**COMPETITIVE POSITIONING**

With the largest network of branches in Portugal, and a growing network in the countries in which it operates, in particular in the African markets of affinity, Millennium bcp offers its customers a wide range of banking and financial products and services, from current accounts, instruments of payment, saving and investment products, to private banking, asset management and investment banking, including mortgage loans, consumer loans, commercial banking, leasing, factoring and insurance, amongst others, serving its Customers on a segmented basis.

Millennium bcp is a bank focuses on Retail where it offers universal banking services, seeking to concentrate all its relations with Customers. Supplementary, the Bank offers remote banking channels (banking service by telephone and Internet), which operate as distribution points for its financial products and services. The remote channels also underlie a new banking concept, based on the ActivoBank platform, as a privileged way of serving a group of urban Customers who are young in spirit, intensive users of new communication technologies and value simplicity, transparency, trust, innovation and accessibility in banking relations.

Millennium bcp is present in five continents through its banking operations, representation offices and/or commercial protocols, corresponding to approximately 5.4 million customers by the end of 2011. In 2011, with the redefinition of the strategic vision of the Group, the Bank maintains the focus on retail distribution in Portugal and in markets that ensure a competitive presence and significant position in the medium long term. All the operations develop their activity under the Millennium brand.

**PORTUGAL**

Millennium bcp is Portugal’s largest private banking institution, with a leadership and a prominent position in several products, financial services and market segments based on a strong franchise of great presence in Portugal. By the end of 2011, Millennium bank had a network of 885 branches and 9,959 Employees in Portugal.

Notwithstanding the adverse environment experienced in 2011, arising from the sharp deterioration of the sovereign debt crisis and process of macroeconomic adjustment agreed with the troika, on the one hand and, on the other hand, by the uncertainties regarding the evolution/composition of the Eurozone, reflected in pronounced adjustment processes by the Portuguese Banks, including deleveraging programmes and initiatives to strengthen capital, Millennium bcp has maintained its relative position in the national market, both in loans - where it continues to be the first bank in terms of loans granted to companies - and in funds.
International

Millennium bcp pursues the expansion plans of its operations in Africa. At the end of the 3rd quarter of 2011, Millennium bim reached the milestone of 1 million active customers and Millennium Angolan inaugurated its 61st branch. Millennium bim is the leading bank in Mozambique, with a market share of 35.9% in loans and advances to customers and 33.7% in deposits. In Angola, the Group aspires, with the investment in progress, to become a reference player in the sector, with market shares above 10% in the medium term. By the end of 2011, the Bank had a market share of 3.4% in loans and advances to customers and 2.6% in deposits. Special reference should also be made to the awards received by Bank’s operations in these regions from several renowned entities. Thus, Millennium bim was recognised as the “Best Banking Group in 2011” in Mozambique and “Best Local Bank in Africa” and Millennium Angola as the “Best Banking Group/Bank in 2011” and “Most Innovative Bank” in Angola.

In Poland, by the end of 2011, Millennium Bank had a market share of 5.0% in loans and advances to customers and 4.9% in deposits. Since Millennium bcp considers that a sustainable position in the banking market in the different geographical areas in which it operates involves a presence with market shares above 5%, the Group, under the adjustment of its strategic agenda announced in July 2011, analysed various options, including those arising from the offers received of acquisition of the holding in Bank Millennium, and concluded that the option which is most in the interest of its Stakeholders and best fosters the creation of value is that of maintaining its holding in Bank Millennium, having reaffirmed its commitment to the organic growth of the Polish operation.

In Greece, in December 2011, the Group had a market share of 2.0% in loans and advances to customers and 1.4% in deposits, while in Romania the market share in loans and advances to customers and in deposits, reached 0.8% and 0.6%, respectively. In both operations, where its presence, in the context of these markets, isn’t relevant, the Group is currently appraising various operations in order to create value, which might involve the reduction of its exposure and/or search for partners to support expansion plans.

Innovation

Millennium bcp is positioned in the market as an innovative bank and with a strong tradition in innovation, being recognised by the market as a leading bank in innovation. From the foundation of Millennium bcp up to the present date, innovation is and will continue to be a distinctive and differentiating value in relation to the competition, both in national and international operations, being present in the financial offer to customers, in particular in credit and saving solutions, following a path of simplification and transparency in banking relations, especially in the channels of contact with Customers and in the actual concept of Banking, where ActivoBank is an example, in its service and model of interaction with customers, adopting new technological trends concerning contact, expressed through the Internet and Mobile Banking, in internal processes and in operations, including the management of people and talent, in the business model - currently under reformulation - and in the communication strategy, both in terms of the message and the actual media.