

Note 19. Other liabilities

As at 31 December 2019 and 2018, this balance is analysed as follows:

(AOA thousand)

	31.12.2019	31.12.2018
Other liabilities		
Lease liabilities	6,017,264	-
Accrued expenses	3,598,482	3,117,426
Tax charges payable – with held from third parties	3,336,207	1,734,681
Sundry debtors	2,208,925	2,897,606
Liabilities with employees	1,126,545	6,668,590
Administrative and marketing costs	216,325	22,045
Social Security contribution	133,652	49
Dividends payable	974	974
Other sundry liabilities	1,386,169	238,356
Total	18,024,543	14,679,727

As at 31 December 2019, the balance Lease liabilities corresponds to the impact of the adoption of IFRS 16, as at 1 January 2019, as described in note 2.11.

The balance Accrued expenses includes costs to be settled to Banco Atlântico Europa, S.A. in the amount of AOA 333,195 thousand (2018: AOA 285,296 thousand) related to services rendered by this entity. In addition, this balance includes amounts payable to service providers associated with telecommunications, security, transport and cleaning services, among others.

The balance Liabilities with employees includes the amount of AOA 914,413 (2018: AOA 870,336 thousand) related to holiday allowances.

As at 31 December 2018, the balance Bonds with employees also included the amount of AOA 5,612,525 thousand related to variable remuneration for the financial year of 2018, to be settled in the following year.

Note 20. Share capital, Share premiums and Treasury stock

Ordinary shares

The Bank was incorporated with a share capital of AOA 801,728 thousand (being worth USD 10,000,000 at the exchange rate in force on 6 and 21 November 2006), represented by 1,000,000 nominal shares of ten US dollars (USD) each, having been fully subscribed and paid in cash.

In June 2009, a capital increase amounting to AOA 6,510,772 thousand (being worth USD 55,000,000), represented by 5,500,000 new shares with a nominal value of USD 10 each,

was fully subscribed and paid up by the incorporation of retained earnings (AOA 268,346 thousand), conversion of a subordinated loan (AOA 300,886 thousand), cash inflows (AOA 3,504,040 thousand) and through the issue of preferred shares without voting rights in the amount of AOA 2,437,500 thousand (being worth USD 32,500,000). Preferred shares were issued for USD 25.14 each, which included a share premium of USD 15.14 per share.

In June 2011, a capital increase amounting to AOA 4,949,243 thousand (being worth USD 52,500,000), represented by 5,250,000 new shares with a nominal value of USD 10 each, was fully subscribed and paid up by the incorporation of retained earnings (AOA 3,764,524 thousand) and cash inflows (AOA 1,183,719 thousands). In November 2011, a further injection of capital amounting to AOA 4,763,650 thousand (being worth USD 50,000,000), represented by 5,000,000 new shares with a nominal value of USD 10 each, was fully subscribed and paid up through cash inflows. As part of this new capital increase, additional cash inflows amounting to AOA 2,029,207 thousand were made with the purpose to maintain the equivalent in kwanzas of all the USD shares incorporated, based on the exchange rate of 13 December 2011.

In September 2013, ATLANTICO incorporated in its share capital, share premiums of preferred shares, issued in June 2009, amounting to AOA 1,467,930 thousand, through the issue of 1,144,740 new ordinary shares, with a nominal value of AOA 1,000 each, in the amount of AOA 1,144,740 thousand and changed the nominal value of 1,292,760 preferred shares for AOA 1,000, amounting to AOA 323,190 thousand. In addition, on the same date, ATLANTICO increased its capital by incorporating retained earnings, in the amount of AOA 205,400, therefore the Bank's share capital would worth USD 200,000,000, at the exchange rate of 6 September 2013.

In December 2013, the Bank converted preferred shares without voting rights in the amount of AOA 1,292,760 thousand into ordinary shares in equal number and nominal value. Also in December 2013, a capital increase amounting to AOA 14,897,900 thousand, represented by 14,897,900 new shares with the nominal value of AOA 1,000, was fully subscribed, through the incorporation of retained earnings in the amount of AOA 4,879,700 thousand (being worth USD 50,000,000 at the exchange rate of 17 December 2013) and cash inflows in the amount of AOA 9,759,400 thousand (being worth USD 100,000,000 at the exchange rate of 17 December 2013). As of 31 December 2013, this capital increase was not yet fully paid up, with cash advances amounting to AOA 975,940 thousands still to be undertaken. As part of this new capital increase, retained earnings amounting to AOA 258,800 thousand were also incorporated as to maintain the share capital of ATLANTICO in kwanzas, corresponding to USD 350,000,000 at the exchange rate of 17 December 2013. In 2014, cash inflows amounting to AOA 975,940 thousand were made and the above-mentioned capital increase was fully paid up.

As a result of the operations described above, as at 31 December 2015, the Bank's share capital amounts to AOA 34,157,900 thousand, represented by 34,157,900 ordinary shares with a nominal value of AOA 1,000.

During 2015, the main shareholder of ATLANTICO, Global Pactum, Gestão de Activos, S.A., sold the majority of its shareholding in the Bank, resulting in a new shareholder structure.



In 2016, with the merger and contribution in kind made with Millennium's assets, the capital increase referred to in the minutes was fulfilled, amounting to AOA 21,939,787 thousand, corresponding to 21,939,787 new shares. Simultaneously, a share premium of AOA 40,782,829 thousand was generated.

Considering the existence of own shares received within the merger, it was decided to cancel the own shares held. On this basis, the share capital of ATLANTICO is reduced from AOA 56,097,687 thousand to AOA 53,821,603 thousand, as a result of the extinction of 2,276,084 fully paid-up own shares of which, as a result of the merger, ATLANTICO will become holder, based on articles 461 and 372, paragraph 4, subparagraph a), of the Companies Code.

As at 31 December 2019, the Bank's share capital in the amount of AOA 53,821,603 thousand was represented by 53,821,603 ordinary shares, fully subscribed and paid up by different shareholders.

As at 31 December 2019 and 2018, the Shareholder structure is as follows:

(% Capital)

	31.12.2019	31.12.2018
Interlagos equity Partners	29.77%	29.77%
BCP África, SGPS, Lda.	22.52%	22.52%
Atlântico Financial Group, S.à.r.l.	19.80%	19.80%
Jasper Capital Partners - Investimentos e Participações, S.A.	15.12%	15.12%
Quadros - Gestão de Activos, S.A.	4.13%	4.13%
Economus - Capital, Lda.	3.00%	3.00%
Fundação ATLANTICO	2.00%	2.00%
Gemcorp Fund I	1.90%	1.90%
Own shares	0.91%	0.91%
Other entities	0.85%	0.85%
	100.00%	100.00%

Share premium

The capital increase made in 2016 under the merger by incorporation led to a share premium of AOA 40,782,829 thousand. The amount of the share premium has been cut up in the amount of AOA 4,589,246 as a result of the dividends distributed in 2016 in 2015 related to Banco Millennium Angola and in the amount of AOA 1,361,574 thousand under the acquisition of own shares. Moreover, the amount related to costs with the capital increase amounts to AOA 21,940 thousand. As at 31 December 2019, the share premium amounts to AOA 34,810,069 thousand.

Own shares

During 2016, the Bank acquired its own shares amounting to AOA 492,182 thousand with a corresponding share premium of AOA 1,361,574 thousand under a settlement of an amount receivable by a shareholder. The share price calculation within this operation was based on the same market multiple adopted for the ATLANTICO merger with Banco Millennium Angola.

Note 21. Reserves and Retained earnings

Legal reserve

This balance consists entirely of Legal reserve, which can only be used to cover previous year losses or to increase share capital.

Angolan legislation applicable to the banking sector requires that 10% of the profit for the year must be transferred to the legal reserve until it is equal to the share capital.

Fair value reserves

Fair value reserves represent the potential gains and losses on financial assets at fair value through other comprehensive income, net of impairment recognised in the income statement in the period and/or in prior periods. The value of this reserve is disclosed net of deferred taxes.

Changes in these balances are analysed as follows:

(AOA thousand)

	Fair value reserve			Other reserves and retained earnings			
	Gross fair value reserve	Deferred tax reserves	Total fair value reserve	Legal reserve	Other reserves and retained earnings	Total other reserves and retained earnings	Total reserves and retained earnings
Balance at 31 December 2017	2,487,605	(746,113)	1,741,492	13,463,496	1,366,561	14,829,558	16,571,050
Transition adjustments to IFRS 9	(1,419,600)	-	(1,419,600)	-	(2,442,065)	(2,442,065)	(3,861,665)
Balance at 1 January 2018	1,068,005	(746,113)	321,892	13,463,496	(1,075,504)	12,387,493	12,709,385
Fair value changes	2,141,643	(116,139)	2,025,504	-	-	-	2,025,504
Legal reserves	-	-	-	2,382,850	-	2,382,850	2,382,850
Transfer to retained earnings	-	-	-	-	2,382,850	2,382,850	2,382,850
Dividends from own shares	-	-	-	-	174,324	174,324	174,324
Balance at 31 December 2018	3,209,648	(862,252)	2,347,396	15,846,346	1,481,670	17,327,517	19,674,913
Fair value changes	(2,980,175)	793,410	(2,186,765)	-	-	-	(2,186,765)
Legal reserves	-	-	-	2,722,510	-	2,722,510	2,722,510
Transfer to retained earnings	-	-	-	-	24,502,579	24,502,579	24,502,579
Balance at 31 December 2019	229,473	(68,842)	160,631	18,568,856	25,984,249	44,552,606	44,713,237