INFORMATION CONCERNING CAPITAL ADEQUACY OF THE BANK MILLENNIUM S.A. GROUP

(AS AT 31ST DECEMBER 2007)

I. Introduction

In keeping with requirements regarding Information Policy as defined in Resolution No. 6/2007 of Polish Financial Supervision Authority dated 13th March 2007, this paper presents qualitative and quantitative information as concerns capital adequacy of Bank Millennium S.A. ('Bank') Capital Group ('Group') as at 31st December 2007.

The said data in the area of calculation of credit risk capital requirement were prepared in keeping with the so-called "transition period" adopted in 2007 in the Bank (and the Group), regulated by provisions of par. 14 sect. 1 of Resolution No. 1/2007 of Polish Financial Supervision Authority ('KNB') of 13th March 2007.

A comprehensive description of the principles of management of the Group's financial risk as well as a list of consolidated companies is contained in the Group's 2007 financial report.

Considering that the Bank, as the Group's dominating entity, is a subsidiary of an EU dominating entity - Banco Comercial Portugues S.A., which will make a first-ever publication of capital adequacy data on 2008, the data presented below exhaust the scope of information defined in par. 3 and par. 4 of exhibit No. 1 to Resolution No. 6/2007 KNB and were prepared on the basis of the highest domestic level of consolidation (Group).
All financial data were expressed in thousands of PLN.

II. Own funds

The group's Own Funds constitute capital and funds created in keeping with binding law, relevant acts as well as articles of association.

Own Funds (Tier 1 and Tier 2) comprise: initial capital, share premium capital, revaluation capital, retained earnings and subordinated liabilities.

Share Capital

Share Capital is reported at nominal value, in keeping with the articles of association and the business register entry.

If an entity acquires own equity instruments, then the amount paid, including directly related costs, is reported as a change in equity. Acquired treasury shares are carried as treasury shares and reported as decrease of equity until their cancellation.

Share premium capital

Share premium capital (surplus of issue price over nominal price) is created from the share premium generated on share issue, less related direct costs incurred.

Revaluation capital

Differences from valuation of financial assets available for sale as well as the effect of valuation of cash flow hedge, less related deferred income tax write-offs are referred to revaluation capital.

Retained earnings

Retained earnings are created from earnings write-offs and are assigned for purposes defined in the articles of association or other legal regulations (remaining part of reserve capital, additional reserve capital, including general banking risk fund) or constitute gains/losses from previous years, or also net financial result of the current period.

The general banking risk fund in the Bank is created in keeping with provisions of the Banking Law of 29th August 1997 as amended, from profit after tax.

Net financial result of the current period constitutes the result from the Profit and Loss Account of the current year adjusted with the charge on account of corporate income tax. For the purpose of calculation of prudential norms current period financial result is taken into account (as well as profit pending approval), which was verified by an auditor and reduced by expected charges and dividends.

Subordinated liabilities

Pursuant to a decision of the Polish Financial Supervision Authority the Bank (and the Group) includes in Tier 2 funds the liabilities on account of issue of securities with maturity in December 2011 and December 2017 (as at 31st December 2007 in the amount of PLN 220 million and EUR 150 million respectively).

Reductions and adjustments of Tier 1 and Tier 2 funds

The Group adjusts the value of the funds in keeping with relevant regulations, considering following factors:

- Held intangible assets,
- Unrealised losses on debt instruments classified as available for sale,
- Exposure on account of securitisation positions

III. Capital requirements

The figures below, illustrating the Group's structure of own funds, were prepared in line with the above description, as at 31st December 2007.

Tier 1 Funds	**2 164 443**

Basic funds	1 545 330
Share capital	849 182
Share premium	471 709
Other components of supplementary capital	224 439

Additional reserve capital	530 747
Additional reserve capital jointly with undistributed profit from previous years	427 349
Current period net profit and profit pending approval (verified by auditor)	110 316
Revaluation capital	-6 918

General risk fund for unidentified risk of banking activity	88 366

Reductions of Tier 1 Funds	-35 162
Intangible assets at balance-sheet value	-18 162
50% of the amount of exposure on account of securitisation positions (risk weight equal to 1250 %)	-17 000

Tier 1 Funds after reductions	***2 129 281***

Tier 2 Funds	**760 007**
Subordinated liabilities	757 300
Adjustment of revaluation capital transferred to Tier 2 Funds	2 707

Reductions of Tier 2 Funds	-17 000
50% of the amount of exposure on account of securitisation positions (risk weight equal to 1250 %)	-17 000

Tier 2 Funds after reductions	***743 007***

OWN FUNDS	**2 872 288**

The Group's capital requirements, divided by risk types as at 31st December 2007, were as follows:

Category	Capital requirement
Credit risk	1 629 929
Excess of receivables concentration limit	0
Market risk not covered by model, including:	33 371
FX risk	0
Commodity price risk	0
Equity securities price risk	589
Debt instruments specific risk	1
Interest rate generic risk	32 781
Settlement risk – of delivery and counterparty	8 342
Excess of capital concentration threshold	0
Group's total capital requirement	**1 671 642**
OWN FUNDS	**2 872 288**
Solvency ratio	**13,75%**

The structure of capital requirements for credit risk by risk weights classes as at 31st December 2007 is presented by the tables below:

OFF BALANCE SHEET LIABILITIES	**113 324**
Counterparty risk with risk weight 0%	*0*
product risk with weight 0%	*0*
product risk with weight 20%	*0*
product risk with weight 50%	*0*
product risk with weight 100%	*0*
Counterparty risk with risk weight 20%	*25 466*
product risk with weight 0%	*0*
product risk with weight 20%	*0*
product risk with weight 50%	*4 340*
product risk with weight 100%	*1 654*
futures and options	*19 472*
Counterparty risk with risk weight 50%	*6 416*
futures and options	*6 416*
Counterparty risk with risk weight 100%	*81 442*
product risk with weight 0%	*0*
product risk with weight 20%	*0*
product risk with weight 50%	*27 493*
product risk with weight 100%	*53 949*

ASSET STRUCTURE BY RISK WEIGHTS	**1 516 605**
Assets with risk weight 0%	0
Assets with risk weight 20%	*23 488*
Assets with risk weight 50%	*216 509*
Assets with risk weight 100%	*1 276 608*

IV. Internal capital

The Bank has started the process of internal assessment of capital adequacy bases on Internal Economic Capital methods.

Calculation of internal capital cover all types of risk, to which Bank Millennium S.A. is exposed and in based on set of parameters defined on the reality of the Polish Market.

The Bank takes into account following major risks in the process of internal capital calculation:

1. Credit risk (assessment based on "CreditRisk +" portfolio models),
2. Market risk,
    - § Risk of positions in the banking and trading books,
    - § Real estate risk,
3. Liquidity risk,
4. Business and strategic risk,
5. Operational risk

In the process of calculating internal capital the individual risk types as well as the effect of diversification are subjected to stress tests. Total diversified internal capital is compared with the ability to assume risk i.e. the available financial resources and in result of this, the Bank's capital adequacy is assessed. Internal capital is divided by the various business areas.