

MANAGEMENT REPORT

MANAGEMENT REPORT FOR THE FINANCIAL YEAR 2020

In a year deeply affected by the Covid-19 pandemic, the Foundation maintained close contact and solidarity in its various areas of intervention, supporting and contributing to the development of a wide range of projects in a context of rapid evolution and adaptation to new circumstances.

Culture remained the main area of activity of the Millennium bcp Foundation, supporting projects focused on the enhancement of national museums, the recovery of national architectural and artistic heritage and the promotion of contemporary art and new artistic talents.

In addition, a set of actions were carried out that will allow that from 2021 onwards there will be a significant strengthening in the promotion of the important artistic and archaeological heritage of Banco Comercial Português, in a logic of sharing with the community.

In this regard, the intervention in Museu do Chiado of MNAC – Galeria Millennium bcp stands out, creating the necessary conditions to give practical expression to the cooperation protocol with the General-Directorate of Cultural Heritage, namely by articulating the Collection with the exhibition projects of the Millennium space – Galeria Millennium bcp (Millennium Gallery).

Preparations were also finalised for the reopening of the Núcleo Arqueológico da Rua dos Correios (NARC) (Archaeological Centre of Rua dos Correios), a site classified as a National Monument, considering the ruins from the pre-Roman and Roman eras.

After extensive museum renovation work, which took place throughout the year and projected by the Brükner atelier, the

NARC space should reopen in 2021, constituting a place of excellence for the presentation and enjoyment of the Bank's archaeological, cultural and artistic estate.

In the Knowledge area, priority was given to research, training and scientific promotion projects with a special focus on the health area and post-graduate programmes at leading Portuguese universities. Important support also continued to be provided for the training of students from the PALOPs (countries where Portuguese is the official language), both for master's degrees and doctorates in Portugal and, in the case of Mozambique, for degrees at local universities.

Activity in the area of Social Solidarity was influenced by the extent and depth of the impacts caused by Covid-19, leading to a very significant deterioration in the living conditions and isolation of the most vulnerable populations, which led to special monitoring and support for the projects launched with the aim of reducing the needs and inequalities that the pandemic situation created or accentuated.

Support was also maintained for relevant projects within the scope of social innovation and employability, structuring social programmes that promote local development, as well as for initiatives that contribute to the qualification of the institutions themselves, so that they may acquire effective management tools with a view to the sustainability of the projects and the creation of a true solidarity economy.

The Foundation supported a total of approximately 100 projects, 54% of which were in the Culture area, 18% in the Knowledge area and 28% in the Social Solidarity area.

FINANCIAL STRUCTURE

On 31 December 2020, total assets amounted to Euros 4,026,905, which represents an increase compared to 2019 (Euros 3,194,833) of about 26%.

This growth is mainly due to the increase in the item "Financial Investments", amounting to Euros 511,441.

Total liabilities amounted to Euros 655,866 (2019: Euros 653,178), that is, a slight increase of Euros 2,688 compared to the previous year.

This variation results from the growth in the item "Suppliers", by Euros 62,856 and a decrease in the items "Other Payable Accounts", Euros -36,242, and "State and Other Public Entities", by Euros -23,926.

The equity funds amount to Euros 3,371,039 (2019: Euros 2,541,655), reflecting an increase of 33% corresponding to the result recorded in 2020.

The institutions were forced to devise a plan of action to respond to the crisis. In this context, the Foundation reacted quickly and adjusted its priorities in order to anticipate the impacts of the crisis. The strategic orientation then in force was temporarily replaced by a model aimed at strengthening the Solidarity component and adapting processes to the current situation, based on the following priorities:

- 1 – Protecting Employees;
- 2 – Supporting families and institutions;
- 3 – Adapt models and processes to the new normality;
- 4 – To strengthen the social support component to the most vulnerable.

The financial statements have been prepared with a concern on continuity as it is considered that the Foundation has the necessary resources to continue operations and business for the foreseeable future. The assessment is based on a broad range of information relating to current and future conditions, but the Covid-19 pandemic has introduced an increased level of uncertainty and the need to take into account its impact on operations.

COVID-19

The year 2020 was characterised by the spread of the disease Covid-19 on a global scale after the first cases of infection by the SARS-CoV-2 virus (Coronavirus) were detected in China at the end of 2019, leading to the declaration of a pandemic by the World Health Organisation on 11 March 2020. The immediate impacts of this pandemic reached an unprecedented scale in the social alarm situation generated, the exhaustion of health systems and the severe containment and combat measures implemented in numerous countries.

According to the International Monetary Fund (IMF), the Covid-19 pandemic will have caused the world economy to contract by 3.5% in 2020, in a context of severe restrictions on the normal course of economic activity. Although global, the intensity of the recession was heterogeneous, affecting developed economies more than emerging markets. For 2021, the IMF anticipates a scenario of strong recovery of global economic activity, which is, naturally, subject to confirmation that the pandemic has dissipated.

The pandemic's extraordinarily negative impact on the global economy has prompted a widespread and unprecedented economic policy response, on both the monetary and fiscal aspects.

APPROPRIATION OF PROFIT

The Executive Committee of Fundação Millennium bcp proposes that the positive operating profit of the year, in the amount of Euros 829,384.43, be transferred to "retained earnings"..

Lisbon, 25 March 2021

The Executive Committee

ANNEX I

Corporate Bodies

The current members of the Corporate Bodies of the Millennium bcp Foundation are:

BOARD OF TRUSTEES

Members due to their functions:

Nuno Manuel da Silva Amado (Chairman)

Miguel Maya Dias Pinheiro (Vice-Chairman)

Elected members:

Maria Manuela Duarte Neto Portugal Ramalho Eanes

Maria da Glória Ferreira Pinto Dias Garcia

Maria Raquel Henriques da Silva

Isabel Alexandra Rodrigues Cordeiro

BOARD OF DIRECTORS

António Vítor Martins Monteiro (Chairman)

Maria de Fátima Coelho Dias

Artur Frederico Silva Luna Pais

Mário António Pinho Gaspar Neves

Ricardo Potes Valadares

EXECUTIVE COMMITTEE

António Vítor Martins Monteiro (Chairman)

Maria de Fátima Coelho Dias

Artur Frederico Silva Luna Pais

BOARD OF AUDITORS

Carlos Alberto Correia Diogo (Chairman)

José Ricardo Gonçalves Monteiro

Deloitte & Associados, representada por Paulo Fernandes
(current effective Statutory Auditor)

Jorge Carlos Batalha Duarte Catulo
(alternate Statutory Auditor)

The Foundation also has a

REMUNERATIONS COMMISSION

Members due to their functions:

Nuno Manuel da Silva Amado

Miguel Maya Dias Pinheiro

GENERAL SECRETARIAT

Maria de Fátima Coelho Dias