



CERTIFICATES

Report and Opinion of the Supervisory Board P.328
Independent Auditor's Report P.330



Report and Opinion of the Supervisory Board

Dear Shareholders,

1. The Supervisory Board hereby submits its report and opinion on the individual and consolidated financial statements of Banco Millennium Atlântico, S.A., submitted by the Board of Directors, for the financial year of 2020, thereby complying with the legal provisions of Article 441.2 (91) (g), 442.2 and 443 of the Portuguese Companies Act and of Article 30(g)(1) of the Company's Articles of Association.
2. The Supervisory Board met, whenever deemed necessary, with the members of the Board of Directors and of the Executive Committee responsible for the financial areas, and was informed, in due course, of the resolutions of the Executive Committee, of the Board of Directors and of the resolutions and recommendations of the Shareholders.
3. In the course of its duties, the Supervisory Board had the opportunity to observe the professionalism, commitment and transparency of the procedures adopted by the Executive Committee as well as by the Board of Directors and other employees of the Bank.
4. The Supervisory Board carried out all the verifications deemed useful and necessary. It also assessed the preparation of the financial statements, analysed the content of the external auditor's report and took note of the qualifications and emphasis therein and which are reproduced herein. It further obtained from the Bank, namely from the Board of Directors and the Executive Committee, all the clarifications required and ensured compliance with the legal and regulatory provisions, the Company's Articles of Association and the rules issued by the supervisory authorities, as well as with the general policies, rules and practices established internally.
5. Additionally, the Supervisory Board did not identify any events that were not in accordance with the Company's Articles of Association, the legal requirements or the applicable accounting policies, criteria, standards and practices.
6. All considered, including the contents of the balance sheet and financial statements for the financial year and the external auditor's report, it is our opinion that the Annual General Meeting should:
 - Approve the management report of the Board of Directors and the financial statements, on an individual and consolidated basis, of Banco Millennium Atlântico, S.A. for the financial year ended 31 December 2020;
 - Approve the appropriation of results for the financial year of 2020, proposed by the Board of Directors in the following terms:
 - a) Legal reserve (10%), in the amount of AOA 1,559,235.80 thousand; and
 - b) Retained earnings (90%), in the amount of AOA 14,033,122.20 thousand.

- Propose a motion of praise and acknowledgement for the performance of the Board of Directors.

Luanda, 27 April 2021

The Supervisory Board,

Nuno Gonçalo de Teodósio e Cruz e Cachado de Oliveira - Chairman of the Supervisory Board

António Guilherme Rodrigues Frutuoso de Melo – Member of the Supervisory Board

José Pedro Porto Pais Dordio - Member of the Supervisory Board

Nélson Luís Vieira Teixeira - Member of the Supervisory Board

Maria Cristina Santos Ferreira – Accountant Expert - Supervisory Board



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INDEPENDENT AUDITOR'S REPORT

(Translation of a report originally issued in Portuguese – see footnote on page 3)

To the Shareholders

of Banco Millennium Atlântico, S.A.

Introduction

1. We have audited the accompanying individual financial statements of Banco Millennium Atlântico, S.A. (hereinafter referred to as “the Bank”), which comprise the Balance Sheet as of December 31, 2020 that presents a total of 1 749 990 004 thousand of kwanzas and shareholders’ equity of 178 956 801 thousand of kwanzas, including a net profit of 15 592 358 thousands of kwanzas, the individual statements of profit and loss, other comprehensive income, changes in equity and cash flows for the year then ended and the corresponding notes.

Board of Directors responsibility for the Financial Statements

2. Board of Directors is responsible for the preparation and fair presentation of these individual financial statements in accordance with the International Financial Reporting Standards (“IFRS”) and for such internal control that it determines necessary to enable the preparation of individual financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

3. Our responsibility is to express an independent opinion on these individual financial statements based on our audit, which was conducted in accordance with Technical Standards from Angolan Institute of Statutory Auditors (“Ordem dos Contabilistas e Peritos Contabilistas de Angola”). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the individual financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the individual financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the individual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the individual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the individual financial statements.



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5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

6. In accordance with the requirements set out in IAS 29 - "Financial reporting in hyperinflationary economies" ("IAS 29"), in the years ended December 31, 2017 and 2018, the functional currency of the Bank's individual financial statements corresponded to the currency of a hyperinflationary economy, and ceasing to have that classification in the years ended December 31, 2019 and 2020, as a result, essentially, of the reduction of the inflation rate in Angola. As disclosed in Note 2.1 of the Notes of financial statements, with reference to December 31, 2017 and 2018 the Angolan Banks Association ("ABANC") and the National Bank of Angola ("BNA") expressed their interpretation that all the requirements established in IAS 29 to consider the Angolan economy as an hyperinflationary economy were not met. Consequently, the Bank's Board of Directors decided not to apply the requirements of IAS 29 in its individual financial statements for the years ended December 31, 2017 and 2018, and also did not make the necessary adjustments in the individual financial statements for the years ended December 31, 2019 and 2020, with respect to opening balances and the adjustments that result from the application of the requirements in IAS 29 when an economy ceases to be hyperinflationary. However, we have not obtained sufficient information to enable us to quantify the effects of this situation on the Bank's individual financial statements as of December 31, 2020.
7. As of December 31, 2020 the financial statement line "Financial assets at amortized cost - Debt securities" includes 126 432 308 thousand kwanzas related to an issue of Treasury Bonds of the Republic of Angola denominated in United States Dollars maturing in December 2022 which, according to information obtained from the Bank, was originated in December 2015 as a result of a conversion process of the balance of deposit accounts in foreign currency held by the Bank with the National Bank of Angola ("BNA"), for the purposes of compliance with mandatory reserves, under Executive Decree no. No. 547/15, of October 6, the Order No. 406/15, of December 7, of the Ministry of Finance, the Instruction No. 19/2015, of December 2, and the Directive No. 7/DMA/DSP/2015 of December 10 of the BNA. In this context, as disclosed in Note 8 of the Notes of financial statements, it is the understanding of the Bank's Board of Directors that given the way these securities were originated, without an investment decision imputable to the Bank, they should have a treatment similar to other assets used for compliance with the required reserves, and therefore it has not recorded any impairment loss for these securities in its individual financial statements as of December 31, 2020. However, in accordance with the requirements of IFRS 9 and because it is a financial instrument with credit risk, we believe that an impairment loss should have been recorded in 2020 in the amount of 13 725 740 thousand kwanzas. Considering the above, on December 31, 2020 the item "Financial assets at amortized cost - Debt securities" and the results for the year are overstated by that amount, excluding tax effects.

Opinion

8. In our opinion, except for the effects of the matters described in paragraphs 6 and 7 of “Basis for qualified opinion” section, the individual financial statements referred to in paragraph 1 above present fairly, in all material respects, for the purposes indicated in paragraph 10 below, the financial position of Banco Millennium Atlântico, S.A. as of December 31, 2020 and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards.

Emphasis of a Matter

9. As disclosed in Note 41 of the Notes of financial statements, in March 2020 the spread of the disease resulting from the new coronavirus ("Covid-19") was declared as pandemic by the World Health Organization, which significantly affected the world and Angolan economies, with particular emphasis on the continuation of the economic recession and the reduction of the Republic of Angola's credit rating. On this date, the pandemic is still active worldwide and its evolution reveals some levels of uncertainty, which may affect the evolution of the Angolan economy and, consequently, the achievement of the main accounting estimates considered by the Board of Directors in the preparation of the Bank's individual financial statements, which are disclosed in Note 3 of the financial statements. Thus, the realization of the Bank's assets at their balance sheet values on December 31, 2020 may be influenced by the evolution of the Angolan economy and by the success of its future operations.

Our opinion is not modified with respect to this matter.

Other matters

10. The attached financial statements refer to the individual activity of the Bank and were prepared by the Board of Directors for approval by the General Meeting of Shareholders and to comply with the legal and Banco Nacional de Angola requirements for the presentation of individual financial statements. As disclosed in Note 6 of the Notes of financial statements, the item "Financial assets at fair value through profit or loss" includes units of participation in investment funds ("Funds") mainly held by the Bank, measured at fair value in the amount of 202 908 812 thousand kwanzas. The attached financial statements do not include the effect of the full consolidation of these Funds, which will be done in consolidated financial statements to be approved and published separately.
11. The individual financial statements for the year ended December 31, 2019 are presented by the Board of Directors for comparative purposes and in order to comply with the requirements for the publication of accounts. These individual financial statements were audited by another external auditor whose independent auditor's report dated April 22, 2020 contained a qualified audit opinion on the matter described in paragraph 6 above and an emphasis of a matter.

Luanda, April 28, 2021

Deloitte & Touche – Auditores, Limitada
 Represented by José António Mendes Garcia Barata
 OCPA member no. 20130163

2020 ANNUAL REPORT

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EXPLANATION ADDED FOR TRANSLATION

(This report is a translation of a report originally issued in Portuguese. Therefore, according to Deloitte & Touche Auditores, Limitada internal procedures, the report should not be signed. In the event of discrepancies, the Portuguese language version prevails.)