

Note 19. OTHER LIABILITIES

This caption is analysed as follows:

(Thousands of AOA)

	31-12-2019	31-12-2020
Other liabilities		
Lease liabilities	6,017,264	9,640,819
Accrued expenses	3,598,482	5,883,458
Tax charges payable - withheld from third parties	3,336,207	3,770,793
Administrative and marketing costs	216,325	1,371,520
Liabilities with employees	1,126,545	1,248,734
VAT payable from assessment/captive	418,491	1,030,281
Sundry debtors	2,208,925	212,462
Social Security contribution	133,652	132,507
Other	968,651	1,651,566
	18,024,543	24,942,140

As at 31 December 2020 and 2019, the caption Lease liabilities corresponds to the present value of lease payments to be settled over the lease term, recognised under IFRS 16, as described in Note 2.11.

At 31 December 2020 and 2019, the maturity analysis of lease liabilities by residual maturities is presented as follows:

(Thousands of AOA)

	31-12-2019	31-12-2020
1 to 5 years	236,810	2,263,858
Above 5 years	5,780,453	7,376,960
Total lease liabilities	6,017,264	9,640,819

As at 31 December 2020 and 2019, Accrued expenses includes the amount of AOA 1,258,756 thousand, relating to a restriction imposed on a Customer by order of the Court of Luanda, and the Bank is the trustee of this amount until the process is closed. In addition, this caption includes amounts payable to service providers associated with telecommunications, security, cash transportation, cleaning services, among others.

As at 31 December 2020 and 2019, the balance of Tax charges payable - withheld from third parties includes the Capital Gains Tax (IAC) payable on interest on term deposits, on lending and borrowing on the money market, and on Treasury bonds and other securities in the portfolio, and labour income tax (IRT) payable to Tax Authorities in the month following the month to which it relates.

As at 31 December 2020 and 2019, the balance of Liabilities with employees includes the amount of AOA 1,036,004 thousand and AOA 914,413 thousand, respectively, related to holiday allowances.

Note 20. SHARE CAPITAL, SHARE PREMIUMS AND TREASURY STOCK

ORDINARY SHARES

The Bank was incorporated with a share capital of AOA 801,728 thousand (equivalent to 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, fully subscribed and paid up in cash.

In June 2009, a capital increase amounting to AOA 6,510,772 thousand (equivalent to 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 (equivalent to 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 (equivalent to 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 (equivalent to 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 the adjustment of the nominal value of 1,292,760 preferred shares to AOA 1,000, in the amount of 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 became equivalent to 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 (equivalent to USD 50,000,000 at the exchange rate of 17 December 2013) and cash inflows in the amount of AOA 9,759,400 thousand (equivalent to USD 100,000,000 at the exchange rate of 17 December 2013). As at 31 December 2013, this capital increase was not yet fully paid up, with cash advances amounting to AOA 975,940 thousand 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 amounted to AOA 34,157,900 thousand, represented by 34,157,900 ordinary shares with a nominal value of AOA 1,000.

In 2016, with the merger and contribution in kind made with the assets of Banco Millennium Angola, S.A, the capital increase referred to in the minutes under the transaction carried out amounted to AOA 21,939,787 thousand, corresponding to 21,939,787 new shares. Simultaneously, a share premium of AOA 40,782,829 thousand was also 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(4)(a), of the Commercial Companies Code.

As at 31 December 2020 and 2019, the Bank's share capital in the amount of AOA 53,821,603 thousand was represented by 53,821,603 ordinary shares, with a nominal value of AOA 1,000, fully subscribed and paid up by different shareholders.

As at 31 December 2020 and 2019, the Shareholder structure is as follows:

	31-12-2019		31-12-2020	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Interlagos Equity Partners	16,022,691	29.77%	16,022,691	29.77%
BCP África, SGPS, LDA.	12,120,625	22.52%	12,120,625	22.52%
Atlântico Financial Group, S.à.r.l.	10,656,677	19.80%	10,656,677	19.80%
Jasper Capital Partners - Investimentos e Participações, S.A.	8,137,826	15.12%	8,137,826	15.12%
Quadros - Gestão de Activos, S.A.	2,222,832	4.13%	2,222,832	4.13%
Economus - Capital, LDA.	1,614,648	3.00%	1,614,648	3.00%
Fundação ATLÂNTICO	1,076,432	2.00%	1,076,432	2.00%
Gemcorp Fund I	1,022,610	1.90%	1,022,610	1.90%
Treasury stock	489,777	0.91%	489,777	0.91%
Other entities	457,484	0.85%	457,484	0.85%
	53,821,603	100.00%	53,821,603	100.00%

SHARE PREMIUMS

The capital increase made in 2016 under the merger by incorporation led to a share premium of AOA 40,782,829 thousand. The balance of share premiums was reduced in the amount of AOA 4,589,246 as a result of the dividends distributed in 2016 related to 2015 from Banco Millennium Angola, S.A. 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 2020 and 2019, the caption Share premiums amounted to AOA 34,810,069 thousand.

TREASURY STOCK

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, S.A.

Note 21. RESERVES AND RETAINED EARNINGS

LEGAL RESERVE

This caption 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.

REVALUATION RESERVE (FAIR VALUE RESERVES)

Fair value reserve represents the potential capital gains and losses relating to the financial assets' portfolio at fair value through other comprehensive income, net of impairment recognised in the income statement in the period and/or in previous periods. The value of this reserve is disclosed net of deferred taxes.

Changes in fair value reserve, net of deferred taxes, can be analysed as follows:

(Thousands of AOA)

	31-12-2019	31-12-2020
Balance at the beginning of the period	2,347,396	160,631
Fair value changes (net of disposals)	(3,155,529)	18,592
Impairment recognised	175,354	71,145
Deferred taxes recognised in reserves	793,410	(42,881)
Balance at the end of the period	160,631	207,486