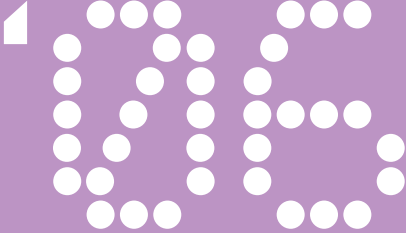


SUSTAINABILITY REPORT 2006



SUSTAINABILITY REPORT



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SCOPE



This report describes the activity of Millennium bcp¹ during 2006 from the perspective of sustainability, following on from the similar report published in the previous year. The reports were prepared following the same generic division divided into three parts, allowing a more systematic and comparative reading:

- Vision and fundamental values which characterise Millennium bcp;
- Inclusion of sustainability in Millennium bcp's activity and interaction with Stakeholders;
- Commitments of Millennium bcp with Society in environmental, social and cultural areas.

Although reference is occasionally made throughout the report to international operations, its scope is restricted to the activity of Millennium bcp in Portugal, which represented around 91%  of the Group's total net profit in 2006.

The reading of both volumes I and II of Millennium bcp's Annual Report for 2006 will provide additional information on the Company's financial activity and governance model, with supplementary information also available at Millennium bcp's website² on the Internet.

Considering that there are no generally accepted standards applicable to the preparation of sustainability reports, the Executive Board of Directors followed the criteria based on the directives defined by the Global Reporting Initiative (GRI). This report was written "in accordance" with the GRI guidelines of 2002, representing a balanced and appropriate perspective of the economic, environmental and social performance of Millennium bcp.

Except for the quantitative environmental elements, and when expressly stated in the report, the quantitative figures presented, as well as the process of obtaining and treatment of the information, were again subject to verification by KPMG in conformity with the principles defined by ISAE 3000 (International Standard on Assurance Engagements 3000), in order to enable benchmarks to be established and to ensure the comparability of the information. The data and indicators presented are identified with the symbols  and , the latter for data compared with the financial statements of Millennium bcp for 2006. The Verification Report issued by KPMG is on page 98.

The calculation and presentation of the environmental indicators included in the report was developed with the collaboration of Instituto do Mar (IMAR) – Faculdade de Ciências e Tecnologia of the Universidade Nova de Lisboa.

Any differences in the reporting of information relating to the 2005 Sustainability Report are, whenever they occur, duly marked and justified.



¹ The use of the "Millennium bcp" brand name should be understood as a reference to Banco Comercial Português, S.A. or, when the "Millennium" brand is used by itself, to the group of companies within BCP Group.

² <http://www.millenniumbcp.pt>

MESSAGE FROM THE CHAIRMAN



FOR THE SECOND CONSECUTIVE YEAR, WE HAVE PREPARED
A SUSTAINABILITY REPORT, IN WHICH WE CLEARLY
AND OBJECTIVELY PRESENT THE PERFORMANCE
OF MILLENNIUM BCP IN THE AREA OF SOCIAL RESPONSIBILITY.

Sustainability and performance are mutually dependent concepts, from the complementarity of which emerges a company's balanced lasting development and, consequently, that of the society it is part of. This is the path we tread at Millennium bcp, as we consider that a strategy aimed at increased value, based on a culture of excellence and a healthy ambition for leadership, contributes towards creating exceptional conditions for work and well being, and is the best contribution towards fair and sustainable social progress.

Millennium bcp's corporate governance model was improved in 2006, by adopting a dualist structure, with institutional separation between executive powers – now the responsibility of the renamed Executive Board of Directors – and supervision – attributed to the new Supervisory Board. The dependence on both corporate structures, of commissions specifically dedicated to sustainability and social responsibility, including a Stakeholders Commission which forms a platform exclusively geared towards encouraging dialogue with the more important Stakeholders, reflects the importance attributed to this topic in Millennium bcp.



This year was also marked by the widespread adoption of the Millennium brand in the operations in the seven countries where we are present. The rebranding process goes beyond a mere change in image and has represented a genuine reaffirmation of corporate culture and the sharing of values, common to the diverse geographies in which we operate.

With regard to society and cultural involvement, in 2006 Millennium bcp pursued the intense activity with which it has become identified. With notable success, exceeding on all the initial expectations, the autonomous Millennium bcp microcredit network completed its first year of business. This operation has turned out to be an effective vehicle in supporting entrepreneurs who, although excluded from the traditional solutions in the financial system, present valid ideas, complemented by a dynamism and capacity to achieve, stimulated by specifically directed training within the scope of intervention of the microcredit network, which allowed the creation of more than four hundred new jobs in 2006. Millennium bcp microcredit is a distinctive brand of socially responsible intervention as it enables the competences of a Bank to be harnessed in favour of the development of individuals from socially disadvantaged sectors, granting opportunities and stimulating individual capabilities, the sustainability and social impact of which are more efficient than with other forms of support, which might come under the more elementary umbrella of philanthropy.

Millennium bcp direct impact on the environment, as a financial institution, arises essentially from the use of natural resources and the emission of greenhouse gases, both of which are a consequence of the fact that we are a group of over nineteen thousand people who, although in different longitudes, live and work together on a daily basis. We have made an effort to minimise this impact, reducing operating costs, and consequently the respective use of resources, and controlling the level of emissions, optimising the processes which cause them, whenever possible.

As with the Sustainability Report of the previous year, this document was prepared in accordance with the 2002 Global Reporting Initiative Guidelines, also including the adequacy to the principles of the United Nations' Global Compact (Communication on Progress).

As the publication of this report is a commitment which we renew each year, it is also assumed as a stage in a gradual process of continuous learning, fundamental for an institution which we aim to be more sustainable. We are convinced that this process benefits from genuine multi-stakeholder dialogue, and we are therefore grateful for the contributions of everyone who wishes to send us their comments.

Lastly, I would like to express my gratitude to our Customers, Shareholders and other Stakeholders for the trust they have placed in Millennium bcp and, in particular, to the Employees for their effort and contribution towards the success and perpetuity of the Bank.



Paulo Teixeira Pinto
Chairman of the Executive Board of Directors

12	Vision and Values
12	Vision
12	Mission
12	Codes of Conduct
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VISION AND VALUES

THE DEFINITION OF OUR STRATEGY REQUIRES
THE ESTABLISHMENT OF BENCHMARKS AND VALUES
THAT INCORPORATE RESPECT FOR ALL STAKEHOLDERS.

Vision

Stand as a truly multidomestic Bank with a supra-national identity, focused on value creation in core business in markets with distinct profiles and to be internationally recognised for excellence and innovation in the distribution of financial products and services.

Mission

Create value for Customers through the offer of superior quality financial products and services, complying with rigorous and high standards of conduct and corporate responsibility, growing with profitability and sustainability, so as to provide an attractive return to Shareholders, which justifies and reinforces strategic autonomy and corporate identity.

These constitute the vectors of the daily activity of Millennium bcp, which also support an ascending trajectory of the global performance of the institution.

On this trajectory of increasing value, we clearly recognise the importance attributed to the relationships of interdependence with the diverse social players and the need to ensure a sustainable use of the main resources. This is the commitment we assume with the future generations.

Codes of conduct

The internal codes of conduct, besides standing as an important operational instrument for the regulations they contain, are also a benchmark of values and principles of ethical behaviour and of good practices, applicable to all the Employees of Millennium bcp.

Therefore, the code of ethics, the business principles and the compliance manual also represent an affirmation of corporate culture, in which sustainability and social responsibility are essential vectors in the values of Millennium bcp.

The codes of conduct are permanently available to all Employees in the Bank's Intranet portal, with actions being taken to divulge them, and specific training provided whenever justified. In 2006, the compliance manual was the object of a broad-based training course specifically aimed to fight against money laundering.

Highlight of some principles related with sustainability included in the codes of conduct

Business Principles	<ul style="list-style-type: none"> • Based on the ten principles of the Global Compact, these principles reaffirm the commitment of the Bank and of all Employees to uphold on human rights; • Ethics and Responsibility: we act with conscience and with consequence; • We work for the common good; • We respect people and the Family; • We want to know each Customer and establish a lasting relationship, based on mutual trust and benefit; • We intend to introduce criteria of sustainability in our actions and transmit them to all parties involved; • We want to minimise the direct and indirect environmental impacts resulting from our activity.
Code of Practice	<ul style="list-style-type: none"> • The use of privileged information which might result in a direct or indirect benefit for the companies, Employees, Customers or any third party, is forbidden; • Employees should contribute in such a way that all Customers receive competent, diligent, neutral, transparent and discrete treatment, in absolute respect for their interests; • Employees should cooperate so that all Customers are treated equally, without any discrimination between them other than that to which they are entitled.
Compliance Manual	<ul style="list-style-type: none"> • In the exercise of their professional activity, Employees should observe the highest standards of integrity and transparency, abstaining from acts which might lead to situations of market abuse; • Above all the unjust imposition of the interests of the Millennium to the detriment of the interests of its Customers should be avoided; • In fighting against money laundering, all Employees are obliged to notify the Compliance Office of all operations that are not part of the normal activity of the Customer.

In addition to the internal codes of conduct, Millennium bcp subscribes to the Principles of the Global Compact of the United Nations, the Code of Ethics for Retail and Services of the Portuguese Retail Confederation and the Equator Principles, and is also an Organisational Stakeholder of the Global Reporting Initiative (GRI) and member of the Portuguese Business Council for Sustainable Development (BCSD Portugal) as well as of the RSE Portugal (Corporate Social Responsibility Portugal).

Functional model

In 2006 modifications were introduced in Millennium bcp's model of corporate governance, which changed towards a dual structure, with the separation of executive and supervisory powers. The Corporate Governance Report, included in volume II of the 2006 Annual Report, which can be consulted in Millennium bcp's website on the Internet, includes a detailed description of the alterations made and the particularities of the new model.

These changes had a significant impact on the functional model of sustainability, which had previously been in place. Sustainability continues to be organically structured through commissions, with specific commissions being formed in both structures of governance, to provide support to the Executive Board of Directors and to the Supervisory Board in the area of social responsibility and sustainability in their executive and supervisory functions, respectively.

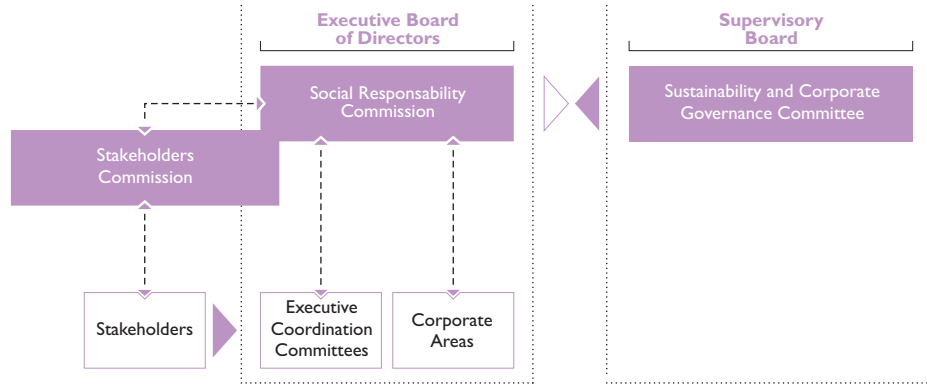


BCSD Portugal
Conselho Empresarial para o Desenvolvimento Sustentável



The commissions formed are an evidence of Millennium bcp's commitment to sustainability, fully incorporated in the Bank's management structures, as the respective functional diagram illustrates.

Functional model of sustainability



The Social Responsibility Commission is a consultative body of the Executive Board of Directors, aimed at the fulfilment of the best international practices of social responsibility and sustainability, and is headed by the Chairman of the Executive Board of Directors and also includes a Deputy Chairman and two other Executive Board Members, as well as several top managers of the different areas with greater relevance in the nature of the issues dealt with.

This Commission is responsible for supporting the Executive Board of Directors in the definition of Millennium bcp's policy and strategy of social responsibility and sustainability, as well as supporting the Executive Committees in the definition of the respective objectives for each business area. The Social Responsibility Commission also coordinates the implementation of initiatives and projects related with sustainability or social responsibility, which so justify due to their institutional scope or relevance.

In view of the scope of action of the Social Responsibility Commission, two specialised sub-commissions were also established so as to ensure a more appropriate follow-up of issues of a specific nature, namely:

- Sub-Commission of Social Relations – definition of people management policies and of the employment area in general, dealing with relations with the structures of collective representation of Employees and other responsible entities in this area;
- Sub-Commission of Patronage and Donations – definition of the policy of patronage and of the awarding of donations, as well as the preparation, appreciation and monitoring of the supports granted.

The Stakeholders Commission³, also a consultative body of the Executive Board of Directors, enables and promotes an effective relationship with the Stakeholders, functioning both as a privileged platform for the internal dissemination of the Bank's information, and as a forum for debate and strategic advice

³ More detail about the Stakeholders Commission in the chapter "Dialogue with Stakeholders" (page 24)

to the Executive Board of Directors which, in this way, gathers perspectives and recommendations from the Stakeholders represented.

The Chairman of the Executive Board of Directors chairs the Stakeholders Commission, while the remaining members are representative of the main Stakeholders of Millennium bcp and, in view of the characteristics of this Commission, the Ombudsman and the Compliance Officer of Millennium bcp are also acting members, as well as a representative of the Millennium bcp Foundation.

The Sustainability and Corporate Governance Committee is a consultative body responsible for providing support to the Supervisory Board in the definition and supervision of the strategy and activity of the Bank in terms of sustainable development and social responsibility, specifically in economic, social and environmental aspects, reviewing the policies and general principles applied.

Within the scope of its functions, another duty of the Sustainability and Corporate Governance Committee is to support the Supervisory Board in the issuing of an annual opinion on the Bank's Sustainability Report, which is presented on page 99 of this Report.

This Committee is headed over by the Chairman of the Supervisory Board, and is also made up from a Deputy Chairman and a counsellor member of that body and the Chairman of the Executive Board of Directors, as well as a member of the Senior Board and two independent specialist members, who are not members of any corporate body of Millennium bcp.



MULTIDOMESTIC CULTURE

A COMMON IMAGE AND NAME ARE THE AFFIRMATION OF A MULTIDOMESTIC CULTURE.

Values of Millennium bcp brand



- Trust
- Dedication to the Client
- Ethics and Responsibility
- Excellence
- Innovation
- Respect for People and Institutions

Rebranding

The consolidation of the success resulting from the refoundation of the Bank, and adopting the Millennium brand in Portugal, was behind the decision to rebrand the operations in the various countries where the Bank is present: Poland, Greece, Mozambique, Turkey and The United States of America. Under the slogan "Life Inspires Us", all of these operations were part of a process of rebranding in 2006, thus incorporating a competitive advantage founded upon four essential pillars:

- Focus on the enhancement of the brand;
- Reduction of operating costs;
- Exploring synergies between the several international operations;
- Coordination of the marketing strategy.

The operations that are still in the early stages of development – Angola and Romania –, will also pursue their respective launch plans under the Millennium brand.

Rebranding was implemented in order to reinforce the Bank's presence in each country, observing the specific features of each geographic area, benefiting from the characteristics of a multidomestic Bank, which distinguish Millennium bcp.

In Poland, the experience of the Millennium brand was already known, its success already a "fait accompli", which largely contributed towards the adoption of this brand in Portugal and in other countries. In January of 2006, after reaching the best results ever in the Bank's 16 years of history, an expansion plan was announced with the opening of 160 new Branches in Poland, at the same time as the public presentation of the new brand.

In Mozambique the transformation took place in May of 2006 with BIM (Banco Internacional de Moçambique) adopting the name Millennium bim. For the leading Bank in Mozambique this change also represented an opportunity to refresh the Bank's spirit, reinforcing the message that the Bank innovated to play a role in its Customers' lives, dreams and projects. The largest Bank in Mozambique showed that it had changed again, surprising and enchanting the market.

In the USA, bcpbank changed to Millennium bcpbank in September of 2006, formalising the beginning of a new stage of development of the institution, based on the intention of renewing the Bank's mission in the Communities, increasing the size and loyalty of its Customer base.

The rebranding process of BankEuropa to Millennium bank in Turkey, in December of 2006, besides representing a renewal of its image, marked the beginning of a new stage in which new life was injected into this operation.

The rebranding in Greece implied the replacement of the NovaBank brand by Millennium bank in December of 2006, enabling the identification of the local operation with the international profile of Millennium and taking advantage of synergies with the other operations, reinforcing its commitment with Customers and leveraging the growth in business and the expansion plan in hand.

Millennium Angola is the first operation to start from the ground up with the Millennium brand. The new Bank, launched in April of 2006, will have 20 Branches with the Millennium Angola brand by the end of 2007.

Millennium brand common to multidomestic presence



Angola



USA



Greece



Mozambique



Poland



Portugal

Angola



USA



Greece



Mozambique



Poland



Turkey



Main facts of social responsibility in the subsidiary companies

Poland

- Sponsorship of the Golden Sceptre, one of the most important artistic awards, which distinguishes the most prominent Polish authors;
- In cooperation with Polish Television (TVP), the creation of the television program "Millennium Pearls", presenting highly interesting cultural events;
- Support in the organisation of the "Planet Doc Review World Documentary Film Festival", of the Planet TV Channel and UNDP, under the guidance of The Global Compact of the United Nations;
- Support granted to the show "Great Lady", a tribute to Pope John Paul II in the first year after his death;
- Official sponsor of the organisation of the first visit of Pope Benedict XVI to Poland, considered one of the most important events in Poland in 2006;
- Offer of computers (330 units) to primary and secondary schools in the most needy zones;
- Support for Euromanager Poland – the Polish edition of the international business management competition;
- Support for the Best Student and Best Scientific Society contest, organised by the Red Rose Association of Gdansk;
- Organisation of apprenticeship programs "Come and Grow with Us" and "People Grow", together with AIESEC;
- Beginning of cooperation with the University of Warsaw, through a donation to the Scholarship Fund;
- Support for the celebrations of the centenary of the Warsaw School of Economics.

Greece

- Participation in a campaign, which began in 2006, to raise public opinion awareness concerning the role of children in today's society, within a joint initiative between the Millennium bank and the Ministry of Health;
- Financial support and co-organisation of seminars, for foundations which provide assistance to children in need of special care, as the case of the Hermes Foundation, and to autistic children in the case of Ariadne's Skein Foundation;
- Beginning of a social partnership with the municipality of Nea Ionia, through sponsorship and support for the Young People's Holiday Camp, which gives hundreds of young people the chance to enjoy holidays on the coast and, at the same time, to improve their level of education through summer courses;

- As a patron of the arts, the Millennium bank supports mainly young upcoming artists and modern Greek art, and organised a painting exposition which brought together a wide range of young Greek painters in 2006;
- Sponsorship granted to the largest event of the Portuguese Embassy in Athens, "Portugal Day", which brings together the Portuguese Community living and working in Athens;
- Implementation of a recycling program at all levels (central services and Branches) in Millennium bank, encouraging all associates to implement recycling practices, achieving the remarkably positive participation of the Employees.

Turkey

- Donation of wheelchairs to La Paix Hospital, in Istanbul;
- Support granted for the sports infrastructures of St. Joseph High University, in Istanbul, one of the oldest institutions in Turkey;
- Donation granted to Bilgi University, in Istanbul, to support education.

Mozambique

- Launch of the "More Mozambique for Me" project, in partnership with the Lurdes Mutola Foundation, planned for 2007, 2008 and 2009, aimed at the key areas of Child and Adolescent Education and Sport as the focus of its activity;
- Kanimambo Association – sponsorship for the acquisition of a variety of school equipment and material;
- INAV – delivery of material to hold the Road Safety Week intended to stage learning events and pedagogical initiatives for thousands of children;
- Búfalo & Wantsongo Theatre Group – monetary support for a fund raising event in favour of underprivileged children;
- World Heart Day – sponsorship to stage a program called "How Old is Your Heart";
- Doctors of the World – support in the making of a film to prevent AIDS in the student community;
- ACAMO (Mozambican Association of the Blind and Weak-Sighted of Mozambique) – support with a variety of computer material;
- ACRIDEME (Association of Parents and Friends of the Mentally Handicapped Child) – financial support for supplies for carpentry and sewing workshop;
- Lusalite Vida Foundation – support with equipment for the physically handicapped;
- PFUNA (Child Support Association in Changalane) – financial support for the areas of Education and Computing in this association;



- Provincial Government of Sofala – financial support for diverse programs on water supply, sanitation, education and health in this province;
- Joaquim Chissano Foundation – financial support to an event called “Merry Christmas” aimed at the most needy in the city of Maputo;
- Mozambican Sports Federation for the Handicapped – sponsorship of a walking race for handicapped people held on 17 September 2006;
- 1st edition of the Millennium bim Half Marathon – exclusive support in the hosting of an important athletics event in Maputo;
- 1st edition of the Millennium bim Mini Basket Ball Tournament – exclusive sponsorship for the staging of a Mini Basket Ball Tournament aimed at training children in this sport which was held this year in the installations of the Clube Ferroviário de Maputo and which was attended by 400 children;
- Photo Festival III – sponsorship for the holding of the most important photographic exposition in Mozambique, the Photo Festival (3rd edition).

Angola

Millennium Angola was launched in 2006, and is still in the start-up stage. Nevertheless, the Bank assumes Corporate Social Responsibility as one of the factors in its investment, defending that companies should assume a wider role, which transcends its basic vocation of creating wealth. This question was raised by the Chairman of the Board of Directors of the Millennium in Angola, during the 1st Angolan Forum on the Impact of Corporate Social Responsibility in Investment Decisions, held in July of 2006 in Luanda.

USA

- Support for PALCUS (Portuguese American Leadership Council of the United States), an organisation which is dedicated to defending the interests of the Portuguese community in the USA;
- Support for the American Cancer Society's Relay for Life in New Bedford, Massachusetts, an initiative with the objective of raising funds to support cancer research;
- Financial support granted to the “Gates of the City”, a cultural project in Fall River, Massachusetts, with the objective of building a replica of the famous water fountain, located in Ponta Delgada, dedicated to the thousands of Azorean immigrants of Fall River;
- Support for the celebration of Portugal Day in New Jersey, through a sponsorship granted to the Bernardino Coutinho Foundation, which promotes diverse cultural and philanthropic initiatives in the Community;
- Main sponsor of the American Foundation for Charity in Portugal, aiming at raising funds for various charity organisations in Portugal;
- Sponsorship of the Annual Gala and offer of student grants to the Hellenic Times Scholarship Fund, a Greek organisation;

- Corporate Sponsorship of the Annual Gala Proverbo “Língua em Festa”, with the main objective of promoting and divulging the Portuguese language and culture in the USA;
- Support for the book publishing project “Bom Dia Level II”, developed by Spinner Publications, aimed at teaching the Portuguese language in various schools in the USA and in Canada;
- Active participation in the commemorations of the centenary of Mineola Village;
- Support for fund raising in the event "Spring Sprint Walk-A-Thon", of the Greater Fall River re-Creation Committee, an organisation with the mission of developing recreational, educational and cultural programs for the population of Fall River;
- Donation granted to the Portuguese American Scholarship Foundation, an organisation which provides financial support in the financing of grants for students of New Jersey of Portuguese origin;
- Monetary support granted to the BAUA – Brazilian American United Association – which provides aid for the Brazilian community, within the commemorations to celebrate Brazil Day, in Newark, New Jersey;
- Sponsorship of “Music Nation”, a Portuguese music festival, with the objective of supporting the community of musicians and artists of Portuguese origin;
- Support for the Portuguese Language Ph.D. study program, of the University of Massachusetts Dartmouth, related with a protocol between the Bank and the University.



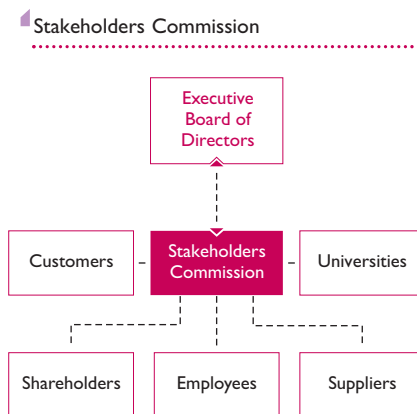
INCLUDING SUSTAINABILITY

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69	Social benefits and family-responsible company



DIALOGUE WITH STAKEHOLDERS

PROMOTING DIALOGUE TO REACH PLATFORMS OF COMMON UNDERSTANDING, WITH RESPECT FOR THE DIVERSITY OF OPINION OF THE MAIN STAKEHOLDERS, RESULTS IN INCREASED EFFICIENCY USING ANTICIPATION AND A DIFFERENTIATED APPROACH IN THE ANALYSIS AND RESOLUTION OF THE CHALLENGES FACED.



The creation of a forum specifically geared to listening and debating with the main Stakeholders – the Stakeholders Commission – reflects the consolidation of Millennium bcp’s values and culture. This Commission brings together representatives of the main Stakeholders of Millennium bcp – Customers, Shareholders, Employees, Suppliers and Universities – in order to debate with the Executive Board of Directors important issues in the relationship of these Stakeholders with the Bank at least once every quarter.

The Stakeholders Commission includes duly elected representatives in the respective panels of Stakeholders, or institutions and personalities with recognised suitability, notoriety and merit in the representation of the respective panels of Stakeholders. The Stakeholders Commission is headed over by the Chairman of the Executive Board of Directors and, in 2006, its members were as follows:

- Deco – Portuguese Consumer Defence Association and Millennium bcp’s Ombudsman, both in representation of the Customers;
- A member of the Workers’ Commission, in representation of the Employees;
- The Chairman of the Board of the General Meeting, in representation of the Shareholders;
- IBM Portuguesa, S.A., through its Chairman of the Board of Directors, in representation of the Suppliers;
- Prof. Dr. Luís Campos e Cunha, University Professor of the Universidade Nova de Lisboa.

The Commission also includes, as acting members, the Compliance Officer and a representative of the Millennium bcp Foundation, given its importance in the appreciation of the topics dealt with.

Contact Centre – The Customer’s Voice

The Millennium bcp’s Contact Centre, besides standing as a complementary offer to the Branches through remote banking channels, such as Internet Banking, Mobile Banking and automatic telephone answering, is the prime vehicle for wide spreading the Customer’s voice throughout the organisation, enabling causes to be identified and corrective and preventive action to be taken on the problems experienced by Customers in their relationship with the Bank.

Customers’ complaints are key sources for the process of continuous improvement implemented many years ago in Millennium bcp. The progress achieved in 2006 in the complaint management process supported by a single repository of information, ensures the uniformity and consistency of criteria and the availability of information for the management of the business processes.

Through a front end personalised telephone answering service and a back-office specialised in the resolution of more complex matters, the Contact Centre performs the role of a channel dedicated to Customer satisfaction, seeking to increasingly conquer and reinforce the trust relationship with those who represent the “raison d’être” of Millennium bcp – the Customers.

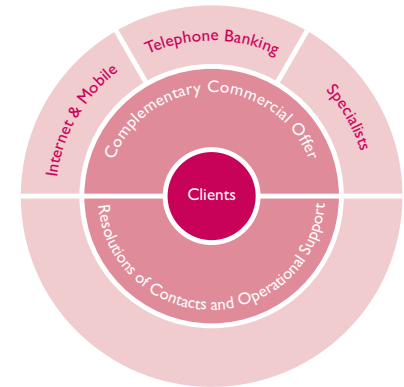
Taking into consideration the steady growth in the number of users of remote banking channels, mainly Internet Banking, Millennium bcp renewed its technological infrastructure so as to build on contacts with Customers from all of these channels, facilitating the management of the information and increasing the security of the systems. With the objective of making the personalised telephone answering service even more efficient and productive, several measures were implemented, aimed at fulfilling the defined service levels, amongst which the main ones are:

- greater flexibility in the management of hours of attendance;
- group and individual training courses, in order to develop the competences of each Customer Assistant;
- reorganisation of the teams with increased and wider capabilities of the communicators;
- streamlining of circuits and standardisation of internal procedures.

The project MAIS.Cliente – Model of Individual Gauging of the Service to the Customer – was also developed and implemented, enabling the measurement of the performance of each Customer Assistant, based on diverse indicators of productivity and quality/competence. This model provides information on a daily basis (on productivity) and monthly on the evolution of each communicator, allowing them and the supervision and coordination of Telephone Banking to introduce corrective measures so as to provide an increasingly better service to the Customer.

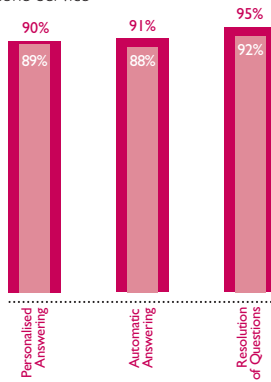
All these actions improve the productivity indices of the Customer Assistants and of Customer satisfaction, as shown in the quality surveys performed.

Interaction areas with the Customer of the Contact Centre

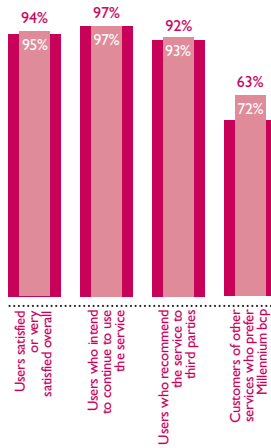


Results of the Customer satisfaction surveys

Telephone Service



Internet Banking Private individuals



Internet Banking Companies



SMS



■ 2006
■ 2005

Activity of the Contact Centre

(excluding contacts resolved by the Branches)

	2006	2005
Resolution of contacts		
Up to 3 days	133,685	46,818
4 to 7 days	9,068	9,707
over 7 days	12,008	13,569
Total	154,761	70,094
Resolution of doubts/problems		
Clarifications	77,892	13,397
Dissatisfied cases	19,635	6,660
Errors considered	5,687	5,045
Errors verified	1,722	1,161
Total	104,936	26,263

The quality certification process implied alterations in circuits and competences, with the main objective of providing a service of excellence to the Customers. All Employees in the commercial network and central services involved in the handling of complaints received behavioural and operative training in order to raise their awareness on three fundamental aspects:

- Need to record all complaints, allowing the identification of the motives, their causes and implementing the respective corrective action;
- Centralisation of the handling of complex complaints, or those with long response times, in one specialised area, with the objective of lightening the administrative load of the Branches and appropriately monitoring the service levels provided;
- Knowledge of the main variables of monitoring the complaints management process and their influence on the satisfaction and loyalty of Customers, specifically the speed and quality of the response.

There are also other initiatives in hand, which are part of the process of reorganisation aimed at improving procedures, some of which are:

- A pilot project in the complaints management area, aimed at improving the speed of response to Customers' questions or doubts through a greater delegation of competences to Employees and the development of knowledge and behaviour in the area of complaints management;
- The implementation, in the Telephone Banking area, of new software to monitor the quality of attendance, which will enable the immediate identification and evaluation of phone calls outside of the normal parameters, using pre-defined criteria.

With these and other measures, we intend to continue to invest in innovation, in the excellence of the service to Customers and in the promotion of sustained business in line with international quality standards.

Ombudsman

In 2006, the Ombudsman, as an independent entity, performed his functions in the defence and promotion of the rights, guarantees and legitimate interests of the Customers of Millennium bcp, regulating his

procedures on principles of impartiality, speed, gratuitousness and confidentiality. In this regard, fair procedure was observed in line with the Code of Ethics of Millennium bcp and, evidently, with the prevalence of the imperative standards applicable.

Within the context of the adjustments introduced in 2006 in the Bank's model of governance, a Stakeholders Commission was created – referred to in detail in this report – of which the Ombudsman is a member.

There were an accumulated number of 808 cases lodged as complaints throughout 2006, with the Ombudsman closely following the evolution of the respective dossiers. 61 appeals were lodged since the beginning of 2006, with 5 recommendations being prepared, which obtained the agreement of the Executive Board of Directors. In respect of the cases lodged as appeals and which were consequently concluded, their evolution was similar to that of 2004 and 2005.

During 2006, the daily average of incoming complaints or grievances raised by Customers was 9. The average response time for the 752 cases already resolved in this year was 25 working days and in the 50 appeals which have already been closed, there was an average response time of 17 working days, periods dictated by the Ombudsman's Regulations, with the generic average response time largely respecting the periods established. It should also be stated that 60% of complaints were granted and in terms of appeals 16% of the petitions were refused.

The most frequent areas of Customers' complaint, within the sphere of the commercial retail network, are those concerning sight deposit accounts (e.g. delay in changing the account holder of an account; record of incidents in the Bank of Portugal and breach of banking confidentiality), those related with dissatisfaction with the performance and professionalism of Employees and also those relating to credit and debit cards (fraudulent use of a card; card cancelled without prior notice, etc.). The next business area with the most number of complaints is mortgages, mainly concerning review of the spread, poor accompaniment of the applications and also those relating to delays in the holding of the public deed.

Consumer Associations

In line with the relationship established with the national and international Media, Millennium bcp is frequently approached by Consumer Associations, with surveys or requests for information related with the Bank's offer.

Surveys answered for Consumer Associations

	2006	2005
Number of surveys	85	106
Average response time (days)	9	7

In 2006, 30 requests for information were also received from students, all of which were replied to.

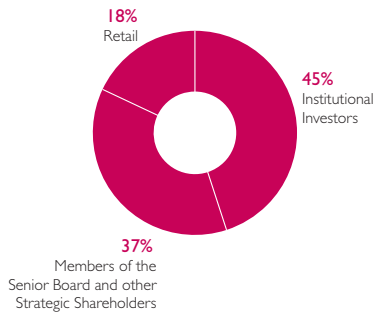
Investor Relations

In the relationship with the various market players, through the Investor Relations area, Millennium bcp attitude is guided by principles of transparency, accuracy and total availability. Relevant information is provided to the market in a clear, simple and consistent format, in an open and communicative stance, with high standards in terms of speed of response.

Activity of the Ombudsman



Shareholder Structure



Throughout 2006, the Bank promoted and intensified its activities of Investor relations and communication with the market, making sure that it fulfilled its legal and regulatory obligations, specifically issuing information on the activity and results of Millennium bcp and promptly disseminating the relevant facts that might affect BCP's stock value. In parallel, it also prepared the response to numerous requests for financial information made by the Market Authorities, Individual Shareholders, Investors and Analysts.

Regarding the publication of results and the activity of the Bank, press conferences and conference calls with Analysts and Investors were held on a quarterly basis, in which the members of the Executive Board of Directors participated.

During 2006, the Bank participated in diverse events, specifically through the staging of five road shows, after posting its results, in the main financial exchanges of the world – London, Paris, Brussels, Amsterdam, New York and Boston – and also participated in conferences of Investors organised by investment banks like Morgan Stanley (London), UBS (London and New York) and ING (Prague) where it held institutional presentations and one-to-one meetings with Investors. Around 170 individual meetings with Investors and Analysts took place in 2006.

Millennium bank (Poland) awards



Throughout the year, the Bank ensured a permanent contact with the market Analysts who cover BCP in its business, by promoting the follow up of the publication of results, supporting the review of its business models and providing explanations and detailed information on the accounts and details of the business.

Special mention should also be made to the support provided to the Bank's commercial network, through the preparation of documentation and the holding of training sessions and presentations on the evolution of BCP stock, as well as support for the Account Managers in the meetings with Shareholders (or potential Shareholders) of the Bank and the response to requests for information on the evolution of the stock.



An independent international company performs perception studies of the BCP stock among Investors on a quarterly basis, with the objective of obtaining comments and opinions after the publication of results and with regard to the recent evolution of the shares, thereby getting permanent knowledge of the market perception in relation to BCP stock and the Bank's underlying activity. In parallel, benchmarking analyses are carried out periodically aimed at positioning and comparing the Bank in relation to its peers in terms of indicators such as the evolution of profits, price earnings ratio and share performance.

The effort made by Bank Millennium, in Poland, to foster the relationship with the financial community, as a Bank listed on the Warsaw Stock Exchange since 1992, is also worth mentioning. The steady growth of the market capitalisation of Bank Millennium has been followed by a significant increase in the stock's exposure, with regard to coverage by the various market players. The growing interest in Bank Millennium was visible throughout 2006, with the institution participating in 13 investor conferences and one road show, also holding a total of 117 meetings with investors. The Bank Millennium's policy of corporate governance was distinguished in 2006 by Forbes, which highlighted the high quality of the information provided to the market.

Institutional Site

A principle of the Bank is to disclose information to the market on its General Meetings and Presentations of Results through press releases, as well as providing documents and presentations in the institutional area of the website. This area of the site provides all the Group's institutional information, the most important being:

- Access to the full versions of the Annual and Half-Yearly Reports and Accounts; relevant facts; presentations of results (quarterly and annual);
- Documentation on the last General Meeting and the main decisions approved; information on the next General Meeting including the possibility of electronic voting;
- Information on shareholder structure and qualified holdings;
- Information on sustainability and social responsibility; including the Sustainability Report;
- Press releases;
- Evolution of BCP stock; dividend policy; capital increases; stock splits; information on the equity research analysts covering the stock;
- Information on the Governance of the Company and its activity;
- The ratings attributed to the Bank by the main rating agencies.

Communication

Corporate Communication

In terms of Corporate Communication, Millennium bcp carefully manages its external communication and establishes a close relationship with the Media, defending the business, the value of its stock and the prestige of its People.

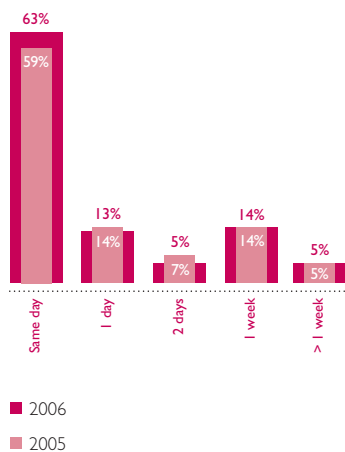
To accomplish these objectives, a number of communication tools are used which aim:

- To create opportunities to publicise the Bank's commercial, institutional and market messages;
- To answer the questions and requests of journalists;
- To organise conferences, meetings and press trips;
- To edit and publish news;
- To study its public image and propose promotional action.

Investor Relations Awards (Portugal)



Response to the requests of the Media



Magazine Millennium bcp



During 2006, 1,194 requests for information were recorded from the Media, 1,116 of which were answered.

Corporate Communication

	2006	2005
Requests by type of support		
Press	1,009	721
Radio	23	17
Television	52	54
News Agencies	68	47
Internet	42	13
Dissemination of initiatives		
Press Conferences	8	17
Press Releases	160	136
Other initiatives	61	5
News on the Bank	23,910	21,578

With the objective of letting people know about our international operations and the rebranding process in hand, two professional trips were organised with strategic national journalists – one to Poland and the other to Mozambique – plus two visits by foreign journalists to Portugal – one of Mozambican journalists and the other of Greek journalists.






Internal Communication

Millennium bcp has developed a model of internal, multimedia, multidomestic and interactive communication, supported by distinct and complementary channels, allowing to provide a permanent dialogue with Employees, which is essential to sustain the success of the Bank's activity.

Internal communication in Millennium world is therefore assumed as one of the processes of conversion of information into value added decisions, allowing connections to be made between knowledge and information, integrating, sharing and lending meaning to the relevant information for the several areas of the Bank, this being implemented by channels with different characteristics and frequency, coordinated amongst each other to essentially achieve four objectives:

- Provide timely contents to the Employees through data, ideas and concepts;
- Include the information within its context, with the intention of making it more relevant;
- Encourage dialogue;
- Share local information amongst a wider base of recipients, so as to make it more valuable.

Internal communication

	2006	2005
Magazine		
No. of issues 	6	7
Average print run	43,000	30,000
Newsletter <i>About Us</i>		
No. of issues 	55	29
No. exclusive news 	224	120
No. of recipients	7,225	2,602
Dedicated Newsletters		
No. of issues 	20	-
No. of recipients	9,786	-
Millennium tv 		
Millennium Jornal		
Broadcasts	249	250
Reports	247	311
News	892	854
"Ideas Claras"		
New productions	44	27
Hours of training	389	375
Millennium Direct		
Broadcasts	4	5
Millennium News		
Broadcasts	53	49
No. of docs. (own production)	76	-
No. international news	128	-
Films & special productions		
New Films	33	-
Hours of production (H/H)	2,412	-
No. of docs. (own production)	76	-

The Intranet is a universal daily news based channel, aiming at keeping all Employees tuned with internal and external events. The portal is, therefore, the Bank's principal channel of internal communication, focused on sharing knowledge and information on the different areas of activity of Millennium. Its range is quite diversified, dealing with topics both of a commercial nature (products, business objectives, business summaries, etc.), and of an institutional nature (general data, sponsorships, values of the organisation, etc.), not forgetting the disclosure of protocols and partnerships that bring added advantages to the Employees.

In 2006, the number of internal news published grew by 26%, meaning 2,701 new news items, followed by a significant increase in the number of multimedia news (a 172% increase), provoking interest therein.

The publication of the Magazine Millennium bcp is based on formative and informative content of a more general nature, and its objective goes beyond inform, teach and develop knowledge. Its bilingual and international in nature allows opinions to be exchanged, identifying best practices and sharing content of general interest for all operations. Throughout 2006, this publication consolidated its importance as a means of disseminating Millennium's culture, the evolution of the business in the different markets and the main news and trends in the financial world, being sent to all Employees in Portugal and abroad, also reaching Millennium bcp's pensioners.

Millennium tv



Newsletter *About Us*



Mortgage campaign



The electronic newsletter "About Us", prepared and distributed in Portuguese and in English, communicates the main news of the Millennium world on a weekly basis. Sent by e-mail to all Millennium Employees, its editorial criterion is the selection of the most important institutional and business news of each week from all operations. In 2006, "About Us" had around 224 🌐 news items, 32% of which referred to Portugal and the rest to the other Millennium operations.

The Millennium bcp's television channel – Millennium tv – enables a greater proximity, cancelling out the physical distance inherent to an activity the success of which is based on the impact and speed of information. The daily broadcasting of the channel to Employees, via satellite, includes a news edition – Millennium Jornal – broadcast at times harmonized with the activity of the Bank.

Throughout 2006 more contents were prepared in English, with the international news – Millennium News – currently broadcasted or released weekly to all Millennium operations, increasingly giving more emphasis to content of an international nature (128 🌐 news items), with emphasis on the sharing of news and the best practices of all operations outside Portugal. In this regard, the number of interviews and journals also prepared in English grew, so as to sustain an expansion that is increasingly built upon an international base, a trend that will also be the catalyst for the progressive launch of multilingual broadcasts of Millennium tv.

The potential of this channel would not be fully explored without live broadcasts. Millennium Direct is a program which brings guests to the studio to discuss the more important topics, with an added advantage: this is a first rate fully interactive program, open to all Employees of the Bank who can therefore ask the guests, who are generally from the senior management ranks of the Bank, questions over the telephone.

The regular programs of the Millennium tv also have a major formative component through a training program called "Ideias Claras" and also a more detailed information program – "Millennium Especial" – which enables us to remotely disclose the best practices for the development of the business. These broadcasts also received a lot of attention throughout 2006, with around 44 🌐 new programs being produced, corresponding approximately to a total of 389 hours of transmission.

Commercial communication

Millennium bcp's communication has sought not only to maintain a responsible commitment between the freedom of commercial expression and the ethical principles by which it is governed, in an exercise of self-discipline in relation to its content, but, by means of this, to also pursue a strategy in order to associate support for creativity, above all artistic, or projects of a singular character and the value that these factors bring to the process and to the product.

The "Mortgage" and "Business Plan" campaigns could be pointed out as an example of commercial communication that followed this model.

In the first case, the participation of the composer and musician Sara Tavares in the Mortgage campaign, through the affirmation of valid creative values, enabled to further develop the process of promoting the product, both in terms of the quality of the message, and its effect. The music provided for the campaign, itself being the basis of the whole concept surpassed the nature of mere support, granting greater visibility to the work of the artist, with natural and positive consequences for the Bank's business.

In the case of the Business Plan, Millennium bcp joined a personal project of extraordinary worth – the conquest of the fourteen highest mountains in the world – the advertising of which had a strong emotional component. Perseverance, ambition, courage and entrepreneurship are values shared with mountaineer João Garcia, with these providing the slogan for the Business Plan campaign, developed for the Corporate segment. The preparation of the television advertising was made with the participation of João Garcia himself, in the environment where he feels most at home – high in the mountains – contributing as much towards the visibility of the objectives pursued by the Bank and to the image which the Business Plan product intends to transmit to the Customers.

Diverse one-off requests to include advertising in the regional press were also considered in catalogues of local festive events, in local authority, academic, school or associative events which, besides the commercial component and the return for the Bank's products and image, represent a significant contribution towards maintaining or creating activities, projects, publications, etc. of specific importance.

The Bank is a full member of the Portuguese Advertisers Association (APAN), which in turn presides over ICAP – the Civil Institute of Self-Discipline in Advertising, over CAEM – the Means Studies Analysis Commission and, internationally, it belongs to the International Advertising Association. APAN has expressed great dedication and leadership on topics of self-regulation in commercial communication and other marketing practices, placing a very special emphasis on the various aspects of social responsibility, which it assumes and promotes together with its associates. Millennium bcp is also a subscriber to the Code of Good Advertising Practices for Minors, promoted by APAN and subscribed by over forty other entities.

Culture of involvement

Open Day

The Millennium bcp single brand celebrated its 3rd anniversary with a staging of another Open Day. The program of this event, aimed at all Employees, Families, Customers and Suppliers, maintained the same premises as in previous editions, bringing the whole Millennium bcp Family together on the same day. On this year's Open Day the participation of Employees from overseas operations was even larger, maintaining the markedly informal tone of this event.

With this initiative, Millennium bcp seeks to reflect fundamental values of people's lives which, for this reason, represent the basis of the idea of refounding the Bank: Joy, Sharing, the Vigour of Life.

Mais Ideias Com Valor

The Mais Ideias com Valor (More Ideas with Value) program came about in 2006, following on from the success achieved by Mil Ideias in 2004 and 2005. This is a pro-active program, continuous and formal, which encourages the generation and sharing of ideas and suggestions. The Program is open to all Millennium bcp Employees, strongly focused on Customer orientation and results (increase in revenue, containment of costs), seeking to encourage value creation, anchored on implementation and not on the sterile generation of ideas "for their own sake". The Program recognises and rewards participation, essentially based on the value resulting from the implementation of ideas and suggestions, also including criteria of originality and innovation, intending to grant visibility and to

Business Plan campaign



Open Day

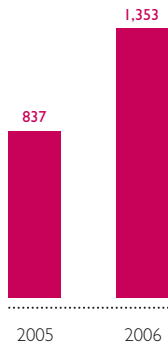


This year the Open Day had around 4,500 participants. Of the 16,000 people who watched the show around 5,000 were Customers and 1,000 Suppliers. The lunch offered to the Employees and their families was the beginning of an afternoon of entertainment which ended with the performances of Sara Tavares, Clã and Rui Veloso where, besides the Millennium bcp Family, a large number of Customers invited through the diverse channels, of communication were also present.

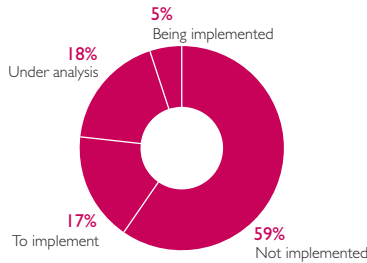


“Mais Ideias Com Valor” program

Registered Ideas



“Mais Ideias Com Valor” at 2006



contribute towards the reinforcement of appropriate attitudes and behaviours with the values of Millennium bcp.

This is all part of the desire to improve. Employees generate Ideas; they obtain a Sponsor to validate the Idea, which they want to propose, and place it on the portal created especially for this purpose. After an initial sifting, the ideas are sent for appreciation by the organic units where the topic is relevant, which perform a qualitative evaluation and implementation, whenever justified. The authors are informed of the result of the evaluation. A Steering Committee is responsible for validating the ideas to be implemented, preparing a list of ideas to submit to the Executive Board of Directors prizes awarding.

One of the key objectives of the re-launch of the program, now called “Mais Ideias com Valor”, is to continue to ensure a good level of participation of the Employees in the initiatives to improve the Bank, functioning as a vehicle of effective communication.

More than 80% of the ideas come from commercial areas and over 50% were analysed by the Innovation and Commercial Promotion Division. A careful selection of ideas was performed in 2006, underlying which was the value creation, from which resulted the awarding of a first prize, two second prizes, a third prize and 20 Honourable Mentions.

Winning ideas in 2006

Prizes	Idea	Description	Impact
1 st	“Pledges Application”	Creation of an application to standardise pledges treatment, with automatic entry of data and imputation to the central system, eliminating unnecessary tasks	Elimination of redundant tasks, with significant savings in time and costs
2 nd	“Cost-to-Income” and “Debit of Commissions”	Creation of a functionality to automate the debit of diverse commissions	Reduction of redundant tasks in the commercial network, with increased efficiency
3 rd	“Marc”	Program to convert data which directly channels the information between the computer applications supporting the credit recovery and the credit analysis	Elimination of redundant tasks with increased efficiency, improvement in the control of the credit risk and speed in the preparation of action plans, reducing the need for provisioning

The choice of the winning ideas sought to reward those likely to have a more significant impact on the Bank’s financial objectives and strategic priorities, specifically through the reduction in capital needs, the improvement in operating efficiency and the simplification of processes, increased revenue, a reduction in costs and a reduction in provisions.

In view of the large number of ideas received and their perceived quality, it was decided to advance the process of awarding the prizes for 2006, making the program not to match the civil year, with the period of July to June being considered and the publication and awarding of the prizes to be made on the Open Day, in October of each year.

Throughout its editions, the “Mais Ideias com Valor Program” has contributed not only towards increasing the participation of Employees in the decision-making processes and in the improvement of the Bank, but also towards encouraging the value creation. Besides an increased participation, a main feature of the Program was the high percentage of ideas approved for implementation of around 21%.

The success achieved in Portugal by the “Mil Ideias” and “Mais Ideias com Valor” programs justified the launch of similar initiatives in other operations overseas, which have contributed towards the sharing of best practices by the Millennium's operations.

Evaluation and Counselling

Millennium bcp's process of Employees' Evaluation and Counselling has, since 2004, been based on a model of competences supported by a typology of functions. The fundamental part of the process is the profile of competences determined by the Standard Function of the Employee, which represents a number of functions that are applied in business processes with similar objectives and competences. Each Standard Function has a functional scope and a profile of generic and specific competences.

In this process, the aspects to be evaluated are based on the profile of competences of the various Standard Functions and on the individual objectives set out for each year. Complementary to this, improvement plans and career evolution perspectives are also drawn up for the Employee. It is an instrument through which Employees are guided towards improving their performance and professional development. The model of functions has been implemented in the Bank since 2003 and covers all functions of Millennium bcp in Portugal, excluding management functions.

The identification and description of the Standard Functions of managers was the object of analysis during 2006, and the functional management structure is currently approved. In order to integrate all within a single global functional model, under the same principles, the non-management structure has also been reviewed/updated, thereby creating the conditions for the process of Evaluation and Counselling, until now only applied in full to non-management Employees, to be extended to the whole organisation.

Social dialogue

During 2006 the Sub-Commission of Social Relations monitored and promoted the Bank's social dialogue with the structures of collective representation of Employees that are related with the Company – the Workers' Commission of Banco Comercial Português, the Banking Trade Unions of the North, Centre, South and Islands, the National Trade Union of Senior Banking Staff and Technicians and the Independent Banking Trade Union.

Dialogue with the Workers' Commission follows a regular calendar, based on monthly meetings, which are a privileged forum in which the Commission can intervene in an institutionalised way in the life of the Company, with regard to defending the rights and interests of all Employees of the Bank and debating the social issues affecting them all. The relationship between the Bank and the Workers'

Commission along 2006 was mutually recognised as a constructive and elucidative dialogue, with a sense of mutual responsibility, respect and understanding.



Many and varied aspects were analysed, having specifically debated the adoption and the content of a Regulation of the Incentives System, reflecting not only on the weighting of variable remuneration through profit sharing, but also on promotions for merit and on the consideration of the exercise for the purpose of the Employees' complementary retirement plan. Regarding the complementary plan mentioned, the Workers' Commission was informed, and debated with the Executive Board of Directors concerning the change in the nature of the complementary plan of the Bank's Pension Fund of a defined benefit for a defined contribution, which was approved by the Portuguese Insurance Institute on 31 August 2006. In parallel with this, the implementation in the near future of a Pension Fund Monitoring Commission was analysed, with the participation of the representatives of the participants and beneficiaries, within the terms set out in the new law⁴, which regulates the activity of the Pension Funds. Some issues related with the evolution of the staff were also analysed, the average daily period of work and overtime, and the effects of the Public Tender Offer of Banco BPI in terms of people management.

In terms of collective work negotiation, the Bank reached an agreement with the Trade Unions to update contractual remunerations by 2.5%, taking effect as of 1 January 2006, besides some changes in non-pecuniary clauses, above all with regard to the adaptation of the Collective Work Agreement to the Regulations of the Incentives System adopted by the Bank.

Two channels are provided to the Workers' Commission of the Bank for the internal and universal disclosure of messages and opinions of this representative structure, which it makes regular use of in its defence of the rights and interests of all Employees and to debate the social issues which affect them all: (i) the publication of communications on the Intranet, mainly to inform all Employees concerning the issues debated, the information gathered and the opinions transmitted in the monthly meetings held with the Executive Board of Directors; (ii) a bi-monthly informative sheet in electronic format is sent to the individual electronic inbox of the Employees, dealing with issues and social and employment questions in more detail.

Relationship with Suppliers

The importance of the Suppliers in the implementation of Millennium bcp's Sustainability strategy arises from the quest for an operational performance which ensures the efficient management and use of the economic resources employed in the acquisition of products and in the contracting of services, promoting the creation and distribution of value for all parties involved in the process in question, reinforcing the action of Millennium bcp in promoting best corporate practices, in respect for Law and in a balanced relationship with the environment.

In the period to which this report relates, Millennium bcp fulfilled all of its contractual obligations with its Suppliers and, for the 76,404 🌐 invoices from Suppliers paid in 2006, the processing period from the date of pre-classification to the authorisation of payment averaged 9.36 🌐 days.

⁴ Decree Law 12/2006, of 20 January

The sharing of the values which determine the best practices in the efficient management and use of economic, social and environmental resources with Suppliers was reinforced with the approval of Millennium bcp's "Principles for Suppliers" during 2006. In the first stage, a questionnaire was sent to a representative group of Suppliers, in order to improve the Bank's knowledge about them and about their main characteristics in terms of competitive management practices, commitment to socially responsibility and environment preservation. In a second stage, the Principles for Suppliers were developed and internally approved.

During 2007, the communication of the Principles for Suppliers of Millennium bcp will be made to the Bank's Suppliers, strengthening the Bank's commitment to bring the corporate practices of the diverse Suppliers in line with a number of principles that Millennium bcp considers to be an essential requisite in the establishment of long-term mutually beneficial relations.

Principles for Suppliers of Millennium bcp

Amongst their references, the Principles for Suppliers undertake the ten Principles of The Global Compact of the United Nations, seeking to mobilise the corporate activity of Suppliers to adopt several fundamental values, inspired by universally accepted declarations and principles:

- Fulfilment of the legal requirements;
- Business management and corporate governance which ensure high ethical standards and stability in the supply relationship, with observance of standards of superior quality;
- Employment practices with respect for the following:
 - Human Rights;
 - Not to use child labour or forced labour;
 - Freedom of association;
 - Appropriate working regimes and working hours;
 - Standards of health and safety at work.
- Environmentally balanced business practices;
- Commitment to internally disclose and communicate the Principles;
- Cooperation in the monitoring and fulfilment of the Principles;
- Application of the Principles in the contracting of third party services.



PRODUCTS AND SERVICES

A WIDE RANGE OF FINANCIAL PRODUCTS AND SERVICES, WHICH PAYS ATTENTION TO THE NEEDS OF ALL CUSTOMERS, PROVIDED THROUGH A RESPONSIBLE OFFER AND MAINTAINING THE STANDARDS OF EXCELLENCE RECOGNISED BY THE MARKET, ARE KEY FOR ENSURING THE CONTINUITY OF THE BUSINESS AND THE SUSTAINABILITY OF MILLENNIUM BCP.

Socially responsible products

The Millennium bcp's offer includes products and services that, in 2006, also incorporated a social responsibility dimension, with the result and the communication of which represented a vehicle for the materialisation of the social responsibility of the Bank, both benefiting from this symbiosis.

Campaign to support Refugees



Amongst the initiatives in which the Bank clearly marked the consolidation of its commitment as a socially dedicated company, proving once again the importance in the creation of solidarity commitments with those who need it most, a special mention should be made to the campaign to support refugees all over the world, in a joint action with the United Nations High Commissioner for Refugees (UNHCR/ACNUR). This campaign, which had a commercial scope via the involvement of Millennium bcp credit cards and the promotion of their use by the universe of Customers, allowed the raising of 476 thousand euros handed over to the United Nations High Commissioner for Refugees, Mr. António Guterres.

Also in the day-to-day business, the Bank's social support materialised through the Millennium bcp Gold card, which grants its holders the opportunity, based on the transactions made, to contribute with donations to social solidarity institutions, with a special mention for Cáritas Portuguesa, Casa do Gaiato, the Portuguese Cancer League, Crinabel, UNICEF, Acreditar and Diferenças/APPT21. The American Express brand also made its contribution through the inclusion in its Membership Rewards® program of institutions such as the Portuguese League against AIDS, Ajuda de Berço, CERCI, Acreditar and CAIS, to which it is possible to send donations.

In the cultural area, the Millennium bcp's credit cards were also present in major events, offering tickets to Rock in Rio and to the Portuguese national team matches in the football World Cup.

At the end of 2006, Millennium bcp provided special conditions for non-profit associations opening an account, allowing the access to privileged commercial conditions, enhancing and improving the quality of the work of those associations in favour of the more needed.

The scope of the Cliente Aplauso initiative, which distinguishes the best companies in their business segment, was also extended giving the due recognition to all business entrepreneurs who invest in a better future for their company. This initiative aims to distinguish companies with best sustainability practices, in economic terms, with the consequent increase in job creation, and also in terms of the environment and of modernisation, with special attention drawn to investment in the improvement of the technological profile of the companies, thereby contributing towards the promotion of their present and future competitiveness.

During 2006, the Aplauso prize included the award of a personalised diploma to testify the statute achieved, also granting access to a long term line of credit with favourable conditions, especially intended to finance projects with a positive impact on technological progress and on environmental sustainability (specifically in the treatment of waste and in the use of renewable energies).

In terms of credit, with regard to situations which require an immediate social response, Millennium bcp presented concrete proposals, specifically aimed at people affected, notably:

- A special line of financial support to those who suffered losses resulting from the bad weather in the Autumn. Under this initiative, the Bank made a line of credit available to people and companies in very special conditions in terms of price and with an extended repayment period, with a minimum requirement level in terms of security, performing the function of minimising the damage at a time of special difficulty for Customers;
- Special conditions to support the potentially unemployed workers of the Opel plant in Azambuja – the closure of which was publicly announced – in which are included, for example, the possibility of a capital and interest deferment period and of renegotiation of loans which those people have outstanding in Millennium bcp, as well as support for the launch of new businesses/starting up activity.

Scope

The Bank seeks to permanently improve its offer of financial products and services through the appropriate distribution channel and at the right price, for which it considers the needs and preferences of each Customer. Millennium bcp is an universal Bank with an offer directed to all market segments, promoting a range of products and services which stands out for its excellence, quality and availability, while also seeking to serve Customers in an attentive and responsible way.

For such a wide product and service range it is essential that the commercial network, which maintains direct contact with Customers, including Branches and other infrastructures, stays adequately sized, and that it evolves in accordance with criteria of convenience and proximity with the Customers. In this regard the following initiatives were the most prominent in 2006:

- Differentiation of opening hours to the public of the Branches, thereby providing more time to deal with the public. In the major urban centres advice is available in the Branches from 8.30 a.m. until 7.00 p.m., having approximately 12% of the Bank's network of Branches working with extended opening hours;

Symbolic handing over of a donation to Mr. António Guterres, United Nations High Commissioner for Refugees



A comprehensive product range for all market segments



Specific characteristics of ATMs to facilitate their use by Customers with visual handicap



- Voice help function for a range of operations: withdrawals, payment of services and alteration of PIN
- Standardisation of the position of the command keys for the Cancel, Correct and Confirm functions
- Tactile indicator in key 5, facilitating the identification of the centre of the keyboard, making a change between keys easily identifiable due to contours identifiable to the touch

- Major investment in the growth of the ATM equipment network, commonly known as Multibanco. With 25% market share, Millennium bcp has around 2,500 ATMs installed around the Country with the objective of being present in the day-to-day of its Customers, providing easy access to the basic banking services. In 2006, 50% of the Bank's ATM network was located outside the Bank's network of Branches and in areas of major affluence of people, such as Supermarkets and Hypermarkets, Commercial Centres and Public Transport Terminals;
- Innovation in the expansion of the ATM network, through the installation of 62 new ATM SIBS machines, which add to the previous functions greater processing speed and an intelligent deposit module, enabling the automatic validation of notes and cheques, with image digitalisation, and the detection of false notes, with records on the depositor (complying with legislation in force, Article 6 of Regulation (EC) no. 1338/2001 of the Board of the European Union).

Accessibility

Millennium bcp has always sought to be where and when the Customer need, providing diverse means of access. Taking advantage of the possibilities offered by the new technologies, remote banking channels contribute towards increasing the convenience and availability of the Bank in the service of the Customer.

With regard to ensuring accessibility to people with special needs and in line with the guidelines universally defined for the creation of sites accessible on the Internet, Millennium bcp, through the use of the appropriate technology for this purpose, provides the necessary conditions so that all Customers with visual limitations can access the site www.millenniumbcp.pt, efficiently and without difficulty.

Millennium bcp has made an effort to provide ATM equipment, in the self-banking areas of its Branches, with characteristics that facilitate their use by Customers with visual handicap. In response to a request from the Nossa Senhora dos Anjos Rehabilitation Centre, Millennium bcp, together with SIBS, installed an ATM for tests in that centre, so as to enable training sessions to be held for blind people so that they can use the equipment without the need of support from voice options.

Passport Account



Integration of communities

The creation of a specific product for immigrant Customers, through the Passport Account, and its communication in the native languages of the more representative communities established in Portugal, is another example in which a banking offer par excellence – a Sight Deposit Account – associated with a number of financial advantages and instruments developed especially for this segment, can play an important role in terms of the social responsibility of the Bank, striving towards the better integration of these Customers in the society and in particular in their labour relations. By means of the payment of a low cost monthly commission, the immigrant Customer benefits from exemption from the commissions and annual fees usually applicable for the maintenance of the current account, to the Visa Electron card, to the Personal Accident Insurance (including repatriation in the event of death), to the domiciliation of payments and access to the telephone and Internet service, also having the possibility of making applications of reduced amounts (minimum of 50 euros) in a savings account.

As a result of the dimension and relevance of the immigrant communities in the Country, it became necessary to know more about them, by resorting to the entities involved in this social environment, the consequence being the increasing need to extend and bolster banking products and services in all areas. The growing maturity evidenced by some communities, specifically in the use of automatic channels, particularly the Internet, revealed the opportunity to create a page in the millenniumbcp.pt website dedicated to immigrants. On this page, the Customer has access to a significant amount of relevant information to facilitate the start of a new stage in his or her life – living in Portugal – with Millennium bcp supporting him/her in this process. The information was structured into two areas, according to the specific needs of this segment:

- Helping the Customer in their financial choices, such as opening an account, saving, buying a house and transferring money to their family in their country of origin;
- Providing useful information for appropriate social integration, specifically documentation, job offers, education of children, legislation and cultural agenda.

Also for the community of foreign citizens, mostly English, Irish and German, who choose to live or spend their holidays in Portugal, Millennium bcp provides a specific product for them to acquire a residence.

Trust

Establishing and strengthening a relationship of mutual trust with Customers underlies the evolution of Millennium bcp, based on the creation of value and on the availability of a range of financial products and services of superior quality. In order to do this, it is essential to support the Customer in the different stages of their life, providing a diversified range of financial products and services and the most appropriate advice according to the Customers' risk profile and the respective life cycle.

Diversified financial products and services reflect Millennium bcp's approach to the strengthening of the relationship of trust with Customers, providing new products and adapting others, so as to meet the Customers needs and preferences. The most important features in 2006 in this regard were:

- The improved offer of PPR Millennium – Retirement Savings Plans (in terms of Insurance and Funds), restructuring its offer according to the different risk profiles, with which the retirement plans can be safely adapted, in line with medium and long-term objectives, while also reducing the tax burden;
- The main objective of the commercial initiative "Jovens com Asas" (Young People with Wings), launched in October of 2006, was to provide a response to the main financial needs of the younger segment – financing their first car, first house, computer, etc. The approach taken was daring, very humorous, conceived specifically for the irreverent profile that characterises this segment. A specific site was created for young people, which set out to be the shop window for the main products and services aimed at this segment. Throughout 2007 an ongoing action plan will be undertaken in the main universities of the Country and in the specific site for young people;
- Two and a half years after its launch, the Frequent Customer solution continues to match the expectations of our Customers. Indicators such as the number of Customers in portfolio – 260 thousand – and the increase in the indicator of cross-selling, show that these Customers

"Jovens com Asas"



are more involved with the Bank and more satisfied, thereby reinforcing a 1st banking choice relationship with Millennium bcp. For young people under 26 years of age the solution "Seleção Sub 26", besides all the benefits enjoyed by the Frequent Customer, provides quite favourable and flexible conditions, particularly in the access to University Loans.

Security

In 2006, Millennium bcp developed the project SAFE – System of Safe Electronic Authentication – which provides added security for the users of the Internet channel in operations which involve moving their assets, through specific validation codes for this type of operation obtained via SMS or Token. All Millennium bcp Employees are already using and testing this system, as well as a test panel made up from 500 Customers. It is expected that this will be extended to all users of Internet Banking in 2007.

In another area, the physical security system of Millennium bcp is integrated, supported by procedures and equipment that respect the integrity of Customers and Employees as well as the environment. In 2006, this was further improved through the investment in new technologies of video surveillance and access control, which enable an improvement in the quality of the system's preventive and reactive action.

In 2006 the Branches of Millennium bcp suffered 23 robberies, which represents an increase of 3 robberies when compared to the previous year; while the average amount stolen per robbery was lower when compared with the occurrences registered in other Institutions with the same relative size in the Portuguese Financial System. The robberies in Millennium bcp Branches were witnessed by 59 Customers, although there was no record of any physical or traumatic injury. The Bank's Medicinal Services accompanied this type of occurrence, providing any support that might be necessary following this type of incident.

The physical security system is permanently monitored and is complemented by prevention exercises to test the Emergency Plans and to train the Security Teams, with two fire simulations with the evacuation of buildings held in 2006, involving the participation of the Employees and of the Public Safety Authorities.

Credit

In the case of private individuals Customers, the objective is to adequately satisfy their respective credit needs, giving them the possibility of accessing a superior standard of living, education and comfort, at a reasonable monthly cost. At the same time, the drive to diversify the offer and the drive towards innovation were maintained, seeking to correspond to the individual needs of the Customer:

Within this context, specific credit initiatives were developed throughout the year; the main ones being:

- Support for extending the technological base of the population in general – lines of credit for the purchase of personal computers at a particularly attractive price and participation in the protocol known internally as Campus Virtual signed with the Government, which grants access in preferential conditions for students and teachers of higher education to a wide range of computers;



- Support for young people in the final stage of their studies and at the beginning of their professional life – providing lines of credit with specific conditions and lower cost, intended to finance their studies, purchasing a car, purchasing a computer or other goods, depending on that person's needs;
- Support for higher education, whether that be a degree, post-graduation, masters degree or doctorate – providing lines of credit with especially adjusted deferment periods and pricing conditions. University credit, with extended deferment periods and advantageous repayment conditions, allowing the younger Customers to complete his or her studies, top up or update their studies or even set up their own business.

The maintenance of the maximum personal credit period of 84 months – which had been provided on an experimental basis at the end of 2005 – allows to have lower monthly repayment instalments and as such less onerous for the family budget.

With regard to corporate Customers, the Protocol with Mutual Guarantee Companies (Norgarante, Lisgarante and Garval) was renegotiated, thereby facilitating access for SME's to the necessary financing of their activity, eliminating the normal constraints they suffer due to their size. These guarantees contribute towards reinforcing the competitiveness of the companies, enabling them to reduce the credit risk operations and, consequently, granting them access to better financing conditions.

Also as an example of support aimed at increasing the competitiveness of companies, specifically in the fishing industry, a Protocol with IFADAP was signed, within the terms of which a line of credit of 30 million euros was made available to support entities of this industry, compensating them for the increase in production costs arising from the steep increase in the fuel price.

A main development in 2006 in Mortgages was the improvement in the offer through a vast range of innovative and competitive solutions based on products adapted to the needs and preferences of the Customers, including extended periods, deferment periods for capital and reduced instalments, adapted to the available income, above all in the initial stages of a loan, when the family budget is lower and expenses higher.

In the business segment, the Bank geared its action towards the promotion of entrepreneurship, becoming a genuine business partner of business people who present a valuable idea and are willing to promote a new business. Several protocols were signed with sectorial associations, with especially advantageous conditions for the opening of a new business. Special note should be made of the partnership formed with the Portuguese Retail and Services Confederation in the launch of the competition of ideas of the New Retail Entrepreneurs Support Office – GANEC – which rewarded the best proposals presented by young entrepreneurs in the areas of retail and services.

Project Finance

Project finance is a privileged form of financing major private structural investment projects in a wide variety of business sectors, including transport and energy infrastructures, specifically energy generated from renewable sources, the environment (water and sanitation, waste treatment) and telecommunications, many of which – given their nature – have a major environmental and social component.



The communication sector is one to which the Bank has devoted its resources, as these are projects with objectives of socio-economic development, improvement of accesses and territorial cohesion. This type of project can, nevertheless, result in a negative impact on the environment, being therefore always subject to an environmental impact evaluation process, within legal terms, with the objective of selecting the best alternatives and ensuring the mitigation of environmental impacts.

More directly in the environmental area and the quality of life of the populations, Millennium bcp has financially supported – and 2006 was no exception – Portugal's investment drive, both in the area of renewable energies and in the area of the expansion and renewal of water distribution networks and basic sanitation.

The commitment to renewable energies, put into practice with the financing of aeolic parks, evidences the Bank's encouragement of the development and promotion of clean technologies. Aeolic energy represents the use of a renewable resource and a reduction in the effects associated with conventional processes of electricity generation. The negative impact potentially associated to this type of project – the change of the geology and geomorphology, the erosion and removal of top soils, the destruction of species of vegetation, disturbances to migratory animals and birds, birds of prey and bats and alterations to the landscape – are, whenever they might occur, minimised as a result of their early detection with environmental impact evaluations.

The Bank is also supporting the investment drive which is being made to take water distribution and basic sanitation networks to the Portuguese population in general, heading up the financing of some of the private concessions in this sector; specifically those in Paços de Ferreira and Santa Maria da Feira, where the concessions were restructured in 2006.

The Bank's actions have always been driven by the strict and scrupulous compliance of all environmental and social standards, and the adoption of the Equator Principles arose, at the end of 2005, as a natural step.

The Equator Principles, so far adopted by around fifty Financial Institutions around the world, are a self-regulatory mechanism intended to ensure that projects financed via project finance are developed in a socially responsible approach and that they reflect good environmental management, whether by avoiding any negative impact on eco-systems and on the communities involved, whenever possible, or through the correct treatment and mitigation of these impacts.

Meanwhile, following on from the experience accumulated in the first three years of implementation of the Equator Principles, the signatory Financial Institutions, specifically those which adhered from the beginning, created a working group which took a fresh look at the Principles in the first semester of 2006 and, as a result, a revised set of Equator Principles were announced on 6 July 2006. Millennium bcp was one of the Financial Institutions that confirmed the re-adoption of the renewed Principles.

By adopting the Equator Principles, each Financial Institution agreed to classify all projects with a cost of over USD 10 million in one of three categories, (A, B or C), according to the environmental and

social risk associated to the project. With this commitment, the signatory Institutions aspire to a greater control over environmental, social and, consequently, reputational risk inherent to the projects which they finance.

The signatory Institutions thereby undertook to finance and, accordingly, to only support viable projects which comply with the provisions of the Principles, besides undertaking to consider the provisions established in the Equator Principles in their business and risk management processes, consistently with their organisational structure. In addition, each signatory Institution should publicly report, at least once a year, their implementation processes and their experience, while safeguarding, however, the appropriate confidentiality on the conclusions drawn from the processes.

The process


In this first year of application, Millennium bcp included the need to analyse the impacts of each project in the due diligence processes, by using external and independent consultants, whenever necessary, with the objective of ensuring the compliance of the Equator Principles. After the revision to the Principles of 6 July, Millennium bcp also assumed this concern in new projects to which it provides consultancy aimed at raising funds in the market.

It does so in a systematised manner consistent with its scope of business, that is, not acting with relocated project finance teams, in this first year of application of the Principles it did not resort to excessively sophisticated screening mechanisms for the dimension of the business, although it may be admitted that the experience acquired and the growth that is intended in this area may lead to the installation of more sophisticated mechanisms which are, in fact, already possibilities for the future.

The experience of the first year

Millennium bcp's experience with the application of the Principles has turned out to be extremely positive, as all projects implemented were developed from the outset by their promoters within the spirit of the Principles, avoiding or mitigating the possible impact on the ecosystem and on the communities involved.

The sectors in which the Bank is most actively involved are transport infrastructures, energy (including those coming from renewable sources) and water and sanitation concessions. On the other hand, the Bank's activity was mainly developed in countries upholding respect for the environment and for the communities involved, countries of the OECD and of the European Union (Portugal, Greece and Poland), thereby facilitating dialogue with the parties involved. It may be recalled that, as from the review of 6 July, the Equator Principles attributed greater confidence in the fulfilment of national legislation and regulations in countries of the OECD considered by the Bank Mundial as High Income Economies, a group in which Portugal and Greece belong.

During 2006, Millennium bcp investment classified 13  projects as being in accordance with the Equator Principles.



Luanda Bay Project



Millennium bcp is advising and financially supporting the investment made by the private sector in the “Project of Requalification of Luanda Bay and Urban Planning of the Coastal Area”, in Luanda, capital of Angola, the construction of which began in November of 2006, and which includes a component to be developed on land to be granted by the Angolan State to the promoter for a period of 60 years.

The first technical and environmental studies of the Project were publicly presented in 2003 and, after intense dialogue with all sectors of the Angolan society, were reformulated, with a number of major changes being introduced resulting from the public discussion, and licensed by the Ministry of Urbanism and the Environment.

The public works component will be performed in the period of 36 months and include the alluvium removal and pollution reduction projects of Luanda Bay, protection work of the coastline, the deposit of the materials resulting from the dredging, as well as the infrastructuring, rehabilitation and replanning of the Avenida Marginal, works which aim to provide better circulation and the renewal of the water of the bay, an improvement in its quality with repercussions for its fauna and flora, greater road transit capacity on all the sea front with new solutions to regulate traffic, the construction of car parks, pedestrian's zones, green zones and multi-purpose public leisure areas, as well as the repair and painting of the façades of the buildings of the bay side area, works which, altogether, will enable a single connection to be made between the bay, the city and its inhabitants, as well as greater fluidity of the traffic.

The project also includes the repair and modernisation of the rainwater separator and waste water drainage systems, which will enable the runoff of the excess volume of rainwater in to the bay after being filtered, as well avoiding the discharge of waste water into the bay, thereby avoiding its contamination. The component of private works, to be undertaken on existing land but extended with the deposit of the dredged materials, includes the building of housing, offices, multi-use and leisure areas which are currently lacking in the city of Luanda.


The conclusions of the Environmental Impact Study point towards a positive impact for the project on the whole area of downtown Luanda, with the works resulting in a major public benefit and in the enhanced value of Environmental and Urban Property, and with a high level of social concern, as the project will not imply any type of re-housing of families throughout the area of incidence of the public works component.


Classification of the project finance operations

	Equator Principles			Commitments assumed by Millennium bcp (million euros)
	A High Risk	B Medium Risk	C Low Risk	
Transports				
Portugal	-	2	-	201
Poland	-	1	-	10
Greece	-	3	-	1,390
Waters				
Portugal	-	2	-	66
Infrastructures and real estate				
Angola	-	1	-	8
Energy				
Portugal	-	3	-	282
Telecommunications				
Portugal	-	-	1	27
Total	-	12	1	1,984

Socially responsible asset management

The importance of socially responsible asset management has grown steadily throughout the recent years, and should represent between 10 to 15% of the total of funds under management in Europe. In fact, the number of funds, and the amounts applied, dedicated to socially responsible investment has been growing steadily, motivated by the increasing perception by the financial markets of the importance of the impact of social, environmental and ethical issues on the economy and on companies. There is already the conviction that these topics should not be dealt with as merely “extra-financial”, but recognized as genuine direct financial impacts. This situation becomes increasingly more visible if we take emerging issues as an example, such as climate change and the carbon market, as well as changes in terms of its regulatory framework. It is up to the Financial Institutions to act as catalysts for the growth in socially responsible investment, in terms of the creation of products and their commercialisation, creating conditions to respond to a growing market demand for this type of product.

Millennium bcp has an active role in this matter; mainly through the partnership it has established with F&C Asset Management, leader in Socially Responsible Investment, which manages 100%  of the investment funds under Millennium bcp brand. F&C uses its influence on the companies that make up its portfolio, mainly through its voting power and the dialogue it establishes with the companies, striving for these to incorporate the best economic, social and environmental practices on their activity.

Also through the asset management unit, which Millennium bcp has based in London, the Wealth Management Unit, and through the ActivoBank7, in Portugal, the Bank commercializes socially responsible investment funds, managed by third parties, with around 190 thousand  euros invested.





The general-manager of BVQI-Portugal, Ana Paula Pereira, handing over the certificate to Paulo Teixeira Pinto

Quality

The quality function, as well as its implementation, has been properly adjusted to the evolution of Millennium bcp, preserving a vision centred on the Customer; focused on the increasing quest for continuous improvement and on the development of long-term relationships, based on three pillars:

- Customers – with the objective of achieving increasing and superior levels of satisfaction and loyalty, which bring sustainable comparative advantages;
- Employees – with the objective of ensuring appropriate levels of satisfaction, motivation and commitment;
- Quality of execution – with the objective of achieving levels of excellence in the efficacy and efficiency of operational execution.


The definition and implementation of the Quality Management System is based on the management by processes, transversal to all areas of Millennium bcp and centralised on the Quality Division, which certifies that there is a continued and systematic interaction in order to ensure the representation and documentation of the processes, the setting of operational objectives and respective service levels, the permanent monitoring of critical indicators and also the implementation of improvement plans.

In terms of the quality of execution, 2006 was an outstanding year in the evolution of the Quality Management System, as Millennium bcp was awarded the certification under standard ISO 9001:2000 by the Veritas Certification Bureau, an external certification entity.

The accomplishment of this project, transversal to the whole Bank, allows us to gather our operational excellence to focus on quality as perceived by the Customer and to the satisfaction and motivation of the Employees, with this resulting in an Integrated Quality Management System. Besides the qualitative improvements meanwhile implemented, it was possible, with this project, to improve the mobilisation of the Bank on this topic and on the importance of the quality of execution.

The launch of operational targets and their communication to the various levels of the Bank, as well as the raising of awareness of its contribution as a distinctive factor towards a service of excellence, represent an important step forward in the affirmation of a more robust and wider ranging model of quality.

The certification procedure was implemented in stages of 6 months, during which the teams associated to each process organised the information, defined the respective missions, objectives, performance indicators, while also implementing the identified improvements.

The certification of quality of a significant number of Customer service procedures and credit processes, strengthened the focus on the careful selection of Customers for commercial contact on the Bank's initiative and on the definition of procedural and qualitative rules which are uniform and common to the diverse sales channels. It was therefore possible to achieve greater speed and simplification in the credit decision and a more effective follow up of the process and of the Customer by the Branches, resulting in an increase of quality of service and a consequent increase in the degree of Customer satisfaction (highlight for the degree of Customer satisfaction in Mortgages which is around 81% .

Processes included within the scope of the quality certification in 2006

1 st Stage	2 nd Stage
Mortgages	Credit Limits
Personal Loans	Credit for Construction
Development of Products	Complaints management (widening of its scope)
Pro-active Sales	Subscription and redemption of Investment Funds
Opening of Accounts	Subscription of Insurances (Non-Life)
Complaints Management	Written Communication with Customers
	Factoring
	Management of Institutional Custody
	Taking up and Cession of Stock
	Cash Deposits and Withdrawals
	Management of Counter guarantees
	Transfers issued abroad
	Vehicle Financing
	Real Estate Leasing

The external quality certification project continues in 2007 with the certification of additional processes.

Quality of service increasingly constitutes an important differentiation factor in a highly competitive sector, as is the case of the financial sector. The drive towards the continuous improvement of quality in serving the Customers of Millennium bcp is understood to be critical for the activity of the Bank. In this regard, the Satisfaction Management System (SGS) of Customers, with its progressive implementation for over more than a decade, mirrors the Customer orientation of the whole Organisation. The satisfaction and loyalty of the end Customer are the consequence of the decisions and actions taken every day, therefore making the continuous measurement of these indicators fundamental.

Throughout 2006, the increased loyalty of Customers and their satisfaction with Millennium bcp's value proposal continued to be monitored on a monthly basis, through a postal survey sent to a significant sample of Customers. The analysis of the correlations between the base quality of service indicators – global satisfaction of the Customer with the Bank; the intention to continue as a Customer of the Institution; the intention to repurchase products and services; the intention to recommend the Institution to third parties – and the opinion of the Customer in relation to the group of attributes relating to the relationship and service provided, as well as with regard to the products sold, enables the identification of the variables which most influence the assessment of the Customer (by segment), thereby putting into motion, whenever necessary, the measures which would tend to improve perceived quality.

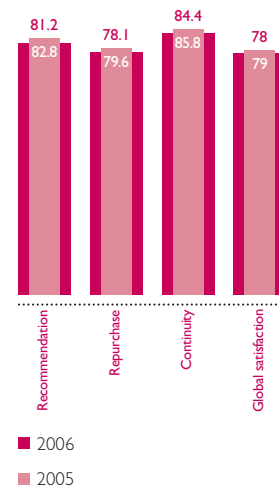
Studies carried out in 2006 relating to Customers

	Surveys	Customers surveyed	Responses
Market Studies	-	-	-
Trace Surveys	20	798,927	66,169
Specific Surveys	1	100	26
Total	21	799,027	66,195

Certification of Quality ISO 9001:2000



Index of Customer satisfaction



The Bank also uses the Mystery Customer program, on a regular basis, as a tool to improve behaviours, practices and processes, contributing to ensure high Customer satisfaction. The continuous evaluation of performance enables a relationship of trust to be created, necessary to the sustainable relationship with its Customers.



Included in the project “On the Path of Excellence”, the objective of the Mystery Customer program is to evaluate the reception of a Customer by the Employees, their performance in terms of knowledge of the products and services, their commercial performance and the incentive to use automatic channels, a variable considered as fundamental in gauging Customer satisfaction. This program covers all of the Retail Branches, with the exception of Branches with a “pure” personalised management and business typology, paying visits to the Branches with the intention of “seeing the Bank through the eyes of the Customer” aiming at improving the quality of service to the Customer.

In articulation with an independent consultant, the Moments of Truth to be analysed are defined, as well as the respective measurement process. In 2006, 4,978 visits were made to Branches, in which a series of behaviours to attitudes were measured on the following moments of truth:

- Reception – image of the Employees of the Branches and rules of reception;
- Sale – appropriateness of products and services and final sale;
- Migration of transactions.

The analysis made in 2006 allows us to conclude that, compared with previous measurements, the results were globally positive, presenting a favourable, gradual and consistent evolution in the performance of the Branches, showing that the Employees correctly performed 80.4% of the moments of truth.

IN THE FIRST YEAR OF ACTIVITY, MORE IMPORTANT THAN THE CONFIRMATION THAT EXPECTATIONS HAD BEEN SURPASSED, WAS THE CONTRIBUTION OF MICROCREDIT TOWARDS THE REALISATION OF A SIGNIFICANT NUMBER OF PROJECTS WHICH ENHANCE HUMAN ENDEAVOURS, GIVING A SECOND CHANCE TO THOSE WHO NEEDED THEM AND ENABLING THE INTEGRATION AND PROGRESS OF FINANCIALLY EXCLUDED PEOPLE.

Contrary to what many people may think, microcredit is not exclusive to poor countries, or underdeveloped regions, but stands as a financial solution which can be used, with the necessary adjustments, in all societies – from the least to the most developed –, for the obvious reason that in all of them there are layers of the population who are at risk of exclusion, in all of them there are human beings who value dignity and who value the granting of a second opportunity even more than spontaneous support which, while capable of attenuating difficulties, can perpetuate situations of dependence. The success of microcredit depends, naturally, on its generalisation in Society, where it should be transversal to the layers where there is financial scarcity, as is the case of the unemployed, immigrants, pensioners, domestic workers, students and, even family companies and micro-companies already formed but at risk of failure due to lack of follow up and advice for the development of the business or the training of the Micro-entrepreneurs.

Business model

The launch of the autonomous microcredit Branch network by Millennium bcp, in November 2005, was preceded by an in-depth preliminary research – resulting from the contribution of McKinsey & Co, one of the partners which, together with Millennium bcp, proposed the launch of this initiative – in which the opportunities were identified and the essential concepts defined for the business model development.

To finance and promote people and micro-companies with viable entrepreneurial initiatives, which otherwise would not have access to credit, leveraging the experience of Millennium bcp and developing partnerships with specialised institutions in order to ensure a sustainable operation, was the vision that Millennium bcp defined for microcredit, based on two basic principles with which the potential market was framed:

- Credit is granted to all those who present a viable idea, following the principle of subsidiarity;



- The correct identification of viable business initiatives and the guarantee of continuous support are critical in the business model

Microcredit is aimed at young unemployed people, immigrants, specialised unemployed people, retired people, domestic workers, students or young recent graduates and small microcompanies, which present an entrepreneurial dynamism and the capacity to perform, founded on proposals of viable projects.

A simplified credit product, with a maximum amount of 15 thousand euros, a variable interest rate according to the risk profile and repayable in monthly instalments, over a maximum period of four years, with the possibility of a deferment period of up to six months for capital, are some of the components offered by the Millennium bcp microcredit value proposal.

This value proposal is complemented by a sales and distribution model highly leveraged on the resources of Millennium bcp, with dedicated Project Managers and through a network of associated institutions which reinforce the strategy of attracting Customers. This contact approach, based on focused communication, results from the combination of intensive and automated selection, thereby guaranteeing the quality of the projects financed. The monitoring of the credit portfolio and the tight management of any default event are essential for the success of the operation.

The existing network for Millennium bcp microcredit covers around 65% of the estimated potential market and comprises four Branches: in Lisbon, Porto, Braga and Funchal, with the latter joining in 2006. Ten Project Managers, split between the four branches, provide continuous support to the Micro-entrepreneurs.

Particularly important was also the intervention, in 2006, of the other two partners which were associated to Millennium bcp for the launch of the microcredit operation: Calouste Gulbenkian Foundation and Cáritas Portuguesa.

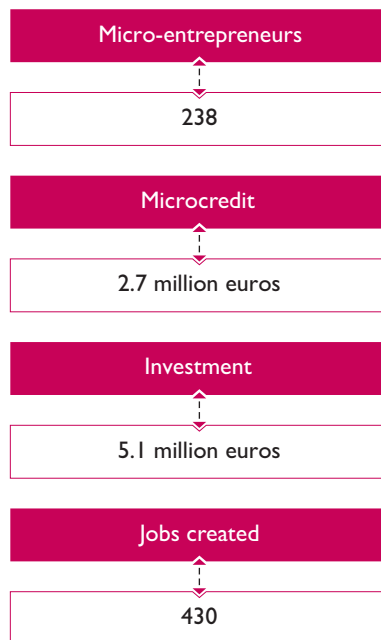
With the support of Calouste Gulbenkian Foundation it was possible to produce the content of the first 12 modules of the Management Course for Micro-entrepreneurs and to conclude the training for the first four. With this, one of the premises which underscores the Millennium bcp microcredit's value proposal was ensured: to provide a training opportunity to all Micro-entrepreneurs supported, giving them the essential knowledge to increase their opportunities of success and the sustainability of the businesses financed.

The training of the first group of teams of District Delegates of Cáritas Portuguesa was also concluded, thereby creating the conditions for those Delegates, integrated in Cáritas Portuguesa's extensive network, to be a dynamic feature in the attraction, referencing and accompaniment of the Micro-entrepreneurs, complementing the intervention of the Project Managers with their in-depth knowledge of the social and economic reality of each Micro-entrepreneur referenced.

Results of the first year of activity

The estimate of the potential microcredit market was fully confirmed during 2006, thanks to the initiative and interest demonstrated by many Micro-entrepreneurs who, in the four branches of Millennium bcp microcredit, requested financing for their projects.

Operations approved in 2006



More than four thousand requests for financing were recorded, 79% of which went on to the analysis stage. In the cases analysed, quitting was the most common cause of closure, with 238 projects approved, in line with estimated production and resulting in a rate of approval of 10.8% of the projects analysed.

The credit portfolio, at the end of 2006, recorded a historic default rate lower than 1.1% of the debt capital. Also important to mention the fact that five of the operations supported in 2006 were fully repaid within one year, confirming the merit of microcredit for the realisation of opportunities and viable projects.

Microcredit portfolio as at 31 December 2006
(excluding credit granted under the protocol with the National Association of the Right to Credit - ANDC)

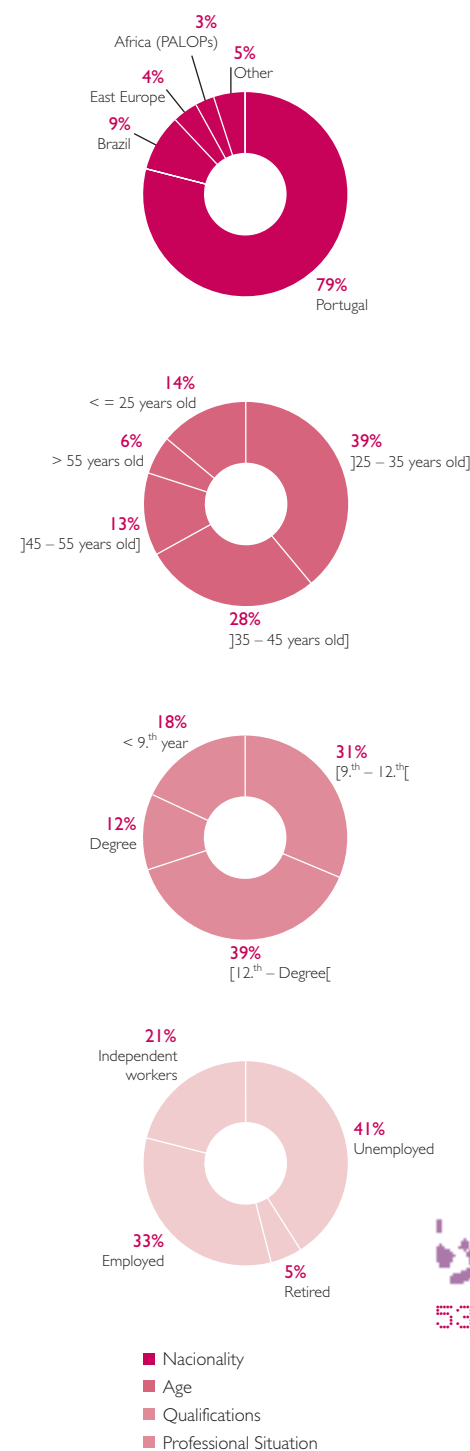
	2006
Number of operations	233
Debt capital (thousands of euros)	2,445
Credit overdue (thousands of euros)	27

Microcredit is different from other support with philanthropic or charitable nature, for being a financial instrument to stimulate initiatives that, necessarily, would have to stand on their own feet and be sustained within a usual market framework, in which economic-financial viability is a common and essential attribute to all businesses. As opposed to subsidising, microcredit grants opportunities, providing interest bearing financing and with the obligation of repayment, to Micro-entrepreneurs who, not having alternatives for financing, have the conditions for viability and who present a balanced project. This balance also implies that the funds necessary for the project do not come exclusively from microcredit, thereby contributing to the fact that the projects have added robustness to face a competitive environment.

The operations supported in 2006 are an evidence of this concept. The amount of 2.7 million euros applied by the Bank in microcredit operations enabled projects of Micro-entrepreneurs to be realised which, in total, invested more than 5 million euros, revealing the required capacity to raise funds from other sources. This investment, realised with the support of "support networks", from the families or communities in which the Micro-entrepreneurs form part, led to the creation of 430 new jobs, a fact with a relevant social impact.

The approved projects were quite diversified in terms of sectors of activity, although there was a greater concentration of projects in Restaurants and Specialised Retail sectors. Although less than in other international examples, above all in less developed countries, Millennium bcp microcredit showed there was a slight lead by projects headed up by women, with 52% of the total of approved projects.

Characterisation of Micro-entrepreneurs



Rosângela Melrinho



António Malusso



Paulo Alves



Statements by some entrepreneurs

Rosângela Melrinho – LA Café – restaurant and café

Brazilian immigrant, in Portugal for 6 years. "I had already tried to get a loan from other Banks, but I didn't manage to get one, the first barrier of being an immigrant makes things a little difficult. Then Millennium bcp microcredit came along, which was where I managed to get the credit to open my business. Straight away I had a person who was responsible for my business and who also helped me a lot, it was very easy, with their help of course!

António Malusso – Tó Sapateiro Footwear Clinic – cobbler

Mr. Malusso, 46 years old, a cobbler for 14 years, was unemployed for around 3 months: "As I was unemployed when I heard about microcredit I decided to try my luck. Initially, my project was to buy an existing shop, but this was very expensive. Then, with the help of microcredit, I decided to go ahead with a brand new shop, in spite of the risk I knew I would be running. Microcredit changed everything in my life!". With the opening of the shop, Mr Malusso used the microcredit Business Plan and went along to the Employment Centre, having received a positive response regarding the obtaining of funds, which allowed him to pay off a part of the loan capital earlier:

Paulo Alves – Tira Mossas – car repair

"I knocked on various doors, but all closed as I was an immigrant. As I have been a Customer of Millennium bcp for five years, on its Internet page I discovered that the Bank also had the offer of microcredit. I contacted the Bank and was very well received. I was already good at the technique of car panel beating and I already had the plan. When I got to Millennium bcp microcredit, not only the service was very good but also the project was quickly analysed. There was not much bureaucracy, it was quick, and they also provided training in the management of companies. All of this helped me a lot and was fundamental for the success of the company. After only two months in business I already have a very good return. The company is already a success."

Cristina Amado – Kris Amado – Hairdressers

"The idea came up because I was working for other people and these days they make you work too many hours, and then do not want to pay for this time... Then I chose to open something up for myself. Also due to my age: I am not old but in this business they think that after 30 you are already old. It is a little complicated. And then I opted to open up my own business, in spite of the generalised crisis. I began by going to the Employment and Training Centre, but when I was going to hand in my application they told me I needed to be unemployed for more than six months. Then they told me that Millennium bcp was providing funds for small business people, and I decided to go to Millennium and managed it. I went there a first time. It was more for them to know what we want, what was my point of view. Then I had a second meeting, in the Lisbon Branch. Meanwhile I handed in my application. After two weeks the Project Manager came around to see the project, to see if it was viable and it went right ahead. It was fast. There are lots of hairdressers, but these days I think that we need more competition, and when we have a good price and quality, the Customer always appears."

Irene Silva and Manuela Magalhães Dias – O Pesponto – tailoring

Irene Silva became unemployed after being laid off from a textile factory. As she was over 50 years old, she could not see any solution on the horizon, she did not even think she could get access to credit. She recalls that at the time she thought about asking for retirement, but a little later the situation was about to change, when her daughter, Manuela, also unemployed explained: "I thought it could be just another closed door; but I also went in the hope that it could also be the last door

I knocked on and perhaps the right one". Seven thousand euros was the amount necessary for them to buy two sewing machines and to open their business. Right from the first hour of business in the shop it has not stopped increasing. "Initially we even thought that until we got Customers we would fix our own clothes to fill our time but, thank God, we had no time for that", her daughter added.

Protocols signed

In May 2006, Millennium bcp renewed the protocol in force with ANDC – the National Association of the Right to Credit, an association which aims to provide the conditions so that the beneficiaries can develop a small sustainable business (creating their own employment), and supporting micro-business people in formulating their investment project, either during the period of business development or during the period of depreciation of the loan.

With this protocol ANDC assumed the commitment to promote and select potential candidates, send the respective applications to Millennium bcp microcredit and follow up the execution of the projects of the Micro-entrepreneurs. In turn, Millennium bcp defined a line of microcredit with specific conditions for the Micro-entrepreneurs selected through this protocol, in which financing would be provided up to the amount of five thousand euros per project, with a maximum period of three years.

In 2006, 25 operations were approved under this protocol, from which resulted, at 31 December, a credit portfolio of approximately 93 thousand euros.

In November 2006, a protocol was also signed with Entrajuda – Support for Social Solidarity Institutions, an association in the area of social solidarity, which aims to increase the capacity of social solidarity institutions to improve the services provided to beneficiaries, equipping them with a number of management and organisational tools and resources capable of increasing the efficiency of their means and the efficacy of their results. Additionally, this association also intends to mobilise and facilitate the involvement of people and companies who want to bring along their good will, making their work, knowledge and experience, or the products and services they produce or supply available to institutions of social solidarity.

Within the terms of the protocol with Entrajuda, Millennium bcp defined the general terms of a line of microcredit especially geared towards Institutions of Social Solidarity, which it called MacroSolidarity, with which it intends to finance the investment needs of these Institutions, provided that they are included in projects of reorganisation of the institutions themselves and the analysis, definition of needs and planned solutions of which are included within the scope of Entrajuda's intervention.

Lastly, a cooperation agreement was established in December of 2006 with Gebalis – a municipal company, which manages the municipal social neighbourhoods of the Lisbon region – aimed at the development and incentivisation of entrepreneurship in these neighbourhoods. This agreement intends to maximise the identification, encouragement and support of the capacity for initiative and entrepreneurial vocation of the residents in the municipal social neighbourhoods of Lisbon, aimed at the creation of micro-companies or self-employment. Amongst the diverse activities to be developed, some of the main ones are the awareness of entrepreneurship; training sessions for potential promoters of projects to create micro-companies and self-employment; technical support for formalising their applications for financing, as well as follow up in the launch stage and consolidation of the initiatives.

Signing of the Protocol with Entrajuda



RIGOUR AND TRANSPARENCY

The implementation of a new model of corporate governance, which is described in detail in the Corporate Governance Report, reflects the option for continuous improvement, and the existence of specialised structures dedicated, for example, to compliance and to risk management, of executive committees dedicated to the business areas and banking services, as well as the establishment of specialised corporate commissions, of which are noteworthy the Stakeholders Commission, the Social Responsibility Commission and the Sustainability and Corporate Governance Committee, illustrates the dedication to rigour, transparency and sustainability.

Compliance

The mission of the Compliance Office is to ensure that the management bodies, the functional structures and all Employees of Millennium bcp comply with the legislation, rules and regulations (internal and external) which govern their activity, in order to avoid the risk of the institution incurring sanctions of a legal or regulatory character and financial or reputational losses, arising from the non-fulfilment of the laws, regulations, codes of conduct and standards of good practice.

The Compliance Office has a decentralised structure, which allows it to undertake its activity with greater efficiency, speed and dissemination. This structure includes specialised units, specifically the Legal Support Division, Financial & Capital Markets Compliance Division, Compliance Division, and Anti-Money Laundering Division, as well as Compliance Office Representatives in the business areas (Private Banking, Investment Banking & Asset Management, Corporate, Companies and Retail) and International Compliance Officers appointed for the overseas operations directly dependent on the Compliance Officer.

The activity of the Compliance Office is centred on the monitoring of the fulfilment of standards and legislation, on implanting a culture of compliance in Millennium bcp, on the advice to various business units, on the contribution towards the development of internal policies, on the analysis and issuing of opinions on regulatory initiatives and on the promotion of specific training for Employees.

Within the scope of the prevention of non-compliance with regulations, the Compliance Office also has a proactive attitude, seeking to get involved in the analysis of processes, financial products and services, aimed at ensuring their conformity with legislation in force, as well as preventing possible conflicts of interest.

The Compliance Office, in its function of prevention and control, also seeks to ensure that the institution is equipped with the IT devices or tools which guarantee the efficient monitoring of operations, aimed at enabling the detection and communication to the public authorities of operations which apparently may be suspected of committing the crime of money laundering.

Another intervention of the Compliance Office consists of consolidating the institution's fulfilment of current international Know Your Customer recommendations, specifically taking into consideration the recommendations of the Financial Action Task Force, which were reviewed and extended in 2003,

and which constitute an important procedure in the fight against money laundering and the financing of terrorism.

The control systems and internal procedures in the compliance activity are complemented through permanent training of Employees of Millennium bcp aimed at increasing their perception regarding the fulfilment of the duties of identification of Customers, the conservation of documents, of examining operations and of the notification of suspect operations.

Considering the experience acquired and the ongoing need to improve the efficacy of preventive mechanisms used in relation to money laundering, relevant activities were developed throughout 2006, of which we would point out:


- reinforcing the duties of identification of Customers upon the opening of bank deposit accounts aimed at obtaining as much knowledge as possible, which is complete, trustworthy and permanently up-to-date of the identification information of Customers, as well as of their possible representatives and other people with powers to make transactions in the account;
- as a result of the fulfilment of the duty of examination of operations which seem that they may be amongst the legal types of the crime of money laundering, in 2006 Millennium bcp made 229 notifications to the Attorney General's Office of operations suspected of showing signs related with the practice of the crime of money laundering
- preparation and holding of an ample training program, focused on the recognition of operations which might be related with the practice of the crime of money laundering, which was given to new Employees through the training module of integration and to existing Employees through the e-learning and on-job-training systems, for a total of 3,922 Employees in 2006.

Audit

The Internal Audit mission is to contribute towards the concretisation of the objectives defined for Millennium bcp, ensuring the efficacy and adequacy of the internal control systems, of risk management and of the conformity of corporate procedures and to safeguard the interests and assets of the Bank and of those entrusted to it. Its conduct follows the lines of the program approved by the Supervisory Board and by the Executive Board of Directors, which establish a constant quest for the best practices, the adoption of a superior standard of accuracy and quality, consistently applied in the activities undertaken in all its structures, the development of human resources allocated to the function and the implementation of necessary initiatives and which tend to increase the efficiency and productivity of its resources.

The Internal Audit activity follows an Annual Plan, approved by the Executive Board of Directors, which respects the guidelines and specific requirements defined by the Supervisory Entities, by the Supervisory Board and by the Executive Board of Directors. Its execution, as well as the main recommendations, is object of regular appreciation by the Supervisory Board, which delegated this task to the Audit and Risk Committee, and by the Audit, Security and Anti-Money Laundering Commission. In 2006, within the scope of the internal audit Plan of Activities, more than 1,500 audit activities were held in all of Millennium operations in Portugal and abroad, which come within the different typologies of audit and analysis, to which can be added a similar volume of opinions and other *ad hoc* actions. Also in 2006 special mention should be made to the start of



a quality audit program, as an integral part of the process of certification developed by the Bank. On 31 December 2006 the relationship between the number of Auditors and the number of Employees was 0.7% .

Internal Auditors

	Employees	Auditors	%
Retail	6,722	20	0.30
Companies	933	7	0.75
Private & Asset Management	388	4	1.03
Investment Banking	200	4	2.00
Banking Services	1,837	31	1.68
Corporate Area	771	13	1.69

The intervention of the Internal Audit is assumed as an internal control structure, within a multidomestic rationale, it being the responsibility of the persons in charge of the Audit Division of Millennium bcp and the similar Divisions in subsidiary companies, appointed by the Executive Board of Directors to perform the supervision and general coordination of Millennium's Internal Audit activities.

Violation of regulations

	2006	2005
Internal regulations	17	30
External regulations	26	28
Total	43	58

Communication of Irregularities

With the purpose of adopting the best practices of corporate governance and of reinforcing the culture of responsibility and ethics which has always guided the actions of Millennium bcp, standards are set out which clearly define the actions of every Employee who comes across activities or situations which may indicate the practice of irregularities.

In fact, it is the responsibility of every Employee to inform such an occurrence to the head of the organic unit of which the person responsible for the actions or situations detected is a part, at the same time as informing his/her own hierarchical superior. For situations in which the communication through the hierarchical chain may compromise achieving the intended objectives, an alternative process of the communication of irregularities was introduced, in 2005, which relieves the Employee of doing so before the person responsible for the area concerned.

For this purpose, an electronic mail address was specially created exclusively for the reception of communications of alleged irregularities which occur in Millennium bcp, the management and channelling of which is the responsibility of the Supervisory Board which delegated it to the Audit and Risk Committee, which in turn articulates the treatment to give to the communications received with the Audit Division, specifically with regard to the need to take steps to investigate them, while safeguarding the confidentiality of the whole process.

Supervision and Regulation

In its activity Millennium bcp incorporates the regulatory authorities' principles regarding prudent supervision through prudent and efficient management, contributing towards the stability of the whole financial system and towards its own robustness and sustainability. Within the scope of the supervision of credit institutions, the Bank seeks at all times to ensure adequate levels of liquidity and solvency and regularly reports the required information, equipping the organisation with the material and human resources, and the organisational structures and procedures necessary to have the appropriate conditions of quality and efficiency, proceeding with diligence, neutrality, trustworthiness, discretion and respect for the interests which are entrusted to it.

With regard to its status as a listed company, issuing securities and as a financial intermediary subject to the supervision of the Securities Market Commission, Millennium bcp fulfils the duties of information of the relevant facts on the Governance of the Company, as well as the duties relating to offers of securities and registration as a financial intermediary. The Bank also seeks to have a constructive collaboration in view of the development of new regulations and forms of supervision.

Within the scope of the launch of a public tender offer for the acquisition of Banco BPI, Millennium bcp has also provided all the information and collaboration requested by the Competition Authority.

Risk Management

Risk Management is a fundamental aspect of the business and of the sustainability of Financial Institutions, and in Millennium it is one of the fundamental aspects of support for a policy of growth, sustained by an adequate level of own funds and by a correct evaluation and management of the risk/return profile of the different lines of business.

In all entities which comprise Millennium, an integrated perspective of Risk Management in its multiple forms is assumed⁵, with the function of risk control being transversal and centralised in the Risk Officer, who ensures the implementation of the approved policy of risk management, also supporting the operation of the Risks Commission and of the respective subcommissions: Market and Liquidity Risks, Credit Risk, Operational Risk and Pension Fund Monitoring.

Within the scope of the model of Risk Management, the Risk Officer is also in charge of:

- Ensuring the global monitoring of risk and the alignment of concepts, practices and objectives defined by the Risks Commission, proposing measures to improve its control and implementing the approved limits;
- Developing, proposing, implementing and controlling the application of a series of evaluation methodologies and metrics capable of enabling the correct evaluation of the risks incurred;
- Guaranteeing the consistency of principles, concepts, methodologies and tools for the evaluation of risk in all business units, including subsidiaries and Branches abroad;

⁵ Greater detail may be found on the Millennium bcp's risk management model in the chapter "Risk Management" in Volume I of the Annual Report 2006



- Ensuring the existence of an adequate technological infrastructure supporting the process of risk evaluation and monitoring.

During 2006, within the scope of risk control, the highlights were (i) the consolidation of the internal risk control model in its multiple formats; and (ii) the continuation of the fulfilment of previously planned tasks within the scope of the project concerning the adaptation of Millennium to the requirements of Basel II.

Basel II corresponds to a structural alteration, which is being implemented for some years in Millennium bcp, for example, through the growing use of evaluation methodologies of the different portfolio risks, of the wider scope of the rating and scoring models, of the segmentation of the commercial approach and of risk to the different types of Customer and of the improvement in the levels of efficiency and efficacy in processes such as credit recovery.

The Risk Officer assumes responsibility for the daily management and execution of the project for the implementation of Basel II, set out in 2005 and based on the conclusions of a preliminary study and after which, taking into consideration the costs, the underlying risks and the materiality of the exposure, the Executive Board of Directors decided to propose the adoption of the approaches of Basel II to the Bank of Portugal in the following ways:

- With regard to the credit risk, the Millennium bcp and its subsidiary companies in Portugal, as well as the Millennium bank in Poland and in Greece, would use the advanced internal ratings-based approach (IRB Advanced) and the other entities the standard approach;
- In relation to the operational risk, it is intended to use the standard method in all legal entities, which comprise Millennium bcp. In this area, in order to accommodate the implementation of management systems in operations with less weight in the Bank's structure, the idea is to propose the temporary adoption of the basic method for these entities;
- Regarding the market risk of the negotiation portfolio, the intention is to use the method based on internal models, leveraging on the Value-at-Risk model, which is being used by the main entities of Millennium.

Hence, in the third quarter of 2007, a process of applying for the use of the methodologies referred to above should be presented to the Bank of Portugal, in order to allow their adoption as of the beginning of 2008, in line with the initial calendar defined for Banks which intend to use the advanced ratings based approach.

In terms of the preparation for Basel II, the training effort of all Employees should also be emphasised, with an e-learning program started in 2006 and which will continue during 2007. This program will be complemented with specific *in situ* sessions intended for Employees with responsibilities in the commercial areas and other internal units with intervention in the credit life cycle.

Procedures

The quality of the procedures and processes which make up an organisation and which are reflected in the quality of the products and services provided to the Customers, as well as in the quality of people management and other resources, is decisive for the sustainability of healthy and lasting relationships with our Customers and other Stakeholders.

The Bank has assiduously developed surveys on perceived satisfaction and quality, both of Customers and Employees, and also on the satisfaction of "Internal Customers" with the services provided centrally. The evaluation of the quality of operation of the internal units is measured with the use of on-line surveys, available in the Bank's Intranet portal, which enables greater speed in the analysis and identification of aspects to be improved, the implementation of action plans for improvement and, if and when necessary, the use of multidisciplinary quality improvement teams.

Studies carried out in 2006

Internal Customers

	Surveys	Customers surveyed	Responses
Market Studies	-	-	-
Screening Surveys	4	12,434	7,358
Specific Surveys	4	1,294	958
Total	8	13,728	8,316

Within the scope of the implementation of a model of management approach by processes, and with the intention of reinforcing the focus on a culture of operational excellence, Millennium bcp created the Operational Transformation Division, the mission of which is to maintain a broad and critical vision on the Bank's cost base and on the quality of the services provided, the objective being to re-invent the paradigm of the banking activity within the essence of the business processes which comprise it.

Starting with an innovative methodology and an in-depth understanding on the composition and nature of the operation in each business activity, the Bank's team dedicated to operational transformation is fully prepared to intervene in the business processes in total coordination with the other organisational units and the persons in charge of processes, identifying the critical areas of improvement and supporting the implementation of initiatives of actionable and effective transformation. This new approach has enabled two fundamental objectives to be achieved simultaneously: to significantly increase the efficacy of the business processes, allowing the bank to respond to and exceed the expectations of the Customers; and, to reduce the respective operational costs in a sustained manner:

Special attention has been given to the optimisation of the processes involving mortgages, cards, deposits and withdrawals and accounts (opening, maintenance and closure), with plans to extend this work base during 2007.

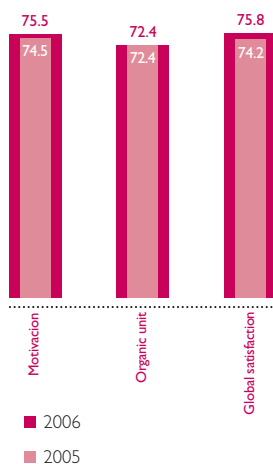
Index of satisfaction in internal processes

Global satisfaction



A GOOD PLACE TO WORK

Index of satisfaction of Employees



People management

People management constitutes one of the fundamental pillars of the management of Millennium bcp, starting with the evidence that people are essential for the excellence of the service provided to the Customers, for the efficient operation of the Bank and, consequently, for the sustainable development of the institution itself, as well as of its responsibility, as a company, to manage its Employees in a responsible and humane manner:

Employees as of 31 December 2006

	Men	Women
Senior Management	110	13
Management	656	136
Total	766	149
Distrib. by contract level		
16-20	461	70
13-15	818	249
8-12	3,775	1,725
<8	1,671	2,008
Total	6,725	4,052

Motivation and satisfaction

The motivation and satisfaction of the Employees is essential for the dynamism and sustainability of the Bank, being formally managed through an Employee Satisfaction Management System, which enables us to gauge (i) levels of satisfaction and motivation; (ii) critical factors which influence these two aspects; (iii) impact of Millennium bcp's people management policies; as well as (iv) to identify, develop and evaluate aspects of improvement.

In 2006, the satisfaction and motivation of the Employees evolved favourably compared to the previous study relating to 2005, the most notable features being the improvement in the satisfaction of the Employees in the commercial network. The overall results and results by area were communicated to and analysed by the respective structures, with concrete measures being defined for implementation by area with the objective of improving the satisfaction and motivation indicators.

Studies carried out in 2006

Employees

	Surveys	Employees	Responses
Market Studies	1	5,848	4,605
Screening Surveys	6	18,054	13,157
Specific Surveys	1	330	218
Total	8	24,232	17,980

The annual survey on the satisfaction of the Employees was, for the first time in 2006, sent simultaneously to all Employees in all of Millennium operations in Portugal and abroad, having

resulted in a high level of participation, in line with best international practices, reflecting the interest of the Employees in the present and future of the organisation.

Evaluation of performance and reward

In line with the process of counselling and evaluation mentioned previously⁶, Millennium bcp set up an Incentives System, approved by the Executive Board of Directors in 2006, with the purpose of motivating Employees through the allocation of a variable remuneration, which is based on the recognition of the performance and contribution towards the annual results, with regard to the individual and in terms of the team to which the Employee belongs.



Employees by salary scale

Annual salaries in thousands of euros

	Men	Women
≥100	310	34
[90-100[	79	22
[80-90[	107	20
[70-80[	154	43
[60-70[	184	53
[50-60[	368	94
[40-50[	838	280
[30-40[	1,939	656
[20-30[	1,883	1,558
[10-20[	643	1,088
<10	220	204

The contingent nature of this benefit is rooted not only in the expression which the individual and collective performance may assume each year, but also in the quality and volume of the results obtained by the Bank. Additionally, the allocation and the global amount to be considered depend also on the decision of the Annual General Meeting and on the terms and conditions to be established each year by the Executive Board of Directors.

Talent management

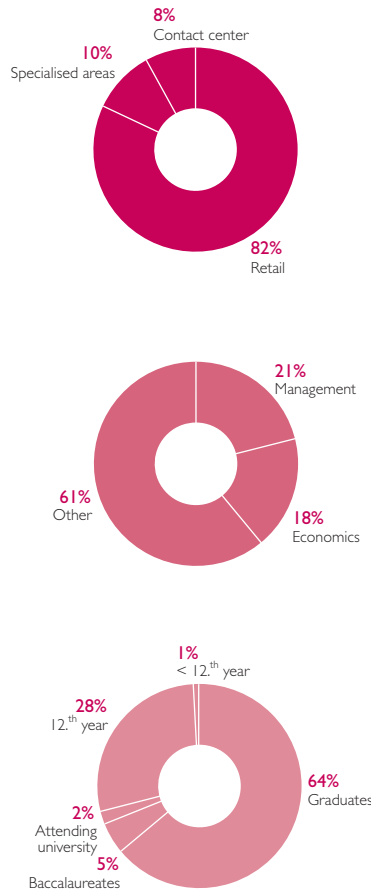
The results of common work do not rule out considerations of merit and the measure of one's individual contribution, and so the identification of potentially distinctive talent and its development and growth is a vivid concern in the process of recruitment and in the evaluation and counselling of Employees.

In 2006 the foundations were laid for the definition of specific programs for high potential Employees, who will have training appropriate to the development of their competences and career perspectives within the Bank.

Also in this regard, a process aimed at the appreciation of the competences of the members of top management in Millennium bcp and in operations abroad was developed in 2006, for discussion with the people themselves and with the members of the Executive Board of Directors of aspects relating to the way in which they perform their functions, the results of their activity and to the relationship with their peers and Employees under their responsibility, mainly with the objective of improving all of their characteristics which might contribute towards better individual performance and that of the Management team.

⁶ see page 35

Characterisation of Employees admitted in 2006



- Area of Placement
- Academic Specialisation
- Academic Qualification

Recruitment, mobility and career management

During 2006, Millennium bcp sought that candidates and internal Employees made the Internet (institutional site) as their preferred channel for sending job applications, receiving a total of 6,399 applications through this channel, comprising 80% of the total number of applications received. The same treatment is given to all candidates, irrespective of the area they are applying for. At the end of the process there is an interview with the Selection Panel, made up from members of the Bank's Senior Management, who issues a final opinion, with it being exclusively up to the Executive Board of Directors to make the final decision on the admission of new Employees.

With regard to the Recruitment activity, there were 1,551 interviews, 1,169 Psycho-Technical Tests, 69 Telephone Tests and 683 candidates were presented before the Selection Panel. During 2006, 391 Employees were admitted with an average age of 25 years old, with preference going for university graduates and equality between Men and Women, the latter representing 46% of the admissions made.

The promotion of internal mobility converged towards a better balance between the work force allocated to the Commercial Areas and Banking and Corporate Service Areas. Thus, of the total number of cases of rotation, there was a positive balance reinforcing the Commercial Areas by around 18%.

In December, the Commercial Competences Development Program was launched with the objective of attracting Employees from the Corporate Areas with potential for commercial functions into the Retail Area, giving them the opportunity to develop new competences through experience with a high component of training and follow up, presenting these Employees with new challenges and career perspectives.

Training

The investment in Employees' training showed itself both through the actions organised upon the Bank's initiative, and through the incentive given to each of the Employees so that, on their own initiative, they could seek to develop their competences (there is an Academic Qualification Incentive Program), with the possibility of Employees enrolling through a new training management platform, in courses to be given via e-learning for the development of specific competences in the areas of micro-computing, operational areas and banking products and services.

Strategic training matrix



In the block of training programs held in 2006, whether of a strategic or operational nature, transversal to the Bank or specific, 296,586 hours of training were given, involving 47,453 participants. Comparing this performance with the previous year, there is a major increase in the number of training hours training and in the number of Employees involved in the different training initiatives. The number of hours of training per Employee went from 16 to 26, approaching the objective of 35 hours, and the average number of training initiatives per employee increased from 1.5 to 4.

Regarding the management of training in 2006, we highlight: (i) the introduction of a greater coordination of training management with the Bank's evaluation and counselling process, which enabled a more direct identification of individual training needs at the time of evaluation and counselling and (ii) the evaluation process of the training given, a development assumed within the scope of the People Management Certification Process introduced in most of the programs taught, which seeks to evaluate the satisfaction with the training course and the level of knowledge acquisition.

In 2006, alongside the continuation of the training related with the Prestige Plus Program, reception and integration training for new Employees, the People Management Training Program, the foreign language training and the training in back-office and IT areas, special mention should be given to the following training programs of a strategic nature:

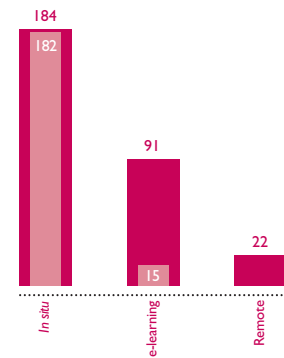
- Financial Advice Program – Aimed at Employees who serve Customers in the Prestige segment, the objective of which was (i) to increase proficiency in the discussion of financial solutions with Customers, (ii) to promote the use of the financial advice tool and (iii) to become proficient with the main investment solutions;
- Tele-Sales – Aimed at increasing the level of convenience for Customers and to simplify the sales process, the objective of this training program was to make people aware of the Tele-Sales solution and its complementarity with the "M3" programs (Smaller operational load, greater commercial efficacy and better service) given in 2005, and Prestige Plus, reinforcing the development of competences related with communication and outbound contacts;
- Private Banking – The objective is to develop and improve relationship and negotiation competences with Private Banking Customers. The methodology of the action is essentially based on active training methods (case studies, simulations and role play), and the promotion of the continuous training of Employees by their hierarchical superiors.

With regard to the training associated with projects that are transversal to the organisation, the main ones in 2006 were:

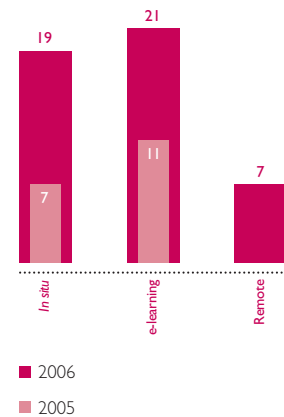
- The Quality Certification process – related with the quality certification process of numerous business processes of Millennium bcp (the people management process was also certified), the training undertaken supported Employees in the learning process underlying the certification of quality, also providing knowledge on the processes which each Employee is involved in;
- Basel II – Within the scope of the Basel Agreement II, which requires Financial Institutions to adapt to new regulatory requirements and to new methods and tools supporting Risk Management, a training program begun in 2006 on the new capital agreement and its implications for Millennium bcp, involving 1,534 Employees in its initial stage, with plans for it to be extended to all Employees in 2007;

Training activity by platform

Training (thousand of hours)



Employees involved (thousands)



- Compliance and Money Laundering – With the main objective here being to ensure that the banking activity is organised and monitored in an efficient and responsible way, training has initially been dealing with passing on information on the rules, regulations and alert indicators, the intention being to include all Employees. This training involved 3,922 participants.

Internships

Millennium bcp has been reinforcing its presence amongst young university students. In this regard it launched a program called "Come and Grow with Us", inspired by the best international practices to attract talented young people, which promotes the recruitment of students with high potential and the development of their professional competences.

In Portugal, there were three areas of action in 2006:

- Presence in Universities: presentations, workshops on the topic "The Structure of the Millennium bcp brand" and Employment Fairs;
- Visits to Millennium bcp: 157 students, selected from the scientific areas which are most relevant for the Bank, were granted the opportunity to make organised visits to areas such as the Bank's Markets Room, the Millennium Tv, the Contact Centre and the Business Support Division;
- Summer Internships: Between July and September of 2006, the Bank took in 82 Summer Interns (selected from 510 candidates) for a period between one and three months, in 23 organic units. The internships were planned taking into account the profile of each intern, providing relevant professional challenges and a unique opportunity to develop competences for students in the 2nd year of the course or above, with good academic results.

The success of the Summer Internship Program benefited from the development of an Internship Guidebook with all the relevant information on the program, set out in detail and with targets, for which Millennium bcp had the support of Dynargie Human Side of Business. Each intern was allocated a tutor and a mentor amongst the management of the Bank, who played a central role in the accompaniment and motivation of the interns, as well as in the evaluation of their potential. The integration and support provided by the teams which received the interns also greatly contributed towards ensuring the success of this initiative, which enjoyed a degree of global satisfaction on the part of the interns of 90%.

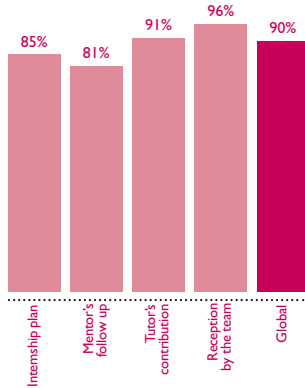
The Summer Interns received an internship scholarship and participated in opening and closing sessions led by the Chief Executive Officer, who invited them to be present on the Open Day of Millennium held in October 2006.

Millennium bcp aims to find a future generation of managers amongst these young talented university students. In fact, amongst the interns who have already finished their degree, 50% are already Employees in the Bank as at December 2006.

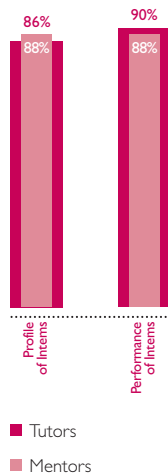
The positive impact of this experience amongst the university students and the high levels of attraction achieved by Millennium bcp are also reflected in a significant increase in the registrations received for the diverse events of the "Come and Grow With Us" program to be held in 2007.

Evaluation of Internships

Degree of satisfaction of Interns



Degree of satisfaction of Mentors and Tutors with the Interns



Statements by some interns

Inês Santos Silva

Economics, Universidade Católica Portuguesa

Internship: Risk Office

"I think it was when there was the welcoming session... Mr. Paulo Teixeira Pinto spoke of the importance that Employees in Millennium have and it is true... it is fundamental in the internship. The human side is very important."

Vítor Roma

Economics, Faculty of Economics – Porto University

Internship: Retail-North

"After the first month of training and internship in the Branches, we had the project phase, in which we had to work on the implementation of the choreography in the daily management of the Branches, in my case. And it was an excellent opportunity to get out in the field, to understand how the professionals, the people who come into contact every day with the Customer understand the issue, and to give our contribution in what we think is most relevant, to add to this best practice in the Bank."

Cláudia Cruz

Economics, Universidade Católica Portuguesa

Internship: Credit Product Unit

"The opportunity to prepare this campaign was fantastic, because it is one thing to be working in theory.. and it is another to take part in something that is really happening. I think that in terms of valuing the work of someone who comes from university and is a bit scared – "What am I going to do there?", "Will anyone like what I do?" – here it was all worth while..."

João Freitas

Management, Universidade Católica Portuguesa

Internship: Marketing – ActivoBank7

"In Millennium bcp there is the possibility that, from one day to the next, we can be sent to Greece, Poland, or now even to Angola or Mozambique, and that is certainly a plus for whoever comes to work for Millennium bcp."

Tiago Tarré

Management, Universidade Católica Portuguesa

Internship: Investment Funds – Asset Management

"I think it was excellent. My internship ended and I have recommended to many younger people who are beginning their academic life, if they have the opportunity; in fact the internship was thought out down to the smallest detail. We had a complete program, with everything defined, what to do each day, practically each hour. It is hard to find an internship similar to this."

Inês Santos Silva



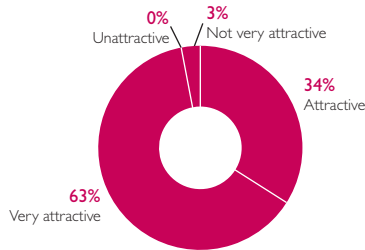
Vítor Roma



Cláudia Cruz



Attractiveness of Millennium bcp for interns at the end of the internship



Objectives of the Internship Program

- To attract and retain young talent with potential;
- To establish direct contact with students;
- To offer generic and specific on-the-job competences;
- To provide valuable experience to the interns;
- To contribute towards the University-Company relationship;
- To improve Millennium bcp's attractiveness in the university environment;
- To develop referential internships.

Excellence

Millennium bcp, as a normal annual practice, once again distinguished the Employees who, given their professional performance and work capacity should serve as an example to be followed by all Employees of the Bank, in view of the level of genuine excellence that they achieved. So, on the Open Day, which was held in October of 2006, Prizes for Excellence were awarded to 47 Employees who stood out in the domestic and international operations.

Restructuring

The concern for efficiency continued to justify the fact that the Bank has continued to pay particular attention to the evolution of its staff, specifically in Portugal, within a context of high competitive intensity, globalisation, specialisation, computerisation and outsourcing, which are reflected in the importance given to efficiency and flexibility, which is why the policy of resizing, rejuvenation and requalification of its Employees continued in 2006.

The process of resizing continued to be carried out essentially by individual negotiations with each Employee, respecting pre-defined criteria, which take into account a person's age, length of service and performance, from which around 400 retirement agreements and other departures have been agreed, which has also allowed the Bank to continue to recruit a significant number of young people, and thereby maintain the balance of the number of Employees with regard to the age structure.

Equal opportunities

Millennium bcp seeks to ensure that all Employees are treated with dignity, fairness and have equal opportunities, condemning any type of discriminatory practices. To ensure the application of these directives, the institution uses standards and procedures and provides Employees with complete information in the Bank's Intranet portal on their rights and duties, training opportunities and career progression and, besides the collaboration of the hierarchy, Employees have the support of their patron, a mentor of the Senior Management of the Bank who accompanies Employees throughout the whole of their career and which constitutes a distinctive element of Millennium bcp, illustrating the importance that the Bank gives to people management and in particular to equal opportunities.

Transparent recruitment and selection policies, practices with procedures which promote impartiality, availability of information on options and training programs to all Employees, career management policies which promote the acquisition of new competences and the professional enrichment of Employees reflect the Bank's dedication to promoting equal opportunities. Complementary to these mechanisms, Employees also have a Workers' Commission, which meets regularly with the Executive Board of Directors of the Bank to discuss matters relating to Employees' rights and duties.

Working environment

Infrastructures

Millennium bcp makes efforts so that its offices provide a distinctive working environment and does not stand as a factor of risk for the health of Employees, but also that they are functional and that they contribute towards the comfort and concentration of the Employees in performing their activities, paying special attention to solutions concerning light, temperature, furniture and the maintenance of the installations, fulfilling all required standards.

Hygiene and Safety at Work

The objective of Millennium bcp in the area of Hygiene and Safety at Work is to provide the highest standards of quality in the working conditions for the Employees of the Bank. Millennium bcp fully complies with all legal requirements on the activities of Safety, Hygiene and Health at Work, ensuring the permanent monitoring of the installations of the whole Bank. This monitoring is performed through periodic visits to the installations, performing analyses the objective of which is to detect malfunctions, whether these be in terms of the ergonomic quality, the quality of the air, the level of noise and the illumination of the various areas.

Hygiene and safety at work

	2006	2005
Visits of HSW	181	230
Analyses of the quality of the air	4	5
Accidents of work	77	74
Deaths	1	-

Millennium bcp is liable as an employer pursuant to the legal regime of accidents at work and professional illnesses regulated by Law 100/97, of 13/09, insured by Ocidental – Companhia Portuguesa de Seguros, S.A. In the event of an accident or claim, the insurer takes care of the handling and most appropriate treatment of the injured or sick worker and, together with the Bank's Medical Services, accompanies the recovery process in order to coordinate and expedite the best resources in the treatment of the Employee.

Millennium bcp complies with the directives and conventions of the ILO – International Labour Organisation.

Social benefits and family-responsible company

The principle of reconciling work with family life is part of the corporate culture of Millennium bcp, in which excellence in performance is valued and rewarded, in harmony with human development, as it is this that enhances Employees as responsible citizens. Professionals whose best example is

Distinction for intervention in the social area
Citizenship Prize for Companies and Organizations,
organized by AESE and by PricewaterhouseCoopers



Infrastructures of support available in TagusPark

Health Club



Kindergarten



that of a life evenly distributed between work, duties of citizenship, hobbies and socialising, without any of these aspects taking the place of any of the others. The intention is for the Employees to form a group of people who feel well with themselves, and also with life itself and with their profession, because the company in which they work allows them to develop all aspects of life and not only the professional component.

Besides the benefits stipulated by Law and established in the collective regulations agreed with the trade unions of the sector, Millennium bcp has the commitment to award Employees and their families social benefits which exceed by far the social protection that any company should have to provide by Law.

Employees receive financial benefits that contribute to support the education of their children and have access to a Social Fund, which grants them financial support by way of loans and non-refundable subsidies to resolve social problems which, due to their nature or circumstance, should be considered as falling outside of the scope of other benefits.

Millennium bcp also sponsors a Kindergarten and a Health Club located in the installations of TagusPark, the only site where the concentration of Employees allows this to be provided, meaning substantially greater convenience for the Employees located there.

Pension Fund

The most important benefits for the Bank relate to those dealing with the retirement of its Employees. Millennium bcp has been making endowments to the Pension Fund, not only to cover the basic compensation required under the collective work agreements, but also the salary complement earned by the Employee, as well as a survival pension in the event of death or full disability, so that, in these conditions, all Employees will have an improved retirement pension when compared with that under the collective contracting of the sector:

The complementary component of the Pension Fund which, without any legal obligation, constitutes an instrument to improve the Employees' retirement pensions, was changed in 2006, going from a defined benefit scheme to a defined contribution scheme, making it less sensitive to the movements of the financial markets, which at times can be brusque and which can lead to large variations in the annual amounts to finance the projected benefit, placing its sustainability at risk. From here on the financing of this Complement will become annually more coherent and predictable, allowing a more efficient monitoring, in the long term, of the asset values which will be converted into benefits when each Employee reaches 65 years of age. If, at the time of the awarding of the complement, the new defined contribution scheme results in a lower benefit than what would have been received with the defined benefit scheme, the Bank will take care of the payment of this difference for the Employees covered by the previous scheme.

Alongside this alteration, a personal plan was also created, with a defined contribution paid voluntarily and totally financed by the participant, and the portability of the retirement complement was also introduced.

Credit for Employees

Amongst the number of benefits granted to Employees, one of the main ones is access to credit with advantageous conditions for the acquisition of their own homes and for other social purposes, representing an important social contribution of the Bank for the Employees and their families. The average interest rate in 2006 was 2.25% for loans for the acquisition of the Employee's own home and 3.27% for loans for other social purposes.

Credit granted to Employees

Millions of euros

	2006		2005	
	Credit	Employees	Credit	Employees
Portfolio (balance at 31/12/2006)				
Housing	1,085	13,078	1,103	13,533
Social purposes	36	5,882	42	6,897
Credit granted (new production)				
Housing	123	1,337	151	1,612
Social purposes	14	1,351	16	1,731

Health of the Employees

The Employees of Millennium bcp benefit from a wide range of solutions that provide all the necessary services in terms of medical assistance and health care. The Bank ensures the accompaniment, orientation and complementarity in terms of health care, based on the highest standards of quality and excellence, supporting without exceptions all clinical situations of its Employees.

The Employees of the Bank have the possibility to benefit from a health insurance managed by Médis, currently the number one non-public health system in Portugal with regard to the number of insured and with regard to the dimension of its medical and hospital network. Médis is heading up a new culture of assistance in private health in Portugal, having introduced the concept of "managed care" which is well run and with a high guarantee of quality, throughout the ten years it has been set up.




The Bank's Employees can also enrol in Medical-Social Assistance Services (SAMS), managed by the Trade Unions of the sector. The SAMS provides beneficiaries with health protection through the internal provision of health care and payments towards expenses incurred outside of their services.

The Bank also has its own Medicine Services, with units located in various points of the Country, where Curative Medicine and Work Medicine Services are provided. These services provide medical assistance to Employees and also access to regular check-ups. The Medicine Services have a complementary position in relation to the health plans from Médis and SAMS, as well as those of the National Health Service. For more serious clinical cases, there is the possibility of using the University Clinic of Navarra, in Pamplona, within the scope of specific health insurance cover that the Employees of the Bank have for these cases.

All medical assistance services made available to the Employees of Millennium bcp can be extended to spouses and dependent children, and remain in force when the Employees go into retirement.



Medical services

	2006	2005
Consultations made		
Medicine at work 	7,777	7,832
Curative medicine	22,914	26,931
Check-ups made 		
Active Employees	6,919	7,929
Retired Employees	1,014	1,158
Health Insurance – University Clinic of Navarra⁷ 		
People covered	41,555	51,854
Number of consultations	731	800
Number of internments	201	182
Insurance premium ⁸ (thousand euros)	2,173	2,364

The Millennium bcp Club

The objective of the Millennium bcp Club is to contribute towards the improvement of the well-being of its 32 thousand associates, who include the active and retired Employees of Millennium bcp, as well as their family members, currently being the largest cultural and sport club of a corporate nature in Portugal. With its motto of “Live your Leisure”, the Club provides numerous activities of a cultural, sportive, recreational and social character, as well as activities that benefit the Community, of which the main ones are:

- Granting of the income from the III Grand Prix of Sea Kayaking to the Gil Foundation;
- Support for a Trip to Disneyland for the Children of Madeira, undertaken by Acreditar – Association of Parents and Friends of Children with Cancer;
- Monthly collection of donations of the members of the Club in favour of Acreditar;
- Invitation to underprivileged children in the care of various Associations in Lisbon and Porto to take part in the World Children's Day which the Club has promoted;
- Offer of tickets to see the show Cats for children at risk, of the Resgate Association;
- Invitation to children of various institutions to take part in the Christmas Parties promoted by the Club in Lisbon and in Porto and the giving of toys offered especially by the young people of the Club;
- Promotion of the Blood and Bone Marrow Donors Clubs created in 2005;
- Participation in the Porto-Lisbon Race, organised by the Stress Club, aimed at raising funds for the acquisition of ten transport vehicles for the disabled.

⁷ The information from the Clinical Insurance of Navarra referring to 2006 was obtained on 11 January 2007.

⁸ The criterion for determining the insurance premium paid was altered in 2006, coming to include the reinsurance premium to ACUNSA and the Médis assistance premium.

In its offer of events, the Club draws particular attention to the Pensioners of Millennium bcp, with programs and actions specifically geared towards them, as well as to underage children of Employees, organising Free-Time Activities, English Courses in England, Holiday Camps and other initiatives at favourable conditions. All members of the Club also benefit from favourable conditions in a large number of shops and services in varied sectors of activity.

The Millennium bcp Club is known for providing positive factors to neutralise the stress generated by the “wear and tear” of pursuing objectives, thereby supporting individual and collective performance, as well as placing emphasis on the identity and spirit of cohesion of the teams by socialisation based on the tastes and preferences manifested. It also contributes towards stimulating healthy sense of competition, creating a more open and healthy work environment, enabling families to get to know each other and to fraternise, stimulating the personal and emotional well being of the Employees and influencing the efficacy/culture correlation within the Bank.



COMMITMENT TO FUTURE GENERATIONS

76	Commitment to the environment
76	Millennium bcp Environment Project
76	Consumption of resources
78	Pollutant Emissions
80	Nature Conservation
80	Compliance
81	Commitment to Society
81	Promoting Knowledge
83	Promoting Culture
84	Supporting the Community



COMMITMENT TO THE ENVIRONMENT

Millennium bcp Environment Project

The “Millennium bcp Environment” project, within the scope of the partnership started in 2005 with the Instituto do Mar – a centre of the Science and Technology Faculty of the Universidade Nova de Lisboa concluded its environmental analysis of the activity of the Bank in 2006, presented proposals for the improvement of the environmental performance of the Bank and carried out preparatory work for the future definition and implementation of an environmental policy. Environmental information was also prepared for the sustainability report and research carried out on the evaluation of environmental performance and sustainability in the financial sector (of which there were two publications, one being in an international conference).

The environmental analysis carried out examined the practices and procedures of environmental management in direct terms (water, waste water, waste, energy, atmospheric emissions, and response to emergencies) and indirect terms (arising from investment criteria and the concession of financing and selection of suppliers), an analysis of legislation with environmental relevance, the calculation of indicators of eco-efficiency, the effort necessary for certification by Standard ISO 14001:2004 and EMAS, the identification of significant environmental aspects and impacts, the relationship of the Bank with the “Environmental Stakeholders” and the identification of priority measures. The development of the environmental policy is the natural step that will follow this analysis, reinforcing top management’s commitment in this area.

In terms of the relationship with Suppliers, the Bank has a relevant standing in multiple markets, being able to influence and promote the creation of goods and services with high standards of environmental performance. Suppliers represent a large part of the environmental implications in terms of the life cycle of the products and services made available. Amongst the most important in environmental terms are those related with the activities of electricity consumption, the maintenance of installations, printing, cleaning, gardening and restaurants. The environmental analysis performed enabled significant margins for improvement to be detected in the environmental control of these Suppliers.

Currently, Suppliers are included in the environmental objectives of the Bank, being subject to some requirements in orders’ specifications, specifically with regard to waste and to chemical agents. The Charter of Principles for Suppliers approved by Millennium bcp constitutes an important step towards the management of the environmental impact further up in the Bank’s production chain.

Consumption of resources

Water

Millennium bcp is not an intensive consumer of water; but even so it is dedicated to improving its efficiency in the use of this resource. The total water consumed in sanitary installations, cleaning, watering of gardens and diverse circuits, comes to an annual total of around 305,000 m³. The source of the water is, in most cases, the public network, except for part of the water consumed in TagusPark, which comes from a borehole that supplies the corporate complex.

In Millennium bcp's installations in TagusPark there is a drainage, collection and pumping system for the re-use of excess irrigation water. The Bank's strategy in this area has above all to do with the awareness of its Employees concerning saving water, the monitoring of consumption and detection of discrepancies caused by leaks or wastage of water and of the installation of water saving mechanisms.

Materials

The material which Millennium bcp consumes in greater quantity is paper (non-recycled). The drive to reduce consumption already implemented has led to a reduction in the main negative effects of paper consumption, specifically concerning the cutting down of trees, as well as a reduction in the energy spent and the pollution generated in its manufacture. After paper, the materials most used by the Bank are ink and toner cartridges followed by other office consumables.

The consumption of the diverse materials has been reduced or at least optimised, following a series of measures implemented. The computerisation of the services (a website with the possibility of performing most banking activities), which has been implemented for some years, has led to a slowdown in the consumption of resources.

Consumption of resources

	2006	2005
Water (thousands of m ³)	305	350
Paper and cardboard (ton)	1,054	1,363
Toner and ink cartridges (un)	11,113	31,942
Plastic (ton)	97	93

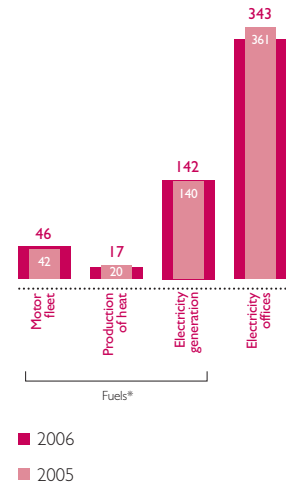
In 2006, the Bank began a project called Office Printing, with which significant increases in efficiency in the management, standardisation and maintenance of the diverse printing equipment such as faxes, printers, scanners and copiers is obtained. A reduction in the number of devices to around half is expected during the next five years, which contributes towards a reduction in the consumption of energy, a reduction in the consumption of paper by 20% and the optimisation of the consumption of ink and toner cartridges. With this project there was a reduction of around 15,400 toner cartridges in 2006 compared to the previous year.

Energy

The consumption of energy has a direct effect on operating costs, being similarly related with several environmental impacts. The main consumption of energy is related with air conditioning, electric equipment and transport.

The use of electrical energy causes an impact that is not local in character but rather in the neighbourhood of the electricity production plants. The use of electricity is easy and clean, but its generation (when not from renewable sources) and transport cause diverse impacts: climate alterations by the emission of greenhouse gases, depletion of non-renewable resources (petroleum, coal and natural gas), affecting biodiversity and destroying ecosystems by flooding caused by lagoons, electro-magnetic fields associated with the high tension power lines, production of dangerous waste and the contamination of water and the air with acidifying, eutrophying or toxic pollutants.

Direct consumption of Energy (TJ)



* Motor fleet: diesel
 Production of heat: diesel and natural gas
 Electricity generation: natural gas

Of the actions implemented or in hand to improve energy efficiency, the following initiatives are amongst the most important:

- System of cogeneration, installed since 1995 in TagusPark, which is more efficient than producing electricity and heat separately. The cogeneration plant uses natural gas for the production of electricity, recovering heat for heating up water, which is used in the air-conditioning system;

TagusPark cogeneration plant

	2006	2005
Natural Gas consumed (1000 m ³)	3,673	3,616
Electricity produced (MWh)	12,188	13,112
Heat produced (TJ)	50.6	71.9
Electricity sold (MWh)	673	862

- Centralised technical management in the buildings of the TagusPark, of the Palácio Atlântico and of the Banco de Investimento Imobiliário in Rua do Ouro in Lisbon;
- Millennium bcp's energy management plan which consists of a system of monitoring the consumption of electrical energy, gas and water of all of the Bank's offices, which includes energy audits of the buildings and offices which have the highest consumption of electricity;
- Study relating to the installation of condenser batteries in 31 offices of Millennium bcp to reduce reactive energy. Estimates made show that in 14 of these offices it is economically viable to install condenser batteries;
- Study on the reduction of lighting energy;
- Follow up of new legislation relating to the National System of Energy Certification and Indoor Air Quality in Buildings, which will imply the adoption of a new methodology as from 2007. It should be noted that buildings are one of the areas that have the greatest growth in the consumption of energy in Portugal, representing approximately 60% of the electricity sold, with substantial potential for reduction.

Pollutant emissions

Greenhouse gases (GHG) and other atmospheric emissions

Millennium bcp's emissions of GHG can be divided between direct emissions and indirect emissions: direct emissions result from the burning of fuel in cogeneration, in boilers and by the company's own motor fleet; indirect emissions result from the acquisition of electricity (emissions of the electricity generation system) and travelling (emissions of the transporters).

During the activity of the Bank, acidifying and eutrophying gases are emitted together with ozone into the troposphere. These emissions – nitrogen oxides (NO_x), carbon monoxide (CO) and non-methanic volatile organic compounds (NMVOC) – result mainly from the burning of fuel in cogeneration, in boilers and by the motor fleet.

Atmospheric emissions

(Unit: Ton)

	2006	2005
Greenhouse gases		
CO ₂	53,972	56,281
CH ₄	0.34	0.33
N ₂ O	0.24	0.24
Total CO₂ equivalent	54,053	58,064
Other emissions		
CO	18.0	16.59
NO _x	40.2	38.31
NM ₁₀ OC	3.45	3.18

The Bank is also responsible for the emission of ozone-depleting substances (ODS), which result from leakage of refrigerant products in the air conditioning systems. Amongst all of the Bank's offices there are also still systems in which the refrigerant fluid used is CHF₂Cl (HCFC-22) commonly known as R22. The recharging recorded during maintenance enables us to quantify the emissions of this gas into the atmosphere.

Liquid effluents

The generation of liquid effluents implies the existence of a system of treatment or the eventual pollution of the environment, in places habitually far from the generator of this pollution. The Bank's activity consists essentially in the provision of services within urban areas, in which it essentially produces domestic waste water which is gathered and treated in the municipal systems. The pollutant load discharged can be estimated from the number of Employees, with estimates existing for the pollutant load of total suspended solids (TSS), Biochemical Oxygen Demand (CBO5), Chemical Oxygen Demand (COD), nitrogen (N) and phosphorus (P). These indicators are associated to the presence of organic contaminants, the depletion of oxygen and risks of eutrophication of the waters. As the number of Employees has been reducing, the discharge of these pollutants has also diminished. It is estimated that the volume of liquid effluents discharged in 2006 amounted to 180,000 m³.

In terms of the re-use of rainwater for irrigation systems, Millennium bcp has a tank of 200 m³ in the TagusPark for this purpose.

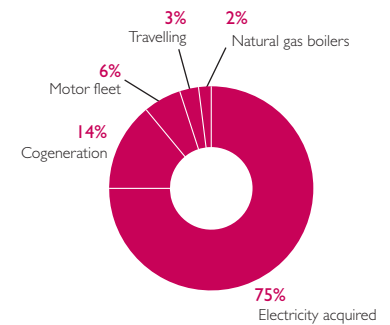
The activity in Millennium bcp's offices has a low risk of accidents that might cause a significant impact on the environment, without any incidence of spillages of dangerous substances being registered in 2006.

Waste

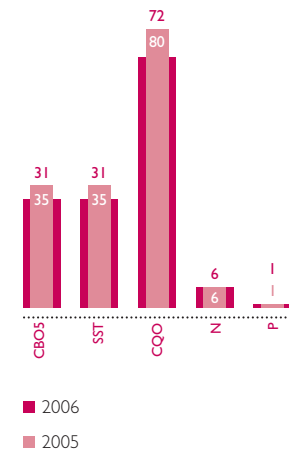
Like other services, the Bank generates solid urban waste. A large part of this waste can be re-used (recycling or regeneration). Other waste should undergo some form of treatment and/or be sent on to a final destination, which normally implies an environmental impact greater than that of re-use – atmospheric pollution and waste in the case of incineration, risk of contamination of subterranean waters in the case of deposit in a landfill site.

The main waste generated by Millennium bcp is paper and cardboard, plastic, ink and toner cartridges, and obsolete equipment including waste computer equipment. Amongst these, the ink and toner cartridges and most of the obsolete equipments are classified as dangerous waste. In the locations of

Greenhouse gases



Pollutant load discharged



greater production, specifically in the group's warehouses, paper and cardboard waste is gathered up by operators authorised by the Waste Institute. Besides this waste that is forwarded for re-use or treatment, some Employees of the Bank voluntarily adopt good practices of sorting and placement of waste paper and packaging in *ecopontos* (recycling containers).

Since 2003 there has been a procedure that enables used ink and toner cartridges to be collected and sent on for re-use. A part of this waste is donated to two social solidarity institutions – Ajuda Médica Internacional (AMI) and the Gil Foundation – that in turn take care of sending it to an appropriate final destination.

Obsolete equipment is forwarded to authorised operators who dispose of it and/or recycle it. Millennium bcp also needs to destroy old microfilm. This waste is stored for delivery to an authorised operator who disposes of it (recovering silver) thereby fulfilling all legal, environmental and confidentiality requirements. In 2006, the quantity of waste generated by the consumption of bottled water exceeded 2.4 million bottles and 1.2 million plastic cups, with the consumption of approximately 1.5 million litres of water.

Channels for treatment and re-use

	2006	2005
Paper and cardboard (ton)	693	552
Ink and toner cartridges (un)	2,498	6,733
Obsolete computer equipment (un)	5,476	1,185
Other obsolete equipment (un)	-	850

The apparent reduction in the number of toner cartridges sent for treatment in 2006, when compared to the previous year is explained by the implementation of the Office Printing project which, firstly, reduced the consumption of these materials and, secondly, transferred responsibility for the waste generated to the supplier of these maintenance services. This being so, we may state that around 60% of the "indirect production" of waste due to toner cartridges is taken for treatment and recycling, in accordance with the provisions of the law.

The increase of obsolete computer equipment was also due to the Office Printing project.

Nature Preservation

Millennium bcp owns urban and rural land and land of mixed use. Urban buildings, due to their characteristics and surroundings, are not rich in biodiversity. The others, if they are located in areas within the National Network of Protected Areas and/or in places within the Natura 2000 Network, can be considered as important places for safeguarding protected species or habitats. In these places, human activities should be compatible with environmental values. Of a total of around 382 hectares of rural land and 89 hectares of mixed-use land, we could determine that at least 84 hectares are located in habitats that are rich in biodiversity (Sicó/Alvaiázere: 11 hectares with an impermeable area of 0.5%; Alvão/Marão: 57.6 hectares, with an impermeable area of 0.2%; and Carregal do Sal: 15.4 hectares).

Compliance

In 2006, as in the previous year, no incidents or fines for non-compliance with declarations, conventions, international treaties or national, regional and local legislation on environmental issues were recorded.



COMMITMENT TO SOCIETY

THE COMMITMENT TOWARDS THE SOCIETY
IN THE AREAS OF KNOWLEDGE,
CULTURE AND COMMUNITY SUPPORT
ARE A CONSEQUENCE OF THE SOCIAL
RESPONSIBLE NATURE OF MILLENNIUM BCP


The contribution of Millennium bcp affects diversified areas of the Society, where the Bank seeks not only to support the development of the Country, but also the more underprivileged. An important part of the Bank's action is realised through the Millennium bcp Foundation, whose mission is closely related with that of the Bank. The Foundation was created to transmit to the community one of the fundamental aspects of its Culture, in a specialised way: social responsibility, understood as the active participation in the development of Society, attentive to the more representative areas in terms of cultural identity, to the more needy or unprotected sectors of society and promoting a "Culture of Excellence" amongst the younger generations, contributing towards a better academic and cultural preparation in view of the current challenges.

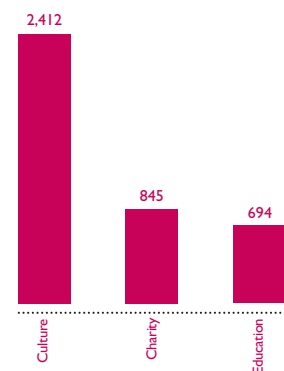
Promoting knowledge

Knowledge and its promotion and sharing, assumes added importance in the process of generational training, fundamental for facing the challenges and complexity which pervade modern society. Without knowledge and training, the affirmation and sustained progress of society becomes difficult, if not impossible. Millennium bcp assumes the commitment, also in this area, of actively promoting the share of knowledge, in considering that, although beyond its central activity, it is certainly a responsible attitude, coherent with its vision of proclaimed sustainability.

This was the driver in 2005 for Millennium bcp, together with 12 other major companies operating in Portugal in a wide variety of sectors, to promote the creation of the Association Aprender a Empreender – Junior Achievement Portugal, the Portuguese version of the Junior Achievement WorldWide, a long term project which, in the 2005/2006 academic year, reached approximately 7 million students aged from 5 to 25 years old, in 41 countries, through training programs which aim to promote a entrepreneurial culture, taught by around 60 thousand volunteers.

In May 2006, the Association Aprender a Empreender concluded a pilot program called Economy for Success with notable success, with which, complementary to the official school program, the intention was to introduce the topic of entrepreneurship to students in their 9th year of school. This program lasted for six weeks and, as is the usual practice of the Junior Achievement, was taught by volunteers from companies which are members of the association, with the collaboration of the teachers of primary education of the

Activity of Patronage and Donations in 2006 
Thousands of Euros



Opening class of the pilot program Economy for Success in the Miguel Torga Secondary School, in Amadora



years selected for the pilot program, having included 1,075 students, from seven schools of the metropolitan area of Lisbon. The initiative was implemented by 80 volunteers from the 13 associated companies, amongst which 12 volunteers were from Millennium bcp.

In November 2006, this program covered a broader universe, involving more than 6,200 students in their 9th year of school, in 52 public schools of the metropolitan area of Lisbon and with the participation of 56 volunteers from Millennium bcp.

Supporting Education and Research

Education is an area in which the promotion of the “Culture of Excellence” acquires special importance and meaning. In this regard, Millennium bcp has paid special attention to celebrating agreements with leading universities, specifically the Universidade Nova de Lisboa (UNL) and the Universidade Católica Portuguesa (UCP), for awarding study grants to attend MBA courses in both universities and to attend the first LL.M (Master of Law) in Portugal in the UCP. This initiative also included candidates from European countries where Millennium bcp has a strategic commercial presence.

With the same objective, protocols were signed with those universities for the creation of an endowed chair supported by Millennium bcp, with the purpose of recruiting renowned international professors in the areas of finance and marketing.

The scholarships program, created and monitored by Millennium bcp, intended for students from Portuguese-speaking African countries who attend Portuguese universities, also continued in 2006.

Research has also received the support of the Bank, with particular incidence on medical research, specifically support for the IPATIMUP – Institute of Pathology and Molecular Immunology of the University of Oporto, for a research and dissemination program, in the area of oncology and oncobiology. The publisher Principia was also supported for the publication of the Bioethics Manual, which is a work of reference in its field.

EcoBlock Project – research on environmental performance

Millennium bcp has supported the EcoBlock project via scientific patronage, this being a project developed by Instituto do Mar – Faculty of Science and Technology of the Universidade Nova de Lisboa. The objective of the EcoBlock method is to describe environmental performance of products, organisations or projects in a clear and comparable approach. The application of the method allows an environmental label to be attributed to a product, to inform the consumer; to simplify the sustainability report, to support the selection of suppliers, to establish environmental management targets, to compare different solutions concerning the design of a project or product, or to support measures of the environmental policy.

The EcoBlock method uses seven indicators: water extraction, extraction of resources, use of the land, emission of greenhouse gases, other atmospheric emissions, emission of hydric and waste pollutants. These indicators are independent from each other and correspond to a wide range of environmental effects, appropriately describing the majority of products and activities. The information is gathered in a standardised format, mainly resorting to the environmental management systems of the organisations themselves or official published statistical information, which confers it a high degree of robustness and comparability of results. Most of

the data is the same as that required by the GRI (Global Reporting Initiative). By being used as a complement to the environmental report following the directives of the GRI, the method brings an added advantage in terms of the organisation's interface with environmental resources, giving more emphasis and reporting possibilities to the complementary indicators proposed by the GRI.

The Ecoblock is basically a simplified way of obtaining a life cycle analysis, allowing a much wider and expedite application of this technique than is common today. The main innovation of the method has to do with the standardisation of the information and with the concept of the transfer of environmental performance throughout the value chain, attributing a quantitative environmental label to the successive products involved. Given its potential for companies, right since its original conception in 2001, the method has always received financing from these. Since then, various examples of the application have been developed in Portugal, specifically in terms of construction, electricity, ecodesign of tourist and real estate projects, ecodesign of furniture and more.

Currently, simultaneously with the examination of other case studies, the EcoBlock Information System is being developed for the calculation and systematisation of benchmarks. The underlying database includes information from scientific literature, official statistics and case surveys and studies developed within the scope of the research.

This research work has already been the object of diverse national and international publications. Millennium bcp associates itself to this innovative work demonstrating its commitment to national scientific research.

Promoting culture

Millennium bcp has paid special attention to its intervention in the areas of Patrimony Recovery, Museums and Music. If Culture, in all its spheres, has a fundamental role in the development of the society, these three areas simultaneously touch on various facets of this development and are fundamental factors for the preservation of the cultural identity of the Country.

During 2006 Millennium bcp continued with its numerous activities in the promotion of Culture, where some of the main interventions were:

- Pluriannual protocol with the Portuguese Institute of Museums, under the agreement with the Ministry of Culture, with Millennium bcp acting as exclusive patron of the following museums:
 - National Museum of Ancient Art, where the main features of 2006 were the expositions Grand Masters of Painting, the Rau Collection (95 paintings by fundamental masters of European painting from the beginning of the Italian Renaissance up until 1940/50) and "Frei Carlos e o Belo Portátil";
 - Soares dos Reis National Museum.
- Protocol with São Carlos National Theatre, also under the agreement with the Ministry of Culture, with Millennium bcp acting as the exclusive patron of that Theatre;

Exclusive patronage of the National Museum of Ancient Art and of the São Carlos National Theatre

"Frei Carlos e o Belo Portátil" exhibition of the National Museum of Ancient Art



"O Desterrado", XIX century [1872], Soares dos Reis National Museum



Millennium bcp exclusive patron of the São Carlos National Theatre



Millennium bcp Anteciparte award



Millennium bcp SPA award



- Support for the 3rd Edition of the collective exposition of contemporary art – Anteciparte – that displays the result of a competition amongst all final year students of the various national art schools, who participate with their portfolios. Based on these portfolios the jury meets and selects a group which it considers to best represent the selection of the year;
- Support for the Portuguese Authors Society (SPA) with the award of the SPA Millennium Prize and the Young Author Prize, an initiative which aims to distinguish the best national creators, amongst acclaimed and emerging artists;
- Recovery of Patrimony – Restoration of the S. Nicolau Church.

Supporting the Community

The intervention of Millennium bcp has been essentially through the support provided to specialised institutions in diversified areas such as: protection, monitoring and sheltering of abandoned children, support for the disabled, protection of young HIV positive cases, protection for the elderly in situations of extreme social and economic need and, in general, for all layers of the population who are in risk of exclusion.

During 2006 Millennium bcp continued with its support for diverse charitable institutions, as a way of realising its objectives in this area, amongst which we should mention:

- Pró Dignitate Foundation – a Human Rights Foundation;
- AFID – National Association of Families for the Integration of the Disabled;
- CADIN, an institution specialised in the accompaniment of young people and adults with learning and development problems;
- Ponto de Apoio à Vida, an Association of Social Solidarity, to support pregnant women in difficulties.

In other countries where the official language is Portuguese (PALOPs), education, health and social action in general, form the main factors of development, but it is also in these areas where these countries are most lacking. This situation requires a convergence of efforts to which the Bank decided to contribute, supporting actions taken by specialised entities with credibility and recognised experience in any of these areas.

The Bank's collaboration with the Ulls del Món Foundation (Spain) for the implementation of a project in the area of Ophthalmology at the Central Hospital of Maputo, in Mozambique, is also worth mentioning. The project aims to address a number of areas of need detected in this Hospital, specifically in terms of training and specialisation in specific pathologies, in the use of new technologies and surgical techniques, helping in the development of the skills of the local professionals. A course dedicated to the use of the technique of lens phacoemulsification, currently considered the most advanced system in the extraction of cataracts, and in the use of new equipment for treatment and diagnosis. The Ulls del Món Foundation expects to continue to promote important training initiatives in the Central Hospital of Maputo throughout 2007, improving the transfer of theoretical and practical knowledge directed at the professionals of this Hospital, above all in the application of the technique of phacoemulsification.

Millennium bcp also collaborated, in partnership with the FLAD – Luso-American Development Foundation, in projects geared towards the development of initiatives in the areas of training and education, specifically at university level, in Angola and Mozambique.

Special mention should also go to the support granted by the Bank to non-governmental development organisations (NGDO), and other institutions which act in favour of the more needy populations, promoting initiatives in the areas of health, basic education and agriculture aimed at preparing them for self-subsistence.

Food Bank

The support of Millennium bcp for the Food Bank Against Hunger initiative continued in 2006, after the renewal of the protocol at the end of 2005, lending continuity to a partnership that began when this project started, back in 1992. Millennium bcp is highly dedicated to contributing towards the maintenance of this partnership with the Food Bank Against Hunger, always seeking to strengthen its commitment to supporting the exemplary work undertaken by this institution.

Millennium bcp provides support to the Food Bank through a monthly financial contribution, equivalent to the acquisition of one tonne of food per month, and also provides for the offer of the bags used in two annual food collections in large retail markets. Every day 204 thousand people are fed in Portugal, of which 55 thousand are in the Lisbon region, thanks to the monetary support of Millennium bcp to the Food Bank Against Hunger.

During the campaigns organised in 2006, the Food Bank Against Hunger gathered more than 1,500 tonnes of foodstuffs in Portugal, representing a notable growth compared to 2005. The campaigns held involved a number of large retail markets spread over different regions of the country, receiving a very positive response from the public and from the volunteers involved in this initiative.

The foodstuffs collected are later distributed by a total of 1,380 Social Solidarity Institutions to more than 219 thousand people. The distribution is made by means of Institutions of Social Solidarity certified by the Food Bank Against Hunger as having the conditions to evaluate the actual situation of the people who are in need of food *in loco*, and who then receive their assistance and are properly oriented.

Sponsorships

The premise of awarding sponsorships is to obtain a return by way of a *quid pro quo* offered in exchange for the sponsorship and which allows Millennium bcp brand to obtain visibility and recognition.

Nevertheless, this logic does not exclude the social role of Millennium bcp in the improvement of the Society. Areas such as Culture, Education and Solidarity are embraced, revealed in the support given to Museums and the Theatres, Academic Institutions and Entities of Social Solidarity. All of these areas are a basis for the solid development of Society, towards which Millennium bcp has the possibility of contributing. The combination of return with the contribution towards the Society is the pillar of the sponsorship strategy.

Training in ophthalmology promoted by the Ulls del Mon Foundation, with the collaboration of Millennium bcp, in the Central Hospital of Maputo, Mozambique



Millennium bcp main sponsor of Rock in Rio



Rock in Rio

The Rock in Rio music festival was held once again in Lisbon in 2006, after the experience of 2004. Once again Millennium bcp assumed the position of main sponsor of the largest music festival in the world. The 2006 edition of Rock in Rio was a truly success, bringing around 360 thousand visitors to the Bela Vista Park during the five days of the festival. More than 60 national and international artists performed on the World Stage, the Hot Stage and the Electronic Tent throughout the two weekends of shows, with different musical styles to please all tastes. The Bela Vista Park was transformed into a genuine city. The City of Rock, with 200 thousand square metres, presented many areas of entertainment and leisure for the different publics and for all ages.

Millennium bcp is now definitively associated with the largest music festival in the world, and is considered by the public as the leading brand of this event. The Bank was one of the stars of Rock in Rio, not only for being the main sponsor, but for the wave of joy it gave to the festival. The Millennium colour was part of the festival, with 50 thousand wigs offered, another 15 thousand coloured wigs and 20 thousand t-shirts of the Bank saying "it grows in the palm of your hand". This recognition shows that Millennium bcp brand is already consolidated in the mind of the public as a leading brand. In addition there were also around 20 thousand Customers invited through the diverse promotions of the Bank, namely the cards promotion, which began in November 2005.

Millennium bcp was present in diverse points of the festival with various initiatives. The main focus was the Millennium stand, with a privileged view of the World Stage where artists such as Sting, Santana, Red Hot Chili Peppers, Guns N'Roses, Anastacia and Roger Waters performed – without forgetting the main Portuguese groups, like Xutos e Pontapés, GNR and Da Weasel. It was here that most of the fun took place, duly provided by the stand's crew, who assumed a truly Millennium posture, exuding charm and smiles to everyone present. The Millennium Tower set on the top of the stand also had a marvellous view of the whole festival.

The Kids Space was another interesting feature. It welcomed many young visitors who made the most of the diverse fun activities and, while their parents listened to the music, their children played on a stage especially created for the purpose. The VIP Tent was also very much in the limelight. Besides sponsoring the tent, Millennium bcp had its Prestige space, an exclusive enclosure that was visited by 500 invited Customers.

Millennium bim was also present in the largest music festival in the world enabling the visit of six Customers who won the contest "With the Flamingo Visa credit card, I'm going to Rock in Rio". From various parts of Mozambique, specifically, Buzi, Nampula, Tete and Maputo, the guests enjoyed moments of great emotion and were the confirmation of the success of the campaign undertaken by Millennium bcp. According to one of the winners, the M of Millennium is, certainly, "M for More for Me". Another point worth mentioning is that the creativity of this campaign received an award in the 1st International Advertising Festival of Maputo. As the main sponsor of one of the largest music festivals in the World, Millennium bcp reiterates its support for a project that, besides entertainment, is associated with a social project, aiming to improve the living conditions of Portuguese children through the involvement of the whole population. In the 2006 edition, the social project of Rock in Rio was directed, as in 2004, towards entities that promote the well being of children and young people. The entities selected for this edition were:

- ACAPO – Association of the Blind and Weak-Sighted of Portugal;
- FENACERCI – National Federation of Education Cooperatives and Rehabilitation of Handicapped Children: Snoezelen Project;
- Movimento ao Serviço da Vida: support in the recovery of the Quinta do Pombeiro.

Around half of the Portuguese population considered Rock in Rio Lisboa to be the largest event held in Portugal in 2006, classifying the music festival sponsored by Millennium bcp as the major event of this year and the third largest of the last decade, after Expo'98 and the Euro 2004.

Rock in Rio will return to Lisbon in 2008, included in the Millennium bcp's project of cultural policy and social responsibility. The ambition for 2008 is to make the best Rock in Rio ever. The next edition of Rock in Rio Lisboa will take place in two locations at the same time, which are not yet known, except that it will also be in the capital of a country where Millennium bcp is present.

Christmas Tree

With the offer of a Christmas Tree to the city of Lisbon for the third consecutive year, Millennium bcp assumes its commitment to everyone who identifies with the spirit of Christmas so that this celebration can be a time of sharing and intimacy, acclaimed as a symbol of the Portuguese Christmas.

Millennium bcp Christmas Tree, considered as a fascinating attraction, was visited and admired every day by around 3 million people, giving Millennium bcp brand a significant visibility and a marked presence in the collective memory of everyone who came into contact with this project.

The capacity for releasing emotions and of bringing people together around it led the Bank to award prizes to the best images of what was the biggest "star" of Christmas time in the city. Millennium bcp held two photography competitions which set out to record the best moments of the Tree and which were perpetuated in time, through more than 2,300 photos recalling this initiative, also as a source of inspiration of Art.

An initiative of solidarity also grew in the shade of the largest Christmas Tree in Europe. The revenue from Christmas cards, which were sold together with the Público newspaper, reverted to Diferenças, a children's development centre. The topic was the Tree and the true spirit of Christmas, values that are always present in a Bank that is close to the people.

Christmas for Eastern European Communities

In an attitude of sharing inspired by the largest Christmas Tree in Europe, the Bank extended the closure of Millennium bcp Christmas Tree in order to make it coincide with the Christmas celebrations by the diverse Eastern Europe communities, thus assuming the commitment of fully expressing its policy of social responsibility.

In the largest festive event offered to the Eastern European communities in Portugal, Millennium bcp gathered more than 8 thousand people in the Praça do Comércio, next to the largest symbol of the Portuguese Christmas, promoting the spirit of the family and strengthening the promotion and realisation of general well-being, inspired by the values of Life and Solidarity.

The largest Christmas Tree in Europe



Shared Art

Júlio Resende Exhibition



Dordio Gomes Exhibition



Heritage

In order to share Millennium bcp's heritage with Customers and the public in general, several initiatives were developed throughout 2006 within the scope of the concept of Shared Art, in which the Bank does not confine to the financial support for the initiatives of which it is patron, but seeks also to share the art with everyone.

In this regard, upon the initiative of Millennium bcp, exhibitions dedicated to the Master Júlio Resende were held in Lisbon between 2 March and 30 April, in the Sociedade Nacional de Belas Artes and in the Lugar do Desenho, in Valongo, between 7 May and 25 June.

Eleven paintings and two "frescos" from the Millennium bcp's collection were also lend to the exhibition of Dordio Gomes, in the Soares dos Reis National Museum, which was held between 14 December and 28 February 2007.

Works from the Bank's heritage were also ceded to the Amadeu de Sousa Cardoso retrospective, in the Calouste Gulbenkian Foundation, between 14 November and 14 January 2007, with works by Raúl Perez also being ceded to the exhibition, which was held in Famalicão, in the Cupertino de Miranda Foundation, between 7 October and 2 December:

Also within this concept, various exhibitions of numismatics were held in diverse Branches of Millennium bcp, namely:

- Exhibitions of pieces allusive to the Marquis of Pombal, included at the end of the commemorations of the 250 years of the 1755 Earthquake;
- Exhibition in the Bank's Branch at Mercado – Praça da República, in Caldas da Rainha, which staged a visit to the time of Bordalo Pinheiro throughout the 70 years of his life, in the centenary of the death of the artist and the commemoration of the 130 years of the creation of the popular figure of "Zé Povinho";
- Numismatic exhibition in the Rua do Ouro Branch, in Lisbon, of a sample of coins and medals with the faces of the Kings and Presidents of the Republic of Portugal.

Millennium bcp also pursued its policy of conservation and restoration of its heritage with the restoration of around 200 items during 2006, of note being the work on 130 items of furniture and on more than 40 painting works. A special mention should be made to the restoration of an 18th century screen due to its dimension and specific features.

Additionally, and within the scope of the conservation and divulgation of archaeological heritage, Millennium bcp pursued the museological activity undertaken by the Rua dos Correios Archaeological Centre (NARC), in the Pombaline building situated in the downtown area of Lisbon (Baixa), comprising a space with singular characteristics, in which it is possible to travel through 2,500 years of the History of Lisbon, with the Centre organising several guided visits during 2006 as well as granting regular access to the public to this place of great historical interest.



























SUMMARY OF INDICATORS

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SUMMARY OF INDICATORS

(million Euros)

	31 Dec. 2006 ⁽¹⁾	31 Dec. 2005 ⁽¹⁾
Activity in Portugal		
Net operating revenue	2,110 	1,907
Credit (gross, including securitised credit):		
Corporate	29,636 	28,065
Individual	24,206 	21,712
Credit granted to SME's	8,296	7,969
Total Customer funds	47,833	47,694
Investment	54 	41
Third party supplies and services	386 	383
Economic value added	1,725 	1,555
Employees (banking activity in Portugal)		
Total Employees	10,876 	11,510
Percentage of Women	38% 	38%
Employees under contract		
Permanent	10,280 	10,790
Temporary	408 	526
Trainees	42 	49
Part-time Employees	27 	30
Disabled Employees	85 	88
Employees under collective work agreements	10,777 	11,198
Trade Union syndicated Employees	8,725 	8,936
Net employment creation in Portugal	329 	63
Fixed and variable salaries and other benefits (million euros)	665 	744
Annual rate of absenteeism	3.1% 	3.8%
Annual training (cumulative hours on a comparable basis)	296,586 	194,544
Average annual no. of training hours per Employee	26 	17
Employees in risk management, compliance and audit departments	105 	157
Customers (activity in Portugal) ⁽²⁾		
Total Customers (thousands)	2,648	2,852
Number of Branches	864	909
Donations and sponsorships (million euros)		
Sponsorships (Millennium bcp)	2.4 	4.7
Donations (Millennium bcp) ⁽³⁾	3.1 	2.8
Donations (Millennium bcp Foundation)	0.9 	1.1
Environment (estimated values)		
Consumptions		
Energy (TJ)	549	563
Water (m ³)	305,000	350,000
Paper and cardboard (ton)	1,054	1,363
GHG Emissions (eq. ton CO ₂)	54,053	58,064
Generated waste		
Paper and cardboard (ton)	1,305	1,377
Ink cartridges and toners (un)	11,113	31,942
Electrical/electronic equipment (un)	5,476	2,035

(million Euros)

	31 Dec. 2006 ⁽¹⁾	31 Dec. 2005 ⁽¹⁾
Consolidated activity (million euros)		
Total assets	79,259 	76,850
Loans and advances to Customers (net)	56,660 	52,609
Total Customer funds	57,239	56,135
Net operating revenue	2,704 	2,403
Net income ⁽⁴⁾ (on a recurring basis)	997 	768
Taxes ⁽⁵⁾ (on a recurring basis)	165 	119
Net income (excluding non-recurrent)	780 	610
Net income per share (on a recurring basis) (euros)	0,20 	0,16
Increase/decrease in retained earnings at the end of the period	425 	521
ROE (on a recurring basis)	20.8% 	19.5%
Cost-to-income	57.1% 	64.7%
Solvency ratio (total)	11.9%	12.9%
Long term rating (Moody's / S&P / Fitch)	A1 / A / A+ 	A1 / A- / A+
Investor		
Total number of shares (thousands)	3,611,330 	3,588,331
Dividend per share (euros)	0,085	0,070
Market capitalisation (million euros)	10,112 	8,361
Number of Shareholders	172,156	189,653
Total dividends (million Euros)	307	240
Share price (year end closing)	2,80 	2,33
Report by geographic segments (million Euros)		
Net Contribution:		
Portugal	720 	548
Poland	34 	27
Greece	14 	3
Other regions	12 	33
Credis:		
Portugal	48,798 	47,241
Poland	3,892 	2,481
Greece	2,885 	2,082
Other regions	1,084 	1,106
Total Customer funds:		
Portugal	47,832	47,694
Poland	4,936	4,306
Greece	2,526	2,377
Other regions	1,945	1,986

(1) Values presented on a comparable basis, adjusted by shareholdings in associated companies disposed of or reduced in the meantime – Banco Comercial de Macau, Interbanco, Banque BCP France, Banque BCP Luxembourg and bcpbank Canada;

(2) Customers solely of Banco Comercial Português, S.A., and holders of at least one product sold by Millennium bcp;

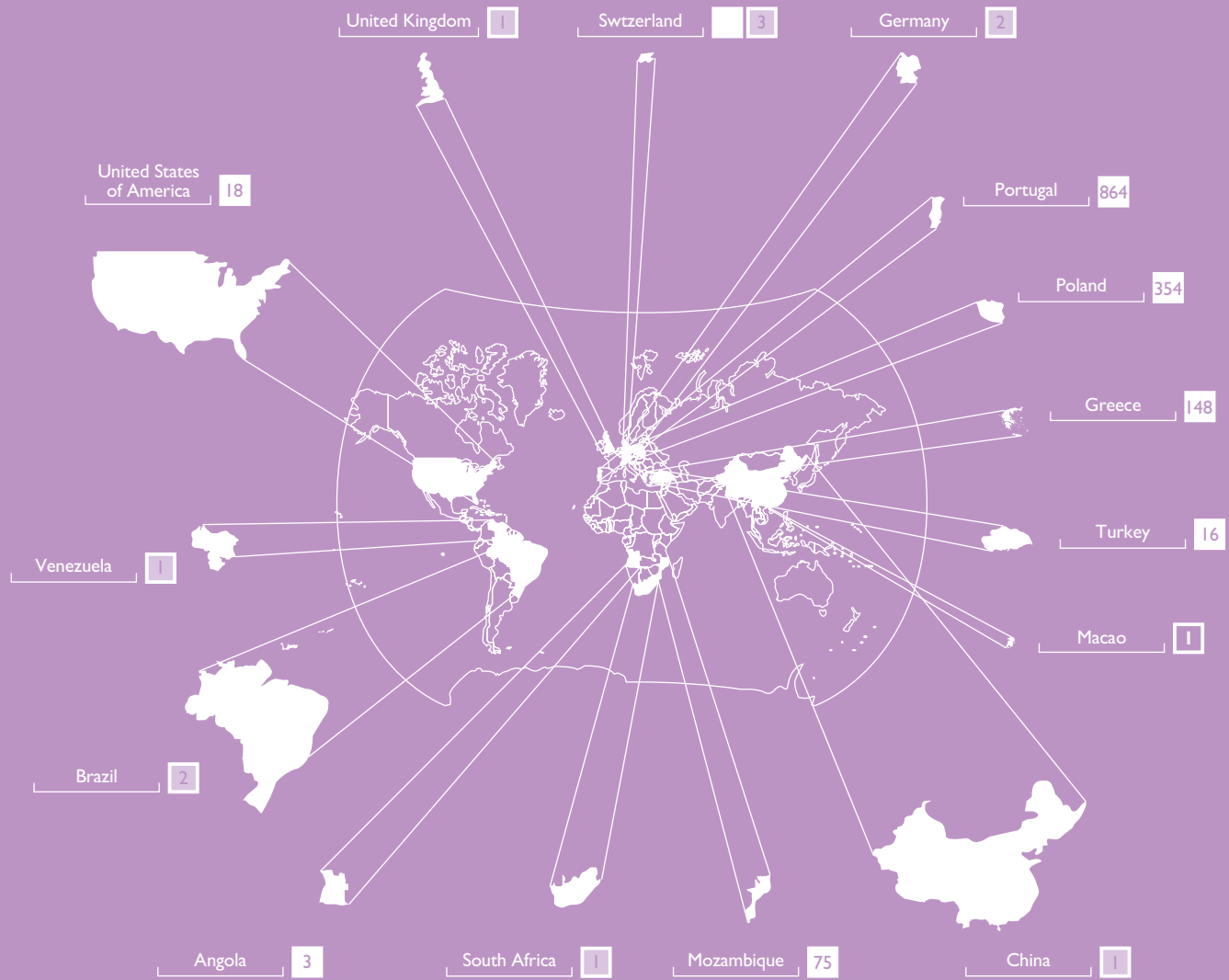
(3) Excludes donations made by Millennium bcp to the Millennium bcp Foundation;

(4) Before taxes and minority interests;

(5) Income tax provisions.



GEOGRAPHICAL PRESENCE



- Banks (number of Branches)
- Representative Office
- Branch abroad

Viana do Castelo 19 Braga 49 Vila Real 17 Bragança 10 Viseu 24

Porto 139

Guarda 12

Aveiro 69

Castelo Branco 14

Coimbra 31

Portalegre 8

Autonomous Region of Azores 16



Évora 15

Autonomous Region of Madeira 18



Beja 12

Leiria 43

Lisbon 238

Santarém 37

Setúbal 57

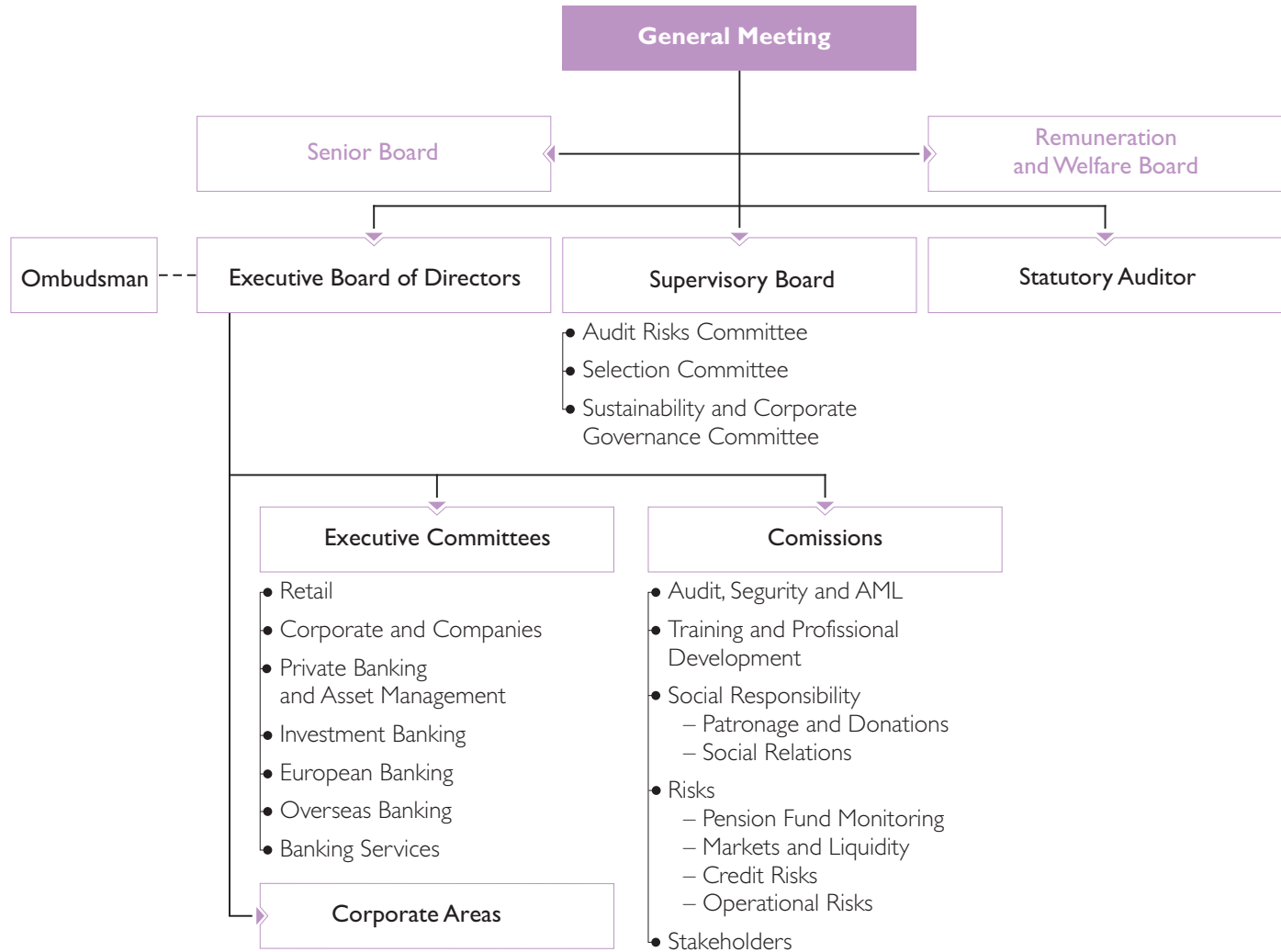
Faro 36



Branches



ORGANISATIONAL STRUCTURE



MEMBERSHIPS IN NATIONAL AND INTERNATIONAL ORGANISATIONS

- AMBA – Associação dos Antigos Alunos do MBA da Nova
- AMBELIS – Agência para a Modernização Económica de Lisboa, S.A.
- AMI – Assistência Médica Internacional
- ANDC – Associação Nacional de Direito ao Crédito
- Aprender a Empreender – Junior Achievement Portugal
- Associação de Amigos do Coliseu do Porto
- Associação Comercial do Porto
- Associação dos Bombeiros Voluntários de Lisboa
- Associação Empresarial de Portugal – Câmara de Comércio e Indústria
- Associação Luso-Indonésia para a Amizade e Cooperação
- Associação Portuguesa das Casas Antigas
- Associação Portuguesa de Bancos
- Associação World Monuments Forum – Portugal
- BCSD – Conselho Empresarial para o Desenvolvimento Sustentável
- CADIN – Centro de Apoio ao Desenvolvimento Infantil
- Câmara de Comércio e Indústria Árabe-Portuguesa
- Câmara de Comércio e Indústria Luso-Brasileira
- Câmara de Comércio e Indústria Luso-Alemã
- Câmara de Comércio e Indústria Portugal-Namíbia
- Câmara de Comércio Internacional – Delegação Nacional Portuguesa
- Casa da América Latina
- COTEC Portugal – Associação Empresarial para a Inovação
- CulturSintra
- EIS – Empresários pela Inclusão Social
- European Association for Banking and Financial History
- European Financial Management & Marketing Association
- European Strategy Forum
- Fórum para a Competitividade
- Fundação Casa da Música
- Fundação Económicas
- Fundação Evangelização e Culturas
- Fundação Luso-Africana para a Cultura
- Fundação Portugal África
- Fundação Portuguesa a Comunidade Contra a Sida
- Fundação Serralves
- Fundação Universidade Católica
- Fundación Rei Afonso Henriques
- Global Reporting Initiative
- ICAP – Instituto Civil da Autodisciplina da Publicidade
- IMC – International Monetary Conference
- INDEG – Instituto para o Desenvolvimento da Gestão Empresarial
- Instituto Português de Corporate Governance
- O Lar do Comércio
- PRO DIGNITATE – Fundação de Direitos Humanos
- RSE Portugal
- Sociedade Histórica da Independência de Portugal
- SPA – Sociedade Portuguesa de Autores
- The Equator Principles
- The Global Compact
- UCCLA – União das Cidades Capitais Luso-Afro-Américo-Asiáticas
- Universidade de Coimbra – Amigos da Imprensa da Universidade de Coimbra



VERIFICATION REPORT ISSUED BY KPMG



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ASSURANCE REPORT

To the Stakeholders of Millennium bcp

Introduction

1. We have been engaged by Banco Comercial Português, S.A. ("Millennium bcp") to provide assurance on quantitative data related to economic and social data included in the Sustainability Report for the year ended 31 December 2006. The preparation of the Sustainability Report is of the responsibility of the Board of Directors. The purpose of our work was to perform an independent review, within a limited verification level, of quantitative data included in the aforementioned report and marked with the symbols indicated in paragraph 3.

Our work was restricted to documental and information system verification procedures, as described in paragraph 3.

Scope, Assurance Methodology and Criteria

2. The scope of our work includes quantitative information concerning economic and social data related to the activity of the Millennium bcp, and its subsidiaries, in Portugal, for the period ended 31 December 2006. The scope of companies considered by the Board of Directors is described in the chapter "Scope and Approach" of the Sustainability Report.

Our assurance work was conducted according to the International Standard on Assurance Engagements 3000, for non-financial information assurance processes. This Standard defines the issuance of a limited review report, with a moderate level of assurance, thus our verification work did not have the purpose of expressing an audit opinion.

There are no generally accepted standards for reporting sustainability performance, Millennium bcp applies its own internal criteria, defined by the Board of Directors, and external criteria, as described, in chapters "Summary of Indicators", "Millennium bcp GRI Indicators" and "Indicators and Criteria Adopted" of the Sustainability Report, respectively.

3. Within this basis, our work consisted essentially of the following procedures:
 - Conduct interviews with employees and responsables for the preparation of quantitative data, with the purpose of acquiring a reasonable level of knowledge of the processes used to aggregate and prepare the information;
 - Review procedures based on testing data samples, in order to obtain documental evidence for the economic and social data marked with the (⊕) symbol;
 - Reconcile economic data marked with the (⊕) symbol with the Group's audited financial statements for the period ended 31 December 2006.

Conclusion

4. Based on the work described in this report, the economic data, marked with the symbol (⊕) included in the 2006 Millennium bcp Sustainability Report, are properly derived from the 2006 financial statements of Millennium bcp, for which the independent auditors issued an unqualified audit opinion dated 29th January, 2007;

The other economic and social data, marked with the symbol (⊕), of which work described above was performed in order to obtain a moderate level of assurance, nothing has come to our attention that causes us to believe that internal control is not effective in all material respects.

Lisbon, 29th January 2007

KPMG

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SUPERVISORY BOARD OPINION

1. The opinion of the Supervisory Board applies to the Sustainability Report prepared by the Executive Board of Directors of Banco Comercial Português, S.A., referring to the year ending 31 December 2006.
2. In its meeting of 29 January 2007, the Specialised Committee of the Supervisory Board, Sustainability and Corporate Governance Committee, analysed, reviewed and examined the 2006 Sustainability Report prepared by the Bank.
3. Within the scope of its competence of providing an annual opinion to the Supervisory Board on the Sustainability Report, the Sustainability and Corporate Governance Committee issued a favourable opinion on the 2006 Sustainability Report, recommending its adoption, with the Supervisory Board having also appreciated the Verification Report prepared by KPMG Advisory – Consultores de Gestão, Lda, on the information contained in the Sustainability Report, and with the content of which it agrees
4. The Supervisory Board issues a favourable opinion on the Sustainability Report referring to the year ending 31 December 2006.

Lisbon, 29 January 2007

The Supervisory Board



CORRESPONDENCE OF GRI INDICATORS AND ADEQUACY TO THE UN GLOBAL COMPACT PRINCIPLES FOR MILLENNIUM BCP

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CGR Corporate Governance Report included in volume II of the 2006 Annual Report;

Accounts Accounts for 2006 included in volume II of the 2006 Annual Report.

Some GRI indicators were not reported in this report, specifically:

- EC1 I The report is limited to the banking activity in Portugal;
- EC9 There is no information to report;
- EN15 Not applicable for financial services;
- LA6 Inexistent;
- LA8 Inexistent;
- SO3 Inexistent;
- SO5 Inexistent;
- SO6 Inexistent.



INDICATORS AND CRITERIA ADOPTED

Consumption of electricity: extrapolation/estimate for the Millennium bcp universe. In 2006, this estimate was based on the specific Summer and Winter consumption of "standard offices" which use electricity in the Bank.

Emissions and indirect energy consumption: conversion factors from the International Energy Agency (IEA) relating to electricity produced in Portugal in 2002 were used to calculate the indirect primary consumption of energy and GHG emissions entailed by electricity acquisition from the public network.

Consumption of natural gas: extrapolation/estimate for the Millennium bcp universe. In 2006, this estimate was based on the specific Summer and Winter consumption of "standard offices" which use this resource in the Bank.

Consumption of water: extrapolation/estimate for the Millennium bcp universe. In 2006, this estimate was based on the specific Summer and Winter consumption of "standard offices" which use water in the Bank.

Consumption of paper/cardboard and plastic: total estimate based on the weight of the products that are most consumed, and on the total values recorded in the supplies procurement department.

Atmospheric emissions related with the motor fleet: it was assumed that all vehicles in the Group's fleet belong to the light commercial diesel category. The emission factors for Portugal used refer to 2002 (published in EMEP/CORINAIR).

Atmospheric emissions related to business trips: distances travelled by train in Portugal are based on data from REFER. The GHG emission factor for inter-city trains, calculated by CarbonoZero, was assumed as a reference for all train journeys made. Distances travelled by aeroplane were calculated using the latitude and longitude of the cities. For aeroplane journeys emission factors also calculated by CarbonoZero were used, considering journeys with distances of over 6,000 km as long distance, those between 1,500 and 6,000 km as medium distance, and those less than 1,500 km as short distance.

Atmospheric emissions resulting from cogeneration: GHG emission factors are those published by the National Program for Climatic Alterations (PNAC) and factors relating to other pollutants are those published by the Intergovernmental Panel on Climate Change (IPCC – Energy Industry).

Atmospheric emissions related with heating: emission factors of the IPCC (for commercial sources) and of the Environment Institute (IA) were used within the scope of the European Emission Trading Scheme (EU ETS).

Inferior Calorific Power and fuel density: values published by the IA within the scope of the EU ETS were used.

SDOL: the ozone-depleting potentials of the Montreal Protocol were used.

Paper / cardboard waste: the total quantity produced represents the sum of the quantity sent for recycling and an estimated quantity of waste produced from the consumption of paper / cardboard habitually used for purposes other than for archiving and Customers.

Used ink and toner cartridges and battery waste: it was considered that the total quantity of waste produced would be the same as consumption.

Plastic waste: The quantity of waste produced was estimated from the consumption of water bottles and plastic articles from the supplies procurement department, habitually used for purposes other than for archiving and Customers.

Liquid effluents and polluting loads: the data presented is an estimate based on METCALF & EDDY (1991) from the number of Employees.

Biodiversity: biodiversity-rich ecosystems are considered as those protected by national and European nature conservation laws, classed as Protected Areas or Natura 2000 Network areas.



ACRONYMS

CBO₅ – 5 Day Biochemical Oxygen Demand, 20 °C.

CH₄ – Methane

CO₂ – Carbon Dioxide

COVNM – Non-Methane Volatile Organic Compounds

COD – Chemical Oxygen Demand

FCT/UNL – Faculty of Science and Technology of the Universidade Nova de Lisboa

GHG – Greenhouse gases

GRI – Global Reporting Initiative

HCFC – Hydrochlorofluorocarbons

IMAR – Instituto do Mar

N – Nitrogen

N₂O – Nitrous Oxide

NH₃ – Ammonia

NO_x – Nitrogen Oxides

P – Phosphorus

SDOL – Substances that Deplete the Ozone Layer

SF₆ – Sulphur Hexafluoride

TSS – Total Suspended Solids

Ton – Tonnes

Acknowledgements

This Report is the result of teamwork and includes contributions from many areas and countless Millennium bcp Employees, in addition to other external persons and institutions, whose contribution has greatly enriched it.

We would like to express our thanks to everyone who has made a contribution in any form.

Let us have your opinion

We are truly interested in having your opinion on this Report.

About the form and content, on what may seem excessive or missing, we would like to know your personal opinion; as a Customer, Shareholder, Supplier, Employee or simply as a critical and interested reader.

Please let us have your opinion via: sempremelhor@millenniumbcp.pt

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