

As at 31 December 2020 and 2019, the credit quality of financial assets, is presented as follows:

(Thousands of AOA)

	Rating origin	Rating level	31-12-2020		
			Gross exposure	Impairment losses	Net exposure
Loans and advances to Customers	External rating	N/D	-	-	-
		Low	76,575,753	(19,834,937)	56,740,816
	Internal rating	Medium	93,068,816	(15,991,448)	77,077,368
		High	202,548,744	(22,748,261)	179,800,483
	No rating	N/D	227,487,963	(86,835,920)	140,652,042
	Other assets	External rating	AAA to AA-	-	-
A+ to A-			45,893,416	(3,843)	45,889,572
BBB+ to BBB-			99,537,337	(59,182)	99,478,155
BB+ to BB-			5,498,696	(5,688)	5,493,008
B+ to B-			9,263,139	(55,219)	9,207,921
Internal rating		N/D	-	-	-
No rating		N/D	516,430,017	(29,067,614)	487,362,403
			<b>1,944,870,394</b>	<b>(194,880,390)</b>	<b>1,749,990,004</b>

(Thousands of AOA)

	Rating origin	Rating level	31-12-2019		
			Gross exposure	Impairment losses	Net exposure
Loans and advances to Customers	External rating	N/D	-	-	-
		Low	81,822,559	(15,649,736)	66,172,824
	Internal rating	Medium	78,718,906	(10,657,200)	68,061,706
		High	176,464,069	(21,407,338)	155,056,732
No rating	N/D	214,954,189	(61,544,438)	153,409,751	
Other assets	External rating	AAA to AA-	-	-	-
		A+ to A-	351,778	-	351,778
		BBB+ to BBB-	25,088,007	-	25,088,007
		BB+ to BB-	734,415	-	734,415
		B+ to B-	2,751,307	-	2,751,307
	Internal rating	N/D	-	-	-
	No rating	N/D	390,040,431	(11,055,141)	378,985,290
			<b>1,730,071,420</b>	<b>(128,592,347)</b>	<b>1,601,479,073</b>

## Note 39. RISK MANAGEMENT

The Bank is subject to different types of risk in the course of its business. Risk management is carried out centrally with respect to the specific risks of each business.

The risk management policy aims to define the profile for each risk identified as material to the Bank, with a view to protecting the Bank's soundness, as well as the guidelines for implementing a risk management system that allows the identification, assessment, monitoring, control and reporting of all material risks inherent to the Bank's activity.

In this context, the monitoring and control of the main financial risks - credit, market and liquidity - and non-financial risks - operational - to which the Bank's activity is subject to, are of particular importance.

### MAIN RISK CATEGORIES

**Credit** - Credit risk is the uncertainty of recovery of an investment and its return, due to the debtor's (or guardian, if applicable) inability to fulfil its financial commitments to the Bank, causing a financial loss to the creditor. Credit risk is reflected in debt securities or other receivables.

**Market** - Market risk reflects the potential loss that can be registered by a given portfolio as a result of changes in rates (interest and exchange rates) and/or the prices of the different financial instruments that comprise it, considering both the correlations between them and the respective volatilities. Therefore, Market Risk encompasses the risk of interest rate, exchange rate and other price risks.

**Liquidity** - Liquidity risk reflects the inability of the Bank to meet its liabilities associated with financial liabilities on each maturity date without incurring significant losses as a result of a deterioration in the conditions of access to financing (financing risk) and/or sale of its assets for amounts lower than the amounts usually practised in the market (market liquidity risk).

**Real Estate** - Real estate risk is the probability of negative impacts on income and/or capital due to unfavourable changes in the market price.

**Operating** - Operating risk is the probability of failures or inappropriateness of internal procedures, information systems, human behaviour, or external events.

### INTERNAL ORGANISATION

The Risk Management Department (DGR) is part of ATLANTICO's organisational structure and takes autonomous and independent direct accountability for the risk management system. This Department has no direct responsibility over any risk-taking function, which depends on the hierarchical and functional structure of the Board of Directors (CA) and is monitored on a daily basis by a director appointed by the Executive Committee (CE).

The Board of Directors is responsible for defining, approving and implementing a risk management system that identifies, assesses, controls and monitors all the material risks to which the Bank is exposed, in order to ensure that they remain at the previously defined level and that they will not significantly affect the Bank's financial position.

It is the responsibility of the Board of Directors to: (i) approve the operating regulations of the DGR; (ii) ensure adequate material and human resources for the performance of risk management functions; (iii) ensure that risk management activities have sufficient independence, status and visibility and are subject to periodic reviews; (iv) approve the exposure limits to the different material risks to which the Bank is exposed; and (v) set general guidelines for the risk management system and definition of the Bank's risk profile, formalised in the risk management policy.

DGR is responsible for identifying, assessing and monitoring materially relevant risks to the Bank, as well as monitoring the adequacy and effectiveness of measures taken to address any shortcomings in the risk management system.

The Bank's structural units are responsible for the effective control of risks and compliance with the internal procedures defined by the CE.

The risk management system is documented through policies, internal rules (processes) and procedure manuals.

During 2016, the BNA issued a set of Notices and Instructions with special focus on risk management and reporting by Financial Institutions. The Bank is currently implementing them in order to report and comply with them within the legally applicable deadlines.

## RISK ASSESSMENT

### Credit Risk

Credit risk models play a key role in the credit decision process. Therefore, the loan portfolio's decision-making process is based on a set of policies, through scoring models for Private and Business Customers' portfolios and rating for the corporate segment.

Credit decisions depend on risk classifications and compliance with several rules on the financial standing and behaviour of the proposers. There are relative scoring models for the main credit portfolios of private Customers, namely mortgage loans and individual loans, including the necessary segmentation between Customers and non-Customers (or recent Customers).

The main goals of credit risk management are:

- Define the provisioning rules/impairment calculations;
- Define the process of risk analysis;
- Analyse the sectoral and geographical risks;
- Analyse concentration risks;
- Define and monitoring the internal boundaries for counter parties;
- Monitoring the implementation of risks cutback plans, through a follow-up of the overdue credit portfolio.

In order to mitigate the credit risk, the portfolio analysis includes the following criteria:

- Customer's background, to seek the existence of credit defaults, pledges or debts;
- Exposure limits to credit risk, where, in accordance with the counterparties' credit capacity, it is established an internal rating, as well as the definition of maximum limits to counterparties;
- Default risk, where the Customers with ratings of high default probability are rejected;
- Personal or real guarantees at the credit conception, in order to mitigate the Bank's exposure to the respective counterparty.

Information regarding the Bank's exposure to credit risk for financial assets and off-balance sheet credit is as follows:

(Thousands of AOA)

	31-12-2020		
	Gross book value	Impairment losses	Net book value
<b>Balance sheet items</b>			
Cash and deposits at central banks	222,111,313	-	222,111,313
Loans and advances to credit institutions repayable on demand	110,406,182	(24,290)	110,381,892
Financial assets at fair value through profit and loss	216,926,542	-	216,926,542
Financial assets at fair value through other comprehensive income	5,760,534	-	5,760,534
<b>Financial assets at amortised cost</b>			
Debt securities	430,070,475	(19,989,777)	410,080,698
Loans and advances to Customers	599,681,275	(145,410,566)	454,270,709
Other loans and advances to central banks and credit institutions	83,979,285	(388,144)	83,591,141
Other assets	148,208,624	(22,208,616)	126,000,008
	<b>1,817,144,230</b>	<b>(188,021,393)</b>	<b>1,629,122,837</b>
<b>Off-balance sheet items</b>			
Documentary credit	20,949,990	(788,682)	20,161,309
Guarantees provided	15,398,567	(229,201)	15,169,366
	<b>36,348,557</b>	<b>(1,017,883)</b>	<b>35,330,674</b>
	<b>1,853,492,787</b>	<b>(189,039,276)</b>	<b>1,664,453,512</b>

As at 31 December 2020 and 2019, the exposure to credit risk by financial asset class, rating level and stage, is presented as follows:

(Thousands of AOA)

	31-12-2019		
	Gross book value	Impairment losses	Net book value
<b>Balance sheet items</b>			
Cash and deposits at central banks	190,988,448	-	190,988,448
Loans and advances to credit institutions repayable on demand	24,428,190	-	24,428,190
Financial assets at fair value through profit and loss	69,425,364	-	69,425,364
Financial assets at fair value through other comprehensive income	34,178,458	-	34,178,458
<b>Financial assets at amortised cost</b>			
Debt securities	551,959,724	(109,258,712)	442,701,013
Loans and advances to Customers	537,580,900	(8,278,494)	529,302,406
Other loans and advances to central banks and credit institutions	17,012,282	-	17,012,282
Other assets	110,556,705	(7,351,564)	103,205,141
	<b>1,536,130,071</b>	<b>(124,888,770)</b>	<b>1,411,241,302</b>
<b>Off-balance sheet items</b>			
Documentary credit	58,380,008	(692,846)	57,687,162
Guarantees provided	11,018,155	(149,797)	10,868,358
	<b>69,398,163</b>	<b>(842,643)</b>	<b>68,555,520</b>
	<b>1,605,528,234</b>	<b>(125,731,413)</b>	<b>1,479,796,822</b>

(Thousands of AOA)

	31-12-2020					
	Loans and advances to Customers		Guarantees provided and credit letters	Total exposure	Impairment losses	
	Falling due	Overdue			Amount	Impairment/Total exposure
Real estate	136,478,782	39,395,154	-	175,873,937	32,286,338	18%
Wholesale and retail trading	78,006,529	14,720,635	6,715,230	99,442,394	25,449,644	26%
Buildings and construction	111,028,756	9,036,576	13,577,709	133,643,041	33,185,909	25%
Manufacturing industry	84,698,773	21,855,271	6,474,761	113,028,805	23,995,895	21%
Private	47,522,005	6,605,028	1,227,585	55,354,618	22,437,297	41%
Others	39,401,242	10,932,523	8,353,272	58,687,037	9,073,365	15%
	<b>497,136,088</b>	<b>102,545,187</b>	<b>36,348,557</b>	<b>636,029,832</b>	<b>146,428,448</b>	<b>146%</b>

(Thousands of AOA)

	31-12-2019					
	Loans and advances to Customers		Guarantees provided and credit letters	Total exposure	Impairment losses	
	Falling due	Overdue			Amount	Impairment/Total exposure
Real estate	89,423,829	30,202,963	106,068	119,732,860	30,671,234	26%
Wholesale and retail trading	65,537,408	16,762,035	34,227,738	116,527,181	13,724,781	12%
Buildings and construction	107,501,342	9,425,787	7,042,093	123,969,222	25,015,058	20%
Manufacturing industry	62,515,043	15,256,065	8,395,001	86,166,109	16,356,160	19%
Private	34,146,754	4,573,104	831,506	39,551,364	16,139,204	41%
Institucional	626,581	104	-	626,685	44,432	7%
Others	109,800,815	6,187,894	18,795,758	134,784,467	8,150,486	6%
	<b>469,551,772</b>	<b>82,407,952</b>	<b>69,398,164</b>	<b>621,357,888</b>	<b>110,101,355</b>	<b>130%</b>

As at 31 December 2020 and 2019, the geographical concentration of credit risk is presented as follows:

(Thousands of AOA)

	31-12-2020			
	Geographical area			Total
	Angola	Portugal	Other	
Loans and advances to Customers	596,386,064	3,268,412	26,799	599,681,275
Loans provided and credit letters	36,244,612	-	103,945	36,348,557
	<b>632,630,676</b>	<b>3,268,412</b>	<b>130,744</b>	<b>636,029,832</b>

(Thousands of AOA)

	31-12-2019			
	Geographical area			Total
	Angola	Portugal	Other	
Loans and advances to Customers	548,188,466	2,767,798	1,003,460	551,959,724
Loans provided and credit letters	69,098,332	-	299,832	69,398,164
	<b>617,286,798</b>	<b>2,767,798</b>	<b>1,303,292</b>	<b>621,357,888</b>

At 31 December 2020 and 2019, the exposure to credit risk by financial asset class, rating level and stage, is presented as follows:

(Thousands of AOA)

	31-12-2020				
	Stage 1 (12 months)	Stage 2 (instrument duration)	Stage 3 (instrument duration)	Financial assets purchased or originated with impairment for credit losses	Total
<b>Loans and advances to Customers</b>					
Low level	6,046,784	43,084,998	27,227,295	217,487	76,576,565
Medium level	13,303,998	53,087,731	26,662,972	14,114	93,068,816
High level	43,439,609	97,821,581	55,515,164	5,772,390	202,548,744
No rating	23,184,537	83,110,443	120,214,960	977,210	227,487,151
<b>Gross book value</b>	<b>85,974,928</b>	<b>277,104,754</b>	<b>229,620,392</b>	<b>6,981,202</b>	<b>599,681,275</b>
Impairment losses	(1,414,060)	(25,817,822)	(113,893,388)	(4,285,296)	(145,410,566)
<b>Net book value</b>	<b>84,560,868</b>	<b>251,286,932</b>	<b>115,727,003</b>	<b>2,695,906</b>	<b>454,270,709</b>

(Thousands of AOA)

	31-12-2019				
	Stage 1 (12 months)	Stage 2 (instrument duration)	Stage 3 (instrument duration)	Financial assets purchased or originated with impairment for credit losses	Total
<b>Loans and advances to Customers</b>					
Low level	24,473,205	37,671,657	19,977,972	-	82,122,834
Medium level	7,302,559	40,790,866	30,764,159	-	78,857,584
High level	42,042,408	88,365,029	54,903,803	-	185,311,240
No rating	25,668,040	85,103,715	61,200,101	33,696,210	205,668,066
<b>Gross book value</b>	<b>99,486,212</b>	<b>251,931,267</b>	<b>166,846,035</b>	<b>33,696,210</b>	<b>551,959,724</b>
Impairment losses	(1,065,994)	(23,389,439)	(75,060,675)	(9,742,604)	(109,258,712)
<b>Net book value</b>	<b>98,420,218</b>	<b>228,541,828</b>	<b>91,785,360</b>	<b>23,953,606</b>	<b>442,701,013</b>

With regard to the quality of credit risk of the financial assets, the Bank, based on internal rating levels, is developing the necessary tools to disclose information along these lines.

Nevertheless, it is important to consider the following aspects related to credit risk mitigation of the Bank's financial assets:

- Real estate guarantees and financial collaterals, which allow a direct reduction in the position value, are important for credit risk mitigation. Personal protection guarantees, with a substitution effect in the position at risk, are also considered.
- Credit operations collateralised by financial guarantees are considered for direct reductions, namely deposits, Angolan state bonds and other similar guarantees.
- Regarding real mortgage guarantees, the valuation of assets is performed by independent valuers registered with the Capital Market Commission (CMC) of Angola. The revaluation of the assets is performed through assessments on-the-site, performed by a technical valuer, in accordance with best market practices.
- The model for calculating impairment losses on the loans and advances to Customers portfolio was implemented in 2018, governed by the general principles defined in IFRS 9, as well as the guidelines and iterations of IAS/IFRS implementation with Banco Nacional de Angola, in order to align the calculation process with the best international practices.
- The Bank's impairment model begins with the segmentation of the credit portfolio Customers into separate groups, according to their stage and depending on the existence of signs of impairment (which include internal and external information) and the size of the set of exposures of each economic/Customer group.
- The assessment of impairment losses on an individual basis is determined through an analysis of the total credit exposure on a case-by-case basis. For each loan considered individually significant, the Bank assesses, at each balance sheet date, the expected impairment loss (ECL);
- For each one of the Customers/active loans, a set of impairment signs is verified, which includes internal and external information. This information increases impairment values since these represent an increase in the risk of default.
- It should be noted that a restructured loan is a sign of impairment and, therefore, the loan portfolio marked as restructured is included in the loans with signs of impairment.
- In the group of homogeneous populations, Customer exposures are subject to collective analysis.
- The amount of impairment for Customers subject to individual analysis is calculated using the discounted cash flow method and macroeconomic scenarios with impacts on the recovery strategy, i.e., the amount of impairment corresponds to the difference between the value of the loan and the sum of the expected cash flows related to the various operations of the Customer, adjusted to the macroeconomic scenarios and updated according to the effective interest rate of each operation.

## Market Risk

Market Risk is controlled, in a short- and long-term vision, for the bank portfolio. The main actors in the daily management of Market and Liquidity Risk are the Treasury and Markets Department and the Risk Department.

The Treasury and Markets Department is responsible for the selection and performance of market operations and for liquidity management, considering the limits defined in the Bank's risk profile.

The Risk Department is responsible for the identification, measurement and monitoring of risks, always ensuring that the defined limits are met.

The Bank also complies with Notice no. 08/2016 of 16 May, regarding the Interest Rate Risk in the banking portfolio (financial instruments not held in the portfolio of financial assets at fair value through profit and loss).

As at 31 December 2020 and 2019, the total portfolios of financial assets at fair value through other comprehensive income and at amortised cost are mainly concentrated in loans and advances to Customers, representing 48% and 43%, respectively, and in public debt securities (National Treasury Bonds), representing 43% and 52%, respectively.

The assessment of the interest rate risk originated by operations from the banking portfolio is made by risk sensitivity analysis.

Based on the financial characteristics of each contract, cash flows are projected according to the dates of rate resetting and possible behavioural assumptions considered.

The aggregation of the expected cash flows, at each range of days, for each of the currencies analysed, allows the determination of the interest rate gaps by resetting maturity.

Following the recommendations of Instruction no. 09/2019 of 27 August of Banco Nacional de Angola (Instruction no. 06/2016 of 08 August, until August 2019), the Bank calculates its exposure to the balance sheet interest rate risk based on the methodology defined in the Instruction.

As at 31 December 2020 and 2019, assets and liabilities gross of impairment are broken down by rate type as follows:

(Thousands of AOA)

	31-12-2020				
	Exposure to		Not subject to risk of interest rate	Derivatives	Total
	Fixed rate	Variable rate			
<b>Assets</b>					
Cash and deposits at central banks	-	-	222,111,313	-	222,111,313
Loans and advances to credit institutions repayable on demand	-	-	110,381,892	-	110,381,892
Financial assets at fair value through profit and loss	-	8,354,190	204,931,937	3,640,415	216,926,542
Financial assets at fair value through other comprehensive income	3,044,971	2,266,608	448,955	-	5,760,534
Financial assets at amortised cost					
Debt securities	410,080,698	-	-	-	410,080,698
Loans and advances to Customers	86,818,590	512,862,685	-	-	599,681,275
Other loans and advances to central banks and credit institutions	83,591,141	-	-	-	83,591,141
Other assets	-	-	126,000,008	-	126,000,008
	<b>583,535,400</b>	<b>523,483,483</b>	<b>663,874,105</b>	<b>3,640,415</b>	<b>1,774,533,404</b>
<b>Liabilities</b>					
Deposits from central banks and other credit institutions	5,544,093	8,553,971	-	-	14,098,064
Deposits from Customers and other deposits	936,150,243	-	587,820,554	-	1,523,970,797
Financial liabilities at fair value through profit and loss	-	-	-	3,978,187	3,978,187
Other liabilities	-	-	24,942,140	-	24,942,140
	<b>941,694,336</b>	<b>8,553,971</b>	<b>612,762,694</b>	<b>3,978,187</b>	<b>1,566,989,188</b>
	<b>(358,158,936)</b>	<b>514,929,512</b>	<b>51,111,411</b>	<b>(337,772)</b>	<b>207,544,216</b>

(Thousands of AOA)

	31-12-2019				
	Exposure to		Not subject to risk of interest rate	Derivatives	Total
	Fixed rate	Variable rate			
<b>Assets</b>					
Cash and deposits at central banks	-	-	190,988,448	-	190,988,448
Loans and advances to credit institutions repayable on demand	-	-	24,428,190	-	24,428,190
Financial assets at fair value through profit and loss	-	12,711,039	56,701,261	13,064	69,425,364
Financial assets at fair value through other comprehensive income	31,748,255	2,084,520	345,683	-	34,178,458
Financial assets at amortised cost					
Debt securities	529,302,406	-	-	-	529,302,406
Loans and advances to Customers	57,958,616	494,001,108	-	-	551,959,724
Other loans and advances to central banks and credit institutions	17,012,282	-	-	-	17,012,282
Other assets	-	-	103,205,141	-	103,205,141
	<b>636,021,559</b>	<b>508,796,667</b>	<b>375,668,723</b>	<b>13,064</b>	<b>1,520,500,013</b>
<b>Liabilities</b>					
Deposits from central banks and other credit institutions	126,932,534	49,561,104	-	-	176,493,638
Deposits from Customers and other deposits	754,878,167	-	480,107,421	-	1,234,985,588
Financial liabilities at fair value through profit and loss	-	-	-	8,382,018	8,382,018
Other liabilities	-	-	18,024,543	-	18,024,543
	<b>881,810,701</b>	<b>49,561,104</b>	<b>498,131,964</b>	<b>8,382,018</b>	<b>1,437,885,787</b>
	<b>(245,789,142)</b>	<b>459,235,563</b>	<b>(122,463,241)</b>	<b>(8,368,954)</b>	<b>82,614,226</b>

As at 31 December 2020 and 2019, the financial instruments with exposure to interest rate risk according to the maturity or resetting date had the following structure:

(Milhares de Kwanzas)

	31-12-2020									
	Re-establishment dates/Maturity dates									
	On demand	Below 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	Above 5 years	Undetermined	Total
<b>Assets</b>										
Cash and deposits at central banks	-	222,111,313	-	-	-	-	-	-	-	222,111,313
Loans and advances to credit institutions repayable on demand	-	110,381,892	-	-	-	-	-	-	-	110,381,892
Financial assets at fair value through profit and loss	8,341,168	10,094	-	-	-	-	-	2,928	-	8,354,190
Financial assets at fair value through other comprehensive income	-	-	1,242,044	-	768,361	3,301,174	-	-	-	5,311,579
Financial assets at amortised cost										
Debt securities	-	-	2,786,027	1,427,081	17,485,426	182,166,372	176,114,937	30,100,856	-	410,080,698
Loans and advances to Customers	65,014,070	139,347,602	51,748,177	53,231,482	59,633,380	47,567,122	4,953,278	32,775,598	-	454,270,709
Other loans and advances to central banks and credit institutions	-	76,504,658	6,289,978	-	796,504	-	-	-	-	83,591,141
Other assets	-	-	-	-	-	103,584,555	-	-	22,415,453	126,000,008
	<b>73,355,238</b>	<b>548,355,559</b>	<b>62,066,227</b>	<b>54,658,562</b>	<b>78,683,671</b>	<b>336,619,222</b>	<b>181,068,215</b>	<b>62,879,383</b>	<b>22,415,453</b>	<b>1,420,101,530</b>
<b>Liabilities</b>										
Deposits from Customers and other deposits										
Demand deposits	-	117,564,111	58,782,055	29,391,028	29,391,028	78,376,074	78,376,074	195,940,185	-	587,820,554
Term deposits	4,197,580	204,352,412	239,565,088	230,235,253	257,799,909	-	-	-	-	936,150,243
Liquidity inflows	-	8,553,983	-	-	-	-	-	-	-	8,553,983
Other liabilities	-	-	-	-	-	24,942,140	-	-	-	24,942,140
	<b>4,197,580</b>	<b>330,470,506</b>	<b>298,347,143</b>	<b>259,626,281</b>	<b>287,190,937</b>	<b>103,318,214</b>	<b>78,376,074</b>	<b>195,940,185</b>	<b>-</b>	<b>1,557,466,920</b>
<b>Net exposure</b>	<b>69,157,657</b>	<b>217,885,053</b>	<b>(236,280,916)</b>	<b>(204,967,719)</b>	<b>(208,507,265)</b>	<b>233,301,008</b>	<b>102,692,141</b>	<b>(133,060,802)</b>	<b>22,415,453</b>	<b>(137,365,390)</b>

(Thousands of AOA)

	31-12-2019									Total
	Re-establishment dates/Maturity dates									
	On demand	Below 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	Above 5 years	Undetermined	
<b>Assets</b>										
Cash and deposits at central banks	-	190,988,448	-	-	-	-	-	-	-	190,988,448
Loans and advances to credit institutions repayable on demand	-	24,428,190	-	-	-	-	-	-	-	24,428,190
Financial assets at fair value through profit and loss	12,689,665	15,488	-	-	-	-	-	5,887	-	12,711,039
Financial assets at fair value through other comprehensive income	-	590,380	213,587	18,176	4,387,937	25,971,995	2,650,700	-	-	33,832,775
Financial assets at amortised cost										
Debt securities	-	6,079,456	16,254,927	5,054,944	84,055,652	207,715,654	151,588,504	58,553,269	-	529,302,406
Loans and advances to Customers	60,188,970	127,113,326	56,683,383	52,396,692	86,124,208	42,707,977	2,581,022	14,905,436	-	442,701,013
Other loans and advances to central banks and credit institutions	-	12,357,568	4,248,966	-	405,748	-	-	-	-	17,012,282
Other assets	-	-	-	-	-	80,154,954	-	-	23,050,187	103,205,141
	<b>72,878,634</b>	<b>361,572,856</b>	<b>77,400,864</b>	<b>57,469,812</b>	<b>174,973,545</b>	<b>356,550,580</b>	<b>156,820,226</b>	<b>73,464,591</b>	<b>23,050,187</b>	<b>1,354,181,294</b>
<b>Liabilities</b>										
Deposits from Customers and other deposits										
Demand deposits	-	96,021,484	48,010,742	24,005,371	24,005,371	64,014,323	64,014,323	160,035,807	-	480,107,421
Term deposits	6,587,960	163,724,431	162,778,528	176,776,737	245,010,510	-	-	-	-	754,878,167
Liquidity inflows	-	138,660,935	34,557,074	-	-	-	-	-	-	173,218,009
Other liabilities	-	-	-	-	-	18,024,543	-	-	-	18,024,543
	<b>6,587,960</b>	<b>398,406,850</b>	<b>245,346,344</b>	<b>200,782,108</b>	<b>269,015,881</b>	<b>82,038,866</b>	<b>64,014,323</b>	<b>160,035,807</b>	<b>-</b>	<b>1,426,228,140</b>
<b>Net exposure</b>	<b>66,290,674</b>	<b>(36,833,995)</b>	<b>(167,945,481)</b>	<b>(143,312,296)</b>	<b>(94,042,336)</b>	<b>274,511,714</b>	<b>92,805,903</b>	<b>(86,571,216)</b>	<b>23,050,187</b>	<b>(72,046,845)</b>



As at 31 December 2020 and 2019, the average interest rates for the main categories of financial assets and liabilities, as well as the related average balances and income and expenses for the period are as follows:

(Thousands of AOA)

	31-12-2019			31-12-2020		
	Average balance for the period	Interest for the period	Average interest rate	Average balance for the period	Interest for the period	Average interest rate
<b>Financial assets</b>						
Cash and deposits	28,095,286	-	0.00%	74,101,542	-	0.00%
Financial assets at amortised cost						
Loans and advances to Customers	431,379,790	77,542,704	17.98%	451,278,877	66,980,206	14.84%
Debt securities	452,073,608	26,729,347	5.91%	475,193,703	36,418,844	7.66%
Other loans and advances to central banks and credit institutions	19,340,883	597,400	3.09%	46,743,259	244,831	0.52%
Financial assets at fair value through profit and loss	45,065,378	702,373	1.56%	155,166,274	-	0.00%
Financial assets at fair value through other comprehensive income	109,514,321	14,041,621	12.82%	18,320,545	2,240,160	12.23%
	<b>1,085,469,266</b>	<b>119,613,445</b>		<b>1,220,804,199</b>	<b>105,884,041</b>	
<b>Financial liabilities</b>						
Deposits from Customers	1,191,157,255	38,065,653	3.20%	1,381,511,187	47,133,581	3.41%
Interest from loans of central banks and other financial institutions	161,765,720	13,309,407	8.23%	127,715,085	11,912,874	9.33%
Other liabilities - Leases	6,953,282	1,880,272	27.04%	11,169,856	2,792,439	25.00%
	<b>1,359,876,257</b>	<b>53,255,332</b>		<b>1,520,396,127</b>	<b>61,838,894</b>	
<b>Net interest income</b>		<b>66,358,113</b>			<b>44,045,147</b>	

The sensitivity to the balance sheet interest rate risk, by currency, is calculated through the difference between the present value of the interest rate mismatch, discounted at market interest rates in force, and the discounted value of the same cash flows simulating parallel shifts of the market interest rate yield curve.

As at 31 December 2020 and 2019, the breakdown of assets and liabilities, by currency, net of impairment, is presented as follows:

(Thousands of AOA)

	31-12-2020					Total
	Kwanza	Kwanza indexed at the United States Dollar	United States Dollar	Euros	Other currency	
<b>Assets</b>						
Cash and deposits at central banks	97,590,054	-	120,897,736	2,853,720	769,803	222,111,313
Loans and advances to credit institutions repayable on demand	3,258,686	-	61,266,100	42,905,495	2,951,611	110,381,892
Financial asset at fair value through profit and loss	203,057,961	-	5,598,345	8,270,236	-	216,926,542
Financial assets at fair value through other comprehensive income	3,493,926	-	2,266,608	-	-	5,760,534
Financial assets at amortised cost						
Debt securities	9,227,870	82,381,977	318,470,851	-	-	410,080,698
Loans and advances to Customers	331,649,194	34,628,965	82,672,589	5,319,955	6	454,270,709
Other loans and advances to central banks and credit institutions	33,804,191	-	48,591,230	1,195,720	-	83,591,141
Property, plant and equipment	68,688,180	-	-	-	-	68,688,180
Intangible assets	39,040,538	-	-	-	-	39,040,538
Non-current assets held for sale	7,279,640	-	-	-	-	7,279,640
Current tax assets	2,418,635	-	-	-	-	2,418,635
Deferred tax assets	3,440,174	-	-	-	-	3,440,174
Other assets	13,565,110	482,746	102,067,217	9,803,655	81,280	126,000,008
	<b>816,514,159</b>	<b>117,493,688</b>	<b>741,830,676</b>	<b>70,348,781</b>	<b>3,802,700</b>	<b>1,749,990,004</b>
<b>Liabilities</b>						
Interest from loans of central banks and other financial institutions	14,098,052	-	12	-	-	14,098,064
Deposits from Customers	623,268,533	-	812,474,571	86,731,043	1,496,650	1,523,970,797
Financial liabilities at fair value through profit and loss	-	-	3,978,187	-	-	3,978,187
Provisions	775,242	52,290	22,327	3,082,654	19	3,932,532
Deferred tax liabilities	111,483	-	-	-	-	111,483
Other liabilities	20,846,395	-	1,974,303	2,121,406	36	24,942,140
	<b>659,099,705</b>	<b>52,290</b>	<b>818,449,400</b>	<b>91,935,103</b>	<b>1,496,705</b>	<b>1,571,033,203</b>
	<b>157,414,454</b>	<b>117,441,398</b>	<b>(76,618,724)</b>	<b>(21,586,322)</b>	<b>2,305,995</b>	<b>178,956,801</b>

(Thousands of AOA)

	31-12-2019					
	Kwanza	Kwanza indexed at the United States Dollar	United States Dollar	Euros	Other currency	Total
<b>Assets</b>						
Cash and deposits at central banks	98,294,369	-	90,743,585	1,399,185	551,309	190,988,448
Loans and advances to credit institutions repayable on demand	504,495	-	2,529,825	20,284,756	1,109,114	24,428,190
Financial asset at fair value through profit and loss	55,850,206	-	1,004,832	12,570,326	-	69,425,364
Financial assets at fair value through other comprehensive income	-	32,093,132	2,085,326	-	-	34,178,458
Financial assets at amortised cost						
Debt securities	21,748,999	274,824,002	232,729,405	-	-	529,302,406
Loans and advances to Customers	351,506,676	34,075,923	53,754,564	3,363,842	8	442,701,013
Other loans and advances to central banks and credit institutions	12,515,024	-	3,280,301	1,216,957	-	17,012,282
Property, plant and equipment	61,282,073	-	-	-	-	61,282,073
Intangible assets	35,981,690	-	-	-	-	35,981,690
Non-current assets held for sale	88,628,779	-	-	-	-	88,628,779
Current tax assets	2,056,239	-	-	-	-	2,056,239
Deferred tax assets	2,288,990	-	-	-	-	2,288,990
Other assets	29,721,103	5,989,804	61,573,608	5,857,748	62,878	103,205,141
	<b>760,378,643</b>	<b>346,982,861</b>	<b>447,701,446</b>	<b>44,692,814</b>	<b>1,723,309</b>	<b>1,601,479,073</b>
<b>Liabilities</b>						
Interest from loans of central banks and other financial institutions	52,818,310	-	114,989,257	8,686,071	-	176,493,638
Deposits from Customers	507,681,101	39,290,772	622,004,964	64,885,207	1,123,544	1,234,985,588
Financial liabilities at fair value through profit and loss	207,095	-	-	-	-	207,095
Provisions	236,796	5,786,724	75,587	2,282,646	265	8,382,018
Deferred tax liabilities	-	33,486	35,116	-	-	68,602
Other liabilities	15,173,747	-	917,914	1,892,667	40,215	18,024,543
	<b>576,117,049</b>	<b>45,110,982</b>	<b>738,022,838</b>	<b>77,746,591</b>	<b>1,164,024</b>	<b>1,438,161,484</b>
	<b>184,261,594</b>	<b>301,871,879</b>	<b>(290,321,392)</b>	<b>(33,053,777)</b>	<b>559,285</b>	<b>163,317,589</b>

As at 31 December 2020 and 2019, the sensitivity analysis of the book value of financial instruments to changes in exchange rates is presented as follows:

(Thousands of AOA)

	31-12-2020					
	-20%	-10%	-5%	5%	10%	20%
<b>Currency</b>						
United States Dollar	(150,847,398)	(75,423,699)	(37,711,850)	37,711,850	75,423,699	(150,847,398)
Kwanza indexed at the United States Dollar	(23,498,738)	(11,749,369)	(5,874,684)	5,874,684	11,749,369	(23,498,738)
Euro	(14,069,756)	(7,034,878)	(3,517,439)	3,517,439	7,034,878	(14,069,756)
Other currency	(760,540)	(380,270)	(190,135)	190,135	380,270	(760,540)
	<b>(189,176,432)</b>	<b>(94,588,216)</b>	<b>(47,294,108)</b>	<b>47,294,108</b>	<b>94,588,216</b>	<b>(189,176,432)</b>

(Milhares de Kwanzas)

	31-12-2019					
	-20%	-10%	-5%	5%	10%	20%
<b>Currency</b>						
United States Dollar	58,064,278	29,032,139	14,516,070	(14,516,070)	(29,032,139)	58,064,278
Kwanza indexed at the United States Dollar	(60,374,376)	(30,187,188)	(15,093,594)	15,093,594	30,187,188	(60,374,376)
Euro	6,610,755	3,305,378	1,652,689	(1,652,689)	(3,305,378)	6,610,755
Other currency	(111,858)	(55,929)	(27,964)	27,964	55,929	(111,857)
	<b>4,188,800</b>	<b>2,094,401</b>	<b>1,047,200</b>	<b>(1,047,200)</b>	<b>(2,094,401)</b>	<b>4,188,801</b>

On the date of this report, the Bank's assets and liabilities do not have relevant revaluation impacts, considering that the exchange rate of the Kwanza against the EUR and USD, reference currencies in the foreign exchange market, are close to those published by Banco Nacional de Angola on 31 December 2020.

#### Liquidity Risk

The assessment of the liquidity risk is made using internal metrics, defined by the Bank's management, namely, exposure limits. This control is reinforced with the monthly execution of sensitivity analysis, in order to characterise the Bank's risk profile and ensure that fulfils its obligations in a liquidity crisis scenario.

The purpose of liquidity management is to maintain adequate liquidity levels to meet short, medium- and long-term funding needs. Liquidity risk is monitored on a daily basis and several reports are prepared for control, monitor and support to the decision-making process of the Risk Committee.

The evolution of the liquidity situation is performed based particularly on future cash flows estimated for various time horizons, considering the Bank's balance sheet. To the calculated values is added the analysis day's liquidity position and the amount of assets considered highly liquid in the portfolio of uncommitted assets, determining the cumulative liquidity gap for different time horizons. Additionally, it is also performed a monitoring of the liquidity positions from a prudential point of view, calculated according to the rules required by the Banco Nacional de Angola, in Instruction no. 09/2019 of 27 August (revoked Instruction no. 06/2016 of 8 August).

As at 31 December 2020 and 2019, the total contractual cash flows by residual maturities of the Bank's financial assets and liabilities, are presented as follows:

(Thousands of AOA)

	31-12-2020									Total
	Residual contractual maturities									
	On demand	Below 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	Above 5 years	Undetermined	
<b>Assets</b>										
Cash and deposits at central banks	-	222,111,313	-	-	-	-	-	-	-	222,111,313
Loans and advances to credit institutions repayable on demand	-	110,381,892	-	-	-	-	-	-	-	110,381,892
Financial assets at fair value through profit and loss	-	-	11,991,315	-	-	-	-	3,290	204,931,937	216,926,542
Financial assets at fair value through other comprehensive income	-	-	1,817,783	-	768,361	2,725,435	-	-	448,954	5,760,534
Financial assets at amortised cost										
Debt securities	-	-	1,600,430	1,455,995	17,071,337	179,721,164	179,683,209	30,548,562	-	410,080,698
Loans and advances to Customers	-	23,685,163	20,051,741	18,451,117	33,837,060	73,973,753	87,288,968	128,055,482	68,927,426	454,270,709
Other loans and advances to central banks and credit institutions	-	76,556,583	6,241,961	-	792,597	-	-	-	-	83,591,141
Other assets	-	-	-	-	-	103,584,555	-	-	22,415,453	126,000,008
	-	<b>432,734,951</b>	<b>41,703,230</b>	<b>19,907,112</b>	<b>52,469,355</b>	<b>360,004,907</b>	<b>266,972,177</b>	<b>158,607,334</b>	<b>296,723,770</b>	<b>1,629,122,836</b>
<b>Liabilities</b>										
Interest from loans of central banks and other financial institutions	-	5,544,081	8,553,983	-	-	-	-	-	-	14,098,064
Deposits from Customers	6,352,090	790,352,393	240,467,910	229,486,023	257,312,382	-	-	-	-	1,523,970,797
Financial liabilities at fair value through profit and loss	-	-	-	3,978,187	-	-	-	-	-	3,978,187
Other liabilities	-	-	-	-	-	-	24,942,140	-	-	24,942,140
	<b>6,352,090</b>	<b>795,896,474</b>	<b>249,021,892</b>	<b>233,464,210</b>	<b>257,312,382</b>	<b>-</b>	<b>24,942,140</b>	<b>-</b>	<b>-</b>	<b>1,566,989,188</b>
<b>Liquidity gap</b>	<b>(6,352,090)</b>	<b>(363,161,523)</b>	<b>(207,318,662)</b>	<b>(213,557,098)</b>	<b>(204,843,027)</b>	<b>360,004,907</b>	<b>242,030,037</b>	<b>158,607,334</b>	<b>296,723,770</b>	<b>62,133,648</b>
<b>Accrued liquidity gap</b>	<b>(6,352,090)</b>	<b>(369,513,613)</b>	<b>(576,832,275)</b>	<b>(790,389,373)</b>	<b>(995,232,399)</b>	<b>(635,227,492)</b>	<b>(393,197,456)</b>	<b>(234,590,122)</b>	<b>62,133,648</b>	

(Thousands of AOA)

	31-12-2019									
	Residual contractual maturities									
	On demand	Below 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	Above 5 years	Undetermined	Total
<b>Assets</b>										
Cash and deposits at central banks	-	190,988,448	-	-	-	-	-	-	-	190,988,448
Loans and advances to credit institutions repayable on demand	-	24,428,190	-	-	-	-	-	-	-	24,428,190
Financial assets at fair value through profit and loss	-	-	12,603,632	-	-	13,896	-	106,575	56,701,261	69,425,364
Financial assets at fair value through other comprehensive income	-	-	804,772	-	4,406,114	28,621,889	-	-	345,683	34,178,458
Financial assets at amortised cost										
Debt securities	-	6,446,459	21,213,649	5,360,099	82,840,959	200,126,232	158,551,682	54,763,326	-	529,302,406
Loans and advances to Customers	-	-	25,791,809	17,183,621	20,025,375	27,249,037	104,539,051	165,504,167	82,407,953	442,701,013
Other loans and advances to central banks and credit institutions	-	-	16,606,534	-	405,748	-	-	-	-	17,012,282
Other assets	-	-	-	-	-	80,154,954	-	-	23,050,187	103,205,141
	-	<b>221,863,097</b>	<b>77,020,396</b>	<b>22,543,720</b>	<b>107,678,196</b>	<b>336,166,007</b>	<b>263,090,734</b>	<b>220,374,067</b>	<b>162,505,084</b>	<b>1,411,241,301</b>
<b>Liabilities</b>										
Interest from loans of central banks and other financial institutions	-	-	176,493,638	-	-	-	-	-	-	176,493,638
Deposits from Customers	11,496,535	468,610,886	181,766,299	248,258,442	324,853,426	-	-	-	-	1,234,985,588
Financial liabilities at fair value through profit and loss	-	-	207,095	-	-	-	-	-	-	207,095
Other liabilities	-	-	-	-	-	-	18,024,543	-	-	18,024,543
	<b>11,496,535</b>	<b>468,610,886</b>	<b>358,467,032</b>	<b>248,258,442</b>	<b>324,853,426</b>	<b>-</b>	<b>18,024,543</b>	<b>-</b>	<b>-</b>	<b>1,429,710,863</b>
<b>Liquidity gap</b>	<b>11,496,535</b>	<b>690,473,982</b>	<b>435,487,428</b>	<b>270,802,162</b>	<b>432,531,622</b>	<b>336,166,007</b>	<b>281,115,277</b>	<b>220,374,067</b>	<b>162,505,084</b>	<b>2,840,952,164</b>
<b>Accrued liquidity gap</b>	<b>11,496,535</b>	<b>701,970,518</b>	<b>1,137,457,945</b>	<b>1,408,260,107</b>	<b>1,840,791,729</b>	<b>2,176,957,736</b>	<b>2,458,073,013</b>	<b>2,678,447,080</b>	<b>2,840,952,164</b>	

As at 31 December 2020 and 2019, the liquidity ratio calculated in accordance with Instruction no. 19/2016 of 30 August, amounts to 335% and 353%, respectively.

This Instruction defines as the minimum advisable, a liquidity ratio of 100% for cash flows in national currency and aggregate cash flows in all currencies, and 150% for exposure to cash flows in foreign currency. The BNA has defined the same minimum observation ratios as those for liquidity.

The Bank has observation ratios of 1 to 3 months at 607%, 3 to 6 months at 519% and 6 to 12 months at 615%.

### Real Estate Risk

As at 31 December 2020 and 2019, the exposure to real estate (direct and indirect) is as follows:

(Thousands of AOA)

	31-12-2019	31-12-2020
Shares held in real estate funds (Note 6)	46,848,713	194,669,287
Properties received in lieu of credit (Note 13)	90,246,647	7,684,150
Properties reclassified from fixed assets (Note 11)	2,056,814	216,729
	<b>139,152,174</b>	<b>202,570,166</b>

### Operating Risk

The Bank's Risk Department performs the corporate operational risk management function of the Bank, which is supported by the existence of counterparts in different organisational units that ensure the adequate implementation of operational risk management in the Bank.

The Bank has initiated a set of guidelines and actions aimed at better alignment of systems, human resources and processes in order to allow an effective continuous mitigation of Operating Risk, making a continuous investment to be in line with the best international practices.

The management of ATLANTICO's Operational Risk is based on an organisational model by processes, which allows the Bank to adopt an end-to-end perspective of the value chain of products and services in Operational Risk management, involving the entire organisation and enhancing transversal responsibility.

The identification of events that might generate Operating Risk and respective assessment is performed at the level of the organic units by the process owners of the different Operating Risk processes.

Operating Risk management is performed using three instruments:

- Identification of events of losses resulting from Operating Risks and respective mitigation actions performed by Departments;
- Risk self-assessment meetings organized by those responsible for each process and which allow the Bank to take a qualitative approach to identifying potential risks through a structured analysis from a procedural perspective;
- Identification and quantification of Key Risk Indicators (KRI), that is, metrics that identify changes in the risk profile or in the effectiveness of process controls, allowing the preventive implementation of corrective actions.

### Capital Management and Solvency Ratio

The Bank's own funds are calculated in accordance with the applicable regulatory standards, namely with Notice no. 02/2016 of 28 April and Instruction no. 18/2016 of 08 August and the BNA letter ref: 1880/DRO/18, of 3 December, which recommends including the results of the current period.

The solvency ratio reflects the ratio of regulatory own funds and the sum of the value of regulatory own funds requirements for credit risk and counterparty credit risk (Notice No. 3/2016), own funds requirements for market risk and credit risk of counterparties in the trading portfolio (Notice 04/2016) and own funds requirements for operational risk (Notice no. 05/2016).

Angolan financial institutions shall maintain a level of own funds compatible with the nature and scale of operations, duly weighted by the risks inherent to the operations, with a minimum regulatory Solvency Ratio of 10%.

Regulatory Own Funds comprise:

- Original Own Funds — comprise (i) paid-up share capital; (ii) share premiums relating to elements included in the previous paragraph; (iii) reserve for monetary adjustments of paid-up share capital; (iv) positive retained earnings from previous periods; (v) legal, statutory and other reserves resulting from undistributed income/profit, or incorporated for capital increase; (vi) positive net income of the previous period; (vii) provisional positive net income of the current period; (viii) portion of the reserve and net income related to deferred tax assets, provided that they relate to losses containing as a negative element original own funds, and (ix) instruments whose issue conditions were previously approved by Banco Nacional de Angola.

- Negative elements of the Original Own Funds — Comprise: (i) own shares in the portfolio, at the book value in the balance sheet; (ii) negative income, retained from previous periods; (iii) negative net income from the previous period; (iv) negative latent income relating to revaluation of securities; (v) negative latent income relating to the revaluation of available-for-sale securities and cash flow hedges and investments abroad; (vi) provisional negative net income for the current period; (vii) intangible assets net of depreciations; (viii) deferred costs relating to pension liabilities; (ix) portion of the reserve and net income related to deferred tax liabilities, provided that they relate to gains containing as a positive element original own funds; (x) positive revaluation differences resulting from the application of the equity method; (xi) lack of provisions under the provisions of Notice 12/2014, of 17 December, on the constitution of provisions; and (xii) actuarial losses not recognised in profit and loss.
- Additional Own Funds — comprise (i) fixed-term preferred shares; (ii) generic funds and provisions; (iii) reserves resulting from real estate for own use; (iv) subordinated debt, in the form of loans or bonds issued, whose issuance conditions were previously approved by Banco Nacional de Angola; (v) positive latent income relating to the revaluation of available-for-sale securities and cash flow hedges and investments abroad, up to 45% (forty five percent) of their value (by the amount of the net effect of the hedge) before taxes; (vi) other instruments whose issuance conditions have been previously approved by Banco Nacional de Angola.
- Deductions to original and additional own funds — comprise:
  - i. Instruments issued or obtained by other financial institutions, of which the Institutions are holders, provided for in Article 5(2)(a) and (i) and Article 7(2)(a),(d) and (f), both of Notice 02/2016. This deduction should consider the book value in the balance sheet, net of provisions, and should met the following conditions:
    - a) If the Institution has a participation above 10% (ten percent) of the investee's share capital, all of the aforementioned instruments shall be deducted, or
    - b) If the Institution has a participation below or equal to 10% (ten percent) of the investee's share capital, and if above ten 10% (ten percent) of the investor's share capital, all of the aforementioned instruments shall be deducted, except 10% (ten percent) of the investor's own funds, determined before this deduction;

- ii. The surplus against the limits established in Notice 9/2016, on prudential limits on large risks.

Positive income referred to in the previous points may only be considered when certified by the chartered accountant, member of the supervisory board or statutory auditor and by the external auditor.

As at 31 December 2020 and 2019, the summary of the Bank's capital requirement calculations, are as follows:

(Thousands of AOA)

	31-12-2019	31-12-2020
<b>Regulatory own funds requirements</b>		
Credit and counterparty risk	59,016,619	69,187,644
Operating risk	13,639,753	11,366,317
Market risk and counterparty credit risk in the trading portfolio	3,458,533	5,091,005
<b>A</b>	<b>76,114,905</b>	<b>85,644,966</b>
<b>Regulatory own funds</b>		
Original own funds	127,398,142	139,813,925
Additional own funds	103,263	-
Discounts from basic and complementary own funds	(16,844,246)	(34,254,032)
<b>B</b>	<b>110,657,159</b>	<b>105,559,893</b>
<b>Regulatory solvency ratio</b>	<b>C=B/A*10%</b>	
	<b>14.54%</b>	<b>12.33%</b>