

Note 1. INTRODUCTION

Banco Millennium Atlântico, S.A., which also uses the brand ATLANTICO (hereinafter referred to as "Bank" or "ATLANTICO"), was incorporated by Public Deed on 31 August 2006. Through communication of Banco Nacional de Angola (hereinafter also referred to as "BNA") dated 6 November 2006, ATLANTICO was authorized and definitively registered as ATLANTICO, and started its business activity on 17 November 2006. ATLANTICO operates and has its head office in Angola, at Rua do Centro de Convenções de Talatona, Via S8, GU05B, Edifício ATLANTICO, Bloco 7/8, Bairro Talatona, Distrito Urbano da Samba, Luanda.

The Bank is dedicated to obtaining resources from third-parties in the form of deposits or other, which applies, together with its own resources, in the granting of loans, in deposits at BNA, in investments in credit institutions, in the acquisition of securities and other assets, for which it is duly authorised. The Bank also provides other bank services and performs various types of transactions in foreign currency through a network, as at 31 December 2020, of 101 branches and 25 Customer service points (31 December 2019: 103 branches and 27 Customer service points).

Regarding the shareholder structure, as detailed in Note 20, the Bank is owned mainly by private Angolan shareholders.

In May 2016, the former Banco Privado Atlântico entered into a merger by incorporation with Banco Millennium Angola, creating Banco Millennium Atlântico. For accounting purposes, the merger produces effects on 1 January 2016.

Note 2. ACCOUNTING POLICIES

2.1. BASIS OF PRESENTATION

In accordance with the provisions of Notice No. 5/2019 of 30 August, from Banco Nacional de Angola, the individual financial statements of Banco Millennium Atlântico, S.A., (Bank or ATLANTICO) are prepared on a going concern basis and in accordance with the International Financial Reporting Standards (IAS/IFRS).

IAS/IFRS include accounting standards issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) and their predecessor bodies.

The individual financial statements of Banco Millennium Atlântico, S.A, presented herein relate to the period ended 31 December 2020. In accordance with the legislation in force, the Bank prepares and presents separate consolidated financial statements.

The accounting policies presented in this Note were applied consistently with those used in the financial statements as at 31 December 2019.

The financial statements are expressed in thousands of Kwanzas (thousands of AOA) rounded to the nearest thousand. These were prepared in accordance with the historical cost principle, with the exception of assets and liabilities recorded at fair value, namely financial assets at fair value through other comprehensive income and financial assets at fair value through profit and loss.

The preparation of financial statements in accordance with IAS/IFRS requires the Bank to make judgements and estimates and to use assumptions that affect the application of accounting policies and the amounts of income, expenses, assets and liabilities. Changes in such assumptions or differences between them and reality may have an impact on current estimates and judgements. Areas that involve a higher level of judgement or complexity, or where assumptions and significant estimates are used in the preparation of the financial statements are analysed in Note 3.

For the periods ended 2017 and 2018, the Associação Angolana dos Bancos (ABANC) and Banco Nacional de Angola (BNA) issued their interpretation that the full requirements of IAS 29 – Financial Reporting in Hyperinflationary Economies (IAS 29) for the Angolan economy to be considered as hyperinflationary were not met. Accordingly, the Bank's Board of Directors decided not to apply the provisions in IAS 29 in its financial statements at those dates or at 31 December 2019 and 2020, in respect of the opening balances and adjustments that result from the application of the provisions in IAS 29 when an economy ceases to be hyperinflationary. In the period ended 31 December 2019, considering that the cumulative inflation indicator for the years 2017, 2018 and 2019 is less than 100%, and given that no other significant adverse effects have occurred, it is possible to consider that Angola ceases to be considered a hyperinflationary economy in 2019. Therefore, IAS 29 ceases to be applied, prospectively, for periods beginning on 1 January 2019.

The Bank's financial statements for the period ended 31 December 2020 were approved by the Board of Directors on 27 April 2021.

2.2. COMPARABILITY OF THE INFORMATION

The Bank adopted the standards whose application is mandatory for periods

beginning on or after 1 January 2020. The accounting policies were applied consistently and are consistent with those used in the prior year financial statements.

The requirements presented by IAS/IFRS are generally applied retrospectively, by adjusting the opening balance sheet to the date of initial application.

2.3. TRANSACTIONS IN FOREIGN CURRENCY

Transactions in foreign currency are translated into the functional currency (Kwanza) at the exchange rate published on the date of the transaction.

Monetary assets and liabilities expressed in foreign currency are converted into the functional currency at the exchange rate published by the BNA at the balance sheet date. Foreign exchange differences arising on translation are recognised in the income statement under Net gains/(losses) arising from foreign exchange differences (Note 26).

Non-monetary assets and liabilities expressed in foreign currency and recorded at historical cost are converted to the functional currency at the exchange rate published on the date of the transaction. Non-monetary assets and liabilities recorded at fair value are translated into the functional currency at the exchange rate published on the date the fair value is determined and recognised against the income statement, except for those recognised in financial assets at fair value through other comprehensive income, whose difference is recorded against equity.

The reference exchange rates of the Kwanza against United States Dollar (USD) and Euro (EUR) were as follows:

Currency	31-12-2019	31-12-2020
AOA/USD	482.227	649.604
AOA/EUR	540.817	798.429