



Miguel Maya

Vice-Chairperson of the Executive Committee
Vice-Chairman of the Board of Directors



Nuno Amado

Chairman of the Board of Directors

Joint Message of the Chairman of the Board of Directors and of the Chairman of the Executive Committee

In 2020, Millennium bcp's activity was strongly conditioned by the emergence and spread of the Covid-19 pandemic, which limited national and international economic activity and affected the normal functioning of the financial sector. However, the commercial dynamics of Millennium bcp in the communities we serve in the geographies where we are present was reflected in the 3.4% growth of total customer funds and 2.6% in loans to customers, which helped mitigate the negative impact on the bank's accounts of the adverse context and underpinned the consolidated net profit of 183 million euros achieved in 2020.

In a highly complex environment, Millennium bcp's consolidated pre-provision profit grew 1.5%, remaining one of the most efficient banks in Portugal and in the Eurozone, with a cost-to-core-income ratio (excluding non-recurrent items) of 48%, a trend accompanied by an improvement in the quality of the balance sheet, with a significant reduction in non performing exposures (NPEs).

Millennium bcp's economic and financial strength, embodied in a capital structure with a CET1 ratio of 12.2%, above regulatory requirements, and a comfortable liquidity position, with a loans-to-deposits ratio of 85%, contributed to enhancing the sustainability and resilience of the Bank's business model.

The Bank's consistent path of digital transformation has been crucial for the continuous strengthening of customers trust and recognition. Our customer base rose to 5.7 million at the group level, with an emphasis on mobile customers, which grew 22% to 2.7 million, representing 48% of the Group's customer base.

But because we strive to maintain our strong commitment to sustainability and ethical, inclusive and responsible business practices, 2020 also saw Millennium bcp present alongside people, society and local communities in the continued creation of social value and the protection of the environment, climate and biodiversity.

We maintained, through the Millennium bcp Foundation and in a context conditioned by the Covid-19 pandemic, our support for culture, enabling events aimed at various audiences, promoting and recognizing creative merit and contributing to the recuperation of historical buildings and museological heritage.

Education, science and research are areas in which the Millennium bcp Foundation is also present through support for multidisciplinary projects and initiatives that are distinguished for their innovation, as well as their social and environmental impact.

In social support, we strengthened our commitment to the most needy and vulnerable in all the communities we serve. In Portugal, we maintained our long-standing partnership with the Banco Alimentar, supporting, promoting and encouraging participation in regular national food collection campaigns, as well as through internal initiatives in favor of solidarity institutions such as the Gil Foundation, CASA - Homeless Support Center, or the Just a Change Association.

In Mozambique, highlights included support for and participation in the rehabilitation of the Cardio-Pneumology ward of Maputo's Central Hospital of Maputo, and aid for the displaced populations following the attacks in the Cabo Delgado region, within the scope of the social responsibility programme "Mais Moçambique p'ra Mim."

In Poland, the corporate volunteering program "Milantrop" made it possible to support projects involving more than 600 volunteers and benefitting more than 10,000 people.

In Angola, a highlight is “LOGOS - Geração com Valor”, a social transformation project that provides educational support programmes, with a sporting, social and cultural approach, to around 3,000 children and youths from disadvantaged communities.

In 2020, amid sudden uncertainty and adversity, Millennium bcp was agile in responding to the challenges, promptly redefining the priorities for action: protecting Employees and Customers, defending the quality of the balance sheet and the Bank's solvency, adapting models and business processes to the new normality, contributing to keep the economy functioning, supporting families and companies, and reinforcing the social support component to the most vulnerable.

In record time we organized remote working for thousands of Employees, reformulated the service in the branches to make it safe while preserving operational capacity, and we adjusted to be able to manage the great influx of digital transactions, simultaneously responding to liquidity needs with the swift implementation of moratoriums and dedicated credit lines.

Priority was also given to support for the communities we serve, in Portugal, Poland and Mozambique. We supported, directly or through civil society initiatives, the response of public health services, assistance to the most disadvantaged and fragile sections of the population, but also sectors affected, severely and immediately, by the confinement and physical distance measures imposed by the pandemic, such as culture and artistic production. We also corresponded to the initiative promoted by the European Union, which on an unprecedented scale, managed to gather and allocate resources for the development, production and equitable and universal access to vaccines, as well as support for research and development of diagnostic and therapeutic means for Covid-19.

To strengthen our sustainability strategy, Millennium bcp developed a governance model and a sustainability master plan for 2020-2021 that ensures alignment of the value proposal, business processes and practices and the support operations with Environmental, Social and Governance (ESG) principles. In implementing this central pillar, the Bank has also been strengthening the offer of products and services with the inclusion of ESG criteria, in a dynamic transformation that allows us to respond, in an integrated and coherent way, to the increasing requests and needs of Customers, positioning us as the protagonist in promoting sustainable, inclusive and resilient models of economic development.

To ensure accessibility, Millennium offers integrated platforms and innovative electronic banking functionalities, in particular mobile banking, for the digital marketing of products and services. This approach makes a strong contribution to the inclusion of citizens in the banking system, and constitutes a distinctive brand attribute recognized by the Customers of the Group in the geographies in which we are present.

In a world characterized by the continuing accelerated transformation of the banking relationship and the channels that support it, we also consider the improvement of financial literacy levels a priority in the communities we serve. Publicly-recognized programmes such as “Financial ABC” in Poland, designed for children in pre-school education, the “Banking Olympics” in Mozambique, for youths in basic education, or the Money Lab - Financial Education Laboratories in Portugal, for secondary school students, are some examples of initiatives the Bank has developed over the years. These programmes reflect the importance of the widespread adoption of knowledgeable banking behaviour and informed decision-making.

Microcredit, with which we continue to support entrepreneurship and self-employment and which has benefited, as an instrument to combat unemployment and poverty, from cooperation with entities close to socially excluded populations, made it possible to create, in 2020, 154 new jobs. Since 2005, more than 7,100 jobs have been generated by projects financed by Millennium bcp Microcredit.

It is also worth mentioning, within a framework of equal opportunities, diversity and inclusion, the investment made in the professional development of the Bank's Employees, a priority that is reaffirmed in the strategic plan. Millennium bcp is also committed to gender equality, with emphasis on initiatives to support maternity and parenting, reconciliation between dedication to work and family, professional development and leadership opportunities, which have been implemented as part of the Plan for Gender Equality 2020-2021 and which resulted in the inclusion, for the second consecutive time, of the Bank in the Bloomberg Gender-Equality Index. In 2020, Millennium bcp also joined the United Nations Women's Empowerment Principles (WEP), an important international platform for the promotion of gender equality.

In terms of environmental performance, we have deepened the sustainability policy that incorporates and promotes a culture of responsible consumption and investment with the objective of maintaining a consistent reduction in the Bank's ecological "footprint" as a way of protecting the environment, preserving natural resources and biodiversity, climate change mitigation, and adaptation. As a result of this commitment, and despite the uniqueness of 2020 making comparisons difficult, the Group continued to reduce water consumption (-24.5% vs. 2019), energy use (-30.0% vs 2019) and electricity use (-10.3% vs. 2019), having also stabilized the emission of greenhouse gases (excluding the credit portfolio) at around 31,000 tons of CO₂.

Millennium bcp remains committed to the 10 Principles of the United Nations Global Compact, which it joined in 2005, and has invested in measures related to human rights, labour practices, environmental protection and anti-corruption, as well as pursuing Sustainable Development Goals (SDGs) of the 2030 Agenda, having published, in 2020, its first progress report on the "Contribution of Millennium bcp to the United Nations SDGs".

In an environment still marked by uncertainty about the magnitude of the impact of the pandemic caused by the Coronavirus, Millennium bcp renews its commitment to actively contribute to the sustainable development of the communities in which it operates.



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