

C o r p o r a t e R e s p o n s i b i l i t y



C o r p o r a t e

The image features a minimalist design with overlapping light gray shapes. A large, semi-transparent gray circle is on the left. A larger, semi-transparent gray shape, resembling a stylized 'D' or a thick 'C', is on the right. A solid white circle is centered within the gray shape on the right. The word 'Responsibility' is written in a dark red, sans-serif font across the middle of the composition, with each letter spaced out.

R e s p o n s i b i l i t y

Introduction

This publication provides an overview of Bank Millennium's efforts to comply with Corporate Social Responsibility standards and is the first such paper in the Bank's history. Here we demonstrate how the Bank strives every day to accomplish its business goals, at the same time remaining a good corporate citizen and a good employer.

Compliance with CSR standards results from a change of the approach to the Bank's mission and strategy, which lead towards increasing the Bank's value in accordance with sustainable development principles.



I n s p i r u j e n a s ż y c i e



Letter of the Chairman of the Management Board

Dear Sirs!

This is the first-ever review of Bank Millennium's activities in pursuit of CSR policy. We are quite aware that this paper is not a report in the meaning of international standards for CSR reports, as adopted by the Global Reporting Initiative (GRI). We have nevertheless decided to prepare this paper because we hold the view that the Bank cannot be successful in the business domain without building lasting, positive, transparent and mutually beneficial relations with all persons, institutions and organisations, which cooperate with the Bank.

During the eighteen years, which saw our bank grow from a small private project to one of Poland's largest financial groups, we tackled a multitude of various business projects. Thousands of people, companies, local authorities and community organisations were involved in their implementation. Simple merchant reliability made us treat everyone equally and professionally. We made sure that our joint projects generate profit for the Bank and its Shareholders, at the same time fulfilling the plans of our Partners. We have thus embarked upon the road of building an operating strategy, which takes on board both business as well as social factors and pivots on continuing dialogue with all the Stakeholders.

We do realise that it is only the beginning of a long road for us. In fact complete implementation of CSR standards requires a change of the management and business strategy. This paper contains an overview of actions taken by Bank Millennium in 2006 together with our Stakeholders and for their benefit. The clear-cut set of Corporate Culture principles, which we implemented in recent years, the high awareness of our managers, continuing improvement of management culture, transparency of actions and openness to dialogue will allow Bank Millennium to increasingly meet the stringent criteria of Corporate Social Responsibility.

"Life inspires us" - is what we follow day-in, day-out in our work.

With regards,



Bogusław Kott

*Chairman of the Management Board
Bank Millennium*

Mission



and values

Our operating strategy is derived from the sustainable development strategy of our Shareholder - the Millennium bcp Group and is determined by our membership in this supranational group, which has a common brand with its values based on respect for all Stakeholders.

Vision

We are part of a financial group with supranational identity. The group's activity is focused on creating value in key business areas on prospective markets and on building a position on international and local markets on the basis of excellent quality and innovation in development and distributing financial products and services.

Mission

To create Customer value by offering financial products and services of superior quality, complying with high standards of conduct and corporate responsibility, growing with profitability to offer stable growth of Shareholder value.

New brand: confirming the values

The Bank's most recent history is connected with the launch in March 2006 of new visual identity of the Millennium brand. The change was intended to implement new values and to underpin the presence and recognition of Bank Millennium on the Polish market as well as strengthening cooperation with Millennium bcp Group - the Bank's strategic shareholder. Adopting a uniform visual identity throughout the entire Millennium bcp Group comes from the programme of building a strong international brand with uniform identity and relying on common values.

Mission and values



Introduction of the new visual identity of the Bank, which is the same for all Customer segments, was at the same time the start of an extensive growth programme. Its aim is to improve the convenience and comfort of Customer service and to make the Bank's offer available to all Customer segments in each branch and in the whole network. Not only has the new visual identity united all the previous different and autonomous brands in Millennium but also it is now an important factor in the process of building quality with the integrated growth programme.

In pursuit of the business strategy under the new brand the Bank has built foundations for the set of values guiding the brand. These values emphasise the Bank's commitment to its Customers by meeting their needs and expectations ("Customer Focus"), offering high quality of services and of the products ("Excellence"), being recognised as bold innovator ("Innovation") and by following strict ethical standards and responsibility for its actions ("Trust").

The Bank's motto for the new stage in our development, starting in 2006, is:

Life inspires us

This is our plan and the way we operate; this is our commitment to current and future Customers:

- The life of our Customers gives us the knowledge on how to provide fuller satisfaction of their individual needs as well as supporting the fulfilment of collective projects and ambitions.
- The needs and satisfaction of each Customer are the rationale and driver of all our efforts, investments and innovations.
- Our strong conviction that there is always room for improvement makes us continue to seek new ways and to anticipate the future.
- It is our ambition that the results of our work have immediate positive impact on the quality of life of the people concerned.
- We believe that our position on the market is determined by our sense of responsibility, of getting the proper balance and observing ethical rules and the Law. The trust and peace of our Customers are our priority aim.

The motto "Life inspires us" combines Customers' requirements with expectations of the Society and Employees. At the same time it falls back on the Bank's history and the programme, with which it began its operation in 1989.

Adoption of the single Millennium brand allowed us to improve effectiveness of our communication efforts, thus contributing to growing awareness of our Bank's business values as well as the product and service offer, boosting popularity and reinforcing Customers' trust in our institution.

In the second half of 2006 the Management Board of Bank Millennium formed a task force to prepare the first review of the Bank's activities as regards Corporate Responsibility.

The task force cooperated with all units, which were responsible for relations with the Bank's Stakeholders, including Shareholders, Customers, Employees, Suppliers, Social Partners and representatives of local communities.

This effort permitted an assessment of the Bank's commitment to the concept of Corporate Responsibility; also paving the way for future steps in this direction.

Dialogue with Stakeholders

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Good
place to work
26

Good
corporate citizen
Commitment to society
36



Millennium
bank

Inspiruje nas życie

Dialogue with



Stakeholders

A company cannot act in isolation; it does exist for people and thanks to them. Its functioning hinges on mutual commitments, which are the basis for efficient operation.

This is why responsibility and transparency in any actions towards all Stakeholders – the environment, in which the company operates and which it affects, is particularly important.

The review of Bank Millennium's Corporate Responsibility covers key areas of operation, including Stakeholders, as it is all-important to engage in a responsible, transparent and ethical dialogue with them.

The ability to listen and communicate well is essential for establishing good relations with the company's operating environment. In particular, it is necessary to build and maintain good relation with all Stakeholders directly involved with the organisation's activity. This is especially true as regards relations with:

- **Customers** – by being part of their lives, understanding their expectations and exceeding them and especially by building relations based on mutual trust;
- **Employees** – perceived as the Bank's most important asset. Promoting responsibility, developing competencies, showing respect for Employees and their families, all contribute to attainment of their private and professional goals.
- **The Bank's Partners** – by establishing lasting relationships based on trust, responsibility and mutual benefit, promoting dialogue and cooperation.
- **Investors** – by fostering relations based on an equilibrium and creating common value, assessment of results, seeking new market opportunities and trends and full transparency of publicly disclosed information.

Dialogue with Customers

We are *inspired by life* of our Customers. Offering superior quality products and services, which meet the needs of Customers, is possible only when we lend an ear to what they say and expect.

Customer satisfaction surveys

Since 2002 we have been regularly surveying the opinions of our Customers about our products and quality of service. A special unit in the Bank handles these surveys the unit is also responsible for defining quality indicators and managing the innovation process.

In fact not only do the surveys monitor the level of Customer satisfaction with the Bank's offer and quality of service, but above all they allow us to identify areas, which require improvement, modification or repair.

Survey results together with proposed changes are reported to the Management Board and to persons responsible for product development and service standard improvement. The survey reports provide a basis for decisions to create task forces whose job is to improve the areas identified by Customers. Results of the introduced improvements are regularly monitored in detailed surveys.

In 2006 Bank Millennium surveyed over 100 000 Customers, asking their opinion about product and service quality.

Customers satisfied with Bank Millennium's services (retail segment)



Service quality surveys

Striving to provide Customers with superior quality of service, Bank Millennium decided to make regular checks of service quality in its branches. Mystery shopping is about looking at our branches with the eyes of an average Customer. In the course of such research we check the know-how, attitude and politeness of branch staff as well as their ability to establish a positive relationship with Customers.

In order to guarantee full confidentiality and objectivity of results we hired a renowned company, which has a large team of specially trained mystery shoppers. At the end of the research the mystery shoppers inform us about those aspects of service and products, which would induce them to open an account with Bank Millennium and present their overall impressions. All results are presented and discussed in a detailed report. The report is presented to the Management Board of the Bank.

Claims management

Apart from the opportunity to express their opinion about the Bank's services in Customer satisfaction surveys, Customers can also provide feedback about service quality in the form of claims. The Bank will accept complaints delivered by mail, made in a branch, sent through the Internet banking system or via our Call Centre.

All claims are registered in a centralised database and are handled by a special unit. As a standard, the Bank will handle a complaint within 14 days. In justified cases, especially when it is necessary to obtain information from third parties, this may take longer. In such cases the Bank will always notify Customers by letter.

The Bank's Employees analyse the claims drawing conclusions regarding possible improvements of existing processes and Customer service standards. Results of the analyses are delivered to units, which are responsible for Customer service and quality of offered products.

Bank Millennium strives to make sure that as many claims as possible are processed in Customers' favour.

Every month Management Board members study a detailed claims report. It contains information about the number of claims, their nature and causes.

Responsible product offer

Bank Millennium offers to Customers a universal structure of banking products and services, available via its nationwide distribution network. In keeping with its motto - "Life inspires us" - in development of its offer the Bank takes into account the needs of its Customers, striving to align the offer and its pricing with them. The Bank continues to seek new solutions and improve the product structure, following the expectations of respective Customer segments (Retail Customers, Small and Medium Enterprises, Large Companies, Local Authorities). The Bank pursues an open and active information policy with respect to them and is focused on providing superior service levels.

At the same time, operating on the retail mass-market, the Bank analyses business and social processes to make its offer available as a solution to the key concerns of Customers. In result of a positive business environment on the one hand and public expectations on the other, the Bank upgraded and improved its mortgage offer, enabling many of its Customers to buy a house or flat. Facing up to growing aspirations and needs of potential Customers, including those from smaller towns, the Bank also decided in 2006 to rapidly expand its branch network, thus improving availability of its products and services. The Bank also added alternative distribution channels, such as telephone and Internet banking as well as ATMs.

The Bank is now intellectually, procedurally and financially poised to perform the role of advisor to its Customers, including preparation of bespoke offers.

Bank Millennium aims to launch, especially for the benefit of business Customers, such solutions, which support and facilitate growth of its Customers. The Bank's efforts come from its commitment to supporting initiatives where satisfying current social needs and also the needs of future generations are treated on a par.

Bank Millennium cooperates with the European Fund for the Development of Polish Villages as regards lending to finance development of rural infrastructure. The loans are granted first of all to local authorities as well as commercial companies, self-employed individuals and other organisational units with capacity for legal transactions.

The lending spans:

- Investments as regards municipal primary, junior-secondary and upper-secondary schools as well as vocational agricultural schools in rural areas,
- Investments as regards building, modernisation and repairs of public, municipal and district roads in rural areas,
- Investments in municipal sewage collection and treatment in rural areas,
- Investments in development of information society infrastructure in rural areas.

By taking part in this lending programme the Bank contributes to the development of technical and social infrastructure of rural communities, supporting non-agricultural business development in rural areas as well as environmental protection measures.

With a view towards development of the information society the Bank promotes especially projects, which aim to increase online access in rural areas.

Bank Millennium also cooperates with the Agency for Restructuring and Modernisation of Agriculture supporting agricultural and rural development by granting:

- Investment loans for projects in agriculture, agricultural and food processing, services for agriculture and special sectors of agricultural production,
- Disaster relief investment and working capital loans to restart production in agricultural holdings and special sectors of agricultural production located in areas affected by natural disasters.

The Bank cooperates with Bank Gospodarstwa Krajowego as regards granting of loans for thermo-modernisation projects, which are eligible for a bonus from the Thermo-modernisation Fund. In this way the Bank is contributing to reduction of the demand for energy used for heating space and hot water, reduction of annual energy losses and replacement of conventional energy sources with unconventional ones.

Lending in the three above-mentioned programmes is done on a preferential basis. In case of cooperation with the European Fund for the Development of Polish Villages the preferences for borrowers consist in better price terms; in working with the Agency for Restructuring and Modernisation of Agriculture the Bank undertook to grant loans with a reduced interest rate while loans eligible for payment of bonus from the Thermo-modernisation Fund are repaid partly by Bank Gospodarstwa Krajowego.

Bank Millennium, with a view to the needs of local authorities, offers a broad range of products, which are tailored to the unique character of this Customer type. Working with the Bank are the Town Halls of such cities as: Gdańsk, Sopot, Toruń, Olsztyn, Opole, Jelenia Góra, Szczytno and Lidzbark Warmiński. Apart from providing specialised financial services, the Bank is also a partner and advisor to the local authorities in building programmes and resolving day-to-day issues affecting local communities. The Bank strives to be a part of the lives of the local communities it is working with - proof of which for example is the long-standing relationship with the authorities of Szczytno in the "Szczytno Days and Nights" project or the relationship with the authorities of Gdańsk and Sopot, which has given the Bank the titles of "Gdańsk Culture Sponsor" and "Sopot Culture Sponsor".

Products and services awarded for their high quality

The products and services of Bank Millennium are recognised and awarded by independent experts.

In 2006 for the second time in a row Bank Millennium's Internet banking system for individual Customers (Millenet) was awarded the title of "Best Internet Bank in Poland" by the independent, international financial magazine "Global Finance" in its annual global contest "World's Best Internet Banks".

The offer of Bank Millennium for small and medium enterprises came first in the ranking "The Bank for You and Your Business", prepared every year by the "Forbes" monthly together with independent research house. Bank Millennium was promoted from last year's third place to number one. The Bank's offer was unparalleled in the category "account maintenance costs - low cost and no commission for account maintenance". The loan offer and its availability were also spoken very highly of.

The "Rzeczpospolita" daily in its independent ranking considered the Bank Millennium mortgage offer to be the most attractive on the Polish market. All banks were compared in three main categories: "cheapest lender", "most willing lender" and "appreciated by advisors".

In 2006 Bank Millennium was yet again given the "JPMorgan Chase MT202 Elite Quality Recognition Award", presented to international correspondent banks and clients in recognition of the highest quality of dollar payments done via JPMorgan Chase. The key condition for receiving the award was - as in previous years - to maintain a straight through processing rate of at least 99.7% of the total volume of payment orders. This criterion was met by less than one percent of over 4 000 correspondents of JPMorgan worldwide, including - Bank Millennium.

Towards the end of 2006 Bank Millennium was honoured by the US "Global Custodian Magazine" with the prestigious title of "Top Rated" for the best bank offering custody services in Poland in 2006. The status of "Top Rated" (the highest available for a custodian bank) is proof of the high quality of custody services offered by Bank Millennium, also confirming its position in this market segment. Bank Millennium has received the "Top Rated" title for the third time in a row.



Dialogue with Investors

Maintaining good relations with Investors permits continuous and transparent flow of information between the company and its Shareholders. The exchange of information takes place in both directions, permitting the Management Board to keep tabs on reactions of the Bank's Shareholders to the adopted strategy and its implementation. Good investor relations result in better long-term stock price evolution, generating higher Shareholder value and supporting its stable growth.

Bank Millennium was the first bank to be quoted on the Warsaw Stock Exchange (since 1992) and already since 1999 it has a dedicated Investor Relations Department. Its responsibilities include comprehensive management of relations with all participants in the capital market: current Shareholders, potential Investors, market analysts, rating agencies, Warsaw Stock Exchange as well as other organisations operating on the Polish capital market. This Department first of all manages the flow of information concerning finances and current strategy for the company's development to make sure that the message properly reaches the highest number of current and potential Shareholders. As regards investor relations the bank follows the principles of transparency and equal access to information for all market participants, thus meeting the relevant principles of Corporate Governance.

The above activities are performed by the Bank with use of a range of communication channels, such as:

- Regular conferences, at which the Bank's quarterly results are presented,
- Individual and group meetings with analysts and Investors in the company's Head Office,
- Participation in conferences and organising road-shows for Investors in Poland and abroad,
- Current stock market communiqués and press releases,
- Updated website in the Bank's portal devoted to investor relations,
- Promoting participation in the annual General Shareholders' Meetings,
- Ongoing contacts (via e-mail or by telephone) with market participants.

Every quarter conferences are held for analysts and Investors. During them the Bank's financial situation and strategy are discussed. In their course interested persons may ask questions to the Management Board. These conferences are popular with analysts also because Bank Millennium is usually the first - well before other banks listed on WSE - which publishes its results.



Striving to provide equal access to information to all capital market participants, since Q3 2006 the Bank has been organising conferences presenting quarterly results by webcasting them. In the course of such conference Investors can ask questions online. A record of the conference is available on the Bank's website, thus interested users can replay it at any time.

Apart from our conferences, every year we also take part in conferences for Investors, which are prepared by brokerage houses or other specialised investor agents (nine such conferences took place in 2006). During these conferences a number of individual meetings take place with participation of members of the Bank's Management Board and Investors interested in our company. The number of interested Investors continues to grow - in 2006 alone there were over 100 meetings, both during conferences as well as in the Bank's Head Office, with participation of over 200 Investors and analysts.

Important channels for bringing information to the Investors' community are analyses about the Bank, prepared by specialised teams in brokerage houses. At present reports about Bank Millennium are prepared by analysts from following institutions: CAIB Securities, Dom Inwestycyjny BRE BANKU, BZ WBK, ING Securities, Bankowy Dom Maklerski PKO BP, Citibank, CDM Pekao SA and Wood&Company.

Moreover the Bank is also rated by rating companies, which present their opinions for the needs of persons investing both in the Bank's shares as well as debt instruments issued by the Bank. The Bank maintains relations with following rating agencies: Moody's Investor Services Ltd, Standard & Poors, Fitch Polska and Capital Intelligence.

Our efforts aimed at maintaining transparency and availability of the information disclosed have been appreciated in assessment of our corporate governance. In the third edition of the ranking by the Polish Directors' Institute Bank Millennium was awarded the title "Trustworthy Company", getting the highest score (5 stars) for its corporate governance standards. The Institutional Investors' Chapter with the Polish Directors' Institute collected scores representing opinions of 82% of the national institutional Investors' market. 65 public companies were assessed, with the "Trustworthy Company 2006" being awarded to 10 companies (including two banks: Millennium and Pekao S.A.). This is a great honour for us.

The "Parkiet" Stock Exchange Newspaper ranked Bank Millennium first in the "Finance" category of the "Pearls of the Polish Stock Exchange". The award went to companies, which in 2005 achieved the greatest financial, market and stock exchange success. Moreover the ranking also took into account growth of sales revenue, very good financial performance and dividend amount.

The Bank willingly shares its individual experience resulting from the many years of presence on the capital market within the Stock Exchange Issuers Association, which it is a co-founder of (1993). The main goal of the Association is to pass on to market regulators the expectations of issuers concerning improvement of the operation of the securities market as well as formulating proposals of changes of legal regulations, increasing attractiveness of the stock exchange as a place for businesses to raise capital.

The aim of the Bank's activity in the area of investor relations is to build trust for the company. We believe that it has a positive effect on the Bank's image and assures the best possible conditions for its full and credible assessment, thus helping to take informed investment decisions.

Dialogue with Suppliers

Operating on the market on a mass scale the Bank is a buyer of diverse products and services supplied by companies from various segments. These are both goods as well as maintenance or advisory services. The Bank treats those companies and organisations as partners, in a respectful way, striving to make the contracting and cooperation rules well-known, fair and transparent.

The Bank prepared and introduced internal regulations formalising the process of selecting suppliers of all the goods and services, which the Bank uses. These regulations describe organisation of the process of selection - duties of the Bank's organisational units - and impose equal treatment of bidders. The Bank's unit authorised to conduct competitive tenders and thus to recommend suppliers is the Central Acquisition Department (DZC). Each competitive tender ends with a recommendation of DZC, presented to the Investment Committee or Management Board of the Bank, which is an expression of commitment of the highest governing bodies of the Bank to assuring that the selection process is unbiased.

Additionally, to guarantee objectivity of decisions and to ensure equal treatment of entities taking part in the competitive tenders, the substantive and commercial assessments of the bids are separated from each other and are done by independent organisational units.

Moreover DZC - if it is possible and justified - enables Employees of the Bank's Group to take advantage of the commercial terms and conditions of some agreements concluded by the Bank. Thus Employees can benefit from the commercial terms negotiated by the Bank to an extent not available on the market to individual customers.

Already at present Employees can enjoy price discounts on hotel services, air tickets and purchase of cars. In preparation is an offer regarding mobile phones, telephone services, purchase of computers, monitors, notebooks and other IT hardware. This project is expected to be completed by the second quarter of 2007.

Dialogue with Employees

Employees have always been the Bank's most important asset and the dialogue with them is part of our Corporate Culture. Communication with Employees cannot be restricted only to top-to-bottom communication; it is a continuous dialogue, which allows to understand their opinions and expectations. The activities of our Employees, their initiatives *inspire us* to create an even better working environment.

Internal communication

Proper information management and the connection between internal and external communication are becoming increasingly important in a contemporary working place. They affect not only Employees but also the way the Bank is perceived. The knowledge Employees have about the company's strategy and plans affects the degree of their implementation. We have no doubt that fairly disclosed information will positively affect the effectiveness of incentive programmes and quality of the Corporate Culture. This is why we have always seen efficient internal communication as a fundamental pillar for the success of the Bank's development. Since the beginning of our activity the Bank has had a Public Relations Department, responsible for the internal communication, regularly informing Employees about all matters directly concerning them and the institution they work for.

To consistently build good relations with Employees, the Bank is developing various complementary communication channels, ensuring smooth and efficient internal dialogue.

- **Millenniumnet** – Intranet service and main news channel, the basic tool for communication with Employees, a source of knowledge and also access channel to all applications used for Customer service and other essential for work in a given business area. The portal is available at every workstation. Every day it reports on the Bank operations also providing market news and announcements concerning Employees matters and social events. The Intranet site comprises three sections:
 - general, news section as a homepage
 - site for Employees providing service to individual Customers,
 - site for Employees providing service to corporate Customers.





Dialogue with Employees

- **“Świat Millennium” monthly** – has been appearing non-stop since 1992 (earlier under the name “BIG News”, and since 1997 as the “Monitor”). It reports on all-important events both in the Bank as well as concerning it. Apart from regular items each issue presents ongoing projects, innovations being implemented, products and team achievements. Part of the publication is also devoted to Employees matters, team-building meetings and trips. The magazine has a regular editorial office; nevertheless it very often publishes texts written by Bank Employees. The magazine is available in printed and electronic form, the latter being available in the Intranet.
- **“Management Meeting”** – an annual meeting of the Bank’s Employees, who manage organisational units. The meetings sum-up the previous year and discuss aims for the next year. They are an opportunity to provide information about strategic aims of the Bank, key new projects and changes as well as rewarding best-performing Employees and stimulating an exchange of opinions.
- **“Millennium Day”** – a meeting of all Employees of the Bank Millennium Capital Group, which aims at presenting strategy, business aims as well as providing current information and team-building. It takes place once a year. Customers and the Bank’s business Partners are also invited to attend the informal part of the meeting.
- **“Picnic Event”** – an annual open-air picnic event for all Employees of the Bank and the Bank Millennium Capital Group. A purely team-building event, it always takes place in outdoor settings and in an informal atmosphere. The picnic provides many team building attractions and lots of fun. The Bank had organised the first Picnic in 1999 to commemorate the Bank’s 10th anniversary. Picnics are an opportunity for Employees to get to know each other better and to meet directly with Management Board members; also to exchange information and experience in informal settings.
- An additional, though equally important form of communication between Employees of individual business areas are **electronic bulletins** containing news, information about business goals and achievements in individual structures. These bulletins inform about project assumptions, work progress, current problems and results. Their interactive form permits Employees to ask questions and get them answered.



Corporate Responsibility



Employees of Bank Millennium also have access to up-to-date information about the international activity of Millennium bcp Group by:

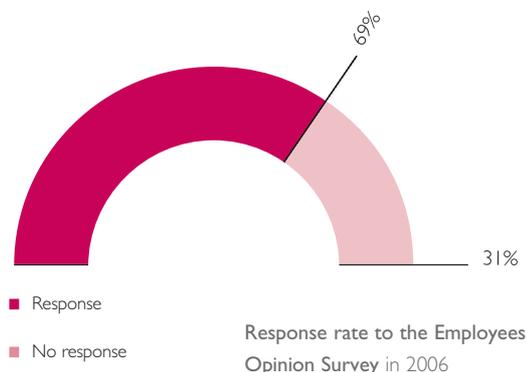
- **“Magazine”** – a monthly of Millennium bcp - the Bank’s main Shareholder, created largely with a view to all domestic markets of Millennium bcp. This bilingual publication (Portuguese/ English) reaches all Employees of Bank Millennium Group. It is used to inform Employees about events and projects carried out in the whole Millennium bcp Group as well as its European and Overseas markets; it also helps Employees build identity with a supranational brand.



- **„About us”** – electronic information bulletin, prepared and distributed by the Head Office of Millennium bcp - the strategic Shareholder of Bank Millennium. It is addressed to all Employees of the Millennium Group and is devoted to latest events in the Millennium Group worldwide. In Poland it is published in the Intranet and is highly popular with Employees. It provides Employees with information about corporate matters and helps them build identity with a supranational Group and brand.

Employee Opinion Surveys

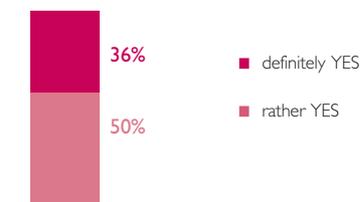
We listen carefully to the voice of our Employees. Opinions of the Employees about operation of the Bank direct necessary improvements are important guidance for us in determining growth of the company and they affect actions taken by the Management Board of the Bank. This is why since 2002 we have been regularly asking our Employees about their opinion and drawing conclusions from their comments.



The surveys, which every year have more and more Employees taking part, are done in the form of anonymous questionnaires. The questionnaires contain detailed questions concerning assessment of work in the unit, relations with the superior, internal communication, career and professional development opportunities. The questionnaires also give an opportunity to Employees to voice their opinion about overall satisfaction with work and employment conditions, their intention to remain employed by the Bank and finally their assessment of the Bank as an employer and as a provider of financial services.

The results of the last surveys have i.a. shown the strong commitment of Employees to the success of the organisation they are working for. Over 85% of them have declared that they would be willing to recommend the products and services of Bank Millennium to their families or friends.

Intention to recommend the products and services offered by Bank Millennium expressed in Employees Opinion Survey in 2006



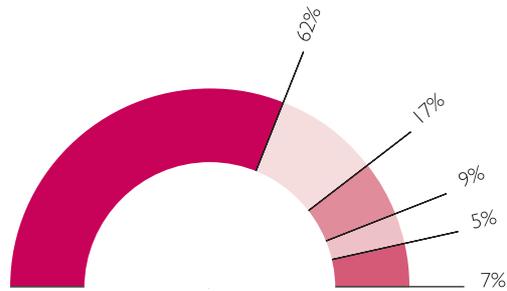
The research is done by the Quality and Innovation Team (the same one, which surveys the level of Customers' satisfaction with the Bank's products and services). Research results together with strategic recommendations are presented to the Bank's Management Board. Detailed results (divided by polled units/areas) are also submitted to management together with indication of those management aspects, which should remain unchanged or be improved.

The survey results and recommendations prepared on their basis result in specific actions, i.a. in keeping with the Employees' suggestions universally available medical services, development and training programmes were introduced. Apart from the annual Employee satisfaction surveys there are also regular questionnaires about specific aspects of work for the Bank, such as assessment of the quality of cooperation between the sales network and support units, assessment of the quality of work of internal audit or assessment of the quality of internal regulations.

Innovation Centre

The Innovation Centre (CI) is to promote creativity among Employees by inviting them to propose ideas that how to improve the Bank's product offer and Customer service processes. The skills of seeking new solutions are developed with Creativity Training, which stimulates Employees to speak freely. In this way we consider upgrades, which aim at improving Customer service by e.g. simplifying the daily duties of Employees. During the Training we also develop concepts of new products, which we then present at meetings with persons responsible for development of the Bank's product offer.

All ideas, including the ones gathered during creativity sessions, are presented to Employees in dedicated section of the Intranet. Its layout and data structure permit quick access to the ideas thus supporting knowledge sharing among Employees. Anyone who sends an idea to CI may remain anonymous. Then the idea will be authored by "Innovator" and the experts evaluating the idea will not have access to the Employee's data. All opinions of experts are presented with the idea. This approach facilitates a candid exchange of views and ideas, even regarding disputable matters.



Employees' creativity

(according to the number of submitted ideas by one Employee)

- 1 idea
- 2 ideas
- 3-4 ideas
- 5-10 ideas
- more than 10 ideas

The Innovation Centre runs a Library, thanks to which Employees can expand their knowledge about innovations, borrow books and also have access to specialised articles. Our library includes books on management, marketing and implementing innovations in organisations. The books and opinion-leading magazines enable Employees to follow latest trends in business. This knowledge and innovation portal is conducive to actively exchanging views and ideas between the Bank's Employees.

One of the examples of innovations proposed by the Employees was the arrangement of the Internal Job Exchange, which is described later in greater detail. Implementation of the Employees' innovations stimulates people to be proactively committed to the Bank at the same time permitting development of those ideas, which carry greatest Customer value.



Good

place to work

The foundation of a company's success are motivated and satisfied Employees who feel part of the organisation and are convinced they can contribute to its market success. People who not only recommend the company's products and services to others, but also recommend the company as a good place to work; people whose workplace *inspires* professional and personal development.

For several years now, the Bank has been steadily increasing Employees motivation, upgrading remuneration systems and facilitating expansion of professional skills, also offering extensive fringe benefits and team-building events.

The Bank's activity as well as commitment of Employees are reflected in building the internal Corporate Culture, the key values of which are:

Focus on results

We define ambitious challenges and seek the best solutions in order to become one of the leading banks in Poland. A professional and committed attitude are the basis for attainment of our goals. Each success motivates us to work further and every failure is the source of valuable experience. We are rewarded and promoted for our performance.

Customer satisfaction

We are aware that the future of our Bank depends on the satisfaction of our Customers. The needs and expectations of our Customers determine the direction of our work. We provide our Customers with products and services, which satisfy their needs. We also apply the best service standards to all those who we cooperate with within the Bank i.e. to internal Customers.

Employees Development

People are the most important asset of Bank Millennium. This is why we invest in HR development and in seeking new talents. Each of us deserves justice, respect and trust. We develop and increase our skills by training and periodical rotation of positions and functions. Our leaders are role models for us. The support our growth in order for us to be able to make full use of our potential.

Team work

We have a common mission, common values and goals. We strive to build a strong and integrated team. We know that working as a team we are able to achieve much more. We support each other and learn together, striving to excellence in everything we do.

Human Resources Development

All Employees regardless position can develop their professional skills. It is for the Bank to support Employees in attainment of these intentions.

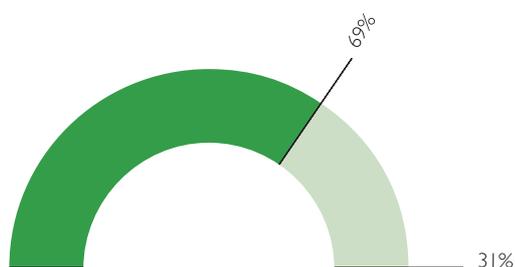
Development programmes

In the Bank we have created a transparent and consistent system of managing competencies, in which we have also taken into account development of skills of people in non-management positions.

The aim of the Bank's development programmes is to increase the pace of development of Employees, who with their commitment, motivation and desire to grow in the organisation will be able in the future to take the positions of project leaders, team managers, heads of subunits and departments. Employees will be able to take advantage of a carefully picked training programme. The programme involves mentoring by Board member, as well as coaching by direct superiors.

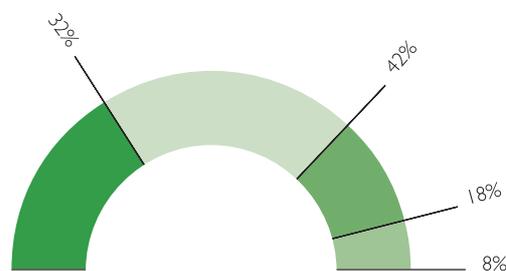
Employees taking part in the programme have the opportunity of participating in projects and - twice a year - in the Development Forum. This is a series of workshops outside the workplace. Apart from an integrating function the Forum also has a training role and is used to expose programme participants to new initiatives in the Bank. Members of the Management Board and invited managers attend the Forum.

Selection of Employees for the development programmes is announced in the Intranet. All interested Employees, who meet basic requirements as regards seniority and competence, are eligible for the programmes. The applicants must fill-in a short questionnaire, in which they describe their responsibilities and successes, which they achieved in our organisation. All the applications are evaluated against defined criteria. The selected candidates are invited to attend the second stage in the development recruitment process i.e. the Assessment Centre.



Bank Millennium Employees profile
male/female

- female
- male



Bank Millennium Employees
versus age

- <28
- 28-35
- 36-46
- >46

Competence development programme – Grow Fast

is a development programme targeted at Employees who already have some achievements to their credit in our organisation; who are strongly motivated and committed to further development of their professional career in the Bank Millennium Group. The main aim of the Grow Fast programme is to step-up development of its participants and to enable them to use their own potential. The idea behind the programme is that it will provide its participants with the skills and experience essential for them to be successful managers or project leaders.

Competence development programme – Grow Plus

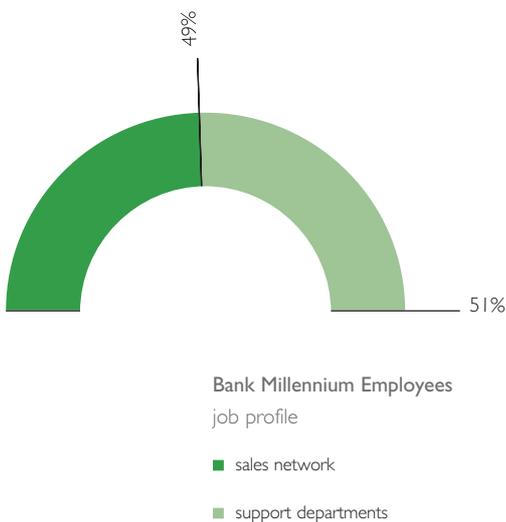
is a development programme targeted at managers and project leaders who are strongly motivated and committed to further development of their professional career in the Bank Millennium Group; who are flexible and ready to change their function and area of work as well as having the potential to efficiently manage a team in various areas of the Bank. The main aim of the Grow Plus programme is to step-up development of its participants and to provide them with the skills and experience essential in management positions.

Management Skills Development Programme – People Grow

Apart from Development programmes for its Employees the Bank also runs a programme for eminent university students and graduates. Its participants get an opportunity to learn about Bank Millennium Group, to develop their skills in a multi-faceted way and after two years of the programme - to find a suitable place in the Group's structure. Each participant has a Mentor, a Management Board member, which permits individualised support of their career and their successes. The programme has been developed in a way so as to make it mutually advantageous - to the participants and to the Group. Participants develop their skills; they gain experience in various areas of activity of the Bank Millennium Group and have the possibility of testing their potential. This helps them in taking satisfactory decisions about their future career. The Bank, identifying their strengths, will be able to make most efficient use of their talents in planning appropriate tasks for them, both during as well as after the Programme. Rotations of participants between the Bank's units facilitate perceiving issues from various vantage points and are conducive to integrating experience.

Each Participant of the Management Skills Development Programme begins his/her Bank Millennium group adventure with work in a retail branch. In this way they can learn the Customer's perspective, understand his/her needs and thus always have a Customer focus in their proposed solutions, wherever they eventually work in the Bank Millennium Group.

In 2006 the fifth edition of the Programme took place. So far the Programme has covered 60 people since it started.



Recruitment

The Bank has a transparent system of acquiring new Employees. Information about all vacancies and jobs newly created due to the Bank's growth is published on the Bank's website (in the career section), in the press and in web portals. The recruitment process is handled by the Recruitment Team in the Recruitment and HR Development Department. A purpose-built IT system permits an efficient circulation of documents together with results of recruitment interviews and tests, starting with the submission of a CV or online application through to final acceptance and employment of the candidate. Feedback with recruitment results is sent to all candidates invited to recruitment interviews. Applications sent-in by candidates are kept for at least 6 months in the database.

Training system

Bank Millennium treats HR development as one of its fundamental values. In order to better define the training needs of Employees and to provide them with continuous growth opportunities in 2006 the Millennium Academy was launched, comprising a series of training programmes targeted at specific groups of Employees. The Millennium Academy has a dedicated Intranet site. In the Academy Employees can either look for training, which they are interested in or seek such, which is simply essential in their job.

The number of people trained in 2006 increased 18.5% over 2005. In 2005 a total of 8 151 participants were trained, this number growing to over 10 000 a year later. This means that in 2006 on average one Employee would attend two trainings.

The Millennium Academy curriculum comprises:

- Vocational training - technical training in specific areas of competence;
- Management training - training for managers;
- Development programmes - training aimed at speeding-up development and careers of high-potential Employees;
- Trainer programmes - training for members of trainer teams;
- "Becoming One Voice" - inception training for new Employees of the Bank.

Additionally, in order to increase the range of training programmes available to Employees, Bank Millennium is working together with companies, which offer training co-financed by the European Social Fund.

In 2006 the focus was largely on training management personnel. The series of leadership, team management and project management training sessions covered all managers of the bank (top and medium level), both in sales units as well as in Head office. A total of 1198 participants were trained (a twentyfold increase over 2005).

All new Employees, regardless of their ultimate position and place of work, take part in the "Becoming One Voice" training. This training first of all contributes towards building a corporate culture; it has the purpose of informing the new staff about the Bank, the Millennium bcp Group, to which the Bank belongs, about the internal structures, aims of the organisation as well as the mission and values we all follow in our daily work. The training also covers general banking and financial know-how, information security, OHS and labour law. An important part of the course is the one about ethics and professional conduct, quality, innovation and corporate values. In 2006 37 training groups were organised.

The dynamic growth of the sales network in 2006 led to an enhanced specialised training effort for newly recruited branch Employees. In total 760 people were trained, which means five times the number from 2005.

Initial specialised training includes Customer service principles and sales skills, money laundering prevention, operation of the banking system, product offer and a few days of internship in a branch of the Bank in the care of experienced colleagues.

The broad range of Bank Millennium products as well as frequent changes in the product offer have affected the number of relevant training sessions. The number of product and procedure training participants increased almost five times in 2006 over 2005 (3 891 trainees).

Especially important from the point of view of development of professional skills is computer training in the use of office applications as well as training in the IT area. In 2006 almost three times more Employees were trained than in the previous year (256 participants).

In 2006 Employees were just as willing as in the previous year to take part in professional training in banking, finance and risk. As compared with 2005 more than double the number of participants were trained (436 participants). Most of the vocational trainings were provided by external companies.

Foreign language courses

Bank Millennium is co-financing group and individual English and Portuguese language courses on various levels. Over 300 Employees have taken English courses, with 20 focusing on Portuguese (mainly participants of development programmes).

Studies

The Bank supports growth of professional and general know-how of its Employees, this is why it co-finances MBA and post-graduate courses. Eligible for the co-financing may be persons with particularly good results at work. The co-financing is between 25% and 75%. In 2006 the post-graduate courses were completed by 14 persons.

Internal Job Exchange

An Employee interested in rotation, apart from marking such a need in competencies assessment, can resort to the Internal Job Exchange, which in fact is available to all Employees. The Internal Job Exchange is based on the principle that the Bank's Employees have priority in applying for newly created jobs and vacancies in Bank Millennium Group. Its aim is to make it easier for Employees to develop their skills. It also aims to satisfy the Bank's recruitment needs. The Job Exchange has existed in the Bank since 2004 and emerged in direct response to needs voiced by Employees. The job ads are placed in a dedicated section in the Intranet.

The idea to launch the process of internal recruitment was submitted to the Innovation Centre by an Employee of the Bank. In 2006, thanks to the Exchange, 28 Employees found new jobs in the organisation.

Assessment of competencies

The Bank does regular assessment of Employees' competencies, which gives the Employees the opportunity to express their opinion about satisfaction with their functions and to flag their willingness to rotate, also indicating their preferred units. Moreover the assessment of competencies permits preparation of the Employee's individual development plan for the next year by identifying training needs and holding a development interview with the superior. During this interview the Employee also gets feedback about his/her level of standard competencies (connected with the position) as well as specific competencies (connected with function). Thanks to the extensive offer of training courses available in the Millennium Academy (read more in "Training System" part) the Employee may select the most appropriate ones given his/her job.

In Bank Millennium the evaluation system is strictly connected with the bonus system, development prospects and job rotation, salaries and opportunities to get co-financing for various activities, foreign language courses or post-graduate studies.

Recently improvements have been made to the evaluation system (mainly in the sales area). New criteria are being introduced with a focus especially on business results and to assure even better bonus distribution. The incentive systems are closely connected with the Bank's strategic goals.

Awards

Bank Millennium recognises outstanding achievements of its Employees. The annual Chairman's Award is presented to managers and project leaders who contributed significantly to the Bank's annual result with their sales performance, cost reduction, positive impact on Customer satisfaction, process improvement or productivity growth. The annual Management Meeting provides an opportunity to present the award in public. In 2006 there were 7 persons who received this award.

The achievements of Employees of Bank Millennium Group are also appreciated worldwide on Millennium bcp Group level. In 2006 ten Employees of Bank Millennium Group were awarded the international Excellence Award for their overall contribution or particular achievements.

Exit interviews

"Exit interviews" are a valuable personnel policy tool in Bank Millennium. The voice and opinions of Employees are important for the Bank both during employment as well as when Employees decide to leave the Bank Millennium Group. Staff of the Recruitment and HR Development Department will contact every Employee deciding to quit, in order to ask about the reasons, which led to this decision. Conversations held with quitting Employees are an additional source of information, permitting the monitoring of the situation of the Employees in all units of the Group and to quickly react in cases requiring change. The information thus collected helps in taking decisions concerning HR management systems, they may provide a stimulus for change and are used in planning new solutions. That in Bank Millennium Group there prevails a climate of open communication is confirmed by the fact that most people agree to have this interview and willingly talk about reasons for leaving, the factors that affected these reasons and the possible solutions.

Social activity

The Bank strives to provide all Employees with access to diverse forms of activity, cultural events, sports and recreation. We want to tailor our offer so that each and every Employee can pick the sports or entertainment activity he/she prefers.

We stand on the assumption that spending a few hours with co-workers in an interesting environment helps establish friendly relations, stimulates integration and builds bonds with the company. By taking part in sports activity our people get the opportunity to overcome their personal barriers and cross their borders.



MilleKlub

MilleKlub is a sports club of Bank Millennium Employees, which was created in 2003. The main task of the Club is to promote various sports, which at the same time enable integration and personal development of Employees.

Today the Club consists of 12 sections: volley ball, bowling, badminton, chess, diving, football, horse riding, skiing, dancing, tennis, trekking and water sports.

Each section is managed by Employees who voluntarily take care of the section's organisation and development. Club members submit proposals for club activities and the Bank co-finances their projects, including participation in training, games, courses and travel.



In MilleKlub i.a. internal training sessions and sports and team-building trips are organised. Staff can also take part in all external tournaments, regattas, sports league games.

In 2006 Employees of Bank Millennium took part in various sports events, competing with Employees of other companies, and were very successful. Among other they won the first place in the 2nd National Chess Tournament for the Cup of the President of the Union of Polish Banks and also came 1st in the Sopot Sailing Grand Prix.

In total in 2006 MilleKlub had 1 166 members.

Team-building trips

Since 2002 the Bank has been organising two series of trips for its Employees: Spring Series and Autumn Series. We offer visits to attractive places in Poland and to fairly close European capitals. In 2006 there were 10 various travel programmes proposed to Employees and over 500 of them took part. Accompanying persons were also allowed therefore team-building was done not only on company level but it also covered families and friends of our Employees.

Special events

The Bank enabled its Employees to take part in concerts of famous music groups and stars (e.g. Madonna's concert in Prague) by co-financing and organising group trips. In 2006 150 Employees went to concerts on Bank-organised trips.

Apart from cultural activity the Bank was also supporting sports events. In 2006 at the Chorzów Stadium Poland played Portugal in qualifications for the 2008 European Championship. Avid football fans from our organisation also went there: Poles from the Bank Millennium Group and Portuguese expats from the Bank in Poland.

Art contest

In 2006 the third edition took place of an art contest for children and grandchildren of the Bank's Employees. Introduction of the Bank's new visual identity became an inspiration behind this year's contest motto "Millions of Dreams, One is Mine". The aim of the contest is to build a family-like relationship between the Bank and its Employees. 240 works of art were submitted for the contest, as many as 19 of them being finally recognised and awarded prizes. The works are assessed by a "mature" and "serious" Jury. The official award ceremony took place in the Bank's Head Office. Other attractions awaited the young Winners in an entertainment centre, where they played for the rest of the day. They had a go at bowling, on a climbing wall and on a large playground. All children who took part in the contest received consolation prizes.



Sports and entertainment

The Bank offers to Employees various after hours Rest&Relaxation options. Our people have a choice of sports or other leisure activities supported by the Bank. Employees can receive gym, swimming pool or cinema vouchers. This is available in all cities where the Bank operates.

On average every quarter of 2006 there were 552 Employees going to the swimming pool, 406 to gyms and fitness clubs and 2 147 to cinemas.

Health Care

In 2006, facing-up to the expectations of Employees, the Bank introduced a private health care programme. The programme provides all Employees with access to general and specialised medical services, diagnostic tests and all types of prophylactic measures. Since 1 March 2006 all Employees of Bank Millennium are covered by prophylactic medical care financed by the Bank and they have gained access to medical facilities throughout Poland (360 medical centres in 120 cities in Poland).

In autumn 2006 a country-wide flu vaccination campaign for all Employees of the Bank was carried out. Inoculation was done in the medical facilities and also directly in the Bank's Head Office buildings in Warsaw and Gdańsk.

Under the medical services contract the Bank also enjoys preferential rates for the Employees - for an additional fee deducted from the salary - medical care can be extended to cover a spouse or partner and children aged up to 25.

Social aid and support

Any Employee of the Bank who has ended up in a very difficult financial, family or living situation due to an accident is eligible for a financial benefit.

The Bank also offers low-interest rate loans to finance refurbishment or finishing of a house or flat, for purposes connected with the purchase or building of a house or flat. The loans are supposed to aid especially those Employees who are continuing already started house construction, financed with own money or a bank loan. In total 222 loans have been granted so far, 182 of which for refurbishment and 40 for purchase of a house.

Commitment Good corporate



to society citizen

Bank Millennium pursues its mission and corporate responsibility by supporting valuable cultural and educational programmes, thus acting in the noble spirit of private sponsorship. The Bank's commitment to the development of culture and support for important artistic and social events is a reflection of its mission -

"Life inspires us".

Supporting Culture

For years the Bank has been providing patronage of events in the realm of high culture. A special place in this context is occupied by the “Golden Sceptre” award, which the Bank presents to eminent Polish artists, as well as the series “Pearls of Millennium”. The Bank’s commitment to the development and dissemination of culture is also visible in the form of programmes, which support young artists as well as the area of independent, socially committed cinema and documentary.



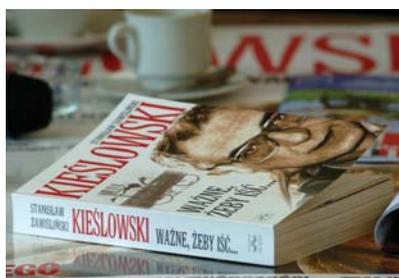
- The “**Golden Sceptre**” is an annual award, which since 1999 is presented to eminent Polish artists. In 2006 the award went to Tadeusz Różewicz - a poet, playwright and prose author. Tadeusz Różewicz was already the eighth winner of the award created by the Polish Culture Foundation and Bank Millennium and awarded for the intellectual creation of an individual or group, a group of artists, social organisation, artistic institution, cultural or scientific movement”.

Winners of the award in previous years were: Jerzy Giedroyc, Wojciech Kilar, Stanisław Lem, Roman Polański, Ewa Podleś, Sławomir Mrożek and Janusz Gajos. Every year, in keeping with the award regulations, the Golden Sceptre winner also awards the “**Small Sceptre**” – an award for a specially talented young artist. The award is one of the most important cultural awards in Poland.



- Bank Millennium in cooperation with the Polish Public Television (TVP), created in 2003 the promotion programme **“Pearls of Millennium”**, the aim of which is to broadcast on national television a series of premiere artistic events produced by the Bank and TVP. The “Pearls of Millennium” series comprised 10 shows and events, which together gathered a millionth audience. The partners together seek good artistic projects (unique, premiere artistic programmes of high quality in all areas of art, which can be aired on TVP), assess them and decide to include in the cycle. The television company provides the production facilities while the Bank provides co-financing. Both partners jointly carry the effort of promoting the programme.

- Bank Millennium is a sponsor of the annual **“PLANET DOC REVIEW”** - World's Festival of Feature Long Documentary Films and the sponsor of the main prize - Millennium Award - for the best documentary as selected by an international jury. PLANET DOC REVIEW presents the most outstanding feature long documentary films of the last year globally. In these films their authors combine great sensitivity with extreme technical aptitude and which leave the audience thinking - interesting, forcing to think, moving, often shattering. The festival is done under sponsorship of the Planete television channel of UNDP in the Global Compact coalition for Corporate Social Responsibility. In 2006 the festival films were seen during the one week of shows by 14 000 viewers. The Festival is one of the more significant cultural events in Poland.



- Bank Millennium sponsored three cultural events inaugurating the “Kieślowski Year” connected with the tenth anniversary of the death of Krzysztof Kieślowski (1941-1996). The anniversary resulted in the three dimensions project of remembering the Artist and his work in Poland:
 - in the Museum of Cinematography in Łódź a multimedia exhibition “Kieślowski - traces and memory” was arranged, where materials concerning the life and work of the Artist were presented;
 - a biography of the director was published “Kieślowski - important to go” - written by Stanisław Zawisliński;
 - in Katowice an international symposium took place under the title “Kieślowski’s cinema, the cinema after Kieślowski”



- **Sponsoring of the National Museum in Gdańsk** – the programme of cooperation with the museum serves the purpose of promoting the works of artists from multicultural Gdańsk, one of Poland's most important cultural and business centres. In previous years the programme was connected with promotion of contemporary art. After accession to the European Union, as part of a return to the multinational roots of the city a programme began to present artists connected with the “Golden Ages” of Gdańsk.



- **Sponsoring of the Muzeum Nadwiślańskie in Kazimierz Dolny nad Wisłą** – the programme of cooperation with the museum serves the purpose of recording the heritage of one of Europe's most important artistic colonies in Kazimierz Dolny nad Wisłą. The programme also includes scientific research, prepared publications and exhibitions of artists from the last one hundred years in Kazimierz.



- In 2006 the Bank was one of the **Official Sponsors of the First Apostolic Pilgrimage of the Pope Benedict XVI to Poland.**



- On the first anniversary of the death of Pope John Paul II Bank Millennium sponsored the concert **"Great Lady"** – literary and musical event based on poetry of Karol Wojtyła from his youth and on parts of the "Roman Triptych" by John Paul II. The poems were presented by eminent Polish actors; the music was composed by Janusz Strobel and performed by the Włodzimierz Nahorny ensemble. The event was a tribute paid to the Great Pope and the Great Pole on the anniversary of his death.

Supporting education

The Bank plays an active role in the lives of students. Programmes in the area of education enable young, talented authors and managers to start their professional career.

The Bank supports Euromanager Poland - the Polish edition of an international interactive business management challenge. It also awards especially talented young scientists in the Best Student and Best Science Club of the Coastline Competition, also organising numerous proprietary programmes to jump-start the professional careers of university graduates.

For the purpose of creating and outfitting school computer rooms the Bank donates surplus computer hardware to primary and secondary schools. In 2006, acting through the Friends of Children Society and the Foundation Kiwanis Polska, the Bank donated 330 computer sets and helped outfit a dozen-or-so school computer rooms in the poorest regions of Poland. Bank Millennium also supports the Warsaw University scholarship fund.



Come and Grow with Us

For five years now, Bank Millennium has been supporting university students and graduates in the start of their professional career, giving them an opportunity to gain experience, develop their skills and interests. For this purpose the Bank established the Come and Grow with Us programme, via which it approaches students, contributing to the life of the academic community and acquiring ambitious students and graduates by offering to them the opportunity to gain their first professional experience. One of the programme components are the paid internships, available to students of all years and curricula as well as competitions with valuable prizes. Bank Millennium also takes part in Career Days - the largest educational fair event organised by AIESEC student organisation and also in Bank Millennium Days - organised together with career offices and AIESEC. Bank Millennium Days is an autumn series of meetings with students in their universities. In this way the Bank brings its offer almost literally to the doorstep of the young people, also organising training and coaching sessions for students by virtue of being present in largest academic centres. In this framework the Bank offers and promotes the People Grow programme. It is one of the Bank's Development Programmes, targeted at particularly talented last year students and alumni.



Internships and Apprenticeships

In 2006 the Bank had 248 students on paid internships in Head Office Departments and sales units. The students were gaining professional experience working under guidance of supervisors. The Bank prepared an offer of internships for students of all years, allowing the youngest but ambitious students to start gaining professional experience as interns. The internship offer has been built in a way, which makes it available for students of all areas of study. The extra benefit coming from a paid internship is that it may be transformed into a full-time job as was the case with 80 interns who in 2006 signed employment contracts following successful completion of internships.

Competitions

Another initiative addressed to university students are competitions. In 2006 the Bank held three competitions in various subject areas, to ensure the broadest possible participation. The students were faced with tasks concerning Internet banking, HR, product marketing, quality and innovation as well as management. Close to 250 students took part in these competitions, the prizes being an internship in Millennium bcp in Lisbon, internships in Bank Millennium as well as material prizes. Many laureates were appreciated for their contribution, commitment and attitude in the competition finals and were invited to summer internships in the Bank.

Training for students

This is an initiative of the Bank, which aims at sharing know-how with students. In 2006 the Bank gave over 50 training sessions in the largest academic centres, attended by approximately 1 100 students. In response to students' needs the Bank's Employees prepared and gave training in writing a CV and behaviour during a recruitment interview; about creative thinking and problem solving techniques as well as workshops on quality management.

Cooperation and support of student organisations: AIESEC, CEMS

Bank Millennium appreciates the contribution of student organisations to creating opportunities for students to gain professional experience and develop their skills and interests. Highly appreciating the cooperation and commitment, which also permitted it to reach the best students, Bank Millennium extends financial support to student organisations, thus contributing to attainment of their goals. In 2006 Bank Millennium supported two organisations: AIESEC and CEMS. In cooperation with AIESEC Bank Millennium was involved in the "Ambassador" project, selecting 11 representatives - members of AIESEC in largest academic centres. These representatives are known as Ambassadors of the Come and Grow with Us programme among fellow students. In exchange for the commitment and promotion of the programme, the Ambassadors get an opportunity to gain experience in cooperation with the Bank and the possibility of taking part in various training and workshop sessions prepared by the Bank.

In 2006 Bank Millennium extended financial support to preparation of the "CEMS Day" event organised by CEMS (Community of European Management Schools and International Companies), which aimed at promoting a management studies programme and the organisation itself.

Global Management Challenge - Euromanager Poland

Ever since this Challenge appeared in Poland, Bank Millennium has been one of its main sponsors. In this way it enables students' teams to take part free-of-charge in this largest simulation exercise. In 2006 Bank Millennium was sponsoring 22 student teams, comprising in total close to 100 students. One of these teams won the national finals.

Awards

Initiatives taken by the Bank and its offer of internships, which every year are tailored to meet the needs of students and the Bank itself have been highly appreciated by students and career offices. Every year the Bank moves up the list of companies in the prestigious annual survey "Employer of the Year", prepared by AIESEC and done among students of 46 private and public universities throughout Poland. The Bank came 5th in a nationwide ranking of employers done by staff of Career Offices. Moreover Bank Millennium was 2nd in the ranking of preferred employers, which was done during Career Days in April 2006 in Warsaw. In this same ranking the Bank won in the categories: "Best promotion materials", "Best development opportunities for students", "Most attractive offer for students".

Final remarks

This paper is the first attempt to present the activity of Bank Millennium as regards Corporate Responsibility. It contains information only from those areas where in the Bank's opinion the daily practice of its activity has already reached or approached Corporate Social Responsibility standards.

The decision to publish this document is at the same time a clear signal that the Bank intends to increasingly implement solutions internationally considered to be compliant with CSR standards, as the basis of a valid business strategy. In fact, sustainability standards already today strongly determine the common practice of the multi-domestic Millennium bcp Group, which also includes Bank Millennium.

Glossary

Agency for Restructuring and Modernisation of Agriculture

Government agency, which was established in 1994. The aim of ARMA is to support efforts aimed at development of agriculture and rural areas. The Agency deals with implementation of instruments co-financed by the EU and grants aid from domestic funds. The Minister of Agriculture and Rural Development defines the tasks of ARMA and supervises their execution. (www.arimr.gov.pl)

AIESEC International student organisation, which enables young people to discover their own potential and to develop their areas of interest in order for them to influence their environment in the future. AIESEC promotes a positive model of leadership based on cultural sensitivity, active learning ability, entrepreneurship and social responsibility. This is achieved by the Development Programme where members of the Organisation have the possibility of testing their potential in creating and managing projects and can gain experience as interns in one out of over 90 countries worldwide. (www.aiesec.pl)

Assessment Centre (AC) This is a series of exercises designed in order to observe - in an environment close to real work - whether the candidates have the characteristics, which are considered essential for a particular position. The exercises are done in groups of a few participants each, with every group being observed by a team of assessors (persons specially trained in assessing participants). The exercise usually takes from a few hours to a few days, depending on the programme, to which the participants are applying.

Mystery Shopping Quantitative market research method, which may also contain qualitative components. The method consists in participatory observation of predefined situations. The observation is active and confidential. The mystery shoppers do not disclose that they are conducting research. In fact they focus on predefined aspects behaving like Customers. It is the best method to find out how Employees behave towards an Customer. Often goods or services will be purchased in the visited location in order to examine the entire process of the visit and of the sale. (www.adhoc.com.pl)

CSR, Corporate Social Responsibility Corporate Social Responsibility is a concept, according to which companies voluntarily take into account social interests and environmental protection as well as relations with diverse groups of Stakeholders. It is about investing in human resources, in environmental protection and community relations based on voluntary commitment. CSR is a process where companies manage their relations with entities that may actually influence their business success. It should be treated as an investment and not a cost, as in the case of quality management. (www.cesar.edu.pl)

CEMS Club (CEMS) Created with the CEMS MIM (Community of European Management Schools - Master's in International Management) programme, associating 17 best schools of management in Europe and close to 50 international companies. CEMS Club associates active programme students and alumni as well as all who are planning to do the programme in the nearest future. (www.cemsclub.pl)

European Fund for the Development of Polish Villages At present the goals span development of technical and social infrastructure of rural areas as well development of broadly understood non-agricultural small and medium entrepreneurship on rural areas. (www.efrwp.com.pl)

European Social Fund One of the Structural Funds, which was created to support community social policy. It finances efforts of Member States as regards preventing unemployment and stimulating HR development. Proceeds of the fund are used to finance mainly vocational training, scholarships, internships, vocational advise and counselling, labour market research and analyses etc. (www.efs.gov.pl)

Forum of the Stock Exchange Issuers' Association A voluntary organisation of companies listed on the Warsaw Stock Exchange. The Association works towards development of the capital market by educational, promotional and lobbying efforts. It acts in favour of integration of the securities issuers' community, undertaking organization of training and seminars; it represents the common interests of this group of companies. (www.seg.gov.pl)



Corporate Responsibility

Global Management Challenge (EuroManager) An innovative and multidimensional form of training, combining the advantages of a strategic business game with e-learning. The project is addressed to anyone who wants to develop their business management skills through practical experience.

Global Reporting Initiative (GRI) An initiative (taken in 1997 by CERES), which aims at creating and disseminating international standards for social reports voluntarily implemented by companies. GRI cooperates with the UN.

Bank's Stakeholders The Bank's Customers, the Bank's Employees, the Bank's Partners (The stake may be held in the company in terms of energy, labour, know-how, funds, emotional commitment, experience etc.). These are persons and groups who are important for the company's operation; who are committed to operation of the company and those who are affected by the company. The usually mentioned Stakeholders are: Shareholders, Employees, Managers, Clients, Suppliers and Business Partners, the natural environment as well as public Stakeholders, i.e. the public opinion, government institutions (local and central), local communities and future generations. Some groups of Stakeholders (natural environment, future generations) are represented by their spokespersons (relevant NGOs).

Investor relations A company's effort consisting in maintaining contacts with all participants of the capital market: current Shareholders, potential Investors, market analysts, rating agencies, stock exchange as well as other organisations operating on the capital market with the purpose of disclosing essential information about the company and to develop its favourable perception by capital market participants.

Webcast Conference of the company held in the Internet. They permit delivery of a presentation to an extensive audience, who can active part in the conference.

Corporate Governance A set of detailed rules of conduct for both corporate bodies as well as their members and majority and minority Shareholders. The rules have been prepared by the Best Practice Committee of the Corporate Governance Forum (www.pfcg.org.pl)

Sustainable Development Sustainable development is a concept that binds economic growth with social development and environmental protection to create better perspective for future generations. The essence of sustainable development is an equal treatment of social, economic and ecological reasons, which means the necessity to integrate all issues in policies within the particular economy sectors.

Photographs used in this paper were taken by the Bank Employees during team-building and MilleKlub events or came from private collections of Employees shared in the "Photo Gallery" / "Private collections" on the Bank's Intranet site in the "After hours" section.

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Produced by:

grupa  CODEX

02-134 Warszawa

ul. 1 Sierpnia 25

tel.: (0 22) 868 73 95, 868 73 96

fax: (0 22) 846 46 35

e-mail: biuro@grupacodex.pl

Layout:

Marek Wajda

Photo of the Chairman of the Management Board:

Julita Kania



Millennium Plaza
Al. Jerozolimskie 123 a,
02-017 Warszawa

www.bankmillennium.pl
TeleMillennium 0 801 331 331