				
<i>Amount '000 PLN</i>	1.01.2011 - 30.09.2011	1.07.2011 - 30.09.2011	1.01.2010 - 30.09.2010	1.07.2010 - 30.09.2010
Interest income	1 875 069	674 262	1 638 255	550 532
Interest expense	(1 118 847)	(400 322)	(1 058 679)	(342 242)
Net interest income	756 222	273 940	579 576	208 290
Fee and commission income	440 440	144 835	422 359	135 087
Fee and commission expense	(44 317)	(16 502)	(35 087)	(11 024)
Net fee and commission income	396 123	128 333	387 272	124 063
Dividend income	13 526	736	20 178	53
Result on investment financial assets	2 439	409	6 181	2 864
Result on financial instruments valued at fair value through profit and loss (held for trading) and Foreign exchange result	131 158	51 323	139 230	42 858
Other operating income	20 562	6 113	20 217	5 097
Operating income	1 320 030	460 854	1 152 654	383 225
General and administrative expenses	(743 576)	(252 130)	(701 742)	(242 797)
Impairment losses on financial assets	(113 411)	(37 309)	(116 282)	(37 977)
Impairment losses on non financial assets	920	211	140	129
Depreciation and amortization	(47 882)	(15 265)	(54 519)	(17 533)
Other operating expenses	(29 709)	(10 486)	(18 060)	(6 198)
Operating expenses	(933 658)	(314 979)	(890 463)	(304 376)
Operating profit	386 372	145 875	262 191	78 849
Profit / (loss) before taxes	386 372	145 875	262 191	78 849
Corporate income tax	(80 143)	(29 689)	(42 161)	(13 329)
Profit / (loss) after taxes	306 229	116 186	220 030	65 520
Weighted average number of ordinary shares	1 213 116 777	1 213 116 777	1 137 130 342	1 213 116 777
Earnings (losses) per ordinary share (in PLN)	0,25	0,10	0,19	0,05
TOTAL COMPREHENSIVE INCOME STATEMENT				
	1.01.2011 - 30.09.2011	1.07.2011 - 30.09.2011	1.01.2010 - 30.09.2010	1.07.2010 - 30.09.2010
Profit / (loss) after taxes	306 229	116 186	220 030	65 520
OTHER ELEMENTS OF TOTAL COMPREHENSIVE INCOME, INCLUDING:				
Effect of valuation of available for sale debt securities	(10 514)	(1 769)	4 326	929
Effect of valuation of available for sale shares	2 601	986	(1 692)	73
Hedge accounting	160 301	216 558	(25 251)	(31 567)
OTHER ELEMENTS OF TOTAL COMPREHENSIVE INCOME BEFORE TAXES	152 388	215 775	(22 617)	(30 565)
Corporate income tax on other elements of total comprehensive income	(28 954)	(40 997)	4 297	5 807
OTHER ELEMENTS OF TOTAL COMPREHENSIVE INCOME AFTER TAXES	123 434	174 778	(18 320)	(24 758)
TOTAL COMPREHENSIVE INCOME OF THE PERIOD	429 663	290 964	201 710	40 762

BALANCE SHEET

ASSETS

<i>Amount '000 PLN</i>	30.09.2011	31.12.2010
Cash, balances with the Central Bank	2 499 864	2 050 515
Loans and advances to banks	3 013 208	1 485 797
Financial assets valued at fair value through profit and loss (held for trading) and adjustment from fair value hedge	799 365	1 429 543
Hedging derivatives	195 075	80 231
Loans and advances to customers	39 604 838	35 677 997
Investment financial assets	1 402 502	4 507 847
- available for sale	1 402 502	4 507 847
- held to maturity	0	0
Investments in associates	312 479	312 105
Receivables from securities bought with sell-back clause (loans and advances)	243 177	55 085
Property, plant and equipment	201 908	233 167
Intangible assets	28 964	29 798
Non-current assets held for sale	0	0
Receivables from Tax Office resulting from current tax	2 952	2 952
Deferred tax assets	87 161	102 807
Other assets	408 679	82 221
Total Assets	48 800 172	46 050 065

LIABILITIES

<i>Amount '000 PLN</i>	30.09.2011	31.12.2010
Deposits from banks	1 405 531	2 084 456
Financial liabilities valued at fair value through profit and loss (held for trading)	905 715	804 965
Hedging derivatives	2 556 033	1 315 321
Deposits from customers	37 187 710	35 525 839
Liabilities from securities sold with buy-back clause	496 737	674 194
Debt securities	382 108	384 537
Provisions	22 749	20 503
Deferred income tax liabilities	0	0
Current tax liabilities	10 317	0
Other liabilities	683 899	512 217
Subordinated debt	1 024 977	911 988
Total Liabilities	44 675 776	42 234 020

EQUITY

<i>Amount '000 PLN</i>	30.09.2011	31.12.2010
Share capital	1 213 117	1 213 117
Share premium	1 147 241	1 147 241
Revaluation reserve	73 178	(50 256)
Retained earnings	1 690 860	1 505 943
Total Equity	4 124 396	3 816 045

Total Liabilities and Equity	48 800 172	46 050 065
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Book value	4 124 396	3 816 045
Number of shares	1 213 116 777	1 213 116 777
Book value per share (in PLN)	3.40	3.15

STATEMENT OF CHANGES IN EQUITY

	Total equity	Share capital	Share premium	Revaluation reserve	Retained earnings
Equity at the beginning of the period 01.01.2011	3 816 045	1 213 117	1 147 241	(50 256)	1 505 943
- dividend for 2010	(121 312)	0	0	0	(121 312)
- total comprehensive income of 2011	429 663	0	0	123 434	306 229
Equity at the end of the period 30.09.2011	4 124 396	1 213 117	1 147 241	73 178	1 690 860

	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 2010	259 587	0	0	(61 455)	321 042
Equity at the end of the period 31.12.2010	3 816 045	1 213 117	1 147 241	(50 256)	1 505 943

	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 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

CASH FLOWS

A. CASH FLOWS FROM OPERATING ACTIVITIES

<i>Amount '000 PLN</i>	1.01.2011 - 30.09.2011	1.01.2010 - 30.09.2010
Profit (loss) after taxes	306 229	220 030
Adjustments for:	(1 617 224)	(999 443)
Interests in net income (loss) of associated companies	0	0
Depreciation and amortization	47 882	54 519
Foreign exchange (gains) losses	182 417	(58 036)
Dividends	(13 526)	(20 178)
Changes in provisions	2 246	(3 124)
Result on sale and liquidation of investing activity assets	(2 316)	(5 952)
Change in financial assets valued at fair value through profit and loss (held for trading)	612 048	1 617 241
Change in loans and advances to banks	(1 052 735)	(261 460)
Change in loans and advances to customers	(3 938 348)	(2 031 212)
Change in receivables from securities bought with sell-back clause (loans and advances)	(188 092)	(29 807)
Change in financial liabilities valued at fair value through profit and loss (held for trading)	1 341 462	353 898
Change in deposits from banks	51 197	(2 039 082)
Change in deposits from customers	1 657 826	1 770 574
Change in liabilities from securities sold with buy-back clause	(177 457)	(659 504)
Change in debt securities	(2 429)	115 874
Change in income tax settlements	76 195	42 161
Income tax paid	(82 348)	(16 795)
Change in other assets and liabilities	(153 450)	150 414
Other	22 204	21 026
Net cash flows from operating activities	(1 310 995)	(779 413)

B. CASH FLOWS FROM INVESTING ACTIVITIES

<i>Amount '000 PLN</i>	1.01.2011 - 30.09.2011	1.01.2010 - 30.09.2010
Inflows:	2 114 136	20 246
Proceeds from sale of property, plant and equipment and intangible assets	447	68
Proceeds from sale of shares in associates	0	0
Proceeds from sale of financial assets valued at fair value through profit and loss	0	0
Proceeds from sale of investment financial assets	2 100 163	0
Other	13 526	20 178
Outflows:	(10 098)	(292 291)
Acquisition of property, plant and equipment and intangible assets	(10 098)	(21 531)
Acquisition of shares in associates	0	0
Acquisition of financial assets valued at fair value through profit and loss	0	0
Acquisition of investment financial assets	0	(270 760)
Other	0	0
Net cash flows from investing activities	2 104 038	(272 045)

C. CASH FLOWS FROM FINANCING ACTIVITIES

Amount '000 PLN	1.01.2011 - 30.09.2011	1.01.2010 - 30.09.2010
Inflows:	0	1 104 276
Long-term bank loans	0	65 443
Issue of debt securities	0	0
Increase in subordinated debt	0	0
Net proceeds from issues of shares and additional capital paid-in	0	1 038 833
Other	0	0
Outflows:	(943 820)	(1 064 726)
Repayment of long-term bank loans	(787 520)	(1 051 873)
Redemption of debt securities	0	0
Decrease in subordinated debt	0	0
Issue of shares expenses	0	0
Redemption of shares	0	0
Dividends paid and other payments to owners	(121 312)	0
Other	(34 988)	(12 853)
Net cash flows from financing activities	(943 820)	39 550
D. NET CASH FLOWS, TOTAL (A + B + C)	(150 777)	(1 011 908)
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD	3 258 828	4 128 408
F. CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD (D+E)	3 108 051	3 116 500

ADDITIONAL EXPLANATIONS TO FINANCIAL DATA

Further part of these condensed interim financial statements presents information and data that is important for appropriate assessment of the Bank's economic and financial situation and its financial performance, and which was not included in the condensed interim consolidated statements of Bank Millennium SA Group for the nine months period ended 30 September 2011. Other information and explanations presented in the condensed interim consolidated financial statements of Bank Millennium SA Group for the nine months period ended 30 September 2011 contain all important information, which also serves as explanatory data to these unconsolidated statements of the Bank.

WRITING OFF UNCOLLECTABLE RECEIVABLES TO IMPAIRMENT PROVISIONS

In the period from 1 January to 30 September 2011, the Bank wrote off uncollectable receivables of PLN 41,326 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 2011 and III quarters 2010 (comparative data) was PLN 11,619 thousand and PLN 18,207 thousand, respectively.

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

During the 9 months ended 30 September 2011, the Bank's liabilities on account of a debt securities issues decreased by PLN 2.4 million. 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 Bank 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 2010

According to the decision of the Ordinary General Meeting held on 31 March 2011, the Bank has paid the dividend from the profit for the year ended 31 December 2010. The dividend amounted to PLN 0.1 gross per share, the Dividend Day (the day of determining the right to dividend) was at 16 May 2011, while the dividend was paid on 30 May 2011.

The Bank has not paid dividends in 2010.

VII. OFF-BALANCE SHEET LIABILITIES

As at 30 September 2011 and 31 December 2010, the structure of off-balance sheet liabilities was as follows:

OFF-BALANCE ITEMS

<i>Amount '000 PLN</i>	30.09.2011	31.12.2010
Off-balance conditional commitments granted and received	10 390 298	9 399 510
Commitments granted:	9 032 918	8 126 650
- financial	6 757 200	6 242 641
- guarantee	2 275 718	1 884 009
Commitments received:	1 357 380	1 272 860
- financial	923 310	794 880
- guarantee	434 070	477 980

VIII. STATEMENT OF RELATED PARTY TRANSACTIONS

All the transactions concluded between Group entities in the period from 1 January 2011 to 30 September 2011 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 30.09.2011

	With subsidiaries	With controlling entity
ASSETS		
Loans and advances to banks – accounts and deposits		348 920
Loans and advances to customers	1 830 121	
Investments in associates	300 670	
Financial assets valued at fair value through profit and loss (held for trading)	3 095	
Hedging derivatives		
Other assets	289 668	
LIABILITIES		
Deposits from banks	0	35
Deposits from customers	625 136	
Liabilities from securities sold with buy-back clause	16 166	
Hedging derivatives	0	287 087
Financial liabilities valued at fair value through profit and loss (held for trading)	328	221
Other liabilities	110 959	160
- including liabilities from financial leasing	67 488	

ASSETS AND LIABILITIES FROM TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) AS AT 31.12.2010

	With subsidiaries	With controlling entity
ASSETS		
Loans and advances to banks – accounts and deposits		4 728
Loans and advances to customers	2 191 276	
Investments in associates	300 105	
Financial assets valued at fair value through profit and loss (held for trading)	3 852	19 216
Hedging derivatives		69 616
Other assets	1 897	528
LIABILITIES		
Deposits from banks		793 828
Deposits from customers	273 971	
Liabilities from securities sold with buy-back clause	3 503	
Hedging derivatives		69 748
Financial liabilities valued at fair value through profit and loss (held for trading)	634	
Other liabilities	139 548	
- including liabilities from financial leasing	137 673	

PROFIT AND LOSS ON TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) FOR THE PERIOD OF 1.01-30.09.2011

	With subsidiaries	With controlling entity
Income from:		
Interest	59 094	73 694
Commissions	37 761	
Derivatives net	203	3 546
Dividends	11 619	
Other net operating income	2 452	
Expense from:		
Interest	13 834	21 418
Commissions	43	4 614
General and administrative expenses	52 652	0

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

OFF-BALANCE TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) AS AT 30.09.2011

	With subsidiaries	With controlling entity
Conditional commitments	343 058	985 350
Derivatives (par value)	180 875	5 355 069

OFF-BALANCE TRANSACTIONS WITH RELATED PARTIES (DATA IN '000 PLN) AS AT 31.12.2010

	With subsidiaries	With controlling entity
Conditional commitments	150 124	805 797
Derivatives (par value)	303 809	4 536 378