FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS

4

4.1. Individual financial statements

INDIVIDUAL BALANCE SHEETS AS AT 31 DECEMBER 2021 AND 2020 AND 1 JANUARY 2020

(Thousands of AOA)

	Notes	31-12-2021	31-12-2020 (restated)	01-01-2020 (restated)
ASSETS				
Cash and deposits at central banks	4	344,971,397	222,111,313	190,988,448
Loans and advances to credit institution repayable on demand	5	51,143,348	110,381,892	24,428,190
Financial assets at fair value through profit or loss	6	268,230,596	216,926,542	69,425,364
Financial assets at fair value through other comprehensive income	7	3,014,167	5,760,534	34,178,458
Financial assets at amortised cost				
Debt securities	8	369,305,246	396,354,958	529,302,406
Loans and advances to Customers	9	440,985,217	454,270,709	442,701,013
Other loans and advances to central banks and credit institutions	10	33,814,994	83,591,141	17,012,282
Property, plant and equipment	11	87,882,647	110,390,646	105,186,688
Intangible assets	12	15,476,651	14,295,527	11,691,206
Non-current assets held for sale	13	-	7,796,893	96,134,874
Current tax assets	14	2,462,185	2,418,635	2,056,239
Deferred tax assets	14	3,417,453	3,440,174	2,288,990
Other assets	15	93,313,647	126,000,008	103,205,141
Total Assets		**1,714,017,548**	**1,753,738,972**	**1,628,599,299**
LIABILITIES AND EQUITY				
Deposits from central banks and other credit institutions	16	83,714,792	14,098,064	176,493,638
Deposits from Customers and other loans	17	1,422,950,424	1,523,970,797	1,234,985,588
Financial liabilities at fair value through profit or loss	6	1,412	3,978,187	207,095
Provisions	18	3,560,689	3,932,532	8,382,018
Deferred tax liabilities	14	30,261	111,483	68,602
Other liabilities	19	17,776,674	24,942,140	18,024,543
Total Liabilities		**1,528,034,252**	**1,571,033,203**	**1,438,161,484**
Share capital	20	142,324,747	142,324,747	142,324,747
Share premium	20	70,707,406	70,707,406	70,707,406
Treasury shares	20	(841,657)	(841,657)	(841,657)
Revaluation reserves	21	56,645	207,486	160,631
Other reserves and retained earnings	21	(29,692,213)	(21,913,313)	(21,913,312)
Individual net profit/(loss) for the period		3,428,368	(7,778,900)	-
Total Equity		**185,983,296**	**182,705,769**	**190,437,815**
Total Liabilities and Equity		**1,714,017,548**	**1,753,738,972**	**1,628,599,299**

The following notes form an integral part of these financial statements.

INDIVIDUAL INCOME STATEMENT FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 2020

(Thousands of AOA)

	Notes	31-12-2021	31-12-2020 (restated)
Interest and similar income	22	89,219,004	105,884,041
Interest and similar expense	22	(69,194,709)	(61,838,894)
Net interest income		**20,024,295**	**44,045,147**
Fees and commission income	23	21,190,482	15,228,788
Fees and commission expense	23	(4,882,041)	(3,447,768)
Profit/(loss) from fees and commissions		**16,308,441**	**11,781,020**
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	24	3,945,382	(5,505,166)
Net gains/(losses) arising from investments at amortised cost	25	4,254,411	12,528,340
Net gains/(losses) arising from foreign exchange differences	26	18,853,715	(8,036,553)
Net gains/(losses) arising from the sale of other assets	27	4,603,592	53,288,581
Other operating income/(expense)	34	(8,758,842)	(6,888,508)
Net gains/(losses) arising from financial operations		**22,898,258**	**45,386,694**
Operating income		**59,230,994**	**101,212,861**
Staff costs	28	(26,783,597)	(23,317,752)
Supplies and services	29	(18,450,955)	(17,048,086)
Depreciation and amortisation for the period	11, 12 and 30	(11,038,885)	(10,887,291)
Provisions and impairment of other assets	13, 15, 18 and 31	(10,817,104)	(10,691,874)
Impairment of other financial assets	5 and 32	13,283	(24,290)
Impairment of other financial assets at amortised cost	8, 9, 10 and 33	11,036,040	(48,244,798)
Impairment of financial assets at fair value through other comprehensive income	21	261,314	71,145
Profit/(loss) before tax from continuing operations		**3,451,090**	**(8,930,085)**
INCOME TAX			
Deferred tax	14	(22,722)	1,151,185
Profit/(loss) after tax from continuing operations		**3,428,368**	**(7,778,900)**
Individual net profit/(loss) for the period		**3,428,368**	**(7,778,900)**
Average number of ordinary shares issued	35	53,821,603	53,821,603
Basic earnings per share (in kwanzas)	35	0.06	(0.14)
Diluted earnings per share (in kwanzas)	35	0.06	(0.14)

The following notes form an integral part of these financial statements.

INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 2020

(Thousands of AOA)

	Notes	31-12-2021	31-12-2020 (restated)
Individual net profit/(loss) for the period		**3,428,368**	**(7,778,900)**
OTHER COMPREHENSIVE INCOME			
Items that will be subsequently reclassified to profit or loss			
Debt instruments at fair value through other comprehensive income			
Changes in fair value	21	(493,377)	18,592
Transfer to profit or loss for impairment recorded in the period	21	261,314	71,145
Tax impact	21	81,222	(42,881)
		(150,841)	**46,855**
Individual comprehensive income for the period		**3,277,527**	**(7,732,045)**

The following notes form an integral part of these financial statements.

INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 2020

(Thousands of AOA)

					Other reserves and retained earnings				
	Share capital	Share premium	Treasury shares	Revaluation reserves	Legal reserve	Other reserves and retained earning	Total	Individual net profit/(loss) for the period	Total Equity
Balance as at 31 December 2019	**53,821,603**	**34,810,069**	**(492,182)**	**160,631**	**18,568,356**	**25,984,249**	**44,552,605**	**30,464,862**	**163,317,589**
Changes in accounting policies									
Impacts of IAS 29 adoption	88,503,144	35,897,337	(349,475)	-	-	(79,237,606)	(79,237,606)	(17,693,173)	27,120,227
Appropriation of net profit for the period									
Transfer to legal reserve	-	-	-	-	1,277,169	-	1,277,169	(1,277,169)	-
Transfer to reserves and retained earnings	-	-	-	-	-	11,494,520	11,494,520	(11,494,520)	-
Balances as at 1 January 2020 (restated)	**142,324,747**	**70,707,406**	**(841,657)**	**160,631**	**19,845,525**	**(41,758,837)**	**(21,913,312)**	**-**	**190,437,815**
Changes in fair value, net of tax	-	-	-	46,855	-	-	-	-	46,855
Individual net profit/(loss) for the period	-	-	-	-	-	-	-	(7,778,900)	(7,778,900)
Balances as at 31 December 2020 (restated)	**142,324,747**	**70,707,406**	**(841,657)**	**207,486**	**19,845,525**	**(41,758,837)**	**(21,913,313)**	**(7,778,900)**	**182,705,769**
Appropriation of net profit for the period	-	-	-	-	-	-	-	-	-
Transfer to legal reserve	-	-	-	-	-	-	-	-	-
Transfer to reserves and retained earnings	-	-	-	-	-	(7,778,900)	(7,778,900)	7,778,900	-
Changes in fair value, net of tax	-	-	-	(150,841)	-	-	-	-	(150,841)
Individual net profit/(loss) for the period	-	-	-	-	-	-	-	3,428,368	3,428,368
Balances as at 31 December 2021	**142,324,747**	**70,707,406**	**(841,657)**	**56,645**	**19,845,525**	**(49,537,737)**	**(29,692,213)**	**3,428,368**	**185,983,296**

The following notes form an integral part of these financial statements.

INDIVIDUAL CASH FLOW STATEMENT FOR THE PERIODS ENDED AT 31 DECEMBER 2021 AND 2020

(Thousands of AOA)

	Notes	31-12-2021	31-12-2020 (restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest, commissions and other similar income received		78,799,894	81,947,127
Interest, commissions and other similar expense paid		(73,392,177)	(60,686,737)
Payments to employees and suppliers		(49,536,943)	(34,513,271)
Cash flows before changes in operating assets and liabilities		**(44,129,226)**	**(13,252,881)**
(Increases)/decreases in operating assets and liabilities:			
Financial assets at fair value through profit or loss		(1,985,218)	(7,895,034)
Financial assets at fair value through other comprehensive income		33,086,440	40,178,091
Financial assets at amortised cost			
Debt securities		54,559,351	104,973,017
Loans and advances to Customers		28,699,129	5,040,431
Other loans and advances to credit institutions		49,851,664	(67,013,004)
Deposits from central banks and other credit institutions		69,595,434	(161,908,219)
Non-current assets held for sale		16,245,523	6,611,730
Deposits from Customers and other loans		(134,605,916)	266,893,443
Other operating assets and liabilities		11,961,342	(39,273,513)
Net cash from operating activities before income taxes		**83,278,523**	**134,354,061**
Income tax paid		(66,273)	788,789
Net cash from operating activities		**83,212,250**	**135,142,850**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment and intangible assets, net of disposals		(11,812,240)	(14,167,304)
Net cash from investing activities		**(11,812,240)**	**(14,167,304)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability payments		(3,787,403)	(3,874,689)
Net cash from financing activities		**(3,787,403)**	**(3,874,689)**
Changes in cash and cash equivalents		**67,612,607**	**117,100,857**
Cash and cash equivalents at the beginning of the period		332,517,495	215,416,638
Effects of exchange rate changes on cash and cash equivalents		(4,004,351)	-
Cash and cash equivalents at the end of the period		**396,125,751**	**332,517,495**
CASH AND CASH EQUIVALENTS COMPRISES:			
Cash	4	21,102,512	23,568,686
Deposits at central banks	4	323,868,885	198,542,627
Deposits in other credit institutions	5	51,154,354	110,406,182
		396,125,751	**332,517,495**

The following notes form an integral part of these financial statements.

4.2. Notes to the Financial Statements

Contents

NOTE 1
Introduction

Banco Millennium Atlântico, S.A., which also uses the brand ATLANTICO (hereinafter referred to as "Bank" or "ATLANTICO"), was incorporated by Public Deed on 31 August 2006. Through communication of the Banco Nacional de Angola (hereinafter also referred to as "BNA") dated 6 November 2006, ATLANTICO was authorised and definitively registered as ATLANTICO, and started its business activity on 17 November 2006. ATLANTICO operates and has its head office in Angola, at Rua do Centro de Convenções de Talatona, Via S8, GU05B, Edifício ATLANTICO, Bloco 7/8, Bairro Talatona, Distrito Urbano da Samba, Luanda.

The Bank is dedicated to obtaining resources from third parties in the form of deposits or other, which applies, together with its own resources, in the granting of loans, in deposits at the BNA, in investments in credit institutions, in the acquisition of securities and other assets, for which it is duly authorised. The Bank also provides other bank services and carries out various types of transactions in foreign currency, for which, as at 31 December 2021, it had a network of 92 customer service centres.

Regarding the shareholder structure, as detailed in Note 20, the Bank is owned mainly by private Angolan shareholders.

In May 2016, the former Banco Privado Atlântico entered into a merger by incorporation with Banco Millennium Angola, S.A. creating Banco Millennium Atlântico, S.A. For accounting purposes, the merger produces effects on 1 January 2016.

NOTE 2
Accounting policies

2.1. Basis of presentation

In accordance with the provisions of Notice No. 05/2019 of 30 August, from the Banco Nacional de Angola, the individual financial statements of Banco Millennium Atlântico, S.A. are prepared on a going concern basis and in accordance with the International Financial Reporting Standards (IAS/IFRS). IAS/IFRS include accounting standards issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) and their predecessor bodies.

The financial statements are expressed in thousands of kwanzas (thousands of AOA) rounded to the nearest thousand. These were prepared in accordance with the historical cost principle, with the exception of assets and liabilities recorded at fair value, namely financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss.

The preparation of financial statements in accordance with IAS/IFRS requires the Bank to make judgements and estimates and to use assumptions that affect the application of accounting policies and the amounts of income, expenses, assets and liabilities. Changes in such assumptions or differences between them and reality may have an impact on current estimates and judgements. Areas that involve a higher level of judgement or complexity, or where assumptions and significant estimates are used in the preparation of the financial statements are described in Note 3.

The financial statements for the period ended 31 December 2021 were approved at the Board of Directors meeting held on 31 March 2022, and it is the Board of Directors' belief that they will be approved at the General Meeting of Shareholders without material changes.

The individual financial statements of Banco Millennium Atlântico, S.A, presented herein relate to the periods ended 31 December 2021 and 2020. In accordance with the legislation in force, the Bank prepares and presents separate consolidated financial statements.

2.2. Comparability of the information

The Bank adopted the standards whose application is mandatory for periods beginning on or after 1 January 2020. The accounting policies were consistently applied and are consistent with those used in the preparation of the prior period financial statements, except for the following matters: (i) adoption of IAS 29 and (ii) adjustment for impairment of public debt securities (Note 41).

In 2021, the Bank's Board of Directors applied the provisions of IAS 29 for the first time, as it considered it to be the most appropriate requirement in accordance with IAS/IFRS. The application of the IAS 29 Standard after the period in which the characteristics of a hyperinflationary economic environment are observed, must respect the terms set out in IAS 8 Standard – Accounting Policies, Changes in Accounting Estimates and Errors, with regard to the change of accounting policies, and the corresponding impacts must be reflected retrospectively. Accordingly, the Bank has retrospectively applied the new policy in its financial statements for the 2017 and 2018 financial years (restatement), and the impacts are presented with reference to the first comparative period presented, i.e., 1 January 2020.

As at 31 December 2020, the methodology for calculating impairment defined by the Bank provided for an exception in the recognition of impairment applicable to the AOTNME710D15 security, whose origination of the full nominal amount resulted from the BNA's decision in December 2015, not attributable to the Bank, framed by Executive Decree No. 547/15, of 6 October, Order No. 406/15, of 7 December, of the Ministry of Finance, of Instruction No. 19/2015, of 2 December, and of Directive No. 7/DMA/DSP/2015, of 10 December, to translate 80% of the amount that the commercial banks had deposited with the BNA for compliance with the reserve requirements in foreign currency, into Angolan public debt securities issued in United States Dollars. However, as at 31 December 2021, the Bank recorded impairment for the aforementioned financial instrument, thereby complying with the requirements of the IFRS 9 Standard. In addition, the new policy was applied retrospectively under the terms of IAS 8, and therefore the comparatives as at 31 December 2020 have been amended accordingly.

Accordingly, the Balance Sheet as at 1 January and 31 December 2020 and the Income, Comprehensive Income and Changes in Equity Statements as at 31 December 2020 have been restated, as presented in more detail in Note 41.

The requirements presented by IAS/IFRS are generally applied retrospectively, by adjusting the opening balance sheet to the date of initial application.

2.3. Adoption of IAS 29

In accordance with the requirements set out in IAS 29 – Financial reporting in hyperinflationary economies (IAS 29), in the periods ended 31 December 2017 and 2018, the functional currency of the Bank's financial statements corresponded to the currency of a hyperinflationary economy, ceasing to have that classification in subsequent periods, essentially as a result of the reduction in the inflation rate in Angola.

For the periods ended 31 December 2017 and 2018, the Associação Angolana de Bancos (ABANC) and the Banco Nacional de Angola (BNA) issued their interpretation that the full requirements under IAS 29 for the Angolan economy to be considered as hyperinflationary were not met. Accordingly, the Bank's Board of Directors has decided not to apply the provisions in IAS 29 in its financial statements for the periods ended 31 December 2017 and 2018 and also not to make the necessary adjustments in the financial statements for the periods ended 31 December 2019 and 2020 in respect of opening balances and the adjustments that result from the application of the provisions in IAS 29 when an economy ceases to be hyperinflationary.

In 2021, the Bank's Board of Directors applied the provisions of IAS 29 for the first time, with reference to the 2017 and 2018 financial years, and for this purpose restated its financial statements for prior periods, as required by IAS 8, with a material impact on opening balances (Note 41).

In accordance with IAS 29 – Hyperinflationary Economies issued by the IASB (International Accounting Standard Board), when the financial statements are prepared based on a functional currency that is the currency of a hyperinflationary economy, these should be stated in terms of the measuring unit current at the balance sheet date.

The financial statements of an entity that reports in the currency of a hyperinflationary economy should be stated in terms of the measuring unit current at the balance sheet date. Under the provisions of IAS 29, hyperinflation is indicated by characteristics of the economic environment of a country which include, but are not limited to, the following:

- The general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency. Amounts of local currency held are immediately invested to maintain purchasing power;
- The general population regards monetary amounts not in terms of the local currency but in terms of a relatively stable foreign currency. Prices may be quoted in that currency;
- Sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short;
- Interest rates, wages and prices are linked to a price index; and
- The cumulative inflation rate over three years is approaching, or exceeds, 100%.

Application of the IAS 29 Standard involves monetary revaluation of eligible assets and liabilities, i.e., non-monetary items. Non-monetary items are defined as the accounting captions of property, plant and equipment, intangible assets, non-current assets held for sale, share capital, Treasury shares and share premium.

In the case of hyperinflation, financial institutions must, on a monthly basis, consider the effects of the change in the purchasing power of the national currency, based on the application of the Consumer Price Index to the balances of non-monetary items.

The amount resulting from monetary revaluation of non-monetary items must be added to the respective balances against the increase in equity balances under the caption Other reserves and retained earnings, at the initial moment, and reflected monthly in the income statement, at the subsequent moment, with the exception of Equity balances, which must be classified exclusively against the caption Other reserves and retained earnings.

If the adoption of the IAS 29 Standard occurs after the period in which the characteristics of a hyperinflationary economic environment are observed, the adoption process must respect the terms set out in IAS 8 Standard – Accounting Policies, Changes in Accounting Estimates and Errors, and the corresponding impacts must be reflected retrospectively.

When an economy ceases to be deemed hyperinflationary, for the purpose of preparation and presentation of financial statements prepared in accordance with IAS 29, the amounts at the end of the previous reporting period shall be treated as opening balances in subsequent financial statements.

2.4. Transactions in foreign currency

Transactions in foreign currency are translated into the functional currency (Kwanza) at the exchange rate published on the date of the transaction.

Monetary assets and liabilities expressed in foreign currency are converted into the functional currency at the exchange rate published by the BNA at the balance sheet date. Foreign exchange differences arising on translation are recognised in the income statement under Net gains/(losses) arising from foreign exchange differences (Note 26).

Non-monetary assets and liabilities expressed in foreign currency and recorded at historical cost are converted to the functional currency at the exchange rate published on the date of the transaction. Non-monetary assets and liabilities recorded at fair value are translated into the functional currency at the exchange rate published on the date the fair value is determined and recognised against the income statement, except for those recognised in financial assets at fair value though other comprehensive income, whose difference is recorded against equity.

The reference exchange rates of the Kwanza (AOA) against United States Dollar (USD) and Euro (EUR) were as follows:

Exchange rate	31-12-2021	31-12-2020
AOA/USD	554,981	649,604
AOA/EUR	629,015	798,429

2.5. Loans and advances to customers and account receivables

Loans and advances to customers and account receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market and are not intended to be sold in the short term. These categories include loans and advances to customers, cash and cash equivalents, other loans and advances to central banks and credit institutions and other receivables that are not traded in an active market. These are recorded by the contracted amounts, when originated by the Bank, or by amounts paid, when purchased from other entities.

Loans and advances to customers and account receivables are initially accounted for at fair value plus transaction costs and are subsequently measured at amortised cost using the effective interest rate method and are presented in the balance sheet net of impairment losses. Interest calculated at the effective interest rate is recognised in Net interest income.

Loans and advances to customers and account receivables are derecognised from the balance sheet when (i) the contractual rights of the Bank to their respective cash flows have expired, (ii) the Bank transferred substantially all associated risks and rewards of ownership, or (iii) notwithstanding the fact that the Bank may have retained part, but not substantially all the associated risks and rewards of ownership, control over the assets was transferred.

2.6. Financial instruments

Classification, initial recognition and subsequent measurement

In accordance with IFRS 9 – Financial instruments (IFRS 9), financial assets can be classified into three categories with different measurement criteria:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through profit or loss; and
- Financial assets measured at fair value through other comprehensive income.

The classification of assets depends on the characteristics of the contractual cash flows and the business model related to them.

With regards to the characteristics of contractual cash flows, the criterion is to assess whether these reflect solely payments of principal and interest (SPPI).

Business model

The standard identifies two relevant business models for the Bank's activity:

- Business model whose purpose is to hold the asset to collect its contractual cash flows (Hold to collect); and,
- Business model whose purpose is both to collect contractual cash flows and to sell the financial assets (Hold to collect and sell).

  - A debt financial instrument that (i) is managed under a business model whose purpose is to hold financial assets in the portfolio and receive all of its contractual cash flows and (ii) has contractual cash flows on specific dates corresponding to solely payments of principal and interest on the outstanding principal – should be measured at amortised cost, unless it is designated at fair value through profit or loss under the fair value option – Hold to collect.
  - A debt financial instrument that (i) is managed under a business model whose purpose is both to collect its contractual cash flows and the sale of financial assets and (ii) contains contractual clauses that give rise to cash flows corresponding to solely payments of principal and interest on the outstanding capital – should be measured at fair value through other comprehensive income (FVOCI), unless it is designated at fair value through profit or loss under the fair value option – Hold to collect and sale.
  - All other financial instruments should be measured at fair value through profit or loss (FVTPL).

The Bank assessed its business models based on a wide set of indicators, including its business plan and current risk management policies.

The Bank conducted an assessment of the business model in which the financial instrument is held, at a portfolio level, as this approach reflects the best way in which assets are managed and how the information is made available to management bodies. The information considered in this assessment includes:

- Policies and goals established for the portfolio and the practical operability of these policies. In particular, how the management strategy focuses on receiving contractual interest, keeping a certain interest rate profile, adjusting the lifetime of financial assets to the lifetime of liabilities that sponsor these assets or generating cash flows through the sale of the assets;

- How the portfolio's performance is assessed and reported to the Bank's management bodies;
- Assessing the risks that affect the performance of the business model (and of the financial assets held under this business model) and how these risks are managed;
- The remuneration of business managers (e.g., the extent to which the compensation depends on the fair value of assets under management or contractual cash flows received); and
- Frequency, volume and periodicity of sales in previous periods, the reasons for such sales and the expectations about future sales. However, sales information should not be considered separately, but as part of an overall assessment of how the Bank sets goals for managing financial assets and how cash flows are obtained.

Other business models

This model includes all portfolios managed in ways other than Hold to collect or Hold to collect and sale and includes particularly portfolios that:

- Are managed with the objective of generating cash flows through sale;
- Are managed, and whose performance is evaluated, on a fair value basis; or
- Meet the definition of held for negotiation.

The performance of financial assets that fall within these models is assessed on a fair value basis and are measured at fair value through profit or loss, as they are neither held to collect contractual cash flows nor held to sell such financial assets.

Assess if contractual cash flows correspond solely to payments of principal and interest (SPPI)

For the purpose of this assessment, "principal" is defined as the fair value of the financial asset at initial recognition. "Interest" is defined as the compensation for the time value of money, the credit risk associated with the outstanding amount over a given period of time and for other risks and costs associated to the activity (e.g., liquidity risk and administrative costs), as well as a mark-up rate.

In the assessment of financial instruments, in which contractual cash flows relate exclusively to the payments of principal and interest, the Bank considered the original contractual terms of the instrument. This assessment included the analysis of existing situations in which the contractual terms can change the periodicity and the amount of cash flows which fail to comply with the SPPI condition. In the assessment process, the Bank considered:

- Contingent events that may change the periodicity and amount of cash flows;
- Leverage characteristics;
- Prepayment and maturity extension terms;
- Provisions that may restrict the Bank's right to claim cash flows relating to specific assets (e.g., non-recourse loans); and
- Characteristics that may change time-value compensation of money (e.g., periodic resetting of interest rates).

As previously mentioned, the Hold to collect business model establishes quantitative thresholds based on past experience in order to evaluate the frequency and materiality of sales. The threshold for frequency is defined according to the number of transactions in a given period. The threshold for materiality is defined according to the weight of the book value of the asset to be disposed over the total portfolio.

The standard provides that sales may occur without it being necessary to change the business model, as long as the thresholds defined by the Bank of frequent and significant sales, close to maturity or due to deterioration of credit risk are not exceeded.

For financial assets classified in the Hold to collect business model, the frequency and significance thresholds defined by the Bank were exceeded. Nevertheless, the sales are related to the Bank's need to adjust its short foreign exchange position within regulatory limits, in compliance with the provisions imposed by the BNA under Notice No. 14/2019, of 29 November, and Directive No. 07/DSB/DRO/DMA/2018, of 2 January. For this purpose, the Bank submitted to the BNA an exchange rate reset plan, mainly providing for the gradual disposal of the portfolio of Treasury Bonds indexed to the US dollar and non-indexed.

Accordingly, although the transactions have exceeded the thresholds of the Hold to collect business model, due to the fact that they were carried out under the currency reset plan agreed between the Bank and the BNA, in order to reduce the Bank's short foreign exchange position and comply with the regulatory foreign exchange position requirements, the Bank considers that these sales are within the framework and infrequent and therefore do not represent sufficient grounds to consider changing the business model originally defined for these assets at their origination.

With regards to the other financial instruments, namely equity and derivative instruments, these are by definition classified at fair value through profit or loss. For equity instruments, there is an irrevocable option to designate that all changes in fair value are recognised in other comprehensive income, in which case only dividends are recognised in profit or loss provided that they do not clearly represent a recovery of part of the investment cost as gains and losses are not reclassified to profit or loss even on derecognition/sale.

Reclassification

Financial assets are not reclassified after their initial recognition, except for the period after the Bank changes its business model to the management of financial assets. Financial assets are reclassified to other categories only if the business model used in their management changes. In such case, all affected financial assets are reclassified. The reclassification is applied prospectively from the date of reclassification, and no gains, losses (including impairment losses) or previously recognised interest are restated. Financial assets, at the date of their reclassification, are measured at fair value.

Reclassification of investments in equity instruments measured at fair value through other comprehensive income or financial instruments designated at fair value through profit or loss is not permitted.

Reclassification of financial liabilities are not permitted.

Derecognition

I. The Bank derecognises a financial asset when, and only when:

- The contractual rights to the cash flows from the financial asset expire; or
- It transfers the financial asset as set out in ii and iii and the transfer qualifies for derecognition in accordance with iv.

II. The Bank transfers a financial asset if, and only if, one of the following situations occurs:

- It transfers the contractual rights to receive the cash flows of the financial asset; or
- Retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets the conditions in iii.

III. When the Bank retains the contractual rights to receive the cash flows of a financial asset (the original asset), but assumes a contractual obligation to pay those cash flows to one or more entities (the eventual recipients), the Bank treats the transaction as a transfer of a financial asset if, and only if, all of the following three conditions are met:

- The Bank has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset. Short-term advances by the entity with the right of full recovery of the amount lent plus accrued interest at market rates do not violate this condition;
- The Bank is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows; and
- The Bank has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, it is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

IV. When the Bank transfers a financial asset (see ii. above), it shall evaluate the extent to which it retains the risks and rewards of ownership of the financial asset. In this case:

- If the Bank transfers substantially all the risks and rewards of ownership of the financial asset, it shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer;

- If the Bank retains substantially all the risks and rewards of ownership of the financial asset, it shall continue to recognise the financial asset;
- If the Bank neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it shall determine whether it has retained control of the financial asset. In this case:
  a) If the Bank has not retained control, it shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer; and
  b) If the Bank has retained control, it shall continue to recognise the financial asset to the extent of its continuing involvement in the financial asset.

V. The transfer of risks and rewards is evaluated by comparing the Bank's exposure, before and after the transfer, with the variability in the amounts and timing of the net cash flows of the transferred asset.

VI. Whether the Bank has retained control (see iv. above) of the transferred asset depends on the transferee's ability to sell the asset. If the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer, the entity has not retained control. In all other cases, the entity has retained control.

Assets pledged as collateral by the Bank through repurchase agreements and other transactions are not derecognised because the Bank holds substantially all the risks and rewards based on the pre-specified repurchase price and therefore the derecognition criteria are not met.

Financial liabilities are derecognised when the underlying obligation is discharged or cancelled or expires.

Modification of loans

In some circumstances, the Bank renegotiates or modifies the contractual cash flows of loans and advances to customers. In such cases, the Bank assesses whether the new terms of the contract are substantially different from the original terms. The Bank performs this analysis considering, among others, the following factors:

- Whether the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to an amount the borrower is expected to be able to pay;
- Whether any significant new terms have been introduced, such as profit-sharing or equity-based returns, that substantially affect the risk profile of the loan;
- Significant extension of the loan term when the borrower is not in financial difficulty;
- Significant change in the interest rate;
- Change in the currency in which the loan was contracted; and
- Inclusion of collateral, securities or other credit enhancement which significantly affects the credit risk associated with the loan.

If the terms of the contract are substantially different, the Bank derecognises the original financial asset and recognises a new asset at fair value and calculates its new effective interest rate. The date of renegotiation is considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Bank also assesses whether the new recognised financial asset is impaired at initial recognition, especially where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are recognised in profit or loss, as a derecognition gain or loss.

If the terms of the contract are not substantially different, the renegotiation or modification does not result in derecognition and the Bank recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or adjusted effective interest rate for impaired, originated or acquired financial assets).

After the modification, the Bank may determine that the credit risk has improved significantly and that the assets have moved from Stage 3 to Stage 2 (lifetime ECL) or from Stage 2 to Stage 1 (12-month ECL). This situation can only occur when the performance of the modified asset is in line with the new terms of the agreement during a period of twelve consecutive months. Additionally, the Bank continues to monitor whether there has been a significant increase in credit risk on these assets, applying specific models for modified assets.

Impaired financial assets
A financial asset is impaired when one or more events that have a negative impact on the estimated future cash flows of the financial asset have occurred. Financial assets impaired are referred to as Stage 3 assets. The Bank has adopted the internal definition of non-performing loans as a criterion for identifying credits under Stage 3. The internal definition of non-performing loans is governed by objective and subjective criteria and is used for the Bank's credit risk management.

Purchased or originated credit impaired (POCI)
Purchased or originated credit-impaired financial assets (POCI) are treated differently as these are "impaired". For these assets, the Bank, upon its initial recognition under Stage 3, records the asset at the net amount of the expected loss.

In subsequent measurement, an ECL with a lifetime PD is always calculated and its changes are recorded in the income statement. The associated interest is calculated by applying the effective interest rate to the net book value of the asset.

Asset write-off policy
The Bank recognises a loan written off from assets when it has no reasonable expectations of recovering the full amount. This recording occurs after all actions undertaken by the Bank have proved unsuccessful.

Loans written off from assets must be subject to periodic reconciliation to control the amount included in off-balance sheet accounts, where, in accordance with legal requirements, they must remain recorded for a minimum of 10 years and as long as all collection procedures have not been exhausted.

Guarantees provided and irrevocable commitments
Liabilities for guarantees and irrevocable commitments are recorded under off-balance-sheet items at their fair value, with interest, commissions or other income being recorded in the income statement over their maturity period.

Performance guarantees are initially recognised at fair value, which is usually evidenced by the amount of commissions received over the contract period. Upon the breach of contract, the Bank has the right to revert the guarantee, and the amounts are recognised in Loans and advances to customers after the loss compensation is transferred to the collateral taker.

Financial assets measured at amortised cost
The Bank measures a financial asset at amortised cost if it meets, simultaneously, the following requirements and is not recorded at FVTPL (use of the Fair Value Option):

- The financial asset is held in a business model whose main purpose is to hold the asset to collect its contractual cash flows (HTC – Held to collect); and
- Its contractual cash flows occur on specific dates and correspond solely to payments of principal and interest on the principal amount outstanding (SPPI – Solely Payments of Principal and Interest).

These instruments are initially recorded at fair value and subsequently valued at amortised cost, based on the effective interest rate method and are subject to impairment tests.

Included in this category are debt securities, loans and advances to customers, other loans and advances to central banks and credit institutions and other receivables.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity and debt instruments that are recorded at fair value at the time of their initial recognition. Gains and losses on subsequent changes in fair value are recorded in equity until they are sold, where they are reclassified to profit or loss for the period, except for equity instruments which are reclassified to retained earnings.

Interest is calculated using the effective interest rate method and recorded in the income statement under Interest and similar income.

Income from variable-income securities is recognised in the income statement under Income from equity instruments at the date these are allocated. According to this criteria, prepaid dividends are recorded as income for the period in which its distribution is approved.

Financial assets and liabilities at fair value through profit or loss
All financial assets that are not measured in accordance with the methods described above are measured at fair value through profit or loss. In addition, at initial recognition, the Bank may irrevocably classify a financial asset, which otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income and at fair value through profit or loss, if the classification significantly eliminates the accounting mismatch that would otherwise exist (Fair Value Option).

Debt instruments whose contractual cash flow characteristics do not comply with the SPPI criteria, and that would otherwise be measured at amortised cost or at fair value through other comprehensive income, are mandatorily measured at fair value through profit or loss.

Financial assets and liabilities at fair value through profit or loss and other financial assets at fair value through profit or loss are initially recognised at fair value. Gains and losses arising from the subsequent changes in fair value are recognised in the income statement.

The Bank uses the fair value hierarchy, with three levels in the valuation of financial instruments (assets or liabilities), which reflects the level of judgement, the observability of the data used, and the importance of the parameters applied in determining the fair value of the instrument, in accordance with the provisions of IFRS 13 – Fair value measurement (Note 38).

Gains and losses generated by the subsequent valuation recorded in the income statement, under Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss. Interest is reflected under the caption Interest and similar income.

Financial assets at fair value through profit or loss include variable-income securities acquired with the aim of generating gains from short-term fluctuations in market prices. Trading derivatives with net value receivable (positive fair value) and options purchased are included in Financial assets at fair value through profit or loss. Trading derivatives with a net value payable (negative fair value) and options sold are included in Financial liabilities at fair value through profit or loss.

Shares
The Bank classifies under Financial assets and liabilities at fair value through profit or loss the shares held in collective investment undertakings (Investment Funds) managed by management companies of collective investment undertakings (Management Company) certified by the Capital Market Commission (CMC) of Angola, when applicable.

I. Classification and measurement

When an entity prepares separate financial statements, it shall account for investments in subsidiaries, joint ventures and associates either:

a) At cost;
b) At fair value, in accordance with IFRS 9, where applicable; or
c) Using the equity method as described in IAS 28 – Investments in associates and joint ventures.

The Bank has elected the second option and has applied the same accounting method consistently to all investments in the same category.

On acquisition, the Bank records these assets at their purchase price, determined by the Management Company, based on accepted financial techniques for determining the fair value of the assets in portfolio, in accordance with the type of investment fund.

II. Subsequent measurement

The Bank determines the fair value of the shares by multiplying the number of shares held in each Fund by the share price/quotation and the closing price/quotation is updated and made available on a daily and monthly basis by the Management Company.

In order to assess and validate the fair value, the Bank uses valuation techniques that consider the specificity and type of each Investment Fund (Property, Real Estate or other), namely:

- Analysis of the accounting policies and valuation models (determining the fair value) of the investment portfolios held by these investment funds;
- Analysis of the opinions issued by independent auditors on the financial statements of investment funds, checking relevant matters with a potential impact on the price of shares, and
- Analysis of the suitability of the criteria and methodologies used by the Management Company to value the investment portfolio in accordance with the market's regulatory requirements.

The gains and losses arising from changes in the market value or fair value of shares are recorded in the income statement under Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss (Note 24).

Other credit-risk assets

The impairment of assets that relate to advances, promissory contracts of purchase and sale and other amounts due is determined based on a similar methodology to that used for Financial assets at amortised cost – Loans and advances to customers. The impairment established for these assets is determined by the credit risk of the counterparty resulting from its financial capacity, the exposure at risk and the contractual features binding the balances, including the term in which they are expected to be received and the applicability of interest rate during the collection period.

When the same borrower has balances simultaneously under loan agreements and under this type of asset, impairment is calculated considering the total exposure, both on an individual or collective basis.

Notwithstanding the discount applicable to those assets through calculation of the current contract value, the balances related to real estate promissory contracts follow a specific impairment calculation methodology based on the following elements:

- Contract seniority;
- Date of the last payment; and
- Percentage of the contract value paid, resulting in a maximum 25% impairment rate on the contract value after discounting the adjustment of the present value and the valuation value of the real estate asset underlying the contract after haircuts (the haircuts defined for non-current assets held for sale, in Directive No. 13/DSB/DRO/2019, are applied).

If the rate resulting from this determination process is lower than the impairment rate determined in the loan agreements (should this exposure be applicable to the borrower) the impairment rate of the loan is applied.

Recognition of promissory contracts of purchase and sale (CPCV)

I. Recognition of promissory contracts of purchase and sale (CPCV)

For the recognition of real estate CPCV, the Bank has defined and consistently applies an accounting policy in line with the relevant regulatory and legal framework, based on the following principles:

- CPCV comply with the requirements for recognition of contracts with borrowers; and
- The transfer of control of the property to the promissory purchaser is fulfilled upon completion of the CPCV, which establishes the immediate taking of ownership of the asset by the promissory purchaser, transferring to him/her all the risks and rewards inherent to the asset.

Accordingly, the property is derecognised for recognition of the related contract with the borrower – account receivable – and corresponding capital gains resulting from the sale of the property, when applicable (Note 27).

The capital gains are calculated as the difference between the historical cost and the sale value agreed upon the conclusion of the CPCV.

Considering the principles established by the accounting policy, the Bank only recognises the value of the contract after the requirements previously mentioned have been fulfilled, therefore recording the gains in accordance with IFRS 15 – Revenue from contracts with customers (IFRS 15).

II. Impairment losses on CPCV

In accordance with the real estate assets profitability policy approved by the Bank, it is not expected that in the moment subsequent to a CPCV cancellation event the underlying asset would remain on the Bank's balance sheet as a non-current asset held for sale. However, the policy conservatively assumes that this will occur for the purposes of defining the applicable haircut, using that defined by the Banco Nacional de Angola to determine what would be a maximum loss associated with a failure to perform the contract in accordance with its terms.

Sale transactions with repurchase agreement

Securities sold under repurchase agreements are held in the portfolio where they were originally recorded. The funds received are recorded as liabilities. The difference between the contracted repurchase value and the respective initial sale value is recognised on a straight-line basis in profit or loss over the life of the operation.

Impairment losses

IFRS 9 determines that the concept of impairment based on expected losses is applied to all financial assets other than financial assets measured at fair value through profit or loss and equity instruments measured at fair value through other comprehensive income. Thus, when determining the ECL, macroeconomic factors are considered, whose changes impact the expected losses.

The Bank applies the concept of expected credit losses of IFRS 9 to financial assets at amortised cost, equity instruments measured at fair value through other comprehensive income, off-balance sheet exposures, finance leases, other receivables, financial guarantees and loan commitments not recorded at fair value.

There are two methods for calculating impairment losses:

I. Individual analysis; and
II. Collective analysis.

The Bank measures the expected loss on an individual or collective basis for portfolios of financial instruments that share similar risk characteristics. The measurement of impairment losses is based on the present value of the expected cash flows of the asset using the asset's original effective interest rate, whether measured individually or collectively.

The objective of individual analysis is to ensure a more careful analysis of the status of Customers with exposures considered individually significant in the Bank. The materiality of the exposures is determined by reference to qualitative and quantitative criteria reflecting the size, complexity and risk associated with the portfolio.

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, whether there is objective evidence of impairment.

The analysis of each customer/economic group, as well as the existence of impairment losses, should consider, among others, the following factors:

- Contractual aspects, by assessing potential non-compliance with contractual terms, or the existence of loans restructured due to Customers' financial difficulties;
- Financial aspects, by assessing the potential reduction in gross revenues, or net income;
- The evaluation of guarantees received, including their nature, effective formalisation, valuation and degree of coverage;
- Other aspects, by assessing potential instability in the management/shareholder structure, or the existence of insolvency proceedings.

In order to identify individually significant exposures, the Bank defined the amount of the institution's own funds as the benchmark for the identification of significant exposures. The criteria defined by the Bank for identifying individually significant Customers or economic groups comply with the following assumptions:

- Customers/economic groups for which there is evidence of a significant increase in credit risk or objective evidence of impairment: 0.5% of the amount of the institution's own funds;
- Customers/economic groups for which there is no evidence of a significant increase in credit risk or objective evidence of impairment: 2% of the amount of the institution's own funds.

The materiality criteria adopted by the Bank ensure that portfolio coverage by individual analysis is above 80% of the value of credit exposure recorded in the Bank's assets, for a group of approximately 100 different Customers.

The adoption of the materiality criteria recommended in BNA Instruction No. 08/2019, of 27 August, on Impairment losses for the loan portfolio (Instruction No. 08/2019), would define the need for individual analysis for an additional set of approximately 150 Customers obtaining an increase in coverage of less than 10 p.p. ATLANTICO considered that the operational effort involved in the analysis of these Customers is disproportionate to the estimated additional impact on the quality of the impairment calculation process and the calculated impairment amount.

The global exposure amount of each customer/economic group does not consider the application of translation factors for off-balance sheet exposures.

For the remaining segments of the loan portfolio, and for the individually significant exposures that do not show signs of impairment, the Bank carries out a collective analysis to determine impairment losses.

The ECL determination to be applied depends on the allocation of the contract to one of three stages. At the time of initial recognition, each contract is allocated to Stage 1 (with the exception of Purchased or originated credit-impaired contracts: Purchased or Originated Credit-Impaired – POCI).

For each of the subsequent reporting dates, it is necessary to perform an analysis to the variation in the default risk from that date to the expected maturity of the contract.

The expected loss for credit risk is an estimate weighted by the probability of the present value of the credit losses. This estimate results from the present value of the difference between the cash flows due to the Bank under the contract and the cash flows that the Bank expects to receive arising from the weighting of several future macroeconomic scenarios discounted at the interest rate of the financial instruments.

Instruments subject to impairment calculation are divided into three stages considering their credit risk level, as follows:

- **Stage 1**: instruments for which there is no significant increase in credit risk since its initial recognition. In this case, impairment losses will correspond to expected credit losses resulting from default events that may occur within 12 months after the reporting date;
- **Stage 2**: instruments for which there is a significant increase in credit risk since its initial recognition, however no objective evidence of impairment exists. In this case, the amount of impairment will reflect expected credit losses over the expected residual life of the instrument;
- **Stage 3**: instruments for which there is objective evidence of impairment losses as a result of events that resulted in losses. In this case, the amount of impairment will reflect expected credit losses over the expected residual life of the instrument.

With the exception of purchased or originated with credit-impaired financial assets (POCI), impairment losses must be estimated in accordance with the following criteria and by an amount equal to:

- Expected loss on a 12-month credit risk, i.e., estimated total loss resulting from events of default of the financial instrument that may occur within 12 months after the reporting date (referred to as Stage 1); or
- Expected loss for credit risk to maturity, i.e., expected loss that is obtained through the difference between the contractual cash flows and the cash flows the entity expects to receive by the maturity of the contract, resulting from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3). A provision for an expected credit loss to maturity is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition or if the financial instrument is impaired.

IFRS 9 does not define a concept of default. However, the Bank has chosen to update its internal default definition by introducing a set of criteria to reflect a more forward-looking model for the recognition of expected losses on financial assets. For an operation to be classified in default, it is only necessary that one of the criteria is met. A given transaction/customer will cease to be flagged as default if it no longer meets the relevant entry criteria and upon completion of the relevant quarantine period, which varies in accordance with the criteria for flagging the transaction as being at risk of default:

- Transactions overdue for more than 30 days – 12 months (if the materiality criterion is not checked, there is no quarantine period);
- Transactions restructured due to financial difficulties that do not fall within Stage 3 criteria – 24 months (if the transaction has not been delayed by more than 30 days and, the capital exposure after 24 months from the origination date is less than 80% of the initial exposure; otherwise, a further 24-month quarantine is applied);
- Principal and/or interest written off from assets – 12 months.

Impairment requirements of IFRS 9 are complex and require Management decisions, estimates and assumptions, particularly in the following areas:

- Assessment of whether there has been a significant increase in credit risk since initial recognition; and
- Incorporation of forward-looking information in the ECL calculation.

ECL Calculation

ECL is weighted estimates of credit losses that will be determined as follows:

- Financial assets with no signs of impairment at the reporting date: the present value of the difference of all cash shortfalls (i.e., the difference between the cash flows due to the Bank under the contract and the cash flows the Bank expects to receive);
- Financial assets with impairment signs at the reporting date: the difference between the gross book value and the present value of the estimated cash flows; and
- Guarantees provided and undrawn loan commitments: the present value of the difference between the resulting contractual cash flows that are due to the Bank if the commitment is fulfilled and the cash flows that the Bank expects to receive.

The concept supporting the Bank's approach for the determination of impairment losses on loans subject to collective analysis is the definition of homogeneous segments that consider the quality of its assets and the characteristics of credit/customer risk. The Bank's impairment model considers firstly, non-significant Customers or individually significant Customers classified in Stage 1 (after individual analysis), which are included in homogeneous segments with similar credit risk, considering the Bank's management model, and subject to the determination of impairment on a collective basis.

For the purpose of determining impairment losses for loans assessed on a collective basis, as mentioned above, and in accordance with the regulatory requirements set out in paragraph 11 of Instruction No. 08/2019, exposures must be grouped by homogeneous groups considering the quality of their assets/credit risk characteristics. The Bank's impairment model divides corporate Customers by sector of economic activity and retail Customers by credit product.

Accordingly, the Bank ensures that for the purposes of analysing these exposures and determining the risk parameters (PD and LGD), these have similar risk characteristics. Each segment is set up based on assumptions of statistical materiality (in order to estimate its risk profile) and relevance or adequacy to the various processes related to the Bank's credit risk management.

Based on the segmentation defined, the risk parameters that enable the expected loss to be quantified were determined, namely, the probability of the transaction/customer going into default (PD) and the estimated losses for that transaction/customer after default (LGD).

In accordance with IFRS 9, the Bank has developed ECL lifetime for financial assets as the present value of the difference between (1) the cash flows to which the entity is entitled under the agreement, and (2) the cash flows that the entity expects to receive. For assets that are not in default, the same principle applies.

The Bank defined the 12-month ECL as the portion of ECL lifetime that represents the expected credit losses that result from default events that may occur within 12 months after the reporting date. Accordingly, this principle applies to assets that are not in default.

The current methodology in the Bank defines that, for assets in default, the lifetime ECL is obtained through the loss value given the default, depending on the elapsed time since the asset entered in default.

With regard to the balances recorded under Cash and deposits at central banks (Note 4), Loans and advances to credit institutions repayable on demand (Note 5), Financial assets at amortised cost – Debt securities (Note 8) and Financial assets at amortised cost – Other loans and advances to central banks and credit institutions (Note 10), an analysis of expected losses is made in accordance with the following assumptions:

- For the balances recorded under Cash and deposits at central banks (Note 4) the Loss Given Default (LGD) is considered to be null since there are no risks of recovery, and no impairment is estimated, in accordance with Directive No. 13/DSB/DRO/2019, of 27 December 2019, of the BNA – Guidelines on the Recommendations for Implementation of the Asset Quality Review (AQA) Methodologies for the 2019 financial year;
- For the balances recorded under Loans and advances to credit institutions repayable on demand (Note 5), the entity's rating is verified, or, if not available, the rating of the country where it is headquartered. In accordance with Directive No. 13/DSB/DRO/2019, a Probability of Default (PD) equivalent to 1/12 (one twelfth) of the twelve-month PD is considered taking into account the counterparty's rating (or the country where the counterparty is headquartered if it has no rating) and an LGD of 60% for all counterparties that have not significantly increased their credit risk;
- For the balances recorded under Financial assets at amortised cost – Debt securities (Note 8) relating to Angolan public debt securities in national and foreign currency, the PD for sovereign debt of the rating associated with the Angolan State obtained through Moody's study "Sovereign default and recovery rates, 1983-2020" and the LGD associated with the sovereign default events occurred, indicated in the same study, in accordance with Directive No. 13/DSB/DRO/2019, is considered;
- For the balances recorded under Financial assets at amortised cost – Other loans and advances to central banks and credit institutions (Note 10), the entity's rating is verified, or, if not available, the rating of the country where it is headquartered. In accordance with Directive No. 13/DSB/DRO/2019, a 12-month PD is considered taking into account the counterparty's rating (or the country where the counterparty is headquartered if it has no rating) and an LGD of 60% for all counterparties that have not significantly increased their credit risk.

In addition, and notwithstanding the above, a 0% LGD is considered for the investments made with the BNA, as these are considered to have no credit risk, in accordance with Directive No. 13/DSB/DRO/2019.

Despite the requirements set out in Directive No. 13/DSB/DRO/2019 regarding the use of PDs per rating contained in Moody's publication, the Bank considers a minimum PD of 0.03% in line with best practices.

Significant increase in credit risk

The stage 2 rating is based on the observation of a significant increase in the credit risk level.

The Bank's impairment model provides for a significant increase in the level of credit risk for sovereign risks, supranational entities and financial institutions with ratings assigned by international agencies, and it occurs when the following triggers are met:

- When a downgrade of more than two notches is observed in at least two rating agencies in the period elapsed since the origination date of the asset; or
- When there is a default of credit obligations by that counterparty in a period longer than 30 days (activation of the internal rating scale, T1).

Once the significant increase in risk has been determined, the minimum monitoring period is 12 months, irrespective of any rating upgrade during that period, and the impairment rate cannot be reduced during that period.

The remaining borrowers, although classified with internal rating, are not yet considered to have sufficient maturity and amplitude of application of the internal rating models to consider that variable (defined as T1) in determining the significant increase in credit risk, and therefore the objective criteria established for the attribution of stage are applied.

The rating and scoring model defined by the Bank objectively describes the input, materiality and contamination criteria for a given exposure to be classified as having a significant increase in credit risk from the time of its initial recognition, as well as the monitoring period.

Inputs in ECL measurement

The main inputs used to measure ECLs on a collective basis should include the following variables:

- Probability of Default (PD);
- Loss Given Default (LGD);
- Exposure at Default (EAD);
- Discount rate of cash flows corresponding to the effective interest rate of the contract (Discount Rate — DR); and

- These parameters will be achieved through internal statistical models and other relevant historical data, tailored to reflect forward-looking information.

PDs will be estimated based on a certain historical period and will be calculated based on statistical models. These models will be based on internal data comprising both quantitative and qualitative factors. If there is a change in the risk of the counterparty or exposure, the estimate of the associated PD will also change.

The risk levels will be a highly relevant input for determining PDs associated with each exposure. The Bank will collect performance and default indicators on its credit risk exposures with analysis by types of Customers and products.

LGD is the extent of the loss that is expected to occur if the exposure goes into default. The Bank estimates LGD parameters based on the historical recovery rates after counterparty defaults. LGD models consider the associated collaterals and the default time.

EAD represents the expected exposure if the exposure and/or the customer enter into default. The Bank will obtain EAD amounts from the counterparty's current exposure and potential changes to the current allowable amount under contractual conditions, including amortisations and prepayments. For commitments and financial guarantees, the EAD amount considers the credit conversion factor (CCF), which measures the proportion of the off-balance sheet exposure that is converted into equity exposure until the effective date, that is, the prospective potential amount that may be used in accordance with the agreement.

The discount rate to use according to the standard would be the effective interest rate of the contract.

As described above, with the exception of financial assets that consider a 12-month PD once they do not present a significant increase in credit risk, the Bank will calculate the ECL amount considering the risk of default during the maximum contractual period of the contract or, in some specific situations, based on behavioural maturity.

The analysis is updated on a monthly basis. Impairment losses identified are recorded against the income statement. If, in future periods, there is a reduction of the estimated loss, the impairment initially recorded is also reversed against the income statement.

Forward-looking information

According to this new model recommended by IFRS 9, the measurement of expected losses will also require the provision of forward-looking information, including trends and future scenarios, including macroeconomic data. In this context, estimates of expected credit impairment losses will include several macroeconomic scenarios whose probability will be assessed considering past events, the current status and future macroeconomic trends. In addition, IFRS 9 also proposes the identification of alternative scenarios for impairment calculation.

Under IFRS 9, the Bank conducted several correlation tests to incorporate forward-looking information both in its assessment of the significant risk increase and in the measurement of ECL.

A detailed analysis of available macroeconomic data was conducted to determine statistically significant relationships between them and portfolio default rates. Based on this analysis, prospective scenarios were assumed that include, besides the central scenario, best-case and worst-case scenarios. This analysis and consequent incorporation into the impairment model are carried out regularly by the Bank, including identification and testing of other macroeconomic data.

In this context, the Bank used a linear regression model to capture the impact of macroeconomic factors with a significant influence on the probability of default. This model considered three different scenarios: (i) an economic development best-case scenario; (ii) an economic growth best-case scenario; and (iii) a worst-case scenario that included an increase in inflation rates.

Back-testing

Considering the complexity involved in calculating the risk parameters and determining the estimated impairment loss, in order to ensure the robustness of these elements, the Bank has defined a back-testing process with the aim of ensuring consistency between the estimated parameters (resulting from the calculation process based on historical information) and the observed parameters.

This back-testing process must be carried out at least on an annual basis, in line with the regulatory requirements set out in Instruction No. 08/2019.

The back-testing defined, aims to assess the performance of the different risk factors, namely the base parameters and the calculation assumptions. The proposed methodology consists of the following assumptions:

- Analysis of a sample of transactions comprising the portfolio analysed collectively, on a given reference date;
- The development of the selected sample is monitored for a period of 12 months;
- Subsequently, the evidence resulting from this development is compared with the assumptions used in the model for calculating impairment losses, namely with regard to risk factors.

The PD back-testing methodology aims to assess the difference between the observed PD and the estimated PD (resulting from the calculation process). As the parameter to be applied in the impairment calculation process was estimated based on historical data it is fundamental to ensure that the difference between them is not significant, therefore the observed PD is calculated for each time period and based on the estimated PD.

The LGD back-testing methodology aims to assess the difference between the recovery value observed in the last 12 months and the estimated LGD (resulting from the calculation process which used the Chain Ladder algorithm). This comparison is made on an aggregate basis and confidence intervals are used for each estimated value.

With respect to the validation of the model/action plan, it may be required, depending on the back-testing results, to carry out corrective measures such as model redevelopment or calibration.

The Bank has set the frequency for monitoring the model and ensuring the improvement and implementation of corrective measures for the inconsistencies that are identified in the validation process.

Financial liabilities

Financial liabilities are mainly composed of deposits from central banks, from other credit institutions and from Customers. These liabilities are initially measured at fair value, which normally refers to the consideration received, net of transaction costs, and are subsequently stated at amortised cost, in accordance with the effective interest rate method on a straight-line basis.

Changes in the fair value of financial liabilities arising from changes in the entity’s own credit risk are recognised in equity unless this accounting treatment results in an accounting mismatch. Subsequent reclassifications of these changes to profit or loss are not permitted, including on the repurchase of these liabilities.

2.7. Equity instruments

A financial instrument is classified as an equity instrument when there is no contractual obligation at settlement to deliver cash or another financial asset to another entity, regardless from its legal form, showing a residual interest in the assets of an entity after deducting all of its liabilities.

Transaction costs directly attributable to an equity instruments issuance are recognised in equity as a deduction to the amount issued. Amounts paid or received related to sales or acquisitions of equity instruments are recognised in equity, net of transaction costs.

Income from equity instruments (dividends) are recognised when the right to receive this income is established and are deducted to equity.

2.8. Property, plant and equipment

Recognition and measurement

Property, plant and equipment are recorded at acquisition cost less accumulated depreciation and impairment losses. Costs includes expenses which are directly attributable to the acquisition of goods.

Under the IAS 29 Standard, in the event of hyperinflation, banking financial institutions must update the measurement of property, plant and equipment on a monthly basis based on the Consumer Price Index.

The amount resulting from monetary revaluation must be reflected monthly as a credit to a profit or loss account, against the gross value and accumulated depreciation items of property, plant and equipment.

Subsequent costs

Subsequent costs are recognised as a separate asset only when it is likely that future economic benefits will result for the Bank. All other repairs and maintenance expenses are recognised as costs as they are incurred following the accrual principle.

Depreciation

Land is not depreciated. Depreciation is calculated on a straight-line basis, over the following periods which correspond to their estimated useful life:

(Years)

	Number of years
Premisses	25 to 50
Equipment	
Furniture and material	8 to 10
Machinery and tools	4 to 10
IT equipment	3 to 6
Indoor facilities	4 to 10
Transport equipment	3 to 4
Security equipment	6 to 15

Whenever there is an indication that an asset may be impaired, IAS 36 – Impairment of Assets (IAS 36) requires that its recoverable amount is estimated, and an impairment loss shall be recognised when the net book value of the asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

The recoverable amount is determined as the highest between the fair value less costs to sell and its value in use calculated based on the present value of future cash flows estimated to be obtained from the continued use of the asset and its sale at the end of the useful life.

As mentioned in Note 2.12, this caption includes right-of-use assets arising from lease agreements.

The implementation of IAS 29 has no impact on the determination of the useful life of each class of assets.

2.9. Intangible assets

Recognition and measurement

Intangible assets are recorded at acquisition cost less accumulated depreciation and impairment losses.

Under the IAS 29 Standard, in the event of hyperinflation, banking financial institutions must update the measurement of property, plant and equipment on a monthly basis based on the Consumer Price Index.

The amount resulting from monetary revaluation must be reflected monthly as a credit to a profit or loss account, against the gross value and accumulated amortisation items of property, plant and equipment.

Software

The costs incurred with the acquisition of software from third parties are capitalised as well as additional expenses incurred by the Bank necessary for their implementation. These costs are amortised on a straight-line basis over the estimated useful life, which normally corresponds to five years.

Research and development expenditure
Costs directly related to the development of computer applications, whose use can be expected to generate future economic benefits extending beyond one year, are recognised and recorded as intangible assets.

All other charges related to IT services are recognised as costs when incurred.

Goodwill
Goodwill recorded in the financial statements results from the difference between the value defined in the merger of Banco Millennium Angola S.A. and the value at which the assets and liabilities of that entity were recorded in the accounts. Goodwill is recognised as an asset and recorded at acquisition cost and is not subject to amortisation.

According to IAS 36, the recoverable amount of goodwill shall be the highest between its value in use (i.e., the present value of the future cash flows expected from its use) and its fair value less costs of sale. Based on these criteria, ATLANTICO performed an evaluation that considers, among others, the following factors:

- An estimate of the future cash flows generated;
- Time value of money;
- A risk premium related with uncertainty; and
- Other factors related with the markets' financial current situation, in particular inflation and exchange rate development and interest rates growth.

The assumptions used for this assessment may change with the change in economic and market conditions.

The review of the assumptions used, and the development of macroeconomic and market conditions may result in changes in these assumptions and, consequently, in the recoverable amount of goodwill.

Impairment recorded for goodwill cannot be reversed.

2.10. Investments in subsidiaries and associates

Investments in subsidiaries and associates are accounted in the Bank's financial statements at their historical cost less any impairment losses.

In the specific case of the shares held by the Bank, the Bank has chosen to classify and measure at fair value, in accordance with IFRS 9, using one of the options under IAS 27 (Note 2.6).

Subsidiaries are entities (including investment funds) controlled by the Bank. The Bank controls an entity when it is exposed, or has rights, to the variability in returns resulting from its involvement with that entity and might set hold of them through the power it holds over its relevant activities (de facto control).

Associates are entities over which the Bank has significant influence, but not control over their financial and operating policies. It is assumed that the Bank has significant influence when it holds 20% or more of the voting rights of the investee. If the Bank holds, directly or indirectly less than 20% of the voting rights of the investee, it is presumed that the Bank does not have significant influence, unless such influence can be clearly demonstrated.

The existence of significant influence by the Bank is normally demonstrated in one or more of the following ways:

- Representation on the Board of Directors or equivalent governing body;
- Participation in policy-making processes, including participation in decisions about dividends or other distributions;
- Material transactions between the Bank and the investee;
- Interchange of the management team; and
- Provision of essential technical information.

Dividends are recorded as income in the period in which the decision to distribute them among subsidiaries and associates is taken.

Impairment losses

The recoverable amount of investments in subsidiaries and associates is reviewed whenever there is evidence of impairment. Impairment losses are determined based on the difference between the recoverable value of investments in subsidiaries or associates and their book value. Impairment losses identified are recorded in the income statement being subsequently reversed, if there is a reduction of the estimated impairment loss, in a subsequent period. The recoverable amount is determined as the highest between the value in use of the assets and the fair value less selling costs, and is calculated using valuation methodologies, supported by discounted cash flow techniques, considering market conditions, time value of money and business risks.

2.11. Non-current assets held for sale and discontinued operations

Non-current assets, groups of non-current assets held for sale (groups of assets together and related liabilities that include at least a non-current asset) and discontinued operations are classified as held for sale when there is an intention to sell the referred assets and liabilities and when the referred assets are available for immediate sale and its sale is highly probable.

The Bank also classifies as non-current assets held for sale those non-current assets or groups of assets acquired exclusively with a view to its subsequent disposal, which are available for immediate sale and its sale is highly probable.

Immediately before classification as non-current assets held for sale, measurement is performed in accordance with the applicable IAS/IFRS. After their reclassification, these assets or disposal groups are measured at the lower of their cost and fair value less costs to sell.

The Bank also classifies as non-current assets held for sale, the investments held for credit recovery, which are initially measured at the lower of their fair value net of selling costs and the book value of the loan at the date when the recovery occurs or the judicial decision is formalised.

Assets recorded under this caption are not depreciated. The fair value of these assets is determined based on periodic valuations performed by independent valuers. Additionally, and in accordance with Directive No. 13/DSB/DRO/2019, this valuation is adjusted based on specific discount rates according to the seniority of the valuation. Whenever the value resulting from these valuations (net of costs to sell) is lower than the book value, impairment losses are recorded under Provisions and impairment for other assets.

The valuations of this real estate are carried out according to one of the following approaches, applied according to the specific situation of the property:

i. Market Approach
The market method has as reference transaction values of similar and comparable real estate properties to the one studied through market research conducted in the area.

ii. Income Approach
The purpose of this method is to estimate the value of the property from the capitalisation of its net income, updated to the present moment, using the discounted cash flow method.

iii. Cost Approach
The cost approach is intended to reflect the amount that would be currently required to replace the asset under current conditions, decomposing the value of the property into its fundamental components:

The valuations carried out are conducted by independent valuers registered with CMC. The valuation reports are analysed internally, to assess the adequacy of assumptions, comparing the historical sales values with the revalued values of the properties, in order to keep updated the parameters and valuation processes to the market evolution.

In addition, as these are assets whose fair value level in the IFRS 13 hierarchy corresponds mainly to level 3, given the subjectivity of some assumptions used in the valuations and the fact that there are external indications with alternative values, the Bank carries out internal analyses on the assumptions used, which may imply additional adjustments to their fair value.

Given that circumstances considered unlikely and beyond the Bank's control may occur, the sale of these assets may not be completed until one year after the date of classification. In such circumstances, the Bank remains committed to the plan to dispose of the assets by making efforts, inter alia, such as the engagement of an expert and intermediary agent, active advertising, review of the sale price according to the context so that it is reasonable compared to its current fair value.

When the legal term of 12 months has elapsed without the assets being sold (extendable with the authorisation of the BNA), a new valuation is carried out, aimed at determining the updated market value, with a view to the possible establishment of the corresponding impairment.

2.12. Leases

In accordance with IFRS 16:

- As lessee, the standard defines a single accounting model, with the recognition of right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligations to make lease payments;
- As lessor, the accounting depends on the financial or operational classification.

The Bank has adopted IFRS 16 using the modified retrospective approach, which has no impact on equity as, with the exception of prior or accrued lease payments related to that lease recognised in the balance sheet immediately before the date of initial application, there are no differences between the right to use the asset and the lease liability at the time of initial recognition (1 January 2019).

Lease definition

The Bank evaluates whether an agreement is or contains a lease on the basis of the lease definition. In accordance with IFRS 16, an agreement is, or contains, a lease if it transfers the right to use an identified asset (the underlying asset) for a specified period of time in return for consideration.

On the commencement date or at the revaluation of an agreement containing a leasing component, the Bank allocates the consideration in the agreement for each leasing component and not the leasing on the basis of its individual relative price. However, for leases in which the entity is a lessee, it has been decided not to separate the non-lease components and to account for the lease and non-lease components as a single lease component.

As lessee

From the lessee's point of view, the Bank leases several properties used for the Bank's branches and central services.

As lessee, the Bank previously classified leases as operating or finance leases on the basis of an overall assessment of whether the lease transfers substantially all the risks and rewards associated with ownership of the underlying assets.

The Bank records right-of-use assets under Property, plant and equipment, that is, in the same caption as the underlying assets of the same nature that are its property.

The Bank records lease liabilities under Other liabilities in the balance sheet.

The Bank recognises a right-of-use asset and a lease liability at the inception of the lease

Right-of-use assets

Right-of-use assets are initially measured at cost and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurements of lease liabilities. Right-of-use assets are depreciated from the commencement date to the end of the useful life of the underlying asset, or to the end of the lease term if shorter.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments to be paid over the lease term, discounted at the implicit rate of the lease or, if the rate cannot be readily determined, at the Bank's incremental financing rate. The Bank generally uses its incremental financing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by the lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the expected amount to be paid under a residual value guarantee, or, if appropriate, changes in the assessment of whether a call or renewal option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Judgement in determining the term of the lease

The Bank has applied judgement to determine the lease term of some agreements in which it is the lessee, which include renewal and termination options. The Bank determines the lease term as the non-cancellable period during which it has the right to use an underlying asset together with the periods covered by an option to renew the lease if there is reasonable certainty of exercising that option and the periods covered by a termination option if there is reasonable certainty of not exercising that option. The assessment of whether the Bank will exercise such options will have an impact on the lease term, which will significantly affect the amount of lease liabilities and right of use assets recognised.

The Bank has the option, namely in property lease agreements, to lease the assets for additional periods of 1 to 5 years. The Bank applies judgement in assessing whether it is reasonably certain to exercise the renewal option, i.e. it considers all relevant factors that create an economic incentive to exercise it or not.

As lessor

When the Bank acts as lessor, at the beginning of the lease it determines whether it should be classified as an operating lease or a finance lease.

In order to classify each lease, the Bank makes an overall assessment of whether the lease transfers substantially all the risks and rewards inherent to ownership of the underlying asset. If the lease transfers substantially all the risks and rewards inherent to ownership of the underlying asset, it is classified as a finance lease, otherwise as an operating lease. As part of this assessment, the Bank considers some indicators such as whether the lease is held for most of the economic life of the asset.

Finance leases

Lease agreements are recorded in the balance sheet as loans granted for the equivalent of the net investment made in the leased assets, together with any estimated unsecured residual value. Interest included in rents charged to Customers is recorded as income while capital amortisation, also included in rents, is deducted from the value of the loans and advances to Customers. Recognition of interest reflects a constant periodical return rate over the remaining net investment of the lessor.

If an agreement contains both lease and non-lease components, the Bank applies IFRS 15 to allocate the contractual amounts.

Operating leases

Payments made by the Bank under operating lease agreements are recorded as expenses in the periods to which they relate, when applicable.

2.13. Taxes

Income taxes

Income tax recognised in profit or loss comprises current and deferred tax effects. Income tax is recognised in the income statement, except when related to items that are moved in equity, a fact that requires its recognition in that caption. Deferred taxes recognised in equity arising from the revaluation of financial assets available at fair value through other comprehensive income and cash flow hedging derivatives are subsequently recognised in profit or loss in the moment the results were originated.

Current tax

Current tax is the expected tax payable on the taxable profit for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Following the publication of Law No. 19/14, of 22 October, which came into force on 1 January 2015, recently amended by Law No. 26/20, of 20 July, the Industrial Tax is subject to provisional assessment in a single instalment to be carried out in August, calculated by applying a rate of 2% on the amount resulting from financial intermediation, calculated in the first six months of the previous fiscal year, excluding income subject to Capital Gains Tax, unless a loss was established in the previous year.

According to the legislation in force, industrial and other tax returns may be subject to revision and correction by the tax authorities within five years following the year to which they relate.

Law No. 26/20, of 20 July has increased the rate of Industrial Tax for activities in the banking sector from 30% to 35%. Moreover, this Law establishes rules with relevant impacts on the determination of taxable profit, such as:

- Costs/income with potential/realised exchange rate changes – In view of the new wording of Articles 13(c) and 14(c) of the Corporate Income Tax Code, as amended by Law No. 26/20, of 20 July, only realised favourable and unfavourable exchange rate changes are considered as income and costs for tax purposes. In view of the above, the Bank must exclude from the net profit for the period the amounts of potential favourable and unfavourable exchange rate changes recorded in the year.
- Costs with impairment losses on collateralised loans – In view of the new wording of Article No. 45 of the Industrial Tax Code, as amended by Law No. 26/20, of 20 July, the provisions set up for collateralised loans are not accepted, except for the part not covered.
- Costs with Property Tax – According to the new wording of Article No. 18(a) of the Corporate Tax Code, as amended by Law No. 26/20, of 20 July, Property Tax is not accepted as a cost deductible from taxable profit.

The assumptions for applying the above rules for the purpose of determining taxable profit are described in Note 3.3.

Deferred tax

Deferred tax assets and liabilities are the amounts of income taxes recoverable or payable in future periods as a result of deductible or taxable temporary differences between the value of assets and liabilities in the balance sheet and their tax base, using the tax rates approved or substantially approved on the balance sheet date and which are expected to be applied when the temporary differences are reversed (IAS 12).

Deferred tax liabilities are recognised for all taxable temporary differences except for goodwill, not deductible for tax purposes, differences arising on initial recognition of assets and liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that probably they will not reverse in the foreseeable future.

Deferred taxes assets are recognised to the extent when it is probable that future taxable profits, will be available to absorb deductible temporary differences for taxation purposes (including reportable taxable losses).

The Bank offsets, as established in IAS 12 – Income Taxes (IAS 12), paragraph 74, deferred tax assets and liabilities when (i) it has a legally enforceable right to set off current tax assets against current tax liabilities and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Capital Gains Tax (IAC)

Presidential Legislative Decree No. 2/14, of 20 October, in force since 19 November 2014, reviewed and introduced several legislative changes to the IAC Code, following the Tax Reform project.

IAC is applied generally on income from the Bank's financial investments. The rate varies from 5% (in case of interest, amortisation premiums or reimbursement and other forms of remuneration of government securities, bonds, equity securities or other similar securities issued by any company, which are admitted to trading on a regulated market and with a maturity equal or greater than three years) and 15%. Notwithstanding the above, regarding income from government debt securities, in accordance with the latest understanding of Tax Authorities addressed to ABANC, only those arising from securities issued on or after 1 January 2012 are subject to this tax. Furthermore, it should be noted that, according to the position of the Tax Authorities also communicated to ABANC, the exchange rate revaluations of public debt securities issued in national currency but indexed to foreign currency, issued since 1 January 2012, should be subject to Industrial Tax.

Furthermore, under the terms of Article 18 of the Industrial Tax Code, the CGT itself is not accepted as a deductible expense for the purposes of determining taxable profit. However, income subject to CGT, as provided for in Article 47 of the Industrial Tax Code, will be deducted from taxable profit.

Property tax

Property tax (IP)

On 9 August 2020, the new Property Tax Code (CIP), which is levied on the ownership of own property, rents and real estate transfer, approved by Law No. 20/20, of 9 July, came into force.

According to the new CIP, three rate brackets are foreseen for urban buildings:

- 0.1%, for properties with an asset value up to AOA 5,000 thousand, including;
- AOA 5,000 thousand, for properties with an asset value between AOA 5,000 thousand and up to AOA 6,000 thousand, including; and
- 0.5%, for properties with an asset value above AOA 6,000 thousand (applicable over the excess of AOA 5,000 thousand).

Specific rates apply to building land (0.6%) and rural buildings (sum of hectares). Additionally, an increase in Property Tax rates is applicable in the case of unoccupied urban buildings.

With regard to properties leased by the Bank, as a lessee, the Bank withholds the tax due, at the effective rate of 15%, on the payment or delivery of rents on leased properties.

SISA and Real Estate Transfer Tax

Pursuant to the CIP, approved by Law No. 20/20, of 9 July, Property Tax on real estate transfer tax is levied at a rate of 2% on the transfer, whether for valuable consideration or not, of the right of ownership or equivalent rights, namely the usufruct, surface right and easement, including acquisitive prescription (usucaption) on real estate.

Value Added Tax (VAT)

The Bank, as a taxable person registered with the Tax Office of Large Taxpayers, is covered by the general VAT system since the entry into force of this tax on 1 October 2019.

As a taxpayer registered at the Tax Office of Large Taxpayers, the Bank, since the entry into force of VAT, has been included in the General VAT System, and is required to comply with all the rules and reporting obligations laid down in this context.

Under the terms of the VAT Code approved by Law No. 7/19, of 24 April and the amendments introduced by Law No. 17/19, of 13 August, they are subject to this tax: (i) the transfer of goods and services carried out within national territory, for consideration, by a taxable person acting as such; and (ii) the import of goods. The VAT revoked and replaced the Consumption Tax which until then had been in force in the legal system.

Nevertheless, the VAT Code provides for the exemption of certain transactions, namely financial intermediation transactions, including those described in Annex III to this Code, unless they give rise to the payment of a specific and predetermined fee or consideration for their performance. These exemption transactions do not entitle the taxable person to deduct the VAT incurred on the acquisition of goods and services connected with their performance.

Considering that the Bank is a taxable person that carries out transactions which grant the right to deduct (i.e., transactions subject to VAT) and transactions which do not grant the right to deduct (i.e., transactions which are exempt from this tax under the aforementioned terms), the VAT incurred by the Bank on its purchases of goods and services is only partially deductible using the pro rata method. In the meantime, AGT, through Instruction No. 000003/DNP/DSIVA/AGT/2020, of 10 February, authorised the recovery of VAT through the actual allocation method in certain transactions carried out by financial institutions (e.g., financial leases).

According to the legislation in force, periodic VAT returns may be subject to revision and correction by the tax authorities within five years following the year to which they relate.

Tax replacement
In the course of its business, the Bank acts as a substitute taxpayer, withholding tax from third parties, which is subsequently paid to the State.

Stamp Duty
Stamp Duty is levied, in general, on all acts, contracts, documents, titles, transactions and other facts provided for in the table attached to the Stamp Duty Code, or in special laws, occurring within the national territory.

According to the Stamp Duty Code, approved by Presidential Legislative Decree No. 3/14, of 21 October, the Bank is responsible for the settlement of Stamp Duty due by its customers on most banking operations such as financing and collection of interest on financing.

Industrial Tax
In accordance with the provisions of Article No. 67 of Law No. 19/14, of 22 October, amended by Law No. 26/20, of 20 July, the rendering of services of any nature by taxpayers with effective management or permanent establishment in Angola is subject to taxation by withholding at a rate of 6.5%.

Furthermore, in accordance with the provisions of Articles No. 71 and following of Law No. 19/14, of 22 October, amended by Law No. 26/20, of 20 July, the rendering of services of any nature by taxpayers without head office, effective management or permanent establishment in Angola, are subject to Industrial Tax by withholding at a rate of 15%.

Where payments for services rendered to entities resident in Portugal and the United Arab Emirates, Double Taxation Agreements (ADT) may apply and, accordingly, a lower rate of withholding tax may be applicable, provided the required formalities are fulfilled.

2.14. Employee benefits

Defined-contribution plans
For defined-contribution plans, the liabilities related to the benefit attributable to the Bank's employees are recognised as an expense of the period when due. Prepaid contributions are recognised as an asset if a refund or reduction of future payments is available.

Short-term employee benefits
Short-term employee benefits are recorded as a cost once the associated service has been provided. A liability is recognised for the amount expected to be settled if the Bank has a present legal or constructive obligation to pay this amount as a result of a service rendered in the past by the employee and that liability can be estimated reliably.

Holiday allowance
The General Labour Law, Law No. 7/15, of 15 June, establishes that the amount of holiday allowance payable to employees in a given year is a right they acquired in the immediately preceding year. As a result, the Bank records the amounts relating to holiday payable in the following year at the end of the year.

Benefits associated with the termination of functions
Benefits associated with the termination of functions are recognised as cost, whichever is earlier, between the time where the Bank can no longer withdraw the offer of these benefits or when the group recognises costs associated with a restructuring. If benefits are not expected to be net benefits within 12 months, these are then discounted.

Pension fund liabilities
Law No. 07/04, of 15 October, which revoked Law No. 18/90, of 27 October, which regulates the Angolan Social Security system, foresees the attribution

of retirement pensions to all Angolan workers registered at the Social Security. The value of these pensions is calculated based on a table proportional to the number of service years applied to the average monthly gross wages received in the periods immediately preceding the date on which the worker ceases to work. According to Presidential Decree No. 227/18, of 27 September, the contribution rates for this system are 8% for the employer and 3% for the workers.

By resolution of the Bank's Board of Directors, ATLANTICO is making contributions under a defined contribution plan, corresponding to a fixed percentage of 8% of the monthly pensionable salary of each employee (5% by the Bank and 3% by the employee), in order to ensure employees hired locally or their families, the entitlement to cash benefits covering old-age, disability or death pension supplements. The old-age retirement pension is awarded to employees if they are 60 years old and have at least 5 years of continuous service at the Bank. The disability benefit is granted to employees who have 5 years of continuous service and who have been diagnosed with total and permanent disability equal to 100%. In case of death, employees may appoint beneficiaries and respective percentages of the reimbursement's distribution.

In December 2017, the Bank has set up a Pension Fund, called ATLANTICO Pension Fund, to which the amounts of contributions made to date have been transferred. Since its setting-up, the Fund has been managed by Fortaleza Seguros, S.A.

ATLANTICO started to discount on a monthly basis the amount equivalent to the salary of the employees who joined the Fund, thus maintaining its contribution of 5% on the salary of those employees. This discount is initially kept under the caption Provisions and at the moment immediately afterwards, is transferred to the Pension Fund.

Variable remuneration paid to employees and directors
The Bank assigns variable remuneration to its employees and directors as a result of their performance (performance bonus). It is the responsibility of the Board of Directors and the Assessment, Remuneration and Welfare Board of the Corporate Bodies to set the relevant allocation criteria for each employee and director, respectively, whenever they are allocated. The variable remuneration paid to employees and directors is recorded against profit or loss in the period to which they relate, although payable in the following year (See Note 28).

2.15. Provisions

Provisions are recognised when (i) the Bank has a present obligation (legal or resulting from past practices or published policies that imply the recognition of certain responsibilities), (ii) it is probable that an outflow of economic benefits will be required to settle a present legal or constructive obligation as a result of past events and (iii) a reliable estimate can be made of the amount of the obligation.

The measurement of provisions for loan commitments and financial guarantees is made in accordance with the impairment model implemented when adopting IFRS 9, as described in Note 2.6.

The measurement of provisions follows the principles defined in IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, regarding the best estimate of the expected cost, the most probable result of the actions in progress and considering the risks and uncertainties inherent to the process.

In cases where the discount effect is material, provisions correspond to actual value of the expected future payments, discounted at a rate that considers the risk associated to the obligation.

Provisions are reviewed at the end of each reporting date and adjusted to reflect the best estimate and are reversed against profit or loss in the proportion of the payments that are not probable.

The provisions are derecognised through their use for the obligations for which they were initially recognised or for the cases that the situations were no longer observed.

2.16. Interest income

Interest income and expense for financial instruments measured at amortised cost are recognised under Interest and similar income or Interest and similar expenses, using the effective interest rate method. Interest on financial assets at fair value through other comprehensive income and financial assets and liabilities at fair value through profit or loss are also recognised in Net interest income.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument (or, when appropriate, for a shorter period), to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument (for example: early payment options) but without considering future impairment losses. The calculation includes all fees and commissions paid or received considered as included in the effective interest rate, transaction costs and all other premiums or discounts directly related with the transaction except for assets and liabilities at fair value through profit or loss.

If a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the interest rate used to discount the future cash flows for the purpose of measuring the impairment loss.

Specifically, with regard to the policy for recording interest on overdue loans, the following aspects are considered in accordance with IFRS 15 and IFRS 9:

- Interest income for overdue loans secured by collaterals up to the limit of prudently evaluated coverage is recorded against profit or loss on the assumption that there is a reasonable probability of recoverability; and
- Interest already recognised and unpaid relating to loans past due for more than 90 days, which are not covered by collateral are written off, and are only recognised when received, as their recovery is considered to be remote, and recognised off balance sheet.

For financial assets classified under stage 3, interest is recognised in profit or loss, in Net interest income, based on their carrying amount net of impairment.

For derivative financial instruments, except those classified as hedging instruments of interest rate risk, the interest component is not separated from the changes in the fair value and is classified under Net gains/(losses) arising from assets and liabilities at fair value through profit or loss.

2.17. Dividends

Dividends (income from equity instruments) are recognised in the income statement when the right to receive the dividends is attributed. Dividends are recorded under Net gains/(losses) arising from financial operations, Net gains/(losses) arising from other financial instruments at fair value through profit or loss or other income, depending on the classification of the underlying instrument.

2.18. Fees and commissions income/(expense)

Fees and commissions income/(expense) is recognised according to performance obligations:

- Fees and commissions which are earned as services are rendered are recognised in profit or loss in the period to which they relate in accordance with IFRS 15;
- Fees and commissions that are earned from a service rendered, are recognised as income when the service is completed in accordance with IFRS 15;
- Fees and commissions that are an integral part of the effective interest rate of a financial instrument, are recognised in net interest income in accordance with IFRS 9.

2.19. Fiduciary activities

Assets held under fiduciary activities are not recognised in the Bank's financial statements. Fees and commissions arising from this activity are recognised in the income statement in the period to which they relate.

2.20. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances of the captions Cash and deposits at central banks and Loans and advances to credit institutions repayable on demand (Notes 4 and 5), and do not include impairment losses.

2.21. Earnings per share

Basic earnings per share are calculated by dividing net income attributable to the Bank's shareholders by the weighted average number of ordinary shares outstanding, excluding the average number of Treasury shares held by the Bank.

Diluted earnings per share are calculated by adjusting the effect of all potential dilutive ordinary shares to the weighted average number of ordinary shares outstanding and to the net profit attributable to the Bank's shareholders.

If the earnings per share are changed as a result of a share premium or discount or other event that changes the potential number of ordinary shares or changes in accounting policies, the calculation of earnings per share for all periods presented is adjusted retrospectively.

NOTE 3
Critical accounting estimates and judgements used in the preparation of the financial statements

IAS/IFRS set out a range of accounting treatments and require the Board of Directors to apply judgement and make estimates in deciding which treatment is most appropriate. The main accounting estimates and judgements used in the application of the accounting principles by the Bank are presented in this Note, with the objective of improving the understanding of how their application affects the results reported by the Bank and their disclosure. A broad description of the main accounting policies used by the Bank is presented in Note 2 to the financial statements.

Considering that in some cases there are several alternatives to the accounting treatment chosen by the Board of Directors, the Bank reported results would differ if a different treatment was chosen. The Board of Directors believes that the choices made are appropriate and that the financial statements give a true and fair view, in all material respects, of the Bank's equity and financial position and results.

3.1. Impairment of financial assets at amortised cost and fair value through other comprehensive income

The critical judgements with the greatest impact on the recognised amounts of impairment of financial assets at amortised cost and at fair value through other comprehensive income are as follows:

- Evaluation of the business model: the classification and measurement of financial assets depends on the SPPI test results and on the business model definition. The Bank determines the business model based on how it wants to manage financial assets and business objectives. The Bank monitors whether the classification of the business model is appropriate based on the analysis of the early derecognition of assets at amortised cost or at fair value through other comprehensive income, considering whether a prospective change of the asset is required;
- Significant increase in credit risk: as described in Note 2.6 – Financial instruments, the determination of the transfer of an asset from stage 1 to stage 2 for impairment purposes is carried out based on a significant increase in its credit risk, and IFRS 9 does not objectively define what represents a significant increase in credit risk;
- With specific regard to the significant increase in credit risk for sovereign risks, supranational entities and financial institutions with ratings assigned by international agencies, it is the Board of Directors' understanding that a downgrade of more than two notches by at least two rating agencies in the period since the origination date of the asset is reasonable and in compliance with the requirements of IFRS 9;
- Definition of assets with similar credit risk characteristics: when expected credit losses are measured within a collective model, financial instruments are bundled based on the same risk characteristics. The Bank monitors the suitability of the credit risk characteristics to ensure that appropriate reclassification of assets is carried out in the event of a change in the credit risk characteristics;
- Models and assumptions used: the Bank uses several models and assumptions when measuring the estimate of expected credit losses. The judgement is applied in the identification of the most suitable model for each type of asset as well as in the determination of assumptions used in these models.

In addition, in compliance with the IFRS 9 regulation that explains the need for the impairment result to consider multiple scenarios, a methodology for incorporating scenario analysis into the risk parameters was implemented. Accordingly, the collective impairment calculation considers several scenarios with a specific weighting, based on the internally defined methodology on scenario – definition of multiple perspectives of macroeconomic development, with a relevant probability of occurrence.

These aspects have special emphasis on the impairment of debt securities issued by the Republic of Angola (Note 8), and consequently on the analysis of their recoverability.

Impairment losses on loans and advances to customers and account receivables
The Bank reviews its loan portfolio regularly in order to assess the existence of impairment losses, as described in the accounting policy in Note 2.6.

The process of evaluating the loan portfolio and account receivables to determine whether an impairment loss should be recognised is subject to several estimates and judgements. This process includes factors such as probability of default, credit ratings, the value of the collaterals associated to each operation, recovery rates and cash flow estimates, either from future cash flows or the time of their receipt.

Alternative methodologies and the use of different assumptions and estimates could result in a different level of impairment losses recognised with a consequent impact in the income statement of the Bank.

The calculation of impairment associated to loans and advances to customers and accounts receivable is based, among other factors and when applicable, on the valuations of collateral from loan operations, such as mortgages of real estate. These valuations were performed under the assumption that all conditions of the real estate market will be maintained, during the lifetime of the operations, and reflected the best estimate of the fair value of those collaterals at the balance sheet date.

Property valuations are prepared by independent experts registered with the CMC, which have implied a set of assumptions whose verification is subject to uncertainty in view of the current circumstances of the real estate market. Additionally, the Bank also uses estimates as to the date of recovery and sale of the real estate collateral.

Furthermore, the recovery of loans and advances to customers and other account receivables (Notes 9 and 15), which has underlying business plans of the borrowers and evaluation of collateral, may be significantly impacted by the development of macroeconomic indicators in Angola.

3.2. Fair value of other financial assets and liabilities valued at fair value

The fair value of a financial instrument is the price at which an orderly sale transaction of an asset or transfer of a liability would be completed between market players at the balance sheet date.

Fair values are based on listed market prices if available, otherwise fair value is determined either by dealer price quotations (both for that transaction or for similar instruments traded) or by pricing models, based on net present value of estimated future cash flows which considers the market conditions, time value, yield curve and volatility factors. These methodologies may require the use of assumptions or judgements in estimating fair value.

With particular emphasis on the measurement of real estate assets, held directly and indirectly (Notes 6 and 13), whose impairment tests are based on valuations made by independent experts registered with the Capital Market Commission of Angola and which have implied a set of assumptions whose verification is subject to uncertainty in view of the current circumstances of the real estate market.

Consequently, the use of different methodologies or of different assumptions or judgements in applying a particular model may have produced financial results that differ from those reported.

3.3. Income taxes

The Bank is subject to Industrial Tax and is considered a Group A taxpayer.

Income taxes (current or deferred) are recognised in profit or loss, except where transactions giving rise to it have been carried in other equity items. In such situations, the corresponding tax is also carried against equity, and does not affect the income statement.

The calculation of the estimated current tax for the six-month period ended 30 June 2021 and for the period ended 31 December 2020 was calculated in accordance with Law No. 26/20, of 20 July, and the applicable tax rate is 35% (30% on 30 June 2020).

Tax returns are subject to review and correction by tax authorities for a 5-year period, which may extend to 10 years. This may lead to possible corrections to taxable profit for previous years due to different interpretations of tax law. However, no significant correction is to be expected in respect to those years and, if it occurs, no significant impacts on the financial statements are expected.

Taxes losses generated in each year, as provided for in the Industrial Tax Code, may be deducted from taxable profit in the following 5 years.

In order to determine the overall amount of income tax payable, certain interpretations and estimates were required. There are several transactions and calculations for which the assessment of taxes payable is uncertain during the normal course of business, with emphasis on the aspects set out in Note 2.13, resulting from the new wording of Law No. 26/20, of 20 July, namely, (i) income/expenses with potential/realised foreign exchange valuations, (ii) impairment losses on secured loans and (iii) property tax, as well as assumptions made by the Bank in determining income tax and deferred taxes, which are still subject to ratification by the Angolan Tax Authorities (AGT).

Deferred taxes are calculated using the tax rates expected to be in force when the temporary differences are reversed, which correspond to the rates enacted or substantively enacted at the balance sheet date. Thus, for the periods ended 30 June 2021 and 31 December 2020, deferred tax was generally calculated based on a 35% rate.

In accordance with the Board of Directors' understanding of the requirements of IAS 12, deferred tax liabilities should be recognised in their entirety, whereas a deferred tax asset should only be recognised if it is certain that future taxable profit will be sufficient to allow the benefit of the loss to be realised. Accordingly, the Bank, calculated deferred tax assets up to the limit of the deferred tax liabilities, and these amounts have been offset in the financial statements.

Other interpretations and estimates could result in a different level of income taxes, current or deferred, recognised in the period or in an analysis of their recoverability (Note 14).

3.4. Measurement of promissory contracts of purchase and sale

The Bank recognises at the initial moment, when the requirements for derecognition of the asset are met, the value of the contract with a borrower and related capital gains, including exchange rate revaluation, in the case of indexed CPCV.

In contracts with payment plans with a term longer than one year and no agreed interest rate, the Bank records the discount effect associated to the contracted payment plan, adjusting the fair value of the financial asset to its present value.

The calculation of impairment is based on a maximum loss associated with a failure to perform the contract according to its terms. The Bank defined a maximum rate of 25% as a threshold for the classification in Stage 3 of the individually significant exposures (as a result of the credit impairment model), applying this concept in the CPCV, according to the verification of the defined risk criteria (Note 2.6).

In addition to the evaluation factors described above, the Bank monitors the financial capacity of the borrower and its continuing interest in keeping the promise contracted on a regular basis, reflecting the results of this monitoring in the assessment of impairment.

Alternative methodologies and the use of different assumptions and risk criteria could result in a different level of impairment losses recognised with a consequent impact in the profit or loss of the Bank.

Additionally, the measurements and impairment tests on the CPCV (Notes 15) are based, among other factors, on valuations made by independent experts registered with the Capital Market Commission of Angola, which have implied a set of assumptions whose verification is subject to uncertainty in view of the current circumstances of the real estate market.

NOTE 4
Cash and deposits at central banks

This caption is analysed as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
CASH		
In national currency	16,333,740	18,255,642
In foreign currency	4,768,772	5,313,044
	21,102,512	**23,568,686**
DEMANDS DEPOSITS AT THE BANCO NACIONAL DE ANGOLA		
In national currency	112,764,101	79,334,412
In foreign currency	211,104,784	119,208,215
	323,868,885	**198,542,627**
	344,971,397	**222,111,313**

The caption Demand deposits at the Banco Nacional de Angola includes mandatory deposits whose purpose is to satisfy legal reserve requirements. These deposits do not bear interest.

As at 31 December 2021, reserve requirements were calculated in accordance with the provisions of Instruction No. 02/2021, of 10 February, Instruction No. 08/2021, of 14 May, Directive No. 05/DMA/2021, of 5 May, Directive No. 06/DMA/DSP/2021, of 21 May and Directive No. 07/DMA/2021, of 6 July.

As at 31 December 2020, reserve requirements were determined in accordance with the provisions of Instruction No. 16/2020, of 2 October and Directive No. 04/DMA/2020, of 6 October.

Reserve requirements are established in national and foreign currency according to the respective denomination of the liabilities that form their reserve base.

As at 31 December 2021 and 2020, the minimum reserve requirements for demand deposits with the BNA were calculated by applying the ratios summarised in the following table:

		31-12-2021		31-12-2020 (restated)	
		National currency	Foreign currency	National currency	Foreign currency
RATE ON TAX BASE					
Central Government	Daily Calculation	100%	100%	22%	100%
Local Governments and Local Administrations	Daily Calculation	22%	100%	22%	100%
Other sectors	Weekly Calculation	22%	22%	22%	17%

As at 31 December 2021 and 2020, the amount of up to 80% of the assets representing the value of disbursements of loans in national currency granted to projects in the agriculture, livestock, forestry and fisheries sectors may be deducted from the requirement in national currency, provided they have a residual maturity greater than or equal to 24 months. The same applies to the total amount of loans granted for the production of essential goods that show a deficit in national production supply, raw materials and the investment required for their production, including in investment for the acquisition of technology, machinery and equipment under the terms of Notice No. 10/2020, of 01 April, on granting credit to the real sector of the economy, whatever the residual maturity.

During 2015, the Banco Nacional de Angola converted part of ATLANTICO's cash requirements in USD, into securities denominated in the same currency, whose amount at 31 December 2021 and 2020, amounted to AOA 108,015,851 thousand and AOA 126,432,308 thousand, respectively (Note 8). These debt securities were accounted at their acquisition cost and subsequently measured as described in Note 2.6.

As at 31 December 2021, the minimum reserve requirements in foreign currency may be made up 20% with the amounts deposited with the BNA and 50% in Treasury Bonds in foreign currency, belonging to the own portfolio and relating to the issue of 10 December 2015. As at 31 December 2020, the minimum reserve requirements in foreign currency may be made up 20% with the amounts deposited with the BNA and 80% in Treasury Bonds in foreign currency, belonging to the own portfolio and issued from 2015.

The methodology for calculating impairment loss is described in Note 2.6.

NOTE 5

Loans and advances to credit institutions repayable on demand

This caption is analysed as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
LOANS AND ADVANCES TO CREDIT INSTITUTIONS REPAYABLE ON DEMAND IN ANGOLA		
Demand deposits	156,499	176,109
Cheques receivable	6,173,041	4,193,671
	6,329,540	**4,369,780**
LOANS AND ADVANCES TO CREDIT INSTITUTIONS REPAYABLE ON DEMAND ABROAD		
Demand deposits	44,824,814	106,036,402
	44,824,814	**106,036,402**
Impairment losses (Note 32)	(11,006)	(24,290)
	51,143,348	**110,381,892**

As at 31 December 2021 and 2020, the balance of Cheques receivable relates to cheques submitted for settlement in the business day sessions following the reference date of the financial statements.

As at 31 December 2021 and 2020, Loans and advances to credit institutions repayable on demand abroad shows (i) amounts of AOA 157,528 thousand and AOA 552,485 thousand, respectively, which aim to ensure the provisioning in the corresponding Bank for the daily settlement of the use of VISA cards and (ii) amounts of AOA 3,070,173 thousand and AOA 2,161,235 thousand which aim to ensure the provisioning in the Bank for the fulfilment of signed agreements related to import documentary credit facilities, for later settlement with the customer.

As at 31 December 2021 and 2020, Loans and advances to credit institutions repayable on demand, in Angola and abroad, do not bear interest.

The methodology for calculating impairment loss is described in Note 2.6.

NOTE 6
Financial assets and liabilities at fair value through profit or loss

This caption is analysed as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Other variable-income securities		
Participation units	267,782,882	204,931,937
Loans and advances to Customers	148,956	8,354,190
Derivatives		
Derivative financial instruments with positive fair value	298,758	3,640,415
	268,230,596	**216,926,542**
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		
Derivatives		
Derivative financial instruments with negative fair value	1,412	3,978,187
	1,412	**3,978,187**

As at 31 December 2021 and 2020, the amount of Other variable-income securities refers to participation units held in the following Collective Investment Undertakings (Investment Funds):

(Thousands of AOA)

31-12-2021	Issuing Entity	Country	Activity/ Tipology*	Currency	Equity share	Book value
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS						
Other variable-income securities						
Pactual Property – FIIF	Private	Angola	CIU	AOA	99.50%	257,123,937
Atlântico Liquidez – FIMA	Private	Angola	CIU	AOA	58.53%	7,237,268
Atlântico Protecção – FIMF	Private	Angola	CIU	AOA	100.00%	1,610,710
FIPA Fund	Private	Luxembourg	CIU	USD	5.13%	1,064,839
FIPA II Fund	Private	Luxembourg	CIU	USD	8.42%	746,128
						267,782,882

* Collective Investment Undertaking

(Thousands of AOA)

31-12-2020 (restated)	Issuing Entity	Country	Activity/ Tipology*	Currency	Equity share	Book value
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS						
Other variable-income securities						
Pactual Property – FIIF	Private	Angola	CIU	AOA	99.32%	194,669,287
Atlântico Liquidez – FIMA	Private	Angola	CIU	AOA	64.35%	6,425,937
Atlântico Protecção – FIMF	Private	Angola	CIU	AOA	100.00%	1,813,588
FIPA Fund	Private	Luxembourg	CIU	USD	5.13%	1,149,784
FIPA II Fund	Private	Luxembourg	CIU	USD	8.42%	873,341
						204,931,937

* Collective Investment Undertaking

The Pactual Property – FIIF, Atlântico Liquidez – FIMA and Atlântico Protecção – FIMF investment funds, are managed by SG Hemera Capital Partners – SGOIC, S.A., formerly Atlântico Gestão de Activos – SGOIC, S.A., whereas the FIPA Fund and FIPA II Fund investment funds are managed by Angola Capital Partners, LLC. These funds are valued according to the share prices published daily by these Management Companies, as disclosed in Note 2.6.

During 2020 and 2021, the Bank acquired new participation units of the Pactual Property Fund – FIIF through the following capital increases:

- On 30 June 2020, by subscribing 35,246 participation units of the Fund for the amount of AOA 44,828,452 thousand, of which 32,729 participation units by contribution in kind through transfer of real estate corresponding to AOA 41,626,944 thousand and 2,517 participation units by contribution in cash corresponding to AOA 3,201,508 thousand;
- On 31 December 2020, by subscribing 81,830 participation units in the amount of AOA 102,834,673 thousand, of which 78,095 participation units by contribution in kind through transfer of real estate corresponding to AOA 98,141,184 thousand and 3,735 participation units by contribution in cash corresponding to AOA 4,693,489 thousand. Additionally, on this date, the Fund became the owner of a second participant, with the Bank now holding 99.32% of the share capital (100% before this date); and
- On 30 November 2021, by subscribing 47,536 participation units in the amount of AOA 58,695,245 thousand, of which 45,928 shares by contribution in kind through transfer of real estate corresponding to AOA 56,710,028 thousand and 1,608 participation units by contribution in cash corresponding to AOA 1,985,218 thousand, with the Bank now holding 99.5% of share capital.

The capital increases made by contributions in kind of (i) real estate received in lieu of payment for loan obligations, previously recorded under Non-current assets held for sale (Note 13), and (ii) real estate for own use whose use was discontinued, previously recorded under Property, plant and equipment (Note 11), were previously valued, and their transfer amount corresponds to the arithmetic average of the value of three valuations, obtained from three independent expert valuers, registered with the CMC. Accordingly, the Bank derecognised the properties against the subscription of participation units at their market value, and the difference between the book value of the derecognised properties and their market value is recognised as capital gains or losses on the sale of other assets under Net gains/(losses) arising from the sale of other assets (Note 27).

As at 31 December 2021 and 2020, the amounts recorded under Loans and advances to customers refer to six and seven loan transactions, respectively, whose cash flows do not meet the SPPI criterion (Solely Payments of Principal and Interest). As at 31 December 2021 and 2020, the nominal amounts of these loans amounts to AOA 1,255,550 thousand and AOA 30,610,558 thousand, respectively, in local and foreign currency, classified in Stage 3 of impairment, due to default over 90 days, with a fair value of AOA 148,956 thousand and AOA 8,354,190 thousand, respectively. The reduction in the balance of the caption is due to the settlement of the exposure of a related party, resulting in the accounting of capital losses in the amount of AOA 797,017 thousand (Note 24). As at 31 December 2020, the referred exposure had a nominal value of AOA 29,302,344 thousand and a fair value of AOA 8,2026,43 thousand (Note 37).

As at 31 December 2021 and 2020, the amounts recorded under Derivatives – Derivative financial instruments with positive fair value and Derivatives – Derivative financial instruments with negative fair value is related to SWAP operations in EUR/USD currencies, contracted with Banco Comercial Português, S.A (Banco Millennium BCP, S.A.), with a view to hedge the foreign exchange position.

As at 31 December 2021 and 2020, the aforementioned derivative operations show a positive net value of AOA 297,346 thousand and a negative net value of AOA 337,772 thousand, respectively.

As provided for in IFRS 13, as at 31 December 2021 and 2020, financial instruments are measured in accordance with the following valuation hierarchy levels:

(Thousands of AOA)

31-12-2021	Level 1 Quoted prices in active market	Level 2 Observable market inputs	Level 3 Other valuation techniques	Total
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
Other variable-income securities				
Participation units	-	-	267,782,882	267,782,882
Loans and advances to Customers	-	-	148,956	148,956
Derivatives				
Derivative financial instruments with positive fair value		298,758	-	298,758
	-	**298,758**	**267,931,838**	**268,230,596**
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
Derivatives				
Derivative financial instruments with negative fair value	-	1,412	-	1,412
	-	**1,412**	**-**	**1,412**

(Thousands of AOA)

31-12-2020 (restated)	Level 1 Quoted prices in active market	Level 2 Observable market inputs	Level 3 Other valuation techniques	Total
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
Other variable-income securities				
Participation units	-	-	204,931,937	204,931,937
Loans and advances to Customers	-	-	8,354,190	8,354,190
Derivatives				
Derivative financial instruments with positive fair value	-	3,640,415	-	3,640,415
	-	**3,640,415**	**213,286,127**	**216,926,542**
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
Derivatives				
Derivative financial instruments with negative fair value	-	3,978,187	-	3,978,187
	-	**3,978,187**	**-**	**3,978,187**

The main parameters used, during the year ended 31 December 2021 and 2020, in the valuation model, as well as the description of the valuation levels provided for in IFRS 13, are described in Note 38.

As at 31 December 2021 and 2020, the breakdown of financial assets at fair value through profit or loss by maturity is as follows:

(Thousands of AOA)

31-12-2021	Below 3 months	Undefined maturity	Total
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Other variable-income securities	-	267,782,882	267,782,882
Loans and advances to Customers	-	148,956	148,956
Derivatives			
Derivative financial instruments with positive fair value	298,758	-	298,758
	298,758	**267,931,838**	**268,230,596**
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS			
Derivatives			
Derivative financial instruments with negative fair value	1,412	-	1,412
	1,412	**-**	**1,412**

(Thousands of AOA)

31-12-2020 (restated)	Below 3 months	Undefined maturity	Total
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Other variable-income securities	-	204,931,937	204,931,937
Loans and advances to Customers	-	8,354,190	8,354,190
Derivatives			
Derivative financial instruments with positive fair value	3,640,415	-	3,640,415
	3,640,415	**213,286,127**	**216,926,542**
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS			
Derivatives			
Derivative financial instruments with negative fair value	3,978,187	-	3,978,187
	3,978,187	**-**	**3,978,187**

NOTE 7
Financial assets at fair value through other comprehensive income

This caption is analysed as follows:

(Thousands of AOA)

31-12-2021	Cost [1]	Potential added value		Interest	Book value
		Positive	Negative		
BONDS AND OTHER FIXED-INCOME SECURITIES					
Issued by public entities	806,439	586,149	(560,145)	44,202	876,645
Issued by other entities	1,622,252	137,627	(115,717)	63,971	1,708,133
Shares	429,389	-	-	-	429,389
	2,858,080	**723,776**	**(675,862)**	**108,173**	**3,014,167**

(Thousands of AOA)

31-12-2020 (restated)	Cost [1]	Potential added value		Interest	Book value
		Positive	Negative		
BONDS AND OTHER FIXED-INCOME SECURITIES					
Issued by public entities	2,803,495	86,168	-	163,140	3,052,803
Issued by other entities	2,190,828	127,132	(145,251)	86,067	2,258,777
Shares	448,954	-	-	-	448,954
	5,443,277	**213,300**	**(145,251)**	**249,207**	**5,760,534**

[1] Acquisition cost for shares and other equity instruments and amortised cost for debt securities.

In accordance with the accounting policy described in Note 2.6, debt securities at fair value through other comprehensive income are impaired as a result of the adoption of IFRS 9, as set out in the defined model.

At 31 December 2021 and 2020, the caption Bonds and other fixed income securities – Issued by other entities relates to the subscription of securities relating to a corporate issue of Angolan public debt, which took place during 2015, through the Avenir Entity.

As at 31 December 2021 and 2020, Bonds and other fixed-income securities presents the following changes:

(Thousands of AOA)

	31-12-2020 (restated)	Acquisitions	Maturities	Disposals	Exchange rate effect (Note 26)	Changes in fair value	31-12-2021
BONDS AND OTHER FIXED-INCOME SECURITIES							
Issued by public entities							
Non-adjustable Treasury Bonds	3,052,803	15,247	(1,839,216)	(173,088)	-	(179,101)	876,645
	3,052,803	**15,247**	**(1,839,216)**	**(173,088)**	**-**	**(179,101)**	**876,645**
Issued by other entities							
Foreign currency bonds	2,258,777	-	-	-	(276,590)	(274,054)	1,708,133
	5,311,580	**15,247**	**(1,839,216)**	**(173,088)**	**(276,590)**	**(453,155)**	**2,584,778**

(Thousands of AOA)

	31-12-2019 (restated)	Acquisitions	Maturities	Disposals	Exchange rate effect (Note 26)	Changes in fair value	31-12-2020 (restated)
BONDS AND OTHER FIXED-INCOME SECURITIES							
Issued by public entities							
Non-adjustable Treasury Bonds	24,579,844	2,001,554	-	(22,779,393)	-	(749,202)	3,052,803
Treasury Bonds indexed to the US Dollar	7,168,411	-	(4,820,444)	(933,490)	(1,386,581)	(27,896)	-
	31,748,255	**2,001,554**	**(4,820,444)**	**(23,712,883)**	**(1,386,581)**	**(777,098)**	**3,052,803**
Issued by other entities							
Foreign currency bonds	2,084,520	-	-	-	343,135	(168,878)	2,258,777
	33,832,775	**2,001,554**	**(4,820,444)**	**(23,712,883)**	**(1,043,446)**	**(945,976)**	**5,311,580**

Shares includes the financial investment in EMIS – Empresa Interbancária de Serviços, S.A. (EMIS), which was set up to manage electronic facilities for payments and other complementary services. As at 31 December 2021 and 2020, the Bank holds a 10.14% and 9.81% interest, respectively, in the share capital of this company as well as additional financial investments, with the total investment amounting to AOA 429,389 thousand and AOA 448,954 thousand, respectively.

As provided for in IFRS 13, as at 31 December 2021 and 2020, financial instruments are measured in accordance with the following valuation hierarchy levels:

(Thousands of AOA)

31-12-2021	Level 1 Quoted prices in active market	Level 2 Observable market inputs	Level 3 Other valuation techniques	Total
BONDS AND OTHER FIXED-INCOME SECURITIES				
Issued by public entities	-	876,645	-	876,645
Issued by other entities	-	1,708,133	-	1,708,133
Shares	-	-	429,389	429,389
	-	**2,584,778**	**429,389**	**3,014,167**

(Thousands of AOA)

31-12-2020 (restated)	Level 1 Quoted prices in active market	Level 2 Observable market inputs	Level 3 Other valuation techniques	Total
BONDS AND OTHER FIXED-INCOME SECURITIES				
Issued by public entities	-	3,052,803	-	3,052,803
Issued by other entities	-	2,258,777	-	2,258,777
Shares	-	-	448,954	448,954
	-	**5,311,580**	**448,954**	**5,760,534**

The main parameters used, during the period ended 31 December 2021 and 2020, in the valuation model, as well as the description of the valuation levels provided for in IFRS 13, are described in Note 38.

As at 31 December 2021 and 2020, the breakdown of financial assets at fair value through other comprehensive income, by residual maturity periods, is as follows:

(Thousands of AOA)

31-12-2021	Below 3 months	3 to 12 months	1 to 5 years	Above 5 years	Undefined maturity	Total
BONDS AND OTHER FIXED-INCOME SECURITIES						
Issued by public entities	-	362,011	514,634	-	-	876,645
Issued by other entities	-	-	1,708,133	-	-	1,708,133
Shares	-	-	-	-	429,389	429,389
Balance as at 31 December 2021	**-**	**362,011**	**2,222,767**	**-**	**429,389**	**3,014,167**

(Thousands of AOA)

31-12-2020 (restated)	Below 3 months	3 to 12 months	1 to 5 years	Above 5 years	Undefined maturity	Total
BONDS AND OTHER FIXED-INCOME SECURITIES						
Issued by public entities	1,242,044	768,361	1,042,398	-	-	3,052,803
Issued by other entities	-	-	2,258,777	-	-	2,258,777
Shares	-	-	-	-	448,954	448,954
Balance as at 31 December 2020	**1,242,044**	**768,361**	**3,301,175**	**-**	**448,954**	**5,760,534**

Changes in the fair value reserve during the year are detailed in Note 21.

NOTE 8
Financial assets at amortised cost – Debt securities

This caption is analysed as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
BONDS AND OTHER FIXED-INCOME SECURITIES		
Issued by public entities		
Foreign currency Treasury Bonds	322,176,163	318,470,851
Treasury Bonds indexed to the US Dollar	47,649,560	99,936,283
Non-adjustable Treasury Bonds	4,922,780	11,663,341
	374,748,503	**430,070,475**
Impairment losses	(5,443,257)	(33,715,517)
	369,305,246	**396,354,958**

The fair value of the investment portfolio at amortised cost is disclosed in Note 38, within the scope of the disclosure requirements set out in IFRS 7 and IFRS 9.

In accordance with the accounting policy described in Note 2.6, debt securities measured at amortised cost are impaired as a result of the adoption of IFRS 9, as set out in the defined model (Note 2.6).

In September 2020, the international rating agencies Moody's and Fitch Ratings downgraded the credit risk rating of the sovereign debt of the Republic of Angola, thus reflecting the deterioration of the international market's perception of the Angolan economy. The notes published by the rating agencies refer to the negative impacts of the sharp drop in oil prices, the Covid-19 pandemic, the progressive devaluation of the Kwanza, as well as the high volume of public debt, factors that, according to these entities, place the Angolan economy in a vulnerable situation, increasing the risk of a default event.

In September 2021, Moody's rating agency revised upwards the Republic of Angola's debt rating, improving the external rating from Caa1 to B3. According to the note published, reference is made to the positive impacts, on the macroeconomic environment associated with the increase in the price of oil and the stability observed in terms of exchange rates.

In January 2022, the Fitch rating agency revised upwards the debt rating of the Republic of Angola, improving the external rating from CCC to B3. According to the note published, reference is made to the positive impacts on the macroeconomic environment associated with the increase in the price of oil and an improvement in tax management (Note 43).

Directive No. 13/DSB/DRO/2019, which includes the recommendations for implementing the methodologies of the Asset Quality Assessment (AQA) exercise, states that "In the specific case of impairment losses for national public debt in national and foreign currency (measured at amortised cost), the following criteria should be considered: (i) 12-month probability of default (PD) for Angola's rating published in Moody's study "Sovereign default and recovery rates" applicable to the period concerned; and (ii) loss given default (LGD) associated with the sovereign default events verified, as indicated in the same study. The Bank has adopted this methodology as its accounting policy for this matter.

In accordance with the accounting policy described in Note 2.6. and considering that the assessment of the significant increase in credit risk for the determination of the impairment stage should be based on the date of origination of the assets.

It should be noted that for the calculation of impairment on 31 December 2021, Moody's "Sovereign default and recovery rates 1983-2020" was considered, which on this date gives an implicit impairment rate of 1.484% (PD of 2.473% and LGD of 60%) for Stage 1 operations.

As at 31 December 2021 and 2020, the caption Financial assets at amortised cost – Debt securities includes AOA 108,015,851 thousand and AOA 126,432,308 thousand, respectively, relating to an issue of Treasury Bonds of the Republic of Angola in United States Dollars falling due in December 2022 which, according to information obtained from the Bank, was originated in December 2015 as a result of a translation process of the balance of foreign currency deposit accounts held by the Bank with the Banco Nacional de Angola (BNA). In this context, during 2020 it was the Board of Directors' understanding not to record any impairment loss for these securities in the Bank's financial statements. However, during 2021 the amount of impairment losses on the above-mentioned Treasury Bonds was recognised retrospectively in accordance with IAS 8. The impacts of restatement are presented in more detail in Note 41.

In the period ended 31 December 2021 and 2020, the caption presents the following changes:

(Thousands of AOA)

	31-12-2020 (restated)	Acquisitions	Maturities	Disposals	Exchange rate effect (Note 26)	Changes in amortised cost	31-12-2021
BONDS AND OTHER FIXED-INCOME SECURITIES							
Issued by public entities							
Foreign currency Treasury Bonds	318,470,851	51,912,288	-	-	(48,303,831)	96,855	322,176,163
Treasury Bonds indexed to the US Dollar	99,936,283	43,496	(4,130,752)	(6,828,370)	(40,244,179)	(1,126,918)	47,649,560
Non-adjustable Treasury Bonds	11,663,341	-	(4,436,094)	(2,059,652)	-	(244,815)	4,922,780
	430,070,475	**51,955,784**	**(8,566,846)**	**(8,888,022)**	**(88,548,010)**	**(1,274,878)**	**374,748,503**

(Thousands of AOA)

	31-12-2019 (restated)	Acquisitions	Maturities	Disposals	Exchange rate effect (Note 26)	Changes in amortised cost	31-12-2020 (restated
BONDS AND OTHER FIXED-INCOME SECURITIES							
Issued by public entities							
Foreign currency Treasury Bonds	236,409,487	-	-	-	80,155,534	1,905,830	318,470,851
Treasury Bonds indexed to the US Dollar	279,117,189	-	(103,020,605)	(99,350,637)	22,103,015	1,087,321	99,936,283
Non-adjustable Treasury Bonds	22,054,224	326,815	(10,982,675)	(181,500)	-	446,477	11,663,341
	537,580,900	**326,815**	**(114,003,280)**	**(99,532,137)**	**102,258,549**	**3,439,628**	**430,070,475**

In the period ended 31 December 2020, the decrease in the balance of the caption Bonds indexed to the exchange rate of the United States Dollar results from a number of sales made under the exchange rate resetting plan being implemented by the Bank (Note 2.6.).

The sales of financial assets classified in this business model exceed the defined thresholds of frequency. However, the Bank considers that since these are not significant sales, associated to a plan with a regulatory framework that justifies sales above the threshold, this does not jeopardise or changes the business model originally defined/classified for this portfolio of assets.

As at 31 December 2021 and 2020, the breakdown of financial assets measured at amortised cost, by residual maturity, is as follows:

(Thousands of AOA)

31-12-2021	Below 3 months	3 to 12 months	1 to 5 years	Above 5 years	Undefined maturity	Total
BONDS AND OTHER FIXED-INCOME SECURITIES						
Issued by public entities						
Foreign currency Treasury Bonds	-	108,015,851	214,160,312	-	-	322,176,163
Treasury Bonds indexed to the US Dollar	-	-	23,218,687	24,430,873	-	47,649,560
Non-adjustable Treasury Bonds	179,231	1,578,673	3,164,876	-	-	4,922,780
Impairment losses	(2,522)	(23,389)	(5,068,240)	(349,106)	-	(5,443,257)
	176,709	**109,571,135**	**235,475,635**	**24,081,767**	**-**	**369,305,246**

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31-12-2020 (restated)	Below 3 months	3 to 12 months	1 to 5 years	Above 5 years	Undefined maturity	Total
BONDS AND OTHER FIXED-INCOME SECURITIES						
Issued by public entities						
Foreign currency Treasury Bonds	-	-	318,470,851	-	-	318,470,851
Treasury Bonds indexed to the US Dollar	-	16,540,964	50,533,265	32,862,054	-	99,936,283
Non-adjustable Treasury Bonds	3,272,561	1,309,617	7,081,163	-	-	11,663,341
Impairment losses	(216,135)	(779,244)	(30,568,815)	(2,151,323)	-	(33,715,517)
	3,056,426	**17,071,337**	**345,516,464**	**30,710,731**	**-**	**396,354,958**

As at 31 December 2021 and 2020, Financial assets measured at amortised cost – Debt securities are as follows:

(Thousands of AOA)

31-12-2021	Issuing Entity	Average rate	Nominal value	Acquisition cost	Interest	Premium/Discount	Impairment losses	Book value
BONDS AND OTHER FIXED-INCOME SECURITIES								
Issued by public entities								
Foreign currency Treasury Bonds	Angolan Government	6.35%	320,173,477	368,477,309	2,214,849	(212,163)	(3,091,758)	319,084,405
Treasury Bonds indexed to the US Dollar	Angolan Government	7.96%	47,689,158	13,816,737	831,248	(870,846)	(2,280,164)	45,369,396
Non-adjustable Treasury Bonds	Angolan Government	13.69%	4,721,118	4,721,117	129,558	72,104	(71,335)	4,851,445
			372,583,753	**387,015,163**	**3,175,655**	**(1,010,905)**	**(5,443,257)**	**369,305,246**

(Thousands of AOA)

31-12-2020 (restated)	Issuing Entity	Average rate	Nominal value	Acquisition cost	Interest	Premium/Discount	Impairment losses	Book value
BONDS AND OTHER FIXED-INCOME SECURITIES								
Issued by public entities								
Foreign currency Treasury Bonds	Angolan Government	7.78%	316,565,021	316,565,021	1,905,830	-	(26,669,968)	291,800,883
Treasury Bonds indexed to the US Dollar	Angolan Government	5.30%	98,848,963	24,732,364	1,667,411	(580,091)	(6,275,777)	93,660,506
Non-adjustable Treasury Bonds	Angolan Government	13.46%	11,216,863	11,216,863	365,036	81,442	(769,772)	10,893,569
			426,630,847	**352,514,248**	**3,938,277**	**(498,649)**	**(33,715,517)**	**396,354,958**

Changes in impairment losses for financial assets measured at amortised cost were as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
Opening balance	**33,715,517**	**8,278,494**
Charge for the period/(Reversals) (Note 33)	(26,458,763)	8,695,223
Foreign exchange and other differences (Note 26)	(1,813,497)	16,741,800
Closing balance	**5,443,257**	**33,715,517**

NOTE 9
Financial assets at amortised cost – Loans and advances to customers

This caption is analysed as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
DOMESTIC CREDIT		
Corporate		
Loans	336,652,059	334,912,279
Current account loans	9,338,164	23,200,986
Overdrafts	275,539	1,469,410
Credit cards	216,627	200,593
	346,482,389	**359,783,268**
Retail		
Loans	21,660,986	25,485,227
Mortgages	5,507,963	2,648,637
Employees	600,319	4,328,017
Credit cards	1,942,229	2,786,859
Overdrafts	5,544,901	2,388,825
Consumer credit	2,881,515	4,217,883
	38,137,913	**41,855,448**
	384,620,302	**401,638,716**
FOREIGN CREDIT		
Retail		
Credit cards	1,350	21,386
Consumer credit	10,583	4,014
Employees	-	275,408
Overdrafts	-	265
Loans	74	706
	12,007	**301,779**
Total outstanding credit	**384,632,309**	**401,940,495**
OVERDUE CREDIT		
Below 1 year	4,788,707	4,530,475
1 to 3 years	10,607,231	43,579,220
Above 3 years	80,926,281	54,435,492
	96,322,219	**102,545,187**
Total credit granted	**480,954,528**	**504,485,682**
Interest receivable	107,363,996	95,195,593
Total credit granted and interest receivable	**588,318,524**	**599,681,275**
Impairment losses	(147,333,307)	(145,410,566)
	440,985,217	**454,270,709**

Notice No. 10/2020 of the Banco Nacional de Angola, requires credit to be granted to the real sector of the economy, as well as the requirements to be met. For loans granted or restructured under this Notice, the total cost of the loan on the borrower, including the interest rate and commissions, cannot exceed 7.5% per annum (all-in cost). In turn, the Bank can deduct the full amount of the loan in the value of the reserve requirements established. Accordingly, in relation to the new loans granted under Notice No. 10/2020, which have an interest rate limit of 7.5% and release of reserve requirements that the Bank can apply to other interest-bearing assets, it is the Bank's understanding that the fair value of the loans does not differ from their nominal value.

As at 31 December 2021 and 2020, exposure and impairment established by situation and risk segment is detailed as follows:

(Thousands of AOA)

	31-12-2021							
	Exposure					Impairment losses		
Segment	Total exposure	Credit outstanding	Of which restructured	Credit overdue	Of which restructured	Total impairment	Credit outstanding	Credit overdue
CORPORATE								
Loans	507,270,679	436,186,257	347,340,705	71,084,422	47,958,424	(113,224,294)	(76,020,421)	(37,203,873)
Current account loans	14,703,198	9,740,282	7,997,293	4,962,916	1,526,195	(3,788,157)	(378,937)	(3,409,220)
Overdrafts	14,645,653	652,286	-	13,993,367	-	(6,688,354)	(14,340)	(6,674,014)
Credit cards	216,945	216,945	-	-	-	(12,419)	(12,419)	-
	536,836,475	**446,795,770**	**355,337,998**	**90,040,705**	**49,484,619**	**(123,713,224)**	**(76,426,117)**	**(47,287,107)**
RETAIL								
Loans	31,771,590	28,601,155	3,452,114	3,170,435	1,178,605	(14,822,459)	(11,785,935)	(3,036,524)
Mortgages	2,190,933	606,048	33,082	1,584,885	281,255	(1,774,034)	(138,808)	(1,635,226)
Employees	5,539,210	5,526,627	-	12,583	-	(339,127)	(125,433)	(213,694)
Overdrafts	4,133,170	2,937,147	-	1,196,023	-	(3,252,529)	(2,107,841)	(1,144,688)
Credit cards	1,952,494	1,952,494	-	-	-	(62,851)	(62,851)	-
Consumer credit	5,894,652	5,577,064	233,963	317,588	1,154	(3,369,083)	(689,535)	(2,679,548)
	51,482,049	**45,200,535**	**3,719,159**	**6,281,514**	**1,461,014**	**(23,620,083)**	**(14,910,403)**	**(8,709,680)**
	588,318,524	**491,996,305**	**359,057,157**	**96,322,219**	**50,945,633**	**(147,333,307)**	**(91,336,520)**	**(55,996,787)**

(Thousands of AOA)

31-12-2020 (restated)								
Segment	Exposure					Impairment losses		
	Total exposure	Credit outstanding	Of which restructured	Credit overdue	Of which restructured	Total impairment	Credit outstanding	Credit overdue
CORPORATE								
Loans	495,667,715	423,267,781	222,363,982	72,399,934	73,080,518	(110,408,748)	(66,929,524)	(43,479,224)
Current account loans	30,079,474	23,766,485	4,412,418	6,312,989	842,061	(4,647,031)	(549,712)	(4,097,319)
Overdrafts	18,017,574	1,816,400	-	16,201,174	-	(7,869,841)	(266,908)	(7,602,933)
Credit cards	200,611	200,611	-	-	-	(11,711)	(11,711)	-
	543,965,374	**449,051,277**	**226,776,400**	**94,914,097**	**73,922,579**	**(122,937,331)**	**(67,757,855)**	**(55,179,476)**
RETAIL								
Loans	36,657,951	30,661,792	5,997,394	5,996,159	1,043,259	(19,923,035)	(10,026,808)	(9,896,227)
Consumer credit	4,764,809	4,759,757	144,176	5,052	-	(379,324)	(329,925)	(49,399)
Employees	4,634,021	4,619,566	-	14,455	-	(438,211)	(327,252)	(110,959)
Overdrafts	4,152,345	2,538,296	-	1,614,049	-	(1,391,713)	(518,485)	(873,228)
Credit cards	2,808,244	2,808,244	-	-	-	(87,176)	(87,176)	-
Mortgages	2,698,531	2,697,156	27,506	1,375	-	(253,776)	(139,316)	(114,460)
	55,715,901	**48,084,811**	**6,169,076**	**7,631,090**	**1,043,259**	**(22,473,235)**	**(11,428,962)**	**(11,044,273)**
	599,681,275	**497,136,088**	**232,945,476**	**102,545,187**	**74,965,838**	**(145,410,566)**	**(79,186,817)**	**(66,223,749)**

As at 31 December 2021 and 2020, changes in inflows and outflows in the restructured exposure are detailed as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
Opening balance of restructured credit portfolio (gross)	**307,911,314**	**257,724,081**
Loans restructured in the period (including interest)	106,387,719	66,481,244
Settlement of restructured credits (partial or total)	(4,296,243)	(63,696)
Derecognition of restructured loans	-	(16,230,315)
Closing balance of restructured credit portfolio (gross)	**410,002,790**	**307,911,314**

(Thousands of AOA)

	31-12-2020 (restated)			
	Credit			Impairment losses
	Outstanding	Overdue	Total	
CORPORATE	226,776,400	73,922,580	300,698,980	(79,142,272)
RETAIL				
Consumer credit	144,176	-	144,176	(25,073)
Mortgages	27,506	-	27,506	(13,137)
Other	5,997,394	1,043,258	7,040,652	(2,194,856)
	232,945,476	**74,965,838**	**307,911,314**	**(81,375,338)**

As at 31 December 2021 and 2020, restructured exposure and impairment losses established by situation and segment are detailed as follows:

(Thousands of AOA)

	31-12-2021			
	Credit			Impairment losses
	Outstanding	Overdue	Total	
CORPORATE	355,337,998	49,484,620	404,822,618	(96,509,390)
RETAIL				
Consumer credit	33,082	281,255	314,337	(305,867)
Mortgages	233,963	1,154	235,117	(213,773)
Other	3,452,114	1,178,604	4,630,718	(1,123,757)
	359,057,157	**50,945,633**	**410,002,790**	**(98,152,787)**

As at 31 December 2021 and 2020, restructured exposure and impairment losses established by segment and stage are detailed as follows:

(Thousands of AOA)

	31-12-2021				
	Impairment stage				Impairment losses
	Stage 1	Stage 2	Stage 3	Total	
CORPORATE	5,911,551	231,491,831	167,419,236	404,822,618	(96,509,390)
RETAIL					
Consumer credit	-	27,559	286,778	314,337	(305,867)
Mortgages	-	27,421	207,696	235,117	(213,773)
Other	-	-	4,630,718	4,630,718	(1,123,757)
	5,911,551	**231,546,811**	**172,544,428**	**410,002,790**	**(98,152,787)**

(Thousands of AOA)

	31-12-2020 (restated)				
	Impairment stage				Impairment losses
	Stage 1	Stage 2	Stage 3	Total	
CORPORATE	4,788,393	133,831,311	162,079,275	300,698,979	(79,142,272)
RETAIL					
Consumer credit	-	144,176	-	144,176	(25,073)
Mortgages	-	27,506	-	27,506	(13,137)
Other	-	4,914,030	2,126,623	7,040,653	(2,194,856)
	4,788,393	**138,917,023**	**164,205,898**	**307,911,314**	**(81,375,338)**

As at 31 December 2021 and 2020, the breakdown of exposure by residual maturity, excluding interest receivable, is presented as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
Below 3 months	23,531,501	18,314,643
3 to 12 months	30,828,659	23,124,716
1 to 5 years	145,722,562	150,944,573
Above 5 years	184,549,587	209,556,563
Undefined maturity	96,322,219	102,545,187
	480,954,528	**504,485,682**

As at 31 December 2021 and 2020, the breakdown of exposure by rate type, including interest receivable, is presented as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
Fixed rate	99,829,836	86,818,590
Variable rate	488,488,688	512,862,685
	588,318,524	**599,681,275**

Changes occurred in impairment losses of Loans and advances to customers at amortised cost are as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
Opening balance	**145,410,566**	**109,258,712**
Charge for the period/(Reversals) (Note 33)	15,525,227	25,435,691
Charge-off	(3,674,598)	(5,437,954)
Foreign exchange and other differences (Note 26)	(9,927,888)	16,154,117
Closing balance	**147,333,307**	**145,410,566**

As at 31 December 2021 and 2020, the exposure and impairment established, by stage, is presented as follows:

(Thousands of AOA)

	31-12-2021			
	Impairment stage			
	Stage 1	Stage 2	Stage 3	Total
Total exposure	52,932,598	283,620,917	251,765,009	588,318,524
Impairment losses	(781,843)	(23,942,303)	(122,609,161)	(147,333,307)
	52,150,755	**259,678,614**	**129,155,848**	**440,985,217**

(Thousands of AOA)

	31-12-2020 (restated)			
	Impairment stage			
	Stage 1	Stage 2	Stage 3	Total
Total exposure	85,974,928	277,104,754	236,601,593	599,681,275
Impairment losses	(1,414,060)	(25,817,822)	(118,178,684)	(145,410,566)
	84,560,868	**251,286,932**	**118,422,909**	**454,270,709**

As at 31 December 2021 and 2020, the exposure transfer matrix, by stage, is presented as follows:

(Thousands of AOA)

	31-12-2021			
	Impairment stage			
	Stage 1	Stage 2	Stage 3	Total
STAGE AS AT 1 JANUARY 2021				
Stage 1	40,611,630	26,808,242	2,733,266	70,153,138
Stage 2	154,950	212,196,526	51,624,949	263,976,425
Stage 3	-	27,651,238	190,303,041	217,954,279
Exposures originated in 2021	12,166,018	16,964,911	7,103,753	36,234,682
	52,932,598	**283,620,917**	**251,765,009**	**588,318,524**

(Thousands of AOA)

	31-12-2020 (restated)			
	Impairment stage			
	Stage 1	Stage 2	Stage 3	Total
STAGE AS AT 1 JANUARY 2020				
Stage 1	47,956,151	8,542,357	5,374,090	61,872,598
Stage 2	14,591,868	202,441,348	22,246,493	239,279,709
Stage 3	-	24,801,480	201,998,183	226,799,663
Exposures originated in 2020	23,426,909	41,319,569	6,982,827	71,729,305
	85,974,928	**277,104,754**	**236,601,593**	**599,681,275**

As at 31 December 2021 and 2020, the detail of exposure and impairment established, by segment and stage with the respective classifications, is presented as follows:

(Thousands of AOA)

	31-12-2021												
	Exposure									Impairment losses			
Segment	Total exposure	Credit in stage 1	Of which recovered	Credit in stage 2	Of which recovered	Of which restructured	Credit in stage 3	Of which recovered	Of which restructured	Total impairment	Credit in stage 1	Credit in stage 2	Credit in stage 3
CORPORATE													
Loans	507,270,679	31,475,604	33,934	275,335,336	9,992,975	229,579,262	200,459,739	14,240,377	165,719,867	(113,224,294)	(647,524)	(21,605,615)	(90,971,155)
Current account loans	14,703,198	6,618,445	-	2,285,107	-	1,912,569	5,799,646	653,000	1,699,369	(3,788,157)	(2,244)	(219,857)	(3,566,056)
Overdrafts	14,645,653	164,522	21	118,505	1,781	-	14,362,626	159,152	-	(6,688,354)	(829)	(14,147)	(6,673,378)
Credit cards	216,945	184,553	1,405	20,910	2,156	-	11,482	3,174	-	(12,419)	(1,928)	(1,691)	(8,800)
	536,836,475	**38,443,124**	**35,360**	**277,759,858**	**9,996,912**	**231,491,831**	**220,633,493**	**15,055,703**	**167,419,236**	**(123,713,224)**	**(652,525)**	**(21,841,310)**	**(101,219,389)**
RETAIL													
Loans	31,771,590	5,505,848	37,818	2,254,634	314,207	-	24,011,108	1,116,687	4,630,718	(14,822,459)	(79,363)	(183,331)	(14,559,765)
Mortgages	5,894,652	1,805,486	-	693,752	125,446	27,421	3,395,414	990,897	207,696	(3,369,083)	(12,198)	(177,544)	(3,179,341)
Employees	5,539,210	5,178,221	74,084	328,399	132,512	-	32,590	5,212	-	(339,127)	(24,950)	(253,040)	(61,137)
Overdrafts	4,133,170	52,970	1,202	2,124,042	1,396	-	1,956,158	826,032	-	(3,252,529)	(183)	(1,370,397)	(1,881,949)
Credit cards	1,952,494	1,720,381	6,486	163,958	32,223	-	68,155	30,469	-	(62,851)	(7,991)	(1,595)	(53,265)
Consumer credit	2,190,933	226,568	-	296,274	92,339	27,559	1,668,091	46,224	286,778	(1,774,034)	(4,633)	(115,086)	(1,654,315)
	51,482,049	**14,489,474**	**119,590**	**5,861,059**	**698,123**	**54,980**	**31,131,516**	**3,015,521**	**5,125,192**	**(23,620,083)**	**(129,318)**	**(2,100,993)**	**(21,389,772)**
	588,318,524	**52,932,598**	**154,950**	**283,620,917**	**10,695,035**	**231,546,811**	**251,765,009**	**18,071,224**	**172,544,428**	**(147,333,307)**	**(781,843)**	**(23,942,303)**	**(122,609,161)**

(Thousands of AOA)

	31-12-2020 (restated)												
Segment	Exposure									Impairment losses			
	Total exposure	Credit in stage 1	Of which recovered	Credit in stage 2	Of which recovered	Of which restructured	Credit in stage 3	Of which recovered	Of which restructured	Total impairment	Credit in stage 1	Credit in stage 2	Credit in stage 3
CORPORATE													
Loans	495,667,715	50,034,302	12,891,809	260,512,410	24,286,270	7,635,023	185,121,003	51,565,844	69,707,570	(110,408,748)	(727,758)	(23,528,037)	(86,152,953)
Current account loans	30,079,474	18,964,274	60,508	4,304,058	789,492	-	6,811,142	552,760	-	(4,647,031)	(224,563)	(379,342)	(4,043,126)
Overdrafts	18,017,574	119,056	28,453	1,678,204	33	-	16,220,314	279,793	-	(7,869,841)	(71)	(150,785)	(7,718,985)
Credit cards	200,611	170,159	1,777	20,235	4,849	-	10,217	1,041	-	(11,711)	(2,597)	(1,661)	(7,453)
	543,965,374	**69,287,791**	**12,982,547**	**266,514,907**	**25,080,644**	**7,635,023**	**208,162,676**	**52,399,438**	**69,707,570**	**(122,937,331)**	**(954,989)**	**(24,059,825)**	**(97,922,517)**
RETAIL													
Loans	36,657,951	4,658,067	-	5,129,324	188,824	4,914,030	26,870,560	2,366,508	2,126,623	(19,923,035)	(181,761)	(875,289)	(18,865,985)
Consumer credit	4,764,809	2,664,597	1,275,166	2,100,212	1,868,866	144,176	-	-	-	(379,324)	(129,229)	(250,095)	-
Employees	4,634,021	4,197,425	111,276	436,596	331,503	-	-	-	-	(438,211)	(69,100)	(369,111)	-
Overdrafts	4,152,345	491,748	1,383	2,161,567	857	-	1,499,030	600,634	-	(1,391,713)	(1,142)	(47,773)	(1,342,798)
Credit cards	2,808,244	2,562,484	4,667	176,433	41,901	-	69,327	33,202	-	(87,176)	(37,285)	(2,507)	(47,384)
Mortgages	2,698,531	2,112,816	216,827	585,715	369,477	27,506	-	-	-	(253,776)	(40,554)	(213,222)	-
	55,715,901	**16,687,137**	**1,609,319**	**10,589,847**	**2,801,428**	**5,085,712**	**28,438,917**	**3,000,344**	**2,126,623**	**(22,473,235)**	**(459,071)**	**(1,757,997)**	**(20,256,167)**
	599,681,275	**85,974,928**	**14,591,866**	**277,104,754**	**27,882,072**	**12,720,735**	**236,601,593**	**55,399,782**	**71,834,193**	**(145,410,566)**	**(1,414,060)**	**(25,817,822)**	**(118,178,684)**

As at 31 December 2021 and 2020, the detail of exposure and impairment established by segment and by range of days past due is presented as follows:

(Thousands of AOA)

Segment	31-12-2021													
	Exposure							Impairment losses						
	Stage 1	Stage 2			Stage 3			Stage 1	Stage 2			Stage 3		
	≤ 30 days	≤ 30 days	> 30 days	≤ 90 days	≤ 30 days	> 30 days	≤ 90 days	≤ 30 days	≤ 30 days	> 30 days	≤ 90 days	≤ 30 days	> 30 days	≤ 90 days
CORPORATE														
Loans	31,475,604	273,444,308	3,752	1,887,276	108,616,282	3,653,960	88,189,497	(647,524)	(21,513,968)	(1,497)	(90,150)	(53,858,929)	(1,010,158)	(36,102,068)
Current account loans	6,618,445	2,285,107	-	-	653,000	-	5,146,646	(2,244)	(219,857)	-	-	(156,837)	-	(3,409,219)
Overdrafts	164,522	2,254	98,390	17,861	134,072	9,513	14,219,041	(829)	(60)	(11,943)	(2,144)	(13,451)	(7,223)	(6,652,704)
Credit cards	184,553	20,910	-	-	11,482	-	-	(1,928)	(1,691)	-	-	(8,800)	-	-
	38,443,124	**275,752,579**	**102,142**	**1,905,137**	**109,414,836**	**3,663,473**	**107,555,184**	**(652,525)**	**(21,735,576)**	**(13,440)**	**(92,294)**	**(54,038,017)**	**(1,017,381)**	**(46,163,991)**
RETAIL														
Loans	5,505,848	2,186,023	68,611	-	16,768,310	201,139	7,041,659	(79,363)	(152,431)	(30,900)	-	(11,554,142)	(97,445)	(2,908,178)
Consumer credit	226,568	248,357	47,596	321	33,697	12,517	1,621,877	(4,633)	(104,384)	(10,521)	(181)	(29,790)	(11,827)	(1,612,698)
Employees	5,178,221	157,851	149,823	20,725	7,203	135	25,252	(24,950)	(87,662)	(155,478)	(9,900)	(12,821)	(255)	(48,061)
Overdrafts	52,970	2,024,122	98,758	1,162	820,197	2,626	1,133,335	(183)	(1,310,333)	(59,901)	(163)	(797,324)	(2,403)	(1,082,222)
Credit cards	1,720,381	163,958	-	-	68,155	-	-	(7,991)	(1,595)	-	-	(53,265)	-	-
Mortgages	1,805,486	654,441	39,311	-	537,613	116,874	2,740,927	(12,198)	(166,327)	(11,217)	-	(511,009)	(108,046)	(2,560,286)
	14,489,474	**5,434,752**	**404,099**	**22,208**	**18,235,175**	**333,291**	**12,563,050**	**(129,318)**	**(1,822,732)**	**(268,017)**	**(10,244)**	**(12,958,351)**	**(219,976)**	**(8,211,445)**
	52,932,598	**281,187,331**	**506,241**	**1,927,345**	**127,650,011**	**3,996,764**	**120,118,234**	**(781,843)**	**(23,558,308)**	**(281,457)**	**(102,538)**	**(66,996,368)**	**(1,237,357)**	**(54,375,436)**

(Thousands of AOA)

Segment	31-12-2020 (restated)													
	Exposure							Impairment losses						
	Stage 1	Stage 2			Stage 3			Stage 1	Stage 2			Stage 3		
	≤ 30 days	≤ 30 days	> 30 days	≤ 90 days	≤ 30 days	> 30 days	≤ 90 days	≤ 30 days	≤ 30 days	> 30 days	≤ 90 days	≤ 30 days	> 30 days	≤ 90 days
CORPORATE														
Loans	50,034,302	249,132,651	10,873,477	506,282	88,173,838	584,447	96,362,718	(727,758)	(22,366,071)	(1,111,337)	(50,629)	(45,494,666)	(268,945)	(40,389,342)
Current account loans	18,964,274	4,019,058	285,000	-	552,760	-	6,258,382	(224,563)	(225,469)	(153,873)	-	(124,200)	-	(3,918,926)
Overdrafts	119,056	17,881	1,287,634	372,689	275,834	13,336	15,931,144	(71)	(247)	(111,716)	(38,822)	(272,846)	(4,414)	(7,441,725)
Credit cards	170,159	20,235	-	-	10,217	-	-	(2,597)	(1,661)	-	-	(7,453)	-	-
	69,287,791	**253,189,825**	**12,446,111**	**878,971**	**89,012,649**	**597,783**	**118,552,244**	**(954,989)**	**(22,593,448)**	**(1,376,926)**	**(89,451)**	**(45,899,165)**	**(273,359)**	**(51,749,993)**
RETAIL														
Loans	4,658,067	205,009	10,316	4,913,999	15,900,599	121,622	10,848,339	(181,761)	(50,092)	(4,673)	(820,524)	(9,623,641)	(108,318)	(9,134,026)
Consumer credit	2,664,597	2,038,834	61,377	1	-	-	-	(129,229)	(226,427)	(23,668)	-	-	-	-
Employees	4,197,425	358,049	78,363	184	-	-	-	(69,100)	(281,254)	(87,820)	(37)	-	-	-
Overdrafts	491,748	1,502,145	149,346	510,076	597,139	2,592	899,299	(1,142)	(27,186)	(10,008)	(10,579)	(493,329)	(2,279)	(847,190)
Credit cards	2,562,484	176,433	-	-	69,327	-	-	(37,285)	(2,507)	-	-	(47,384)	-	-
Mortgages	2,112,816	396,984	188,731	-	-	-	-	(40,554)	(106,145)	(107,077)	-	-	-	-
	16,687,137	**4,677,454**	**488,133**	**5,424,260**	**16,567,065**	**124,214**	**11,747,638**	**(459,071)**	**(693,611)**	**(233,246)**	**(831,140)**	**(10,164,354)**	**(110,597)**	**(9,981,216)**
	85,974,928	**257,867,279**	**12,934,244**	**6,303,231**	**105,579,714**	**721,997**	**130,299,882**	**(1,414,060)**	**(23,287,059)**	**(1,610,172)**	**(920,591)**	**(56,063,519)**	**(383,956)**	**(61,731,209)**

As at 31 December 2021 and 2020, the detail of exposure and impairment established, by segment and by granting year, is presented as follows:

(Thousands of AOA)

Segment	31-12-2021														
	2018 and preceding years			2019			2020			2021			Total		
	Number of trans-actions	Total exposure	Impairment losses	Number of trans-actions	Total exposure	Impairment losses	Number of trans-actions	Total exposure	Impairment losses	Number of trans-actions	Total exposure	Impairment losses	Number of trans-actions	Total exposure	Impairment losses
CORPORATE															
Loans	390	367,123,770	(92,789,293)	65	50,803,219	(10,451,565)	47	64,948,201	(7,151,157)	52	24,395,489	(2,832,279)	554	507,270,679	(113,224,294)
Current account loans	21	3,200,965	(2,727,067)	3	257,579	(161,460)	5	2,137,300	(731,488)	16	9,107,354	(168,142)	45	14,703,198	(3,788,157)
Overdrafts	1,758	14,584,594	(6,651,523)	170	38,675	(35,305)	115	14,328	(726)	72	8,056	(801)	2,115	14,645,653	(6,688,354)
Credit cards	361	107,625	(10,731)	220	64,855	(1,234)	75	19,487	(207)	62	24,978	(248)	718	216,945	(12,419)
	2,530	**385,016,954**	**(102,178,614)**	**458**	**51,164,328**	**(10,649,564)**	**242**	**67,119,316**	**(7,883,578)**	**202**	**33,535,877**	**(3,001,470)**	**3,432**	**536,836,475**	**(123,713,224)**
RETAIL															
Loans	422	19,129,504	(12,993,939)	219	6,795,514	(934,560)	195	4,442,537	(444,514)	452	1,404,035	(449,446)	1,288	31,771,590	(14,822,459)
Consumer credit	1,157	1,801,057	(1,664,970)	-	-	-	63	49,784	(37,018)	380	340,092	(72,046)	1,600	2,190,933	(1,774,034)
Employees	1,952	3,761,800	(242,390)	539	268,817	(79,311)	53	315,222	(1,498)	287	1,193,371	(15,927)	2,831	5,539,210	(339,127)
Overdrafts	66,667	3,705,111	(2,906,493)	45,611	193,244	(170,011)	14,819	103,873	(90,764)	21,430	130,942	(85,261)	148,527	4,133,170	(3,252,529)
Credit cards	2,207	1,598,049	(48,766)	1,296	222,331	(10,248)	428	83,621	(2,392)	243	48,493	(1,446)	4,174	1,952,494	(62,851)
Mortgages	56	4,207,929	(2,638,058)	8	745,642	(376,658)	8	556,033	(220,979)	5	385,048	(133,388)	77	5,894,652	(3,369,083)
	72,461	**34,203,450**	**(20,494,616)**	**47,673**	**8,225,548**	**(1,570,788)**	**15,566**	**5,551,070**	**(797,165)**	**22,797**	**3,501,981**	**(757,514)**	**158,497**	**51,482,049**	**(23,620,083)**
	74,991	**419,220,404**	**(122,673,230)**	**48,131**	**59,389,876**	**(12,220,352)**	**15,808**	**72,670,386**	**(8,680,743)**	**22,999**	**37,037,858**	**(3,758,984)**	**161,929**	**588,318,524**	**(147,333,307)**

(Thousands of AOA)

Segment	31-12-2020 (restated)														
	2017 and preceding years			2018			2019			2020			Total		
	Number of trans-actions	Total exposure	Impairment losses	Number of trans-actions	Total exposure	Impairment losses	Number of trans-actions	Total exposure	Impairment losses	Number of trans-actions	Total exposure	Impairment losses	Number of transac-tions	Total exposure	Impairment losses
CORPORATE															
Loans	294	319,397,896	(72,794,234)	81	68,054,824	(21,852,156)	67	47,479,360	(8,295,660)	51	60,735,635	(7,466,698)	493	495,667,715	(110,408,748)
Current account loans	16	3,552,763	(3,008,182)	5	115,065	(112,489)	5	662,875	(189,669)	46	25,748,771	(1,336,691)	72	30,079,474	(4,647,031)
Overdrafts	1,664	16,534,136	(7,736,241)	274	1,422,225	(91,546)	331	41,352	(33,254)	54	19,861	(8,800)	2,323	18,017,574	(7,869,841)
Credit cards	303	89,027	(8,862)	35	20,570	(1,119)	212	65,236	(1,145)	73	25,778	(585)	623	200,611	(11,711)
	2,277	**339,573,822**	**(83,547,519)**	**395**	**69,612,684**	**(22,057,310)**	**615**	**48,248,823**	**(8,519,728)**	**224**	**86,530,045**	**(8,812,774)**	**3,511**	**543,965,374**	**(122,937,331)**
RETAIL															
Loans	1,790	11,200,556	(9,065,697)	94	14,287,910	(8,529,865)	92	6,424,402	(1,538,494)	57	4,745,083	(788,979)	2,033	36,657,951	(19,923,035)
Employees	1,927	3,489,582	(251,285)	331	427,744	(93,467)	617	418,695	(88,516)	67	298,000	(4,943)	2,942	4,634,021	(438,211)
Consumer credit	72	1,415,887	(69,115)	102	273,595	(90,113)	131	1,936,579	(108,552)	769	1,138,748	(111,544)	1,074	4,764,809	(379,324)
Overdrafts	57,920	3,478,664	(1,309,382)	41,090	139,788	(25,719)	169,556	517,884	(49,490)	2,642	16,009	(7,122)	271,208	4,152,345	(1,391,713)
Credit cards	2,098	2,178,968	(69,176)	596	154,928	(5,544)	1,566	360,337	(9,949)	464	114,011	(2,507)	4,724	2,808,244	(87,176)
Mortgages	20	1,753,387	(126,410)	4	230,868	(79,943)	4	524,715	(31,459)	4	189,561	(15,964)	32	2,698,531	(253,776)
	63,827	**23,517,044**	**(10,891,065)**	**42,217**	**15,514,833**	**(8,824,651)**	**171,966**	**10,182,612**	**(1,826,460)**	**4,003**	**6,501,412**	**(931,059)**	**282,013**	**55,715,901**	**(22,473,235)**
	66,104	**363,090,866**	**(94,438,584)**	**42,612**	**85,127,517**	**(30,881,961)**	**172,581**	**58,431,435**	**(10,346,188)**	**4,227**	**93,031,457**	**(9,743,833)**	**285,524**	**599,681,275**	**(145,410,566)**

As at 31 December 2021 and 2020, the detail of exposure and impairment established, by segment and type of analysis, is presented as follows:

(Thousands of AOA)

	31-12-2021					
Segment	Individual impairment		Colective impairment		Total	
	Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses
CORPORATE						
Loans	444,904,428	(97,983,945)	62,366,251	(15,240,349)	507,270,679	(113,224,294)
Current account loans	6,594,736	(2,554,444)	8,108,462	(1,233,713)	14,703,198	(3,788,157)
Overdrafts	11,563,079	(3,921,594)	3,082,574	(2,766,760)	14,645,653	(6,688,354)
Credit cards	2,156	(478)	214,789	(11,941)	216,945	(12,419)
	463,064,399	**(104,460,461)**	**73,772,076**	**(19,252,763)**	**536,836,475**	**(123,713,224)**
RETAIL						
Loans	21,385,289	(11,358,621)	10,386,301	(3,463,838)	31,771,590	(14,822,459)
Consumer credit	-	-	2,190,933	(1,774,034)	2,190,933	(1,774,034)
Employees	-	-	5,539,210	(339,127)	5,539,210	(339,127)
Overdrafts	2,011,081	(1,310,181)	2,122,089	(1,942,348)	4,133,170	(3,252,529)
Credit cards	1,221	(232)	1,951,273	(62,619)	1,952,494	(62,851)
Mortgages	328,059	(23,623)	5,566,593	(3,345,460)	5,894,652	(3,369,083)
	23,725,650	**(12,692,657)**	**27,756,399**	**(10,927,426)**	**51,482,049**	**(23,620,083)**
	486,790,049	**(117,153,118)**	**101,528,475**	**(30,180,189)**	**588,318,524**	**(147,333,307)**

(Thousands of AOA)

Segment	31-12-2020 (restated)					
	Individual impairment		Colective impairment		Total	
	Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses
CORPORATE						
Loans	431,630,128	(96,167,994)	64,037,587	(14,240,754)	495,667,715	(110,408,748)
Current account loans	8,693,076	(3,066,425)	21,386,398	(1,580,606)	30,079,474	(4,647,031)
Overdrafts	14,617,502	(5,004,616)	3,400,072	(2,865,225)	18,017,574	(7,869,841)
Credit cards	2,103	(494)	198,508	(11,217)	200,611	(11,711)
	454,942,809	**(104,239,529)**	**89,022,565**	**(18,697,802)**	**543,965,374**	**(122,937,331)**
RETAIL						
Loans	18,496,367	(8,871,911)	18,161,584	(11,051,124)	36,657,951	(19,923,035)
Consumer credit	1,593,273	(79,862)	3,171,536	(299,462)	4,764,809	(379,324)
Employees	-	-	4,634,021	(438,211)	4,634,021	(438,211)
Overdrafts	1,417,667	(25,597)	2,734,678	(1,366,116)	4,152,345	(1,391,713)
Credit cards	2,383	(1,455)	2,805,861	(85,721)	2,808,244	(87,176)
Mortgages	188,555	(9,460)	2,509,976	(244,316)	2,698,531	(253,776)
	21,698,245	**(8,988,285)**	**34,017,656**	**(13,484,950)**	**55,715,901**	**(22,473,235)**
	476,641,054	**(113,227,814)**	**123,040,221**	**(32,182,752)**	**599,681,275**	**(145,410,566)**

As at 31 December 2021 and 2020, the detail of exposure and impairment established, by type of analysis and business sector, is presented as follows:

(Thousands of AOA)

	31-12-2021													
	Real Estate		Wholesale and Retail Trade		Construction		Manufacturing Industry		Retail		Other		Total	
	Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses
Individual impairment	170,172,906	(28,395,301)	78,754,842	(14,721,304)	99,488,893	(36,582,035)	94,876,871	(18,596,772)	23,725,650	(12,692,658)	19,770,887	(6,165,048)	486,790,049	(117,153,118)
Colective impairment	726,186	(20,789)	11,776,459	(5,766,878)	14,237,185	(1,726,620)	16,284,780	(4,230,250)	29,003,190	(12,388,475)	29,500,675	(6,047,177)	101,528,475	(30,180,189)
	170,899,092	**(28,416,090)**	**90,531,301**	**(20,488,182)**	**113,726,078**	**(38,308,655)**	**111,161,651**	**(22,827,022)**	**52,728,840**	**(25,081,133)**	**49,271,562**	**(12,212,225)**	**588,318,524**	**(147,333,307)**

(Thousands of AOA)

	31-12-2020 (restated)													
	Real Estate		Wholesale and Retail Trade		Construction		Manufacturing Industry		Retail		Other		Total	
	Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses
Individual impairment	171,486,536	(31,790,059)	81,147,423	(19,023,384)	95,746,006	(31,402,875)	84,162,892	(19,115,028)	21,698,242	(8,988,285)	22,399,955	(2,908,183)	476,641,054	(113,227,814)
Colective impairment	4,416,615	(496,278)	11,579,739	(6,397,049)	24,319,325	(1,639,054)	22,391,148	(4,824,959)	32,428,789	(12,,810,938)	27,904,605	(6,014,474)	123,040,221	(32,182,752)
	175,903,151	**(32,286,337)**	**92,727,162**	**(25,420,433)**	**120,065,331**	**(33,041,929)**	**106,554,040**	**(23,939,987)**	**54,127,031**	**(21,799,223)**	**50,304,560**	**(8,922,657)**	**599,681,275**	**(145,410,566)**

As at 31 December 2021 and 2020, the detail of exposure and impairment established, by type of analysis and geography, is presented as follows:

(Thousands of AOA)

	31-12-2021							
	Angola		Portugal		Other countries		Total	
	Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses
Individual impairment	486,790,049	(117,153,118)	-	-	-	-	486,790,049	(117,153,118)
Colective impairment	101,445,485	(30,109,447)	69,237	(61,408)	13,753	(9,334)	101,528,475	(30,180,189)
	588,235,534	**(147,262,565)**	**69,237**	**(61,408)**	**13,753**	**(9,334)**	**588,318,524**	**(147,333,307)**

(Thousands of AOA)

	31-12-2020 (restated)							
	Angola		Portugal		Other countries		Total	
	Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses
Individual impairment	473,659,701	(111,667,708)	2,981,353	(1,560,106)	-	-	476,641,054	(113,227,814)
Colective impairment	122,726,363	(32,168,046)	287,059	(6,995)	26,799	(7,711)	123,040,221	(32,182,752)
	596,386,064	**(143,835,754)**	**3,268,412**	**(1,567,101)**	**26,799**	**(7,711)**	**599,681,275**	**(145,410,566)**

As at 31 December 2021 and 2020, the analysis of the fair value of guarantees underlying the loan portfolio of the Corporate, Construction and Mortgages segments is as follows:

(Thousands of AOA)

	31-12-2021											
	Corporate				Construction				Mortgages			
	Real Estate		Other collateral		Real Estate		Other collateral		Real Estate		Other collateral	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
< AOA 50 M	13	237,905	1,292	2,670,694	-	-	98	153,377	17	318,552	5	17,237
≥ AOA 50 M and < AOA 100 M	10	597,293	41	2,708,985	2	174,000	3	105,034	20	767,413	-	-
≥ AOA 100 M and < AOA 500 M	31	4,532,791	81	17,089,210	6	1,096,901	11	2,901,433	27	2,176,467	1	94,132
≥ AOA 500 M and < AOA 1,000 M	16	3,469,589	8	4,957,019	2	613,492	7	1,244,325	1	292,203	-	-
≥ AOA 1,000 M and < AOA 2,000 M	16	11,223,355	3	2,897,076	1	1,042,840	3	1,251,432	-	-	-	-
≥ AOA 2,000 M and < AOA 5,000 M	17	29,643,127	2	8,800,265	4	7,269,155	5	299,439	1	61,354	-	-
≥ AOA 5,000 M	11	85,804,438	2	30,325,951	15	163,046,388	6	19,664,108	2	4,311,155	-	-
	114	**135,508,498**	**1,429**	**69,449,200**	**30**	**173,242,776**	**133**	**25,619,148**	**68**	**7,927,144**	**6**	**111,369**

(Thousands of AOA)

	31-12-2020 (restated)											
	Corporate				Construction				Mortgages			
	Real Estate		Other collateral		Real Estate		Other collateral		Real Estate		Other collateral	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
< AOA 50 M	9	121,984	947	2,183,095	1	12,128	105	202,960	10	186,660	4	28,816
≥ AOA 50 M and < AOA 100 M	8	431,450	44	2,836,799	-	-	6	394,383	8	418,930	-	-
≥ AOA 100 M and < AOA 500 M	26	1,641,108	86	15,709,096	6	1,622,088	20	4,906,075	17	1,308,132	1	110,586
≥ AOA 500 M and < AOA 1,000 M	13	1,846,843	20	11,918,557	3	1,079,469	4	1,795,735	1	342,825	-	-
≥ AOA 1,000 M and < AOA 2,000 M	11	5,108,881	5	6,416,228	5	2,817,565	3	2,252,392	-	-	-	-
≥ AOA 2,000 M and < AOA 5,000 M	24	21,826,881	2	6,608,105	3	4,979,746	3	8,436,995	-	-	-	-
≥ AOA 5,000 M	11	79,005,209	3	43,930,746	16	152,135,250	3	19,390,321	1	11,357	-	-
	102	**109,982,358**	**1,107**	**89,602,626**	**34**	**162,646,246**	**144**	**37,378,861**	**37**	**2,267,903**	**5**	**139,402**

As at 31 December 2021 and 2020, the loan-to-value ratio of the Corporate, Construction and Mortgages segments is presented as follows:

(Thousands of AOA)

	31-12-2021					
Segment/Ratio	Number of properties	Number of other collateral	Credit in Stage 1	Credit in Stage 2	Credit in Stage 3	Impairment losses
CORPORATE						
No collateral provided	-	-	4,232,014	2,292,392	10,639,509	(8,488,054)
< 50%	35	157	13,946,258	46,922,322	10,112,522	(6,562,269)
≥ 50% and < 75%	4	136	2,880,503	20,480,985	7,968,543	(3,394,913)
≥ 75% and < 100%	5	85	4,169,889	46,197,833	10,055,934	(8,847,880)
≥ 100%	70	1,051	2,552,320	3,704,632	61,478,248	(37,932,517)
CONSTRUCTION						
No collateral provided	-	-	727,796	8,721,038	5,670,820	(3,276,752)
< 50%	5	32	9,013,449	24,781,497	37,245,939	(15,400,252)
≥ 50% and < 75%	6	15	12,088,127	17,110,594	18,077,773	(7,211,444)
≥ 75% and < 100%	3	13	25,212	46,922,238	20,988,709	(9,782,970)
≥ 100%	16	73	1,535,051	49,088,808	37,853,025	(22,277,135)
MORTGAGES						
No collateral provided	-	-	-	-	-	-
< 50%	4	2	173,823	-	235,178	(232,505)
≥ 50% and < 75%	1	-	-	-	154,467	(146,785)
≥ 75% and < 100%	2	-	-	-	7,070	(6,374)
≥ 100%	61	4	538,050	371,684	7,799,351	(4,363,415)
	212	**1,568**	**51,882,492**	**266,594,023**	**228,287,088**	**(127,923,265)**

(Thousands of AOA)

			31-12-2020 (restated)			
Segment/Ratio	Number of properties	Number of other collateral	Credit in Stage 1	Credit in Stage 2	Credit in Stage 3	Impairment losses
CORPORATE						
No collateral provided	n.a.	n.a.	10,896,602	9,898,855	51,587,378	(30,559,086)
< 50%	49	44	6,342,275	1,863,990	22,953,218	(11,108,501)
≥ 50% and < 75%	6	77	611,283	5,087,889	15,381,544	(5,189,616)
≥ 75% and < 100%	2	18	10,712,506	36,831,965	126,038	(2,513,969)
≥ 100%	45	968	3,467,860	10,247,940	4,458,339	(1,380,240)
CONSTRUCTION						
No collateral provided	n.a.	n.a.	3,597,634	57,927,050	22,175,826	(15,863,795)
< 50%	4	21	-	10,693,709	14,474,088	(2,620,643)
≥ 50% and < 75%	6	7	-	-	15,590,318	(3,810,978)
≥ 75% and < 100%	5	7	-	3,038,784	-	(411,445)
≥ 100%	19	109	343,005	23,299,098	24,763,638	(9,579,477)
MORTGAGES						
No collateral provided	n.a.	n.a.	1,914,981	585,714	-	(251,025)
< 50%	8	4	175,342	-	-	(2,679)
≥ 50% and < 75%	-	-	-	-	-	-
≥ 75% and < 100%	2	-	21,819	-	-	(71)
≥ 100%	27	1	675	-	-	-
	173	**1,256**	**38,083,982**	**159,474,994**	**171,510,388**	**(83,291,525)**

As at 31 December 2021 and 2020, the analysis of the fair value and the net book value of Real Estate received in lieu of payment or foreclosure, recorded under Non-current assets held for sale (Note 13), by type of real estate, is as follows:

(Thousands of AOA)

Type of property	31-12-2021			31-12-2020 (restated)		
	Number of properties	Valuation value of the asset	Net book value	Number of properties	Valuation value of the asset	Net book value
LAND						
Urban	1	1,362,506	-	5	4,452,877	3,402,056
CONSTRUCTED BUILDINGS						
Commercial	-	-	-	2	6,815,208	3,070,429
Residential	1	994,400	-	2	2,042,745	1,137,380
	2	**2,356,906**	**-**	**9**	**13,310,830**	**7,609,865**

As at 31 December 2021 and 2020, the analysis of the net book value of Real Estate received in lieu of payment or foreclosure, recorded under Non-current assets held for sale (Note 13), by type of real estate and seniority, is as follows:

(Thousands of AOA)

Time elapsed since the payment/foreclosure	31-12-2021				31-12-2020 (restated)			
	< 1 year	≥ 1 year and < 2,5 year	≥ 2,5 year and < 5 year	Net book value	< 1 year	≥ 1 year and < 2,5 year	≥ 2,5 year and < 5 year	Net book value
LAND								
Urban	-	-	-	-	193,800	1,075,741	2,132,515	3,402,056
CONSTRUCTED BUILDINGS								
Commercial	-	-	-	-	624,204	2,446,225	-	3,070,429
Residential	-	-	-	-	307,469	829,911	-	1,137,380
	-	**-**	**-**	**-**	**1,125,473**	**4,351,877**	**2,132,515**	**7,609,865**

As at 31 December 2021 and 2020, the detail of exposure, by segment and internal risk degree, is presented as follows:

(Thousands of AOA)

Segment	31-12-2021									
	Low risk level			Medium risk level	High risk level				No rating	Total
	B1	B2	B3	C	D	E	F	G	-	
CORPORATE										
Loans	10,334	34,978,780	37,397,349	70,534,001	48,201,491	48,879,614	15,124,488	93,367,865	158,776,757	507,270,679
Current account loans	-	-	405,091	460,787	9,984,363	537,847	-	138,996	3,176,114	14,703,198
Overdrafts	-	4	2,547	108,523	582,475	1,293,663	1,878	6,182,448	6,474,115	14,645,653
Credit cards	979	7,650	5,159	8,415	9,337	8,670	-	2,785	173,950	216,945
	11,313	**34,986,434**	**37,810,146**	**71,111,726**	**58,777,666**	**50,719,794**	**15,126,366**	**99,692,094**	**168,600,936**	**536,836,475**
RETAIL										
Loans	240,615	341,831	688,069	4,568,571	134,549	505	-	105,625	25,691,825	31,771,590
Consumer credit	-	3,974	97,347	163,249	30,976	-	-	3,923	1,891,464	2,190,933
Employees	157	-	-	-	-	-	-	-	5,539,053	5,539,210
Overdrafts	5	125	2,853	10,008	1,845	2	-	643	4,117,689	4,133,170
Credit cards	645	6,833	11,053	10,713	1,297	230	-	265	1,921,458	1,952,494
Mortgages	-	46,062	386,368	101,319	275,902	325,140	-	141,924	4,617,937	5,894,652
	241,422	**398,825**	**1,185,690**	**4,853,860**	**444,569**	**325,877**	**-**	**252,380**	**43,779,426**	**51,482,049**
	252,735	**35,385,259**	**38,995,836**	**75,965,586**	**59,222,235**	**51,045,671**	**15,126,366**	**99,944,474**	**212,380,362**	**588,318,524**

(Thousands of AOA)

Segment	31-12-2020 (restated)									
	Low risk level			Medium risk level	High risk level				No rating	Total
	B1	B2	B3	C	D	E	F	G	-	
CORPORATE										
Loans	-	32,268,779	40,153,487	86,058,501	20,578,344	51,702,395	6,921,784	87,669,379	170,315,046	495,667,715
Current account loans	-	-	99,650	955,515	9,047,641	7,287,160	-	8,319,719	4,369,789	30,079,474
Overdrafts	-	-	1,231,094	443,226	3,588	1,880,898	1,883	7,913,286	6,543,599	18,017,574
Credit cards	-	315	4,465	7,852	6,573	6,383	-	4,504	170,519	200,611
	-	**32,269,094**	**41,488,696**	**87,465,094**	**29,636,146**	**60,876,836**	**6,923,667**	**103,906,888**	**181,398,953**	**543,965,374**
RETAIL										
Loans	255,633	225,995	150,999	5,165,336	478,888	385,499	-	314,575	29,681,026	36,657,951
Consumer credit	590	177,321	1,620,063	401,094	18,575	745	-	-	2,546,421	4,764,809
Employees	16	-	-	-	91	-	-	-	4,633,914	4,634,021
Overdrafts	-	224	3,163	5,890	571	-	-	5,663	4,136,834	4,152,345
Credit cards	1,488	10,101	13,283	6,863	410	191	-	-	2,775,908	2,808,244
Mortgages	-	47,702	311,384	24,540	-	-	-	-	2,314,905	2,698,531
	257,727	**461,343**	**2,098,892**	**5,603,723**	**498,535**	**386,435**	**-**	**320,238**	**46,089,008**	**55,715,901**
	257,727	**32,730,437**	**43,587,588**	**93,068,817**	**30,134,681**	**61,263,271**	**6,923,667**	**104,227,126**	**227,487,961**	**599,681,275**

As at 31 December 2021 and 2020, the disclosure of risk factors associated with the impairment model, by segment, is as follows:

Segment	31-12-2021			
	Probability of default			Loss given default
	Stage 1	Stage 2	Stage 3	
CORPORATE				
Loans	4%	17%	100%	90%
Current account loans	4%	15%	100%	90%
Overdrafts	4%	15%	100%	85%
Credit cards	4%	15%	100%	79%
RETAIL				
Loans	2%	21%	100%	92%
Consumer credit	2%	12%	100%	95%
Employees	0%	7%	-	89%
Overdrafts	1%	2%	100%	90%
Credit cards	1%	1%	100%	90%
Mortgages	1%	6%	100%	95%

Segment	31-12-2020 (restated)			
	Probability of default			Loss given default
	Stage 1	Stage 2	Stage 3	
CORPORATE				
Loans	4%	33%	100%	74%
Current account loans	4%	19%	100%	75%
Overdrafts	4%	16%	100%	75%
Credit cards	2%	18%	100%	85%
RETAIL				
Loans	5%	21%	100%	80%
Consumer credit	6%	23%	100%	86%
Employees	1%	17%	n.a.-	86%
Overdrafts	2%	3%	100%	86%
Credit cards	2%	3%	100%	85%
Mortgages	2%	18%	100%	86%

In 2021, the risk factors associated with the impairment model by segment recorded (i) an improvement in the probability of default, reflecting a lower number of loans that went into default, particularly in Stage 2 and (ii) a deterioration of the loss given default, resulting from the non-materialisation of the legal processes in progress.

For the purpose of determining the forward-looking effect in the update of the default probabilities calculation, the Bank only considered the effect of the oil price evolution with a 2-year lag in the default rates projection of the Companies. In the Retail segment, the Bank decided not to carry out the forward-looking effect when calculating the probabilities of default.

As at 31 December 2021 and 2020, finance leases, by residual maturity, is presented as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
OUTSTANDING RENTS AND RESIDUAL VALUES		
Below 1 year	5,010,637	5 721 716
1 to 5 years	8,866,826	8,125,918
Above 5 years	3,241,016	8,217,617
	17,118,479	**22,065,251**
OUTSTANDING INTEREST		
Below 1 year	1,766,929	523,914
1 to 5 years	2,920,032	885,895
Above 5 years	1,319,989	2,328,020
	6,006,950	**3,737,829**
OUTSTANDING PRINCIPAL		
Below 1 year	3,243,708	5,197,803
1 to 5 years	5,946,794	7,240,024
Above 5 years	1,921,027	5,889,595
	11,111,529	**18,327,422**
Impairment losses	(545,468)	(2,504,474)
	16,573,011	**19,560,777**

There are no finance lease agreements with contingent rents.

NOTE 10

Financial assets at amortised cost – Other loans and advances to central banks and credit institutions

This caption is analysed as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
OTHER LOANS AND ADVANCES TO CREDIT INSTITUTIONS IN ANGOLA		
Operations with resale agreement	5,000,000	34,156,023
Interest receivable	5,642	36,312
	5,005,642	**34,192,335**
OTHER LOANS AND ADVANCES TO CREDIT INSTITUTIONS ABROAD		
Other loans and advances	29,090,457	49,786,098
Interest receivable	4,535	852
	29,094,992	**49,786,950**
Impairment losses (Note 32)	(285,640)	(388,144)
	33,814,994	**83,591,141**

As at 31 December 2021 and 2020, the breakdown of Other loans and advances to central banks and credit institutions, excluding interest receivable, by residual maturity, is as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
Below 3 months	33,304,031	83,145,616
3 to 12 months	786,426	796,505
	34,090,457	**83,942,121**

As at 31 December 2021 and 2020, the breakdown of Other loans and advances to central banks and credit institutions, including interest receivable, by currency, is as follows:

(Milhares de kwanzas)

	31-12-2021			31-12-2020 (restated)		
	Gross exposure	Impairment losses	Net exposure	Gross exposure	Impairment losses	Net exposure
AOA	5,005,641	(96,518)	4,909,123	34,228,646	(288,502)	33,940,144
USD	28,308,566	(188,383)	28,120,183	48,591,230	(94,785)	48,496,445
EUR	786,427	(739)	785,688	1,159,409	(4,857)	1,154,552
	34,100,634	**(285,640)**	**33,814,994**	**83,979,285**	**(388,144)**	**83,591,141**

As at 31 December 2021 and 2020, Other loans and advances to central banks and credit institutions abroad bears interest at an average annual rate of 18.70% and 19.50%, respectively.

As at 31 December 2021 and 2020, Other loans and advances to central banks and credit institutions abroad bears interest at an average annual rate of 0.33% and 0.66%, respectively.

As at 31 December 2021 and 2020, Other loans and advances to credit institutions abroad include mainly transactions that are collateralising documentary credits to import from Customers.

As at 31 December 2021 and 2020, exposures relating to other loans and advances are classified in Stage 1.

Changes in impairment losses for other loans and advances to central banks and credit institutions measured at amortised cost are as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
Opening balance	**388,144**	-
Charge for the period/(Reversals) (Note 32)	(102,504)	388,144
Closing balance	**285,640**	**388,144**

NOTE 11
Property, plant and equipment

This caption is analysed as follows:

(Thousands of AOA)

	Gross value					Depreciation, amortisation and impairment						Net value	
	Balances as at 31-12-2020 (restated)	Acquisitions	Disposals/ Write-offs	Transfers	Balances as at 31-12-2021	Balances as at 31-12-2020 (restated)	Amortisation for the period	Acquisitions	Disposals/ Write-offs	Transfers	Balances as at 31-12-2021	31-12-2020 (restated)	31-12-2021
REAL ESTATE													
For own use	47,313,970	16,679	(12,062,054)	499,100	35,767,695	(5,869,448)	(726,781)	(227)	1,112,857	3,270	(5,480,329)	41,444,522	30,287,366
Improvements in rented buildings	16,736,928	25,670	(2,613,389)	(888,915)	13,260,294	(5,381,384)	(434,014)	(286)	1,374,904	212,433	(4,228,347)	11,355,544	9,031,947
Other	11,800,547	-	(5,358,016)	-	6,442,531	-	-	-	-	-	-	11,800,547	6,442,531
	75,851,445	**42,349**	**(20,033,459)**	**(389,815)**	**55,470,520**	**(11,250,832)**	**(1,160,795)**	**(513)**	**2,487,761**	**215,703**	**(9,708,676)**	**64,600,613**	**45,761,844**
ASSETS UNDER CONSTRUCTION													
For own use	26,343,251	14,020	(32,346)	(13,500,079)	12,824,846	-	-	-	-	-	-	26,343,251	12,824,846
Advances	-	-	-	13,500,079	13,500,079	-	-	-	-	-	-	-	13,500,079
	26,343,251	**14,020**	**(32,346)**	**-**	**26,324,925**	**-**	**-**	**-**	**-**	**-**	**-**	**26,343,251**	**26,324,925**
EQUIPMENT													
IT equipment	17,783,984	982,253	(217,583)	389,814	18,938,468	(12,846,988)	(1,491,335)	(125,015)	215,458	(215,703)	(14,463,583)	4,936,996	4,474,885
Indoor facilities	3,142,533	14,383	(77,594)	-	3,079,322	(2,237,047)	(271,556)	(1,052)	76,655	-	(2,432,999)	905,486	646,323
Furniture and material	7,363,524	-	(242,376)	(46,945)	7,074,203	(5,553,312)	(588,653)	-	239,340	30,318	(5,872,307)	1,810,212	1,201,896
Security equipment	5,223,913	14,380	(180,646)	-	5,057,647	(3,898,492)	(412,255)	(1,201)	154,690	-	(4,157,258)	1,325,422	900,389
Machinery and tools	2,201,151	53,190	(13,685)	-	2,240,656	(1,941,958)	(100,993)	(7,978)	10,085	-	(2,040,844)	259,193	199,812
Transport equipment	4,089,500	-	(381,148)	-	3,708,352	(3,326,050)	(387,693)	-	363,990	-	(3,349,753)	763,450	358,599
Other	355,786	-	(69,170)	2,845,487	3,132,103	(297,265)	(171,595)	-	69,167	(2,556,804)	(2,956,497)	58,521	175,606
	40,160,392	**1,064,206**	**(1,182,202)**	**3,188,356**	**43,230,751**	**(30,101,112)**	**(3,424,080)**	**(135,246)**	**1,129,385**	**(2,742,189)**	**(35,273,241)**	**10,059,280**	**7,957,510**
PROPERTY, PLANT AND EQUIPMENT													
Other	2,883,229	-	-	(2,880,520)	2,709	(2,528,901)	(277)	-	-	2,526,486	(2,692)	354,328	17
	2,883,229	**-**	**-**	**(2,880,520)**	**2,709**	**(2,528,901)**	**(277)**	**-**	**-**	**2,526,486**	**(2,692)**	**354,328**	**17**
RIGHT-OF-USE ASSETS													
Real Estate	10,692,167	-	100,223	-	10,792,390	(1,658,993)	(1,314,471)	-	19,425	-	(2,954,039)	9,033,174	7,838,351
	10,692,167	**-**	**100,223**	**-**	**10,792,390**	**(1,658,993)**	**(1,314,471)**	**-**	**19,425**	**-**	**(2,954,039)**	**9,033,174**	**7,838,351**
	155,930,484	**1,120,575**	**(21,147,784)**	**(81,979)**	**135,821,295**	**(45,539,838)**	**(5,899,623)**	**(135,759)**	**3,636,571**	**-**	**(47,938,648)**	**110,390,646**	**87,882,647**

(Thousands of AOA)

	Gross value					Accummulated depreciation						Net value	
	Balances as at 31-12-2019 (restated)	Acquisitions	Disposals/ Write-offs	Transfers	Balances as at 31-12-2020 (restated)	Balances as at 31-12-2019 (restated)	Amortisation for the period	Acquisitions	Disposals/ Write-offs	Transfers	Balances as at 31-12-2020 (restated)	31-12-2019 (restated)	31-12-2020 (restated)
REAL ESTATE													
Fow own use	44,002,064	3,365,910	(54,004)	-	47,313,970	(4,964,444)	(879,018)	(21,781)	(4,205)	-	(5,869,448)	39,037,620	41,444,522
Improvements in rented buildings	15,636,740	1,352,426	(252,238)	-	16,736,928	(4,878,392)	(599,054)	(6,317)	102,379	-	(5,381,384)	10,758,348	11,355,544
Other	11,906,425	-	(105,878)	-	11,800,547	-	-	-	-	-	-	11,906,425	11,800,547
	71,545,229	**4,718,336**	**(412,120)**	**-**	**75,851,445**	**(9,842,836)**	**(1,478,072)**	**(28,098)**	**98,174**	**-**	**(11,250,832)**	**61,702,393**	**64,600,613**
ASSETS UNDER CONSTRUCTION													
For own use	26,343,251	420,665	(420,665)	-	26,343,251	-	-	-	-	-	-	26,343,251	26,343,251
	26,343,251	**420,665**	**(420,665)**	**-**	**26,324,925**	**-**	**-**	**-**	**-**	**-**	**-**	**26,343,251**	**26,324,925**
EQUIPMENT													
IT equipment	15,266,636	2,818,018	(300,670)	-	17,783,984	(11,517,438)	(1,338,057)	(287,751)	296,258	-	(12,846,988)	3,749,198	4,936,996
Indoor facilities	2,874,163	275,552	(7,182)	-	3,142,533	(1,956,040)	(263,554)	(25,332)	7,879	-	(2,237,047)	918,123	905,486
Furniture and material	7,249,448	121,705	(7,629)	-	7,363,524	(4,863,855)	(683,742)	(13,311)	7,596	-	(5,553,312)	2,385,593	1,810,212
Security equipment	5,191,364	32,549	-	-	5,223,913	(3,408,607)	(488,539)	(1,346)	-	-	(3,898,492)	1,782,757	1,325,422
Machinery and tools	2,201,151	62,971	(62,971)	-	2,201,151	(1,941,959)	(159,402)	(8,198)	167,601	-	(1,941,958)	259,192	259,193
Transport equipment	5,079,353	292,574	(1,282,427)	-	4,089,500	(4,056,180)	(521,484)	(42,667)	1,294,281	-	(3,326,050)	1,023,173	763,450
Other	2,530,770	15,584	(2,106)	(2,188,462)	355,786	(1,664,680)	(244,690)	(2,589)	2,106	1,612,588	(297,265)	866,090	58,521
	40,392,885	**3,618,953**	**(1,662,985)**	**(2,188,462)**	**40,160,392**	**(29,408,759)**	**(3,699,468)**	**(381,194)**	**1,775,721**	**1,612,588**	**(30,101,112)**	**10,984,126**	**10,059,280**
PROPERTY, PLANT AND EQUIPMENT													
Other	3,678,265	81,981	(3,065,479)	2,188,462	2,883,229	(916,036)	(277)	-	-	(1,612,588)	(2,528,901)	2,762,229	354,328
	3,678,265	**81,981**	**(3,065,479)**	**2,188,462**	**2,883,229**	**(916,036)**	**(277)**	**-**	**-**	**(1,612,588)**	**(2,528,901)**	**2,762,229**	**354,328**
RIGHT-OF-USE ASSETS													
Real Estate	5,608,352	5,126,203	(42,388)	-	10,692,167	(690,704)	(1,311,427)	-	343,138	-	(1,658,993)	4,917,648	9,033,174
	5,608,352	**5,126,203**	**(42,388)**	**-**	**10,692,167**	**(690,704)**	**(1,311,427)**	**-**	**343,138**	**-**	**(1,658,993)**	**4,917,648**	**9,033,174**
	147,567,982	**13,966,138**	**(5,603,637)**	**-**	**155,930,484**	**(40,858,335)**	**(6,489,244)**	**(409,292)**	**2,217,033**	**-**	**(45,539,838)**	**106,709,647**	**110,390,646**

As described in Note 41, during 2021, the Bank adopted IAS 29 Standard, and proceeded to the monetary updating of the gross amounts and accumulated depreciation of property, plant and equipment from their origination date to 1 January 2019. The amount resulting from this monetary revaluation was recorded under the caption Revaluation reserves and other reserves and retained earnings (Note 21).

As at 31 December 2021 and 2020, the caption Right-of-use assets – Real Estate corresponds to assets under lease, in accordance with the requirements of IFRS 16, adopted on 1 January 2019, as described in Note 2.12.

As at 31 December 2021 and 2020, the caption Assets under construction – Own use includes the amount of AOA 26,343,251 thousand and AOA 17,005,774 thousand, respectively, related to the construction of the Bank's new headquarters building in Luanda Bay. During the period ended 31 December 2020, the Bank made payments amounting to AOA 128,400 thousand under the construction contract. During the period ended at 31 December 2021, the amount of AOA 13,500,079 thousand was reclassified to Assets under construction – Advances, corresponds to the lag existing between the financial execution of the CPCV signed with the promoter (Natrium Imobiliária) and the execution of the work resulting from the construction methodology applied to this venture, due to the specific characteristics of this Parcel.

As at 31 December 2021, the balance of disposals/write-offs corresponds mainly to the sale, by realisation in kind, of properties for own use whose use was discontinued, under a capital increase operation in the Pactual Property Fund (Note 6). Accordingly, the Bank derecognised the properties against the subscription of shares at their market value, and the difference between the book value of the derecognised properties and their market value is recognised as capital gains or losses on the sale of other assets under Net gains/(losses) arising from the sale of other assets (Note 27).

As at 31 December 2021, the balance of transfers includes the amount associated to artistic assets, which during the period was reclassified to Other assets (Note 15).

NOTE 12
Intangible assets

This caption is analysed as follows:

(Thousands of AOA)

	Gross value					Accumulated amortizations					Accumulated impairment losses			Net value	
	Balances as at 31-12-2020 (restated)	Acquisitions	Disposals/ Write-offs	Transfers	Balances as at 31-12-2021	Balances as at 31-12-2020 (restaed)	Amortisation for the period	Acquisitions	Disposals/ Write-offs	Balances as at 31-12-2021	Balances as at 31-12-2020 (restaed)	Impairment losses for the period	Balances as at 31-12-2021	31-12-2020 (restated)	31-12-2021
Automatic data processing systems	27,633,530	6,389,730	(763,247)	253,854	33,513,867	(13,846,398)	(4,290,393)	(671,173)	82,511	(18,725,453)	-	-	-	13,787,132	14,788,414
Goodwill	51,349,585	-	-	-	51,349,585	-	-	-	-	-	(51,349,585)	-	(51,349,585)	-	-
Work in progress	11,780	242,074	-	(253,854)	-	-	-	-	-	-	-	-	-	11,780	-
Other intangible assets	2,646,629	233,559	-	-	2,880,188	(2,150,014)	(30,683)	(11,254)	-	(2,191,951)	-	-	-	496,615	688,237
	81,641,524	**6,865,363**	**(763,247)**	**-**	**87,743,640**	**(15,996,412)**	**(4,321,076)**	**(682,427)**	**82,511**	**(20,917,404)**	**(51,349,585)**	**-**	**(51,349,585)**	**14,295,527**	**15,476,651**

(Thousands of AOA)

	Gross value					Accumulated amortizations					Accumulated impairment losses			Net value	
	Balances as at 31-12-2019 (restated)	Acquisitions	Disposals/ Write-offs	Transfers	Balances as at 31-12-2020 (restated)	Balances as at 31-12-2019 (restaed)	Amortisation for the period	Acquisitions	Disposals/ Write-offs	Balances as at 31-12-2020 (restated)	Balances as at 31-12-2019 (restated)	Impairment losses for the period	Balances as at 31-12-2020 (restated)	31-12-2019 (restated)	31-12-2020 (restated)
Automatic data processing systems	20,889,269	6,919,053	(174,792)	-	27,633,530	(9,916,476)	(2,224,250)	(1,742,786)	37,114	(13,846,398)	-	-	-	10,972,793	13,787,132
Goodwill	51,349,585	-	-	-	51,349,585	-	-	-	-	-	(51,349,585)	-	(51,349,585)	-	-
Work in progress	253,854	336,685	(578,759)	-	11,780	-	-	-	-	-	-	-	-	253,854	11,780
Other intangible assets	2,592,854	53,775	-	-	2,646,629	(2,128,295)	(8,468)	(13,251)	-	(2,150,014)	-	-	-	464,559	496,615
	75,085,562	**7,309,513**	**(753,551)**	**-**	**81,641,524**	**(12,044,771)**	**(2,232,718)**	**(1,756,037)**	**37,114**	**(15,996,412)**	**(51,349,585)**	**-**	**(51,349,585)**	**11,691,206**	**14,295,527**

As described in Note 41, during 2021, the Bank adopted IAS 29 Standard, and proceeded to the monetary updating of the gross amounts and accumulated amortisation of intangible assets from their origination date to 1 January 2019. The amount resulting from this monetary revaluation was recorded under the caption Revaluation reserves and other reserves and retained earnings (Note 21).

Goodwill refers to the difference between the fair value of the assets and liabilities and the amount determined within the scope of the valuation made at the time of the merger between Banco Privado Atlântico, S.A. and Banco Millennium Angola, S.A. According to the accounting policy described in Note 2.9, goodwill is subject to impairment tests in accordance with the model defined, under IAS 36. In this context, and within the scope of the application of IAS 29 and IAS 8, the Bank has reviewed the recoverability analyses of goodwill on restated periods (retrospective effects). In this context, based on the assessment carried out as at 31 December 2017, resulting from the increase in Equity (within the scope of the application of the IAS 29 Standard), it is verified that the estimated recoverable amount is lower than its balance sheet value, which supported the recognition of impairment on the full amount of this asset, on that date.

NOTE 13
Non-current assets held for sale

This caption is analysed as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
Real Estate	2,392,425	8,418,133
Impairment losses	(2,392,425)	(621,240)
	-	**7,796,893**

As described in Note 41, during 2021, the Bank adopted IAS 29 Standard, and proceeded to the monetary updating of the gross amounts and accumulated impairment of Other non-current assets held for sale from their origination date to 1 January 2019. The amount resulting from this monetary revaluation was recorded under the caption Revaluation reserves and other reserves and retained earnings (Note 21).

As at 31 December 2021 and 2020, the amounts disclosed refer to Real Estate received in lieu of payment, amounting to AOA 2,393,425 thousand and AOA 8,201,403 thousand, respectively, and also, for 2020, premises not in use by the Bank amounting to AOA 216,729 thousand, available for immediate sale.

As at 31 December 2021, the Bank recorded impairment for the entire book balance of these assets, amounting to AOA 2,392,425 thousand (AOA 621,240 thousand for the period ended 31 December 2020).

In the period ended 31 December 2021, this caption presents the following changes:

(Thousands of AOA)

	Balances as at 31-12-2020 (restated)					Impairment (Note 31)		Balances as at 31-12-2021		
	Gross value	Impairment losses	Net value	Inflows	Disposals	Charge for the period	Reversals, charge-offs and transfers	Gross value	Impairment losses	Net value
Real estate received in lieu of payment	8,157,099	(547,234)	7,609,865	28,346,005	(34,110,679)	(2,392,424)	547,233	2,392,425	(2,392,425)	-
Other Real Estate	261,034	(74,006)	187,028	-	(261,034)	-	74,006	-	-	-
	8,418,133	**(621,240)**	**7,796,893**	**28,346,005**	**(34,371,713)**	**(2,392,424)**	**621,239**	**2,392,425**	**(2,392,425)**	**-**

In the period ended 31 December 2020, this caption presents the following changes:

(Thousands of AOA)

	Balances as at 31-12-2019 (restated)					Impairment (Note 31)		Balances as at 31-12-2020 (restated)		
	Gross value	Impairment losses	Net value	Inflows	Disposals	Charge for the period	Reversals, charge-offs and transfers	Gross value	Impairment losses	Net value
Real estate received in lieu of payment	97,245,923	(3,600,676)	93,645,247	1,125,475	(90,301,641)	(547,234)	3,600,676	8,157,099	(547,234)	7,609,865
Other Real Estate	2,563,631	(74,006)	2,489,625	-	(2,302,597)	(74,006)	74,006	261,034	(74,006)	187,028
	99,809,554	**(3,674,682)**	**96,134,872**	**1,125,475**	**(92,604,238)**	**(621,240)**	**3,674,682**	**8,418,133**	**(621,240)**	**7,796,893**

Inflows refer to Real Estate received in lieu of payment as part of the recovery of a set of loans granted to Customers.

Disposals presented above correspond to disposals of properties through (i) inflows in kind to Fundo Pactual Property – FIIF (Note 6), (ii) execution of promissory contracts of purchase and sale (Note 15) and (iii) direct sales to third parties.

Gains and losses resulting from the difference between the amount recorded in the balance sheet and the sale value charged on the promissory contracts of purchase and sale (Note 15) and direct sales to third parties, were recorded in the income statement, under Net gains/(losses) arising from the sale of other assets (Note 27).

Where the asset is not disposed of within 12 months, the Bank assesses whether the requirements continue to be met, namely the sale was not made for reasons beyond the Bank's control. The Bank shall ensure that all necessary actions have been taken to enable the sale and that the asset continues to be actively marketed and at reasonable selling prices given the market circumstances (Note 2.11).

NOTE 14
Taxes

As at 31 December 2021 and 2020, the caption Current tax assets is presented as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
CURRENT TAX ASSETS		
Other taxes receivable	2,462,185	2,418,635
	2,462,185	**2,418,635**

As at 31 December 2021 and 2020, Current tax assets includes taxes recoverable through the provisional assessment of Industrial Tax for 2018, amounting to AOA 694,824 thousand and provisional assessment of Industrial Tax on services for 2020 and 2021 of AOA 33,087 thousand and AOA 58,958 thousand, respectively.

For 2020, the Bank was waived from the assessment and payment of the provisional Industrial Tax, by means of a letter from AGT, in accordance with the provisions of Article No. 66 (10) of the Industrial Tax Code, as amended by Law No. 26/20, of 20 July.

As at 31 December 2021 and 2020, Deferred tax assets and Deferred tax liabilities are analysed as follows:

(Thousands of AOA)

	Assets		Liabilities		Net value	
	31-12-2021	31-12-2020 (restated)	31-12-2021	31-12-2020 (restated)	31-12-2021	31-12-2020 (restated)
DEFERRED TAX ASSETS/ (LIABILITIES)						
Loans and advances to Customers (direct and indirect)	1,554,498	1,577,220	-	-	1,554,498	1,577,220
Securities portfolio	152,159	152,159	(30,261)	(111,483)	121,898	40,676
Other provisions for risks and charges	1,710,796	1,710,795	-	-	1,710,796	1,710,795
Potential changes in foreign exchange rates	-	-	(21,386,789)	(20,747,663)	(21,386,789)	(20,747,663)
Impairment not accepted	-	-	18,239,737	12,316,891	18,239,737	12,316,891
Tax losses carried forward	-	-	3,147,052	8,430,772	3,147,052	8,430,772
	3,417,453	**3,440,174**	**(30,261)**	**(111,483)**	**3,387,192**	**3,328,691**

In 2020, Law No. 26/20, of 20 July, was published which introduced several amendments to the corporate income tax system provided for in the Industrial Tax Code, namely to Articles No. 13 and 14 (Income or gains/ Costs or expenses) and Article No. 45 (Provisions).

In particular, a rewording of the rules on income and gains of a financial nature has been carried out, as provided for in Articles 13(c) and 14(c) of the Industrial Tax Code, so that only realised favourable and unfavourable exchange rate changes will now be considered as income and costs of this nature. Moreover, Article No. 45 of the Industrial Tax Code has been amended, with the introduction of a new number 4 to the list of articles, which now states that "Provisions set up for collateralised loans are not accepted, except for the part not covered."

Accordingly, for the purposes of calculating current and deferred tax, the Bank considered the effects arising from the changes in the Industrial Tax Code, namely those related to (i) costs and income with unrealised exchange rate valuations and devaluations and (ii) costs with impairment losses on amounts of loans secured by collaterals.

It should be noted that these tax changes are under review and discussion between Associação Angolana de Bancos (ABANC) and the Angolan Tax Authority (AGT), with some uncertainties persisting as to (i) the procedures for calculating these adjustments, (ii) the type of deferred tax assets and liabilities to be considered on the effects of unrealised exchange rate changes and (iii) the type and valuation of collaterals for purposes of determining impairment losses not accepted for tax purposes.

In view of the above and in accordance with the provisions of IAS 12, deferred tax liabilities should be recognised in their entirety, whereas a deferred tax asset should only be recognised if it is certain that future taxable profit will be sufficient to allow its recoverability to be evidenced within the period laid down in the tax law. Accordingly, the Bank, using the best possible estimate, calculated the Industrial Tax for 2021 and 2020, considering the changes disclosed in the AGT letter (reference no. 1633/GAGA/GJ/AGT/2021, of 8 April), and the projections of the tax results for the next 5 years.

As at 31 December 2021, it was calculated (i) deferred tax liabilities related to potential exchange rate changes in the amount of AOA 21,386,789 thousand, considering the net effect of this nature of deferred tax, (ii) deferred tax assets related to impairment losses on loans secured by collaterals in the period in the amount of AOA 18,239,737 thousand and (iii) deferred tax assets related to tax losses generated in the period and in previous periods in the amount of AOA 3,147,052 thousand.

As at 31 December 2020, it was calculated (i) deferred tax liabilities related to potential exchange rate changes in the amount of AOA 20,747,663 thousand, considering the net effect of this nature of deferred tax, (ii) deferred tax assets related to impairment losses on loans secured by collaterals in the period in the amount of AOA 12,316,891 thousand and (iii) deferred tax assets related to tax losses generated in the period and in previous periods in the amount of AOA 8,430,772 thousand.

The Bank records deferred tax assets and deferred tax liabilities on an offsetting basis, since they relate to income taxes levied by the same tax authority and considering that the taxable temporary differences are expected to reverse in the same period.

As these deferred tax assets and liabilities are offset, their impact on the income statement is null, and no materially relevant future financial impacts are anticipated, resulting from the aforementioned Law and further clarifications to be made by the AGT.

Changes in Deferred tax assets and Deferred tax liabilities are presented as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
Opening balance	**3,328,691**	**2,220,388**
Recognised in profit or loss	(22,722)	1,151,184
Recognised in reserves – other comprehensive income	81,222	(42,881)
Closing balance (Assets/(Liabilities))	**3,387,192**	**3,328,691**

As at 31 December 2021 and 2020, tax recorded in profit or loss and reserves is as follows:

(Thousands of AOA)

	31-12-2021	
	Recognised in profit or loss	Recognised in reserves
Loans and advances to Customers (direct and indirect)	(22,722)	-
Securities portfolio	-	81,222
Provisions	-	-
Deferred taxes	(22,722)	81,222
Total tax recognised	**(22,722)**	**81,222**

(Thousands of AOA)

	31-12-2020 (restated)	
	Recognised in profit or loss	Recognised in reserves
Loans and advances to Customers (direct and indirect)	1,158,871	-
Securities portfolio	-	(42,881)
Provisions	(7,687)	-
Deferred taxes	1,151,184	(42,881)
Total tax recognised	**1,151,184**	**(42,881)**

As at 31 December 2021 and 2020, the estimated Industrial Tax of the Bank is presented as follows:

(Thousands of AOA)

	31-12-2021		31-12-2020 (restated)	
	%	Value	%	Value
Profit before tax		**3,451,090**		**(8,930,085)**
Tax rate	35.00		35.0	
Tax assessed based on the tax rate		1,207,882		(3,125,530)
Changes to positive equity (Article No. 13) - Adoption of IAS 29	305.87	10,555,900	n.a.	n.a.
Excessive amortisation (Article No. 40)	18.02	621,904	(0.77)	69,078
Provisions not foreseen (Article No. 45)	81.26	2,804,223	(181.40)	16,198,768
Capital Gains Tax and Property Tax (Article No. 18)	13.08	451,268	(9.50)	848,397
Fines and penalties for infringements (Article No. 18)	26.15	902,352	(1.74)	155,348
Adjustments related to prior and extraordinary periods (Article No. 18)	8.33	287,427	(7.36)	656,855
Currency valuations (Article No. 13/14)	233.89	8,071,592	232.33	(20,747,663)
Income subject to Capital Gains Tax (Article No. 47)	(241.68)	(8,340,508)	152.36	(13,605,986)
Provisions not foreseen (Article No. 45)	(8.67)	(299,140)	n.a.	n.a.
Other	(32.03)	(1,105,266)	36.50	(3,259,806)
Tax losses - Consumer goods	(439.21)	(15,157,632)	n.a.	n.a.
Tax payable - Current tax liability	**-**	**-**	**-**	**-**
Other expense/(income) – Industrial Tax	-	-	-	-
Income tax		**-**		**-**

As at 31 December 2021, the Bank recorded deferred tax assets on the amount of tax losses recoverable, as explained above, in the amount of AOA 3,147,052 thousand, generated in previous periods. Additionally, as at 31 December 2021, the Bank has an additional amount of AOA 3,429,479 thousand of tax losses carried forward generated, over which no deferred tax asset is recognised.

In accordance with the applicable legislation, tax losses carried forward can be used for a period of 5 years.

Income from public debt securities resulting from Treasury Bonds and Treasury Bills issued by the Angolan Government, whose issue is regulated by Presidential Decree No. 259/10, of 18 November and Presidential Decree No. 31/12, 30 of January, is exempted from all taxes.

In addition, Presidential Legislative Decree No. 5/11, of 30 December (revised and republished by Presidential Legislative Decree No. 2/14, of 20 October) implemented a rule subjecting income from public debt securities resulting from Treasury Bonds and Treasury Bills issued by the Angolan State to Capital Gains Tax.

Nevertheless, in accordance with the provisions of Article No. 47 of the Industrial Tax Code and the Law amending the Industrial Tax Code (Law No.19/14, of 22 October, in force since 1 January 2015, and Law No. 26/20, of 20 July, respectively), income subject to Capital Gains Tax will be deducted in the determination of the taxable amount.

Thus, to determine taxable profit for the periods ended on 31 December 2021 and 2020, such income was deducted from taxable profit.

Likewise, the expenditure calculated with the assessment of Capital Gains Tax is not accepted for tax purposes for the calculation of taxable profit, as provided for in Article No. 18(1)(a) of the Industrial Tax Code.

Notwithstanding the above, regarding income from public debt securities, in accordance with the latest understanding of Tax Authorities addressed to ABANC (letter with reference no. 196/DGC/AGT/2016, of 17 May 2016), only those arising from securities issued on or after 01 January 2013 are subject to this tax.

It should also be noted that, according to AGT's position, the exchange revaluations of public debt securities issued in national currency but indexed to foreign currency, issued since 1 January 2013, should be subject to Business Tax.

NOTE 15
Other assets

This caption is analysed as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
Debtors from promissory contracts of purchase and sale	74,753,903	87,945,114
Sundry debtors	17,611,864	33,189,965
Other assets		
Other pending transactions	11,366,590	12,530,587
Deferred expenses	5,167,035	5,956,602
Administrative public sector	6,437,765	4,138,160
Escrow accounts	3,337,469	3,849,569
Precious metals, coins, medals and other valuables	2,210	2,210
Other assets	840,795	596,417
	27,151,863	**27,073,545**
	119,517,629	**148,208,624**
Impairment losses (Note 31)	(26,203,982)	(22,208,616)
	93,313,647	**126,000,008**

As at 31 December 2021 and 2020, the caption Debtors from promissory contracts of purchase and sale refers to amounts receivable under real estate sale agreements, which are mostly booked in foreign currency, whose accounting policy is described in Note 2.6. The real estate properties were previously recorded under Non-current assets held for sale (Note 13) and the capital gains and losses arising from their sale were recorded under Net gains/(losses) arising from the sale of other assets (Note 27), whose accounting policy is described in Note 2.11.

During the period ended 31 December 2021, the caption Debtors from promissory contracts of purchase and sale was impacted by the appreciation of the Kwanza against the US Dollar, total and partial settlements of sale agreements, with greater seniority, and the triggering of a contractual clause of a sales agreement, resulting in the increase of the outstanding price against the caption Net gains/(losses) arising from foreign exchange differences, as described in Note 26.

As at 31 December 2021 and 2020, the caption Sundry debtors refers to other assets with credit risk, namely: (i) debt acknowledgement agreements through the assignment of the contractual position in loan agreements with Customers; (ii) agreements for the assignment of surface rights; and (iii) mandate agreements, which are contracts entered into by the Bank with third parties, accounted for in accordance with the accounting policy described in Note 2.6. The decrease in the balance of this caption, is justified by the conclusion of credit payment in kind processes, during the period ended at 31 December 2021, and the real estate received was recorded under Non-current assets available for sale (Note 13).

Changes occurred in impairment losses in Other assets are disclosed as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
Opening balance	**22,208,616**	**7,351,564**
Charge for the period/(Reversals) (Note 31)	8,876,462	13,308,447
Foreign exchange and other differences (Note 26)	(4,881,096)	1,548,605
Closing balance	**26,203,982**	**22,208,616**

The methodology for calculating impairment loss is described in Note 2.6.

NOTE 16

Deposits from central banks and other credit institutions

This caption is analysed as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
DEPOSITS FROM CREDIT INSTITUTIONS IN ANGOLA		
Interbank market transactions	16,500,000	8,500,000
	16,500,000	**8,500,000**
DEPOSITS FROM CREDIT INSTITUTIONS ABROAD		
Interbank market transactions	64,085,091	-
	64,085,091	**-**
Other deposits	3,054,424	5,544,081
Interest payable	75,277	53,983
	83,714,792	**14,098,064**

As at 31 December 2021 and 2020, the caption Deposits from central banks and other credit institutions in Angola – Interbank market transactions refers to short-term liquidity funding.

As at 31 December 2021, Deposits from of credit institutions abroad – Interbank market transactions refers to an overdraft, in foreign currency, resulting from the settlement of payment orders abroad, which was settled in the following month.

As at 31 December 2021 and 2020, Other deposits refers to the amounts pending interbank clearing.

As at 31 December 2021 and 2020, the transactions are short term with a residual maturity below 3 months.

As at 31 December 2021 and 2020, transactions in local currency bear interest at the annual average rate of 19.15% and 12.28%, respectively.

NOTE 17 – Deposits from customers and other loans

This caption is analysed as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
DEMAND DEPOSITS OF RESIDENTS		
In national currency		
Corporate	191,732,897	197,719,360
Retail	96,397,157	109,875,211
	288,130,054	**307,594,571**
In foreign currency		
Corporate	244,876,727	228,430,806
Retail	46,055,367	42,340,813
	290,932,094	**270,771,619**
	579,062,148	**578,366,190**
DEMAND DEPOSITS OF NON-RESIDENTS		
In national currency		
Corporate	1,117,468	474,206
Retail	4,161,770	5,722,947
	5,279,238	**6,197,153**
In foreign currency		
Corporate	1,348,377	985,691
Retail	1,588,324	2,271,520
	2,936,701	**3,257,211**
	8,215,939	**9,454,364**
Total demand deposits	**587,278,087**	**587,820,554**
TERM DEPOSITS IN NATIONAL CURRENCY		
From residents		
Corporate	234,484,485	180,891,796
Retail	142,845,092	112,396,191
From non-residents	2,194,284	2,432,401
	379,523,861	**295,720,388**
TERM DEPOSITS INDEXED TO THE US DOLLAR		
From residents		
Corporate	-	6,176,901
Retail	911,396	1,075,803
	911,396	**7,252,704**
TERM DEPOSITS IN FOREIGN CURRENCY		
From residents		
Corporate	205,151,225	320,740,763
Retail	207,366,597	296,201,522
From non-residents	1,929,348	3,251,894
	414,447,170	**620,194,179**
Total term deposits	**794,882,427**	**923,167,271**
Total interest payable on term deposits	12,554,332	12,982,972
Total term deposits and interest payable	**807,436,759**	**936,150,243**
Other loans in foreign currency		
Principal	27,749,050	-
Interest payable	486,528	-
Total other loans and interest payable	**28,235,578**	**-**
	1,422,950,424	**1,523,970,797**

As at 31 December 2021, Other loans in foreign currency corresponds to a financing granted by the International Finance Corporation, an organisation of the World Bank, in the amount of USD 50,000 thousand, contracted on 23 May 2019, with the disbursement taking place on 26 February 2021 with the conclusion of the relevant amendment. The financing is due on 15 March 2026, with repayment in half-yearly instalments starting on 15 March 2022, and is remunerated in accordance with the 6-month Libor plus a spread of 5.75%.

The operation is intended to provide the Bank with financial means to finance micro, small and medium-sized enterprises in previously defined sectors, with specific conditions, namely transactions to be carried out in Kwanzas, with a minimum amount equivalent to USD 10 thousand and a maximum amount equivalent to USD 1,000 thousand, and a minimum maturity of 18 months.

As at 31 December 2021 and 2020, term deposits by residual maturity periods, excluding interest payable, is as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
TERM DEPOSITS IN NATIONAL CURRENCY		
Below 3 months	220,662,450	199,810,096
3 to 6 months	63,453,996	39,514,491
6 to 12 months	95,407,415	56,395,801
	379,523,861	**295,720,388**
TERM DEPOSITS INDEXED TO THE US DOLLAR		
6 to 12 months	911,396	6,176,901
Above 12 months	-	1,075,803
	911,396	**7,252,704**
TERM DEPOSITS IN FOREIGN CURRENCY		
Below 3 months	149,532,184	267,931,128
3 to 6 months	137,062,319	168,131,059
6 to 12 months	127,852,667	184,131,992
	414,447,170	**620,194,179**
	794,882,427	**923,167,271**

As at 31 December 2021 and 2020, term deposits by currency and average interest rate, excluding interest payable, is as follows:

(Thousands of AOA)

	31-12-2021		31-12-2020 (restated)	
	Average interest rate	Amount	Average interest rate	Amount
In Kwanza	15.05%	379,523,861	14.43%	295,720,388
Indexed to the US Dollar	3.50%	911,396	3.00%	7,252,704
In US Dollars	1.34%	373,643,038	2.48%	549,931,247
In Euro	0.39%	40,804,132	2.00%	69,038,286
In Pounds	-	-	1.00%	487,255
In Swiss Francs	-	-	0.25%	737,391
		794,882,427		**923,167,271**

NOTE 18
Provisions

This caption is analysed as follows:

(Thousands of AOA)

	Provisions for guarantees and other commitments	Other provisions for risks and charges	Total
Balance as at 31 December 2019 (restated)	**838,827**	**7,543,191**	**8,382,018**
Charge for the period/Reversals (Note 31)	85,476	351,394	436,870
Charge-off	-	(7,753,711)	(7,753,711)
Foreign exchange and other differences (Note 26)	93,579	2,773,776	2,867,355
Balance as at 31 December 2020 (restated)	**1,017,882**	**2,914,650**	**3,932,532**
Charge for the period/Reversals (Note 31)	50,083	119,374	169,457
Charge-off	-	-	-
Foreign exchange and other differences (Note 26)	(37,836)	(503,464)	(541,300)
Balance as at 31 December 2021	**1,030,129**	**2,530,560**	**3,560,689**

As at 31 December 2021 and 2020, the caption Provisions for guarantees and other commitments records provisions for estimated impairment losses for off-balance sheet balances that show the possibility and conversion into loans and advances to customers, namely guarantees provided, documentary credits and undrawn credit facilities.

The balance of Other provisions for risks and charges is intended to cover certain contingencies arising from the Bank's activity and is reviewed at each reporting date with the purpose to reflect the best estimate of the amount and associated probability of payment.

As at 31 December 2021 and 2020, the balance of the caption Other provisions for risks and charges includes the amount of AOA 1,885,178 thousand and AOA 2,386,732 thousand, respectively, relating to contributions to be made by the Bank in the Pension Fund. In the period ended 31 December 2020, the charge-off recorded mainly relate to the offsetting/execution of payments to the Pension Fund (Note 2.14).

NOTE 19
Other liabilities

This caption is analysed as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
Lease liabilities	8,239,756	9,640,819
Accrued expenses	3,427,030	5,883,458
Tax charges payable - withheld from third parties	1,700,057	3,770,793
Staff liabilities	1,406,733	1,248,734
Administrative and marketing costs payable	838,495	1,371,520
VAT payable from clearance/captive	542,937	1,030,281
Sundry creditors	169,941	212,462
Social Security contribution	163,624	132,507
Other	1,288,101	1,651,566
	17,776,674	**24,942,140**

As at 31 December 2021 and 2020, 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 2.12.

As at 31 December 2021 and 2020, the breakdown of lease liabilities by residual maturities is presented as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
1 to 5 years	2,906,387	2,263,858
Above 5 years	5,333,369	7,376,961
	8,239,756	**9,640,819**

As at 31 December 2021 and 2020, the caption Accrued expenses includes amounts payable to service providers for telecommunications, security, valuables transportation, cleaning and other services.

As at 31 December 2021 and 2020, the balance of Tax charges payable – withheld from third parties includes the Capital Gains Tax payable on interest on term deposits indexed to the United States dollar in the amount of AOA 2,063,436 thousand. Additionally, this caption includes taxes payable on interest on term deposits, on money market investments and borrowings, on Treasury bonds and other securities in the portfolio, and labour income tax (IRT) payable to Tax Authorities in the following month.

As at 31 December 2021 and 2020, the balance of Staff liabilities includes the amount of AOA 1,193,090 thousand and AOA 1,036,004 thousand, respectively, related to holiday allowances.

NOTE 20

Share capital, Share premium and Treasury shares

Ordinary shares

The Bank was incorporated with a share capital of AOA 801,728 thousand (equivalent to USD 10,000 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 in the amount of AOA 6,510,772 thousand (equivalent to USD 55,000), 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, non-redeemable in the amount of AOA 2,437,500 thousand (equivalent to USD 32,500). 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 in the amount of AOA 4,949,243 thousand (equivalent to USD 52,500), 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 1,184,719 thousand).

In November 2011, a new capital increase was carried out in the amount of AOA 4,763,650 thousand (equivalent to USD 50,000), 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 in the amount of AOA 2,029,207 thousand were made with a view to maintaining the equivalent in Kwanzas of all the USD shares incorporated to the share capital, 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, in the amount of 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. Additionally, and on the same date, ATLANTICO carried out a capital increase by incorporation of retained earnings, in the amount of AOA 205,400, in order to make the Bank's share capital 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, non-redeemable, 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 in the amount of AOA 14,897,900 thousand, represented by 14,897,900 new shares with a 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 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 at the exchange rate of 17 December 2013). As part of this new capital increase, retained earnings in the amount of AOA 258,800 thousand were also incorporated in order to maintain the equivalent in Kwanzas of the Bank's share capital, corresponding to USD 350,000 at the exchange rate of 17 December 2013. As at 31 December 2013, this capital increase was not yet fully paid up, with cash inflows in the amount of AOA 975,940 thousand still to be undertaken. In 2014, cash inflows in the amount of 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 Treasury shares received within the merger, it was decided to cancel the Treasury 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 Treasury shares of which, as a result of the merger, ATLANTICO will become holder, based on Articles No. 461 and 372(4)(a), of the Commercial Companies Code.

As described in Note 41, in 2021, the Bank has retrospectively applied the IAS 29 Standard, accounting for the accumulated impact arising from the monetary revaluation of the Bank's capital, recorded up to 1 January 2019 under Share capital. As at 31 December 2019, the impact of the application of monetary revaluation, amounted to AOA 88,503,144 thousand.

As at 31 December 2021 and 2020, the Bank's share capital in the amount of AOA 142,324,747 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 and by the monetary revaluation effect described above.

As at 31 December 2021 and 2020, the Shareholder structure is as follows:

	31-12-2021		31-12-2020 (restated)	
	Number of shares	% of shareholding	Number of shares	% of shareholding
Interlagos Equity Partners, S.A.	16,023,355	29.77%	16,023,355	29.77%
BCP África, SGPS, Lda.	12,124,244	22.53%	12,120,365	22.52%
Atlântico Financial Group, S.A.R.L.	-	-	10,657,874	19.80%
Sotto Financial Group S.A.R.L.	10,657,874	19.80%	-	-
Jasper Capital Partners - Investimentos e Participações, S.A.	9,753,116	18.12%	8,138,468	15.12%
Quadros - Gestão de Activos, S.A.	2,220,263	4.13%	2,220,263	4.13%
Economus – Capital, Lda.	-	-	1,614,648	3.00%
Fundação ULWAZI (former Fundação Atlântico)	1,247,223	2.32%	1,076,433	2.00%
Gemcorp Fund I LP	1,024,737	1.90%	1,024,737	1.90%
Own shares (ATLANTICO)	492,182	0.91%	492,182	0.91%
Other entities	278,609	0.52%	453,278	0.84%
Total	**53,821,603**	**100%**	**53,821,603**	**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 balance of share premiums was reduced in the amount of AOA 4,589,246 thousand 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 Treasury shares. Additionally, the amount related to costs with capital increases amounts to AOA 21,940 thousand. As described in Note 41, the adoption of IAS 29 on the share premium arising from the merger resulted in an impact of AOA 35,897,337 thousand. Accordingly, as at 31 December 2019 and subsequent years the restated amount of Share premiums totals AOA 70,707,406 thousand.

Treasury shares

During 2016, the Bank acquired Treasury shares in the amount of 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 in the merger process of Banco Privado Atlântico S.A. and Banco Millennium Angola, S.A.

As described in Note 41, the adoption of IAS 29 on Treasury shares resulted in an impact of AOA 349,475 thousand. Accordingly, as at 31 December 2019 and subsequent years, the restated amount of Treasury shares totals AOA 841,657 thousand.

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)

	31-12-2021	31-12-2020 (restated)
Opening balance	**207,486**	**160,631**
Changes in fair value (net of disposals)	(493,377)	18,591
Impairment recognised	261,314	71,145
Deferred taxes recognised in reserves	81,222	(42,881)
Closing balance	**56,645**	**207,486**

Revaluation reserves, Other reserves and Retained earnings

Changes occurred in these captions are analysed as follows:

(Thousands of AOA)

	Revaluation reserves			Other reserves and retained earnings			Total reserves and retained earnings
	Gross fair value reserve	Deferred tax reserve	Total	Legal reserve	Other reserves and retained earnings	Total	
Balance as at 31 December 2019	**229,473**	**(68,842)**	**160,631**	**18,568,356**	**25,984,249**	**44,552,605**	**44,713,236**
Changes in accounting policies							
Impacts of adoption of IAS 29	-	-	-	-	(79,237,606)	(79,237,606)	(79,237,606)
Transfer to legal reserve	-	-	-	1,277,169	-	1,277,169	1,277,169
Transfer to retained earnings	-	-	-	-	11,494,520	11,494,520	11,494,520
Balance as at 1 January 2020 (restated)	**229,473**	**(68,842)**	**160,631**	**19,845,525**	**(41,758,837)**	**(21,913,312)**	**(21,752,681)**
Changes in fair value	89,736	(42,881)	46,855	-	-	-	46,855
Balance as at 31 December 2020 (restated)	**319,209**	**(111,723)**	**207,486**	**19,845,525**	**(41,758,837)**	**(21,913,313)**	**(21,705,827)**
Changes in fair value	(232,064)	81,223	(150,841)	-	-	-	(150,841)
Transfer to legal reserve	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	(7,778,900)	(7,778,900)	(7,778,900)
Balance as at 31 December 2021	**87,145**	**(30,500)**	**56,645**	**19,845,525**	**(49,537,737)**	**(29,692,213)**	**(29,635,568)**

By unanimous resolution of the General Meeting held on 27 April 2021, it was decided to apply the amount corresponding to the net profit obtained in the previous period (2020), 90% in free reserves and 10% in legal reserves.

NOTE 22
Net interest income

This caption is analysed as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
INTEREST AND SIMILAR INCOME		
Interest from financial assets at amortised cost		
Interest from loans and advances to Customers	65,735,388	66,980,206
Interest from debt securities	22,962,534	36,603,831
Interest from other loans and advances to credit institutions	183,576	10,257
Interest from financial assets at fair value through other comprehensive income	337,506	2,289,747
	89,219,004	**105,884,041**
INTEREST AND SIMILAR EXPENSE		
Interest from deposits from Customers	(62,199,781)	(49,049,679)
Interest from deposits from central banks and credit institutions	(4,815,061)	(9,996,776)
Interest from leases	(2,179,867)	(2,792,439)
	(69,194,709)	**(61,838,894)**
	20,024,295	**44,045,147**

Interest from loans and advances to customers includes (i) the amount of AOA 783,389 thousand (31 December 2020: AOA 994,314 thousand) related to commissions and other income accounted for in accordance with the effective interest rate method, as established in IAS/IFRS and detailed in Note 2.16 and (ii) the amount of AOA 4,260,781 thousand related to financial assets in stage 3 (31 December 2020: AOA 15,711,440 thousand).

The caption Interest from loans and advances to customers also includes the amount of AOA 646,421 thousand (31 December 2020: AOA 344,310 thousand) relating to the effect of loans and advances to employees, in accordance with IAS 19.

As at 31 December 2021, loans at fair value through profit or loss, described in Note 6, are in default for more than 90 days (stage 3), and for this reason the Bank no longer recognises interest on these operations, in accordance with the accounting policy described in Note 2.16.

NOTE 23
Net fee and commission income

This caption is analysed as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
FEES AND COMMISSION INCOME		
Electronic transactions	7,236,174	3,881,666
VISA fees	3,829,954	3,140,997
Transfers issued/received	3,228,818	2,897,401
Maintenance of demand deposits account	1,098,788	1,023,988
Guarantees provided	1,054,897	640,240
Custody and market transactions	922,888	571,408
Opening of credit facilities/extensions and maintenance	836,653	751,031
Opening of documentary credits	764,961	903,124
Structuring of operations and financial advisory services	135,478	222,157
Withdrawals	126,739	111,780
Foreign exchange transactions	64,244	79,697
Customs - Revenue collection	-	3,551
Other fees and commissions	1,890,888	1,001,748
	21,190,482	**15,228,788**
FEES AND COMMISSION EXPENSE		
Electronic transactions	(4,233,400)	(2,172,308)
Foreign transactions	(527,039)	(613,746)
Other fees and commissions	(121,602)	(661,714)
	(4,882,041)	**(3,447,768)**
	16,308,441	**11,781,020**

As at 31 December 2021 and 2020, the caption Fee and commission income – Electronic transactions, is essentially related to gains obtained with commissions from transactions carried out in the Bank's own Automated Teller Machines (ATM) and Point-of-Sale (POS), which recorded a significant growth justified by the increase in the number of transactions carried out in these payment subsystems.

As at 31 December 2021 and 2020, the increase in Fee and commission expense – Other fees and commissions, is essentially due to the increase in the number of transactions carried out by ATLANTICO Customers in ATMs and TPAs belonging to other Banks.

NOTE 24
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss

This caption is analysed as follows:

(Thousands of AOA)

	31-12-2021		
	Income	Expense	Total
Other variable-income securities			
Shares	4,751,318	-	4,751,318
Loans and advances to Customers	-	(805,920)	(805,920)
Derivatives	-	(16)	(16)
	4,751,318	**(805,936)**	**3,945,382**

(Thousands of AOA)

	31-12-2020 (restated)		
	Income	Expense	Total
Other variable-income securities			
Unidades de participação	1,230,190	-	1,230,190
Crédito a clientes	-	(6,808,003)	(6,808,003)
Derivados	72,647	-	72,647
	1,302,837	**(6,808,003)**	**(5,505,166)**

This caption records changes in fair value and the result of the disposal of securities recorded in the financial assets portfolio at fair value through profit or loss, the losses from the settlement of loans and advances to customers whose contractual cash flows do not comply with the SPPI (Solely Payments of Principal and Interest) requirements, in the amount of AOA 797,017 thousand (Note 6), as well as changes in fair value and gains and losses relating to derivatives in the portfolio, as disclosed in Note 2.6.

NOTE 25
Net gains/(losses) arising from investments at amortised cost

This caption is analysed as follows:

(Thousands of AOA)

	31-12-2021		
	Income	Expense	Total
BONDS AND OTHER FIXED-INCOME SECURITIES			
Issued by public entities	4,254,411	-	4,254,411
	4,254,411	**-**	**4,254,411**

(Thousands of AOA)

	31-12-2020 (restated)		
	Income	Expense	Total
BONDS AND OTHER FIXED-INCOME SECURITIES			
Issued by public entities	12,528,340	-	12,528,340
	12,528,340	**-**	**12,528,340**

The balance of this caption is mainly related to the disposal of Treasury Bonds indexed to the US Dollar, associated with the exchange rate reset plan (Notes 2.6 and 8).

NOTE 26
Net gains/(losses) arising from foreign exchange differences

This caption is analysed as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
Net gains/(losses) arising from currency transactions	15,331,205	6,049,840
Net gains/(losses) arising from the revaluation of assets and liabilities	3,522,510	(14,086,393)
	18,853,715	**(8,036,553)**

As at 31 December 2021 and 2020, the caption Net gains/(losses) arising from the revaluation of assets and liabilities includes the foreign exchange gains and losses obtained on the revaluation of the foreign exchange position of monetary assets and liabilities denominated in, or indexed to, foreign currency, in accordance with the accounting policy described in Note 2.4.

Additionally, the caption Net gains/(losses) arising from currency transactions includes the effect of AOA 12,221,016 thousand, related to the activation of a contractual clause of a CPCV classified under Other assets (Note 15).

NOTE 27
Net gains/(losses) arising from the sale of other assets

As at 31 December 2021 and 2020, the balance of this caption corresponds mainly to gains obtained from the disposal of non-current assets held for sale (Note 13) and property, plant and equipment (Note 11), with emphasis on the following transactions:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
Subscription of shares in the Pactual Property Fund	4,603,592	41,126,647
Promissory contracts of purchase and sale	-	12,087,461
Direct sales	-	74,473
	4,603,592	**53,288,581**

NOTE 28
Staff costs

This caption is analysed as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
Wages and salaries	17,774,568	14,945,325
Mandatory social charges	2,992,126	3,238,440
Other staff costs	6,016,903	5,133,987
	26,783,597	**23,317,752**

As at 31 December 2021 and 2020, the caption Other staff costs includes the amount of AOA 426,505 thousand and AOA 510,684 thousand, respectively, relating to loans and advances granted to employees and management bodies as defined in IAS 19.

The number of Bank employees, considering permanent and fixed-term contract employees, is detailed by professional category, as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
Senior management functions	111	118
Management functions	290	314
Specific functions	483	598
Administrative and other functions	619	782
	1,503	**1,812**

As at 31 December 2021 and 2020, staff costs relating to members of the Board of Directors and Other Corporate Bodies were as follows:

(Thousands of AOA)

	31-12-2021							
	Board of Directors			Other Corporate Bodies				Total
	Executive Directors	Non-executive member	Total	Supervisory Board	Welfare Board	General Meeting	Total	
Fixed remuneration	1,099,302	490,224	1,589,526	27,018	118,226	9,885	155,129	1,744,655
Other allowances	557,595	217,306	774,901					
Variable remuneration	-	-	-					
	1,656,897	**707,530**	**2,364,427**	**27,018**	**118,226**	**9,885**	**155,129**	**1,744,655**
Benefits and other social charges	87,196	54,082	141,278					141,278
	1,744,093	**761,612**	**2,505,705**	**27,018**	**118,226**	**9,885**	**155,129**	**2,660,834**

(Thousands of AOA)

	31-12-2020 (restated)							
	Board of Directors			Other Corporate Bodies				Total
	Executive Directors	Non-executive member	Total	Supervisory Board	Welfare Board	General Meeting	Total	
Fixed remuneration	758,263	510,934	1,269,197	16,967	0	27,145	44,112	1,313,309
Other allowances	391,073	170,542	561,615					
Variable remuneration	-	-	-					
	1,149,336	**681,476**	**1,830,812**	**16,967**	**0**	**27,145**	**44,112**	**1,313,309**
Benefits and other social charges	45,273	49,197	94,470					94,470
	1,194,609	**730,673**	**1,925,282**	**16,967**	**0**	**27,145**	**44,112**	**1,969,394**

NOTE 29
Supplies and services

This caption is analysed as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
Audit and advisory	6,046,780	4,314,289
Communication and dispatch	5,573,127	4,634,384
Security and surveillance	1,595,972	1,846,034
Maintenance and repair	1,555,314	1,767,427
Consumables	1,352,833	1,298,321
Travel and representation	1,021,174	1,597,992
Water, energy and fuel	303,169	335,659
Advertising and publications	257,507	328,067
IT services	208,722	316,079
Rents and leases	77,861	66,597
Other	458,496	543,237
	18,450,955	**17,048,086**

As at 31 December 2021, the increase in Audit and advisory is mainly due to the Bank's focus on developing and strengthening its digital business.

NOTE 30
Depreciation and amortisation for the period

This caption is analysed as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
PROPERTY, PLANT AND EQUIPMENT (NOTE 11)		
Real Estate		
Real Estate	1,161,308	1,506,171
Equipment		
IT equipment	1,616,350	1,625,808
Furniture and material	588,653	697,053
Security equipment	413,456	489,885
Transport equipment	387,693	564,151
Indoor facilities	272,608	288,886
Machinery and tools	108,971	167,601
Other	171,596	247,279
Right-of-use assets		
Real Estate	1,314,470	1,311,432
Other property, plant and equipment	277	270
	6,035,382	**6,898,536**
INTANGIBLE ASSETS (NOTE 12)		
Automatic data processing systems	4,961,566	3,967,034
Other intangible assets	41,937	21,721
	5,003,503	**3,988,755**
	11,038,885	**10,887,291**

NOTE 31
Provisions and impairment of other assets

This caption is analysed as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
CHARGE FOR THE PERIOD		
Non-current assets held for sale (NOTE 13)	(2,392,424)	(621,239)
Other assets (Note 15)	(8,876,462)	(13,308,447)
Provisions (Note 18)	(169,457)	(618,486)
REVERSALS		
Non-current assets held for sale (NOTE 13)	621,239	3,674,682
Other assets (Note 15)	-	-
Provisions (Note 18)	-	181,616
	(10,817,104)	**(10,691,874)**

As at 31 December 2021 and 2020, this caption includes the amount of AOA 145,957 thousand and AOA 112,503 thousand, respectively, relating to contributions to the ATLANTICO Pension Fund, as defined in Note 2.14.

NOTE 32
Impairment of other financial assets

This caption is analysed as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
CHARGE FOR THE PERIOD NET OF REVERSALS		
Loans and advances to credit institutions repayable on demand (Note 5)	13,283	(24,290)
	13,283	**(24,290)**

As at 31 December 2021, the balance of this caption results from the application of the requirements of Directive No. 13/DSB/DRO/2019 on its loans and advances to credit institutions repayable on demand.

NOTE 33
Impairment of financial assets at amortised cost

This caption is analysed as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
CHARGE FOR THE PERIOD NET OF REVERSALS		
Debt securities (Note 8)	(26,458,763)	22,420,963
Loans and advances to Customers (Note 9)	15,525,227	25,435,691
Other loans and advances to central banks and credit institutions (Note 10)	(102,504)	388,144
	(11,036,040)	**48,244,798**

As at 31 December 2021, the balance of this caption results from the application of the requirements of Directive No. 13/DSB/DRO/2019 on its other loans and advances to credit institutions.

NOTE 34
Other operating income

This caption is analysed as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
Non-recurrent income on credit operations	369,247	905,732
Direct and indirect taxes	(4,517,363)	(5,418,677)
Deposit guarantee fund	(1,136,447)	(817,912)
Contributions and donations	(197,289)	(359,262)
Other	(3,276,990)	(1,198,389)
	(8,758,842)	**(6,888,508)**

As at 31 December 2021 and 2020, the caption Direct and indirect taxes includes the amount of AOA 1,121,391 thousand and AOA 2,069,785 thousand, respectively, referring to Capital Gains Tax.

As at 31 December 2021 and 2020, the caption Deposit Guarantee Fund corresponds to payments of the periodic contribution to the Deposit Guarantee Fund, in accordance with BNA Notice No. 01/2019.

NOTE 35
Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing net income attributable to the Bank's shareholders by the weighted average number of ordinary shares outstanding, excluding the average number of Treasury shares held by the Bank.

Diluted earnings per share

Diluted earnings per share are calculated by adjusting the effect of all potential dilutive ordinary shares to the weighted average number of ordinary shares outstanding and to the net profit attributable to the Bank's shareholders.

As at 31 December 2021, Earnings per share are detailed as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
Individual net profit/(loss) attributable to equity holders of the Bank	**3,428,368**	**(7,778,900)**
Weighted average number of ordinary shares issued	53,821,603	53,821,603
Weighted average number of treasury shares in portfolio	(492,182)	(492,182)
Average number of ordinary shares outstanding	**53,329,421**	**53,329,421**
Basic earnings per share attributable to equity holders of the Bank (in kwanzas)	**64.29**	**(145.87)**
Diluted earnings per share attributable to equity holders of the Bank (in kwanzas)	**64.29**	**(145.87)**

NOTE 36
Off-balance sheet accounts

This caption is analysed as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
Guarantees provided	32,794,696	36,348,557
Commitments to third parties	11,205,264	17,525,228
Liabilities for services rendered	429,186,274	320,989,629
Guarantees received	(2,019,879,468)	(2,389,930,280)
	(1,546,693,234)	**(2,015,066,866)**

Guarantees provided and commitments to third parties include exposures that are subject to ECL calculation according to the impairment model defined by the Bank and in accordance with the requirements of IFRS 9.

Guarantees provided are banking operations that do not result in the mobilisation of Funds by the Bank.

As at 31 December 2021 and 2020, the exposure and impairment losses associated with guarantees provided, by stage, are detailed as follows:

(Thousands of AOA)

	31-12-2021			
	Stage 1	Stage 2	Stage 3	Total
Gross value	26,773,329	1,518,755	4,502,612	32,794,696
Impairment losses (Note 18)	(84,379)	(59,280)	(886,470)	(1,030,129)
	26,688,950	**1,459,475**	**3,616,142**	**31,764,567**

(Thousands of AOA)

	31-12-2020 (restated)			
	Stage 1	Stage 2	Stage 3	Total
Gross value	27,187,213	3,434,809	5,726,535	36,348,557
Impairment losses (Note 18)	(84,769)	(66,583)	(866,530)	(1,017,882)
	27,102,444	**3,368,226**	**4,860,005**	**35,330,675**

Documentary credits correspond to commitments by the Bank, on behalf of its Customers, which ensure the payment of a specified amount to the supplier of a given good or service, within a fixed term, against the presentation of the documentation confirming the shipment of goods or the rendering of services. The irrevocable condition arises from the fact that the commitment is non-cancellable or amended without the agreement of all parties involved.

Revocable and irrevocable commitments represent contractual agreements to extend credit to the Bank's Customers (for example undrawn credit facilities). These agreements are generally contracted for fixed periods of time or with other expiring requirements, and usually require the payment of a commission. Substantially, all credit commitments require that Customers maintain certain conditions verified at the time the credit was granted.

Notwithstanding the particular characteristics of these commitments, the analysis of these operations follows the same basic principles of any commercial operation, namely the solvency of the customer and of the underlying business, and the Bank requires that these operations be duly covered by collaterals when necessary. Considering that is expected that the majority of these commitments expire without having been used, the indicated amounts do not represent necessarily future cash flow needs.

Financial instruments recorded as Guarantees and other commitments are subject to the same approval and control procedures applied to the credit portfolio, namely regarding the analysis of objective evidence of impairment, as described in Note 2.6. The maximum credit exposure is represented by the nominal value that could be lost related to guarantees and commitments undertaken by the Bank in the event of default by the respective counterparties, without considering potential recoveries or collaterals.

The Bank provides custody services, asset management, investment management and advisory services that involve taking decisions of buying and selling several types of financial instruments. For certain services rendered, targets and profitability levels are set out for assets under management.

In the context of fiduciary activities, the Bank provides custody services to its Customers.

NOTE 37
Transactions with related parties

In accordance with IAS 24 – Related party disclosures, the Bank considers the following to be related parties:

a) All entities owning qualified shareholdings that directly or indirectly hold 2% or more of ATLANTICO's share capital;

b) All entities in which shareholders directly or indirectly hold more than 10% of the share capital, falling within the previous point, or in which they are the effective beneficiaries;

c) All entities in which ATLANTICO owns, directly or indirectly, at least 10% of the share capital or voting rights of the subsidiary company or that, for any reason, allows for the exercise of the control and/or significant influence in the management of the subsidiary company;

d) Any person or entity, who has a relationship with the holder of a qualified shareholding of one of the following types:

- Spouse or unmarried partner, parents, grandparents, children, grandchildren and household members;
- Entities in which some of the persons listed in the previous paragraph hold a qualified shareholding;

e) Entities that are directly or indirectly in a control or group relationship with ATLANTICO;

f) Members of the management and/or supervisory bodies of ATLANTICO as well as any person or entity, irrespective of its legal form, that has a relationship with a member of the management and/or supervisory bodies of one of the following:

- Spouse or unmarried partner, parents, grandparents, children, grandchildren and household members;
- Entities controlled by the member of the administrative and/or supervisory bodies, and entities in which they hold a qualified shareholding;
- Entities controlled by one of the persons listed in the first sub-point of paragraph f) and/or in which they hold a qualified shareholding;

g) Key management personnel of ATLANTICO and their family members: first-line Directors, their spouses, descending and ascending relatives, in direct line up to the second degree;

h) Entity hired by ATLANTICO to provide post-employment benefit plans for ATLANTICO employees.

As at 31 December 2021 and 2020, the members of the Board of Directors, the Supervisory Board and the General Meeting, the shareholders, subsidiaries and other shareholdings, as well as other entities under the Bank's control with which balances and/or transactions are recorded, are as follows:

Shareholders

Interlagos Equity Partners, S.A.

BCP África SGPS, Lda.

Atlântico Financial Group, SARL

Jasper Capital Partners – Investimentos e Participações, S.A.

Quadros – Gestão de Activos, S.A.

Fundação ULWAZI

Members of the Board of Directors

António João Assis de Almeida

Daniel Gustavo Carvalho dos Santos

Ana Patrícia Pereira Gabriel Tavares

Augusto Costa Ramiro Baptista

Éder Nuno Vicente Samuel de Sousa

Hermenegilda de Fátima Agostinho Lopes Benge

Miguel Maya Dias Pinheiro

Isabel Regina do Espírito Santo[1]

Paulo Fernando Cartaxo Tomás

João da Conceição Ribeiro Mendonça

Elpídio Ferreira Lourenço Neto

José Miguel Bensliman Schorcht da Silva Pessanha

Diogo Baptista Russo Pereira da Cunha

José Miguel Nunes Anacoreta Correia[2]

Odyle Vieira Dias Cardoso[2]

[1] Started in January 2021

[2] Terminated in January 2021

Members of the Supervisory Board

Maria Cristina Ferreira

José Pedro Porto Dordio

Nuno Gonçalo de Teodósio e Cruz Cachado de Oliveira[1]

António Guilherme Rodrigues Frutuoso de Melo

Nelson Luís Vieira Teixeira

Luís Costa Prazeres[2]

Members of the Board of the General Meeting

JJoão Manuel Pedro[1]

Fernando Magiolo Magarreiro

Patrícia Correia Dias

Cláudia Cristina Silva Gomes Pires Pinto[2]

Other related parties

Banco Comercial Português, S.A.

Banco Privado Atlântico Europa, S.A.

Atlântico Proteção – FIMF

Atlântico Liquidez – FIMA

Atlântico Property – FIIF

Fortaleza Seguros, S.A.

SG Hemera Capital Partners – SGOIC, S.A. (former, Atlântico Gestão de Activos – SGOIC, S.A.)

Odell Global Investors – SGOIC, S.A.

Human Experience Consulting, Lda.

Milos Capital Partners, S.A.

As at 31 December 2021 and 2020, the balances with related parties are detailed as follows:

(Thousands of AOA)

	31-12-2021				
	Shareholders	Board of Directors	Other key management personnel and family members	Other related parties	Total
ASSETS					
Loans and advances to credit institutions repayable on demand	1,359,396	-	-	8,746,234	10,105,630
Financial assets at fair value through profit or loss	-	-	-	265,971,914	265,971,914
Financial assets at amortised cost					
Loans and advances to Customers	11,018,388	3,097,723	2,064,104	286	16,180,501
Other loans and advances to central banks and credit institutions	786,269	-	-	8,327,030	9,113,299
Other assets	6,391,537	-	-	582,047	6,973,584
Total Assets	**19,555,590**	**3,097,723**	**2,064,104**	**283,627,511**	**308,344,928**
LIABILITIES					
Deposits from central banks and other credit institutions	64,085,091	-	-	-	64,085,091
Deposits from Customers	5,525,625	12,079,884	2,912,210	19,592,517	40,110,236
Total Liabilities	**69,610,716**	**12,079,884**	**2,912,210**	**19,592,517**	**104,195,327**

(Thousands of AOA)

	31-12-2020 (restated)				
	Shareholders	Board of Directors	Other key management personnel and family members	Other related parties	Total
ASSETS					
Loans and advances to credit institutions repayable on demand	-	-	-	39,467,944	39,467,944
Financial assets at fair value through profit or loss	-	-	-	202,908,812	202,908,812
Financial assets at amortised cost					
Loans and advances to Customers	9,056,114	2,214,818	3,984,946	1,837	15,257,715
Other loans and advances to central banks and credit institutions	-	-	-	47,120,220	47,120,220
Other assets	6,654,480	-	-	638,853	7,293,333
Total Assets	**15,710,594**	**2,214,818**	**3,984,946**	**290,137,666**	**312,048,024**
LIABILITIES					
Deposits from Customers and other loans	23,355,951	11,698,625	7,972,701	17,071,046	60,098,323
Total Liabilities	**23,355,951**	**11,698,625**	**7,972,701**	**17,071,046**	**60,098,323**

As at 31 December 2021 and 2020, the income and expense recognised in the period arising from the Bank's transactions with related parties were as follows:

(Thousands of AOA)

	31-12-2021				
	Shareholders	Board of Directors	Other key management personnel and family members	Other related parties	Total
Interest from loans and advances to Customers	1,282,393	58,843	433,618	-	1,774,854
Interest and similar income	**1,282,393**	**58,843**	**433,618**	**-**	**1,774,854**
Interest from deposits from Customers	(286,229)	(864,670)	(82,563)	(508,264)	(1,741,725)
Interest and similar expense	**(286,229)**	**(864,670)**	**(82,563)**	**(508,264)**	**(1,741,725)**
Net interest income	**996,164**	**(805,827)**	**351,055**	**(508,264)**	**33,129**

(Thousands of AOA)

	31-12-2020 (restated)				
	Shareholders	Board of Directors	Other key management personnel and family members	Other related parties	Total
Interest from loans and advances to Customers	8,340,927	1,129,848	2,003,863	734	11,475,372
Interest and similar income	**8,340,927**	**1,129,848**	**2,003,863**	**734**	**11,475,372**
Interest from deposits from Customers	(86,144)	(1,599,377)	(551,250)	(1,037,218)	(3,273,989)
Interest and similar expense	**(86,144)**	**(1,599,377)**	**(551,250)**	**(1,037,218)**	**(3,273,989)**
Net interest income	**8,254,783**	**(469,529)**	**1,452,613**	**(1,036,484)**	**8,201,383**
Net gains/(losses) arising from the sale of other assets	-	-	-	48,103,356	48,103,356

As at 31 December 2021 and 2020, the Bank has a set of transactions with related parties, namely (i) shares held in investment funds in the amounts of AOA 267,782,881 and AOA 202,908,812 thousand, respectively (Note 6) and (ii) Net gains/(losses) arising from the sale of other assets through the transfer of real estate properties to Pactual Property Fund – FIIF (Note 27).

The remuneration costs and other benefits granted to the Bank's key management personnel (short- and long-term) are disclosed in Note 28.

All transactions with related parties are carried out at regular market prices, using the principle of fair value.

NOTE 38
Fair value of financial assets and liabilities

Fair value is based on quoted market prices, whenever available. Otherwise, fair value is determined based on cash-flow discounting techniques. Cash flows for the different instruments are calculated according with its financial characteristics and discount rates used include both the market interest rate curve and the current risk levels of the respective issuing entity.

Therefore, the fair value obtained is influenced by parameters used in the evaluation model, that necessarily have some degree of subjectivity and exclusively reflect the value attributed to different financial instruments.

As at 31 December 2021 and 2020, the fair value of financial instruments is presented as follows:

(Thousands of AOA)

	31-12-2021				
		Fair value of financial instruments			
	Net book value	Measured at fair value	Measured at amortised cost	Total	Total book value
ASSETS					
Financial assets at fair value through profit or loss					
Shares	267,782,882	267,782,882	-	267,782,882	267,782,882
Loans and advances to Customers	148,956	148,956	-	148,956	148,956
Derivatives	298,758	298,758	-	298,758	298,758
	268,230,596	**268,230,596**	**-**	**268,230,596**	**268,230,596**
Financial assets at fair value through other comprehensive income					
Bonds and other fixed-income securities	2,584,778	2,584,778	-	2,584,778	2,584,778
Shares	429,389	429,389	-	429,389	429,389
	3,014,167	**3,014,167**	**-**	**3,014,167**	**3,014,167**
Financial assets at amortised cost					
Debt securities	369,305,248	-	369,305,248	369,305,248	369,305,248
Loans and advances to Customers	440,985,217	-	440,985,217	440,985,217	440,985,217
Other loans and advances to central banks and credit institutions	33,814,992	-	33,814,992	33,814,992	33,814,992
	844,105,457	**-**	**844,105,457**	**844,105,457**	**844,105,457**
Total Assets	**1,115,350,220**	**271,244,763**	**844,105,457**	**1,115,350,220**	**1,115,350,220**
LIABILITIES					
Financial liabilities at fair value through profit or loss					
Derivatives	1,412	1,412	-	1,412	1,412
	1,412	**1,412**	**-**	**1,412**	**1,412**
Financial liabilities at amortised cost					
Deposits from central banks and other credit institutions					
Deposits from credit institutions	80,660,368	-	80,660,368	80,660,368	80,660,368
Deposits from Customers and other loans					
Term deposits	807,436,759	-	807,436,759	807,436,759	807,436,759
Other loans	28,235,578		28,235,578	28,235,578	28,235,578
	916,332,705	**-**	**916,332,705**	**916,332,705**	**916,332,705**
Total Liabilities	**916,334,117**	**1,412**	**916,332,705**	**916,334,117**	**916,334,117**

(Thousands of AOA)

	31-12-2020 (restated)				
	Net book value	Fair value of financial instruments: Measured at fair value	Fair value of financial instruments: Measured at amortised cost	Fair value of financial instruments: Total	Total book value
ASSETS					
Financial assets at fair value through profit or loss					
Shares	204,931,937	204,931,937	-	204,931,937	204,931,937
Loans and advances to Customers	8,354,190	8,354,190	-	8,354,190	8,354,190
Derivatives	3,640,415	3,640,415	-	3,640,415	3,640,415
	216,926,542	**216,926,542**	**-**	**216,926,542**	**216,926,542**
Financial assets at fair value through other comprehensive income					
Bonds and other fixed-income securities	5,311,580	5,311,580	-	5,311,580	5,311,580
Shares	448,954	448,954	-	448,954	448,954
	5,760,534	**5,760,534**	**-**	**5,760,534**	**5,760,534**
Financial assets at amortised cost					
Debt securities	396,354,958	-	396,354,958	396,354,958	396,354,958
Loans and advances to Customers	454,270,709	-	454,270,709	454,270,709	454,270,709
Other loans and advances to central banks and credit institutions	83,591,141	-	83,591,141	83,591,141	83,591,141
	934,216,808	**-**	**934,216,808**	**934,216,808**	**934,216,808**
Total Assets	**1,156,903,884**	**222,687,076**	**934,216,808**	**1,156,903,884**	**1,156,903,884**
LIABILITIES					
Financial liabilities at fair value through profit or loss					
Derivatives	3,978,187	3,978,187	-	3,978,187	3,978,187
	3,978,187	**3,978,187**	**-**	**3,978,187**	**3,978,187**
Financial liabilities at amortised cost					
Deposits from central banks and other credit institutions					
Deposits from credit institutions	8,553,983	-	8,553,983	8,553,983	8,553,983
Deposits from Customers and other loans					
Term deposits	936,150,243	-	936,150,243	936,150,243	936,150,243
	944,704,226	**-**	**944,704,226**	**944,704,226**	**944,704,226**
Total Liabilities	**948,682,413**	**3,978,187**	**944,704,226**	**948,682,413**	**948,682,413**

The Bank uses the following hierarchy for fair value, with 3 levels in the valuation of financial instruments (assets and liabilities), which reflects the level of judgement, the observability of the data used, and the importance of the parameters used in determining the fair value of the instrument, in accordance with the provisions of IFRS 13:

- **Level 1:** Fair value is determined based on unadjusted quoted prices, captured in transactions in active markets involving identical instruments to the ones being valued. If there is more than one active market for the same financial instrument, the relevant price is the one prevailing in the main market of the instrument, or the most advantageous market for which there is access;
- **Level 2:** Fair value is determined using valuation techniques based on observable inputs in active markets, whether direct data (prices, rates, spreads, etc.) or indirect data (derivatives), and valuation assumptions similar to those that an unrelated party would use in estimating the fair value of the same financial instrument. It also includes instruments whose valuation is obtained through quotations disclosed by independent entities but whose markets have the lowest liquidity; and
- **Level 3:** Fair value is determined based on unobservable inputs in active markets using techniques and assumptions that market participants would use to value the same instruments, including assumptions about inherent risks, the valuation technique used and the inputs used and review processes to test the accuracy of the values obtained.

The Bank considers an active market for a given financial instrument at the measurement date, depending on the turnover and liquidity of the transactions carried out, the relative volatility of quoted prices and the readiness and availability of the information, and the following conditions should apply:

- Existence of frequent daily prices trading in the last year;
- The above quotations change regularly; and
- There are executable quotes from more than one entity. A parameter used in a valuation technique is considered observable in the market, if the following conditions are met:
    - If its value is determined in an active market;
    - If there is an OTC market and it is reasonable to assume that the conditions of an active market are met, with the exception of the condition of trading volumes; and
    - The parameter value can be obtained by the inverse calculation of prices of financial instruments or derivatives where the remaining parameters required for initial assessment are observable in a liquid market or an OTC market that comply with the preceding paragraphs.

As at 31 December 2021 and 2020, all financial assets recorded at fair value were classified in levels 2 and 3, despite the fact that, in some situations, these were prices verified on the Angolan capital market (BODIVA). Because this market started its activity at the end of 2016, given the low liquidity and depth of the capital market and the early stage it is now, they were not considered to have the necessary conditions to be classified at level 1.

The main methodologies and assumptions used in estimating the fair value of financial assets and liabilities recorded in the balance sheet at amortised cost are analysed as follows:

Cash and deposits at central banks, Loans and advances to credit institutions repayable on demand and Other loans and advances to central banks and credit institutions

Considering the short maturity of these financial instruments, the amount in the balance sheet is a reasonable estimate of its fair value.

Financial assets at fair value through profit or loss and Financial assets at fair value through other comprehensive income

These financial instruments are accounted at fair value for Angolan public debt securities. The fair value is based on market quotations available at BODIVA, whenever these are available. Otherwise, fair value is estimated through numerical models based on discounted cash-flow techniques, using the interest rate curve adjusted for factors associated, predominantly the credit risk and liquidity risk, determined in accordance with the market conditions and respective maturities.

Interest rates are determined based on information disseminated by financial content providers and the BNA. Interest rates for specific periods of the cash flows are determined by appropriate interpolation methods. The same interest rate curves are also used in the projection of the non-deterministic cash flows, such as indexes.

For investment funds, the best fair value estimate considered is the financial statements of these bodies at the Bank's balance sheet date and, where possible, with the Auditor's Report.

Financial assets at amortised cost – Debt securities

The fair value of these instruments is based on market prices, whenever these are available. Otherwise, fair value is estimated through the update of expected cash-flows of future capital and interest for these instruments.

For disclosure purposes, it is presumed that Treasury Bills (where applicable) have short-term residual maturities and that Treasury Bonds in foreign currency bear interest rates in line with the comparable market rates in force, therefore their book value substantially represents the fair value of these assets.

Loans and advances to customers

The fair value of loans and advances to customers is calculated based on the update of expected principal and interest future cash flows, considering that the payments of the instalments occur in the contractually defined dates. The expected future cash flows of homogeneous credit portfolios, such as mortgage loans, are estimated on a portfolio basis. The discount rates used are the current rates charged for loans with similar characteristics.

Other assets

Other assets classified at fair value through profit or loss were valued in accordance with the assumptions defined in the internal model for the valuation of assets at fair value in the level 3 hierarchy. The model estimates the fair value of these assets by the sum of the discounted cash flows at a valuation benchmark rate defined based on the assumptions made in the internal model. The fair value of other assets at amortised cost is presumed to be their carrying amount.

Deposits from central banks and other credit institutions

The fair value of these liabilities is calculated based on the update of expected principal and interest future cash flows, considering that the payments of the instalments occur in the contractually defined dates.

Deposits from Customers and other loans

The fair value of these financial instruments is calculated based on the expected principal and interest future cash flows. The discount rate used reflects the rates charged for deposits with similar characteristics at the balance sheet date. Considering that the applicable interest rates are renewed for periods of less than one year, there are no material differences in their fair value.

Concerning the exchange rates, the Bank uses in its valuation models the spot rate observed in the market at the time of the valuation.

As at 31 December 2021 and 2020, the credit quality of financial assets, is presented as follows:

(Thousands of AOA)

	31-12-2021					
	Rating origin	Rating level	Total exposure	Impairment losses	Net exposure
Loans and advances to Customers	Internal rating	Low	74,633,829	(24,298,231)	50,335,598
		Medium	75,965,586	(7,926,815)	68,038,771
		High	225,338,747	(26,278,254)	199,060,493
	No rating	N/A	212,380,361	(88,830,006)	123,550,355
Other assets	External rating	AAA to AA-	-	-	-
		A+ to A-	20,217,422	(2,093)	20,215,329
		BBB+ to BBB-	39,039,706	(18,750)	39,020,956
		BB+ to BB-	1,444,189	(607)	1,443,582
		B+ to B-	719,571,772	(5,718,452)	713,853,320
		<B-	-	-	-
	No rating	N/A	521,647,485	(23,148,341)	498,499,144
			1,890,239,097	**(176,221,549)**	**1,714,017,548**

(Thousands of AOA)

	Rating origin	Rating level	Total exposure	Impairment losses	Net exposure
			31-12-2020 (restated)		
Loans and advances to Customers	Internal rating	Low	76,575,753	(19,834,937)	56,740,816
		Medium	93,068,816	(15,991,448)	77,077,368
		High	202,548,743	(22,748,261)	179,800,482
	No rating	N/A	227,487,963	(86,835,920)	140,652,043
Other assets	External rating	AAA to AA-	-	-	-
		A+ to A-	45,893,416	(3,843)	45,889,573
		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)	9,207,920
		<B-	668,566,514	(20,278,278)	648,288,236
	No rating	N/A	520,178,985	(29,067,614)	491,111,371
			1,948,619,362	**(194,880,390)**	**1,753,738,972**

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 recovering an investment and its return, due to a debtor's (or guarantor, 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 incurred by a given portfolio as a result of changes in rates (interest and exchange rates) and/or in 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 Bank's inability to meet its obligations associated with financial liabilities at each maturity date without incurring in significant losses due to deteriorating access to finance (financing risk) and/or the sale of its assets below their normal market value (market liquidity risk).

Real Estate – Real estate risk results from the probability of negative impacts on the Bank's 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 Office (ROF) 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.

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

ROF 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 2021, the BNA issued Notice No. 08/2021, which establishes a new regulatory and prudential framework for the Angolan financial system arising from the supervisory equivalence programme under implementation. The regulatory package consisting of the aforementioned Notice and supplementary Instructions revokes the regulations published in 2016, which guided risk management and regulatory limits until this date. The Bank is currently in the process of implementing the guidelines contained in the regulatory package that will come into force in 2022.

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 Retail and Corporate 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 consumer credit portfolios, namely mortgages 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 Customers with high probability of default rating are rejected;
- Personal or real guarantees at the credit conception, in order to mitigate the Bank's exposure to the respective counterparty.

As at 31 December 2021 and 2020, the information on the Bank's exposure to credit risk by type of financial assets, including off-balance sheet exposure, is detailed as follows:

(Thousands of AOA)

	31-12-2021		
	Gross book value	Impairment losses	Net book value
BALANCE SHEET ITEMS			
Cash and deposits at central banks	344,971,397	-	344,971,397
Loans and advances to credit institutions repayable on demand	51,154,354	(11,006)	51,143,348
Financial assets at fair value through profit or loss	268,230,596	-	268,230,596
Financial assets at fair value through other comprehensive income	3,014,167	-	3,014,167
Financial assets at amortised cost			
Debt securities	374,748,503	(5,443,257)	369,305,246
Loans and advances to Customers	588,318,524	(147,333,307)	440,985,217
Other loans and advances to central banks and credit institutions	34,100,634	(285,640)	33,814,994
Other assets	119,517,628	(26,203,981)	93,313,647
	1,784,055,803	**(179,277,191)**	**1,604,778,612**
OFF-BALANCE SHEET ITEMS			
Documentary credit	24,623,880	(641,484)	23,982,396
Guarantees provided	8,170,816	(388,645)	7,782,171
	32,794,696	**(1,030,129)**	**31,764,567**
	1,816,850,499	**(180,307,320)**	**1,636,543,179**

(Thousands of AOA)

	31-12-2020 (restated)		
	Gross book value	Impairment losses	Net book value
BALANCE SHEET ITEMS			
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 or loss	216,926,542	-	216,926,542
Financial assets at fair value through other comprehensive income	5,760,534	-	5,760,534
Financial assets at amortised cost			
Debt securities	416,344,735	(19,989,777)	396,354,958
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
	1,803,418,490	**(188,021,393)**	**1,615,397,097**
OFF-BALANCE SHEET ITEMS			
Documentary credit	20,949,990	(788,681)	20,161,309
Guarantees provided	15,398,567	(229,201)	15,169,366
	36,348,557	**(1,017,882)**	**35,330,675**
	1,839,767,047	**(189,039,275)**	**1,650,727,772**

As at 31 December 2021 and 2020, the breakdown by sector of activity of the loan exposure to Customers, including guarantees provided and documentary credit, is as follows:

(Thousands of AOA)

Business sector	31-12-2021					
	Loans and advances to Customers		Guarantees provided and documentary credit	Total exposure	Impairment losses	
	Outstanding	Overdue			Value	%
Real Estate	137,200,408	33,698,684	-	170,899,092	(28,416,094)	17%
Construction	107,706,610	6,019,468	3,763,362	117,489,440	(21,139,726)	18%
Manufacturing Industry	89,017,279	22,144,372	6,824,122	117,985,773	(38,616,595)	33%
Wholesale and Retail Trade	76,718,222	13,813,079	3,040,440	93,571,741	(22,910,501)	24%
Retail	44,802,684	7,926,156	1,217,471	53,946,311	(25,737,535)	48%
Other	36,551,102	12,720,460	17,949,301	67,220,863	(12,644,427)	19%
	491,996,305	**96,322,219**	**32,794,696**	**621,113,220**	**(149,464,878)**	**24%**

(Thousands of AOA)

Business sector	31-12-2020 (restated)					
	Loans and advances to Customers		Guarantees provided and documentary credit	Total exposure	Impairment losses	
	Outstanding	Overdue			Value	%
Real Estate	136,507,997	39,395,154	-	175,903,151	(32,286,339)	18%
Construction	111,028,755	9,036,576	13,577,709	133,643,040	(33,185,909)	25%
Manufacturing Industry	84,698,769	21,855,271	6,474,761	113,028,801	(23,995,895)	21%
Wholesale and Retail Trade	78,006,527	14,720,635	6,715,230	99,442,392	(25,449,644)	26%
Retail	47,522,003	6,605,028	1,227,585	55,354,616	(22,437,297)	41%
Other	39,372,037	10,932,523	8,353,272	58,657,832	(9,073,364)	15%
	497,136,088	**102,545,187**	**36,348,557**	**636,029,832**	**(146,428,448)**	**23%**

As at 31 December 2021 and 2020, the geographical concentration of credit risk is presented as follows:

(Thousands of AOA)

	31-12-2021			
	Geography			
	Angola	Portugal	Other	Total
Loans and advances to Customers	588,235,534	69,237	13,753	588,318,524
Guarantees provided and documentary credit	32,690,751	-	103,945	32,794,696
	620,926,285	**69,237**	**117,698**	**621,113,220**

(Thousands of AOA)

	31-12-2020 (restated)			
	Geography			
	Angola	Portugal	Other	Total
Loans and advances to Customers	596,386,064	3,268,412	26,799	599,681,275
Guarantees provided and documentary credit	36,244,612	-	103,945	36,348,557
	632,630,676	**3,268,412**	**130,744**	**636,029,832**

As at 31 December 2021 and 2020, the exposure to credit risk by financial asset class, rating level and stage, is presented as follows:

(Thousands of AOA)

	31-12-2021			
	Stage 1 (12 months)	Stage 2 (instrument duration)	Stage 3 (instrument duration)	Total
LOANS AND ADVANCES TO CUSTOMERS				
Low level	4,419,749	40,594,347	29,619,733	74,633,829
Medium level	8,130,955	62,895,078	4,939,553	75,965,586
High level	25,612,247	137,806,090	61,920,411	225,338,748
No rating	14,769,647	42,325,402	155,285,312	212,380,361
Gross book value	**52,932,598**	**283,620,917**	**251,765,009**	**588,318,524**
Impairment losses	(781,843)	(23,942,303)	(122,609,161)	(147,333,307)
Net book value	**52,150,755**	**259,678,614**	**129,155,848**	**440,985,217**

(Thousands of AOA)

	31-12-2020 (restated)			
	Stage 1 (12 months)	Stage 2 (instrument duration)	Stage 3 (instrument duration)	Total
LOANS AND ADVANCES TO CUSTOMERS				-
Low level	6,046,784	43,084,998	27,444,782	76,576,564
Medium level	13,303,998	53,087,731	26,677,086	93,068,815
High level	43,439,609	97,821,581	61,287,554	202,548,744
No rating	23,184,537	83,110,444	121,192,171	227,487,152
Gross book value	**85,974,928**	**277,104,754**	**236,601,593**	**599,681,275**
Impairment losses	(1,414,060)	(25,817,822)	(118,178,684)	(145,410,566)
Net book value	**84,560,868**	**251,286,932**	**118,422,909**	**454,270,709**

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 the 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 players involved in the daily management of Market and Liquidity Risk are the Treasury and Markets Department and the Risk Office.

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 Office 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 or loss).

As at 31 December 2021 and 2020, 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 52% and 48%, respectively, and in public debt securities (National Treasury Bonds), representing 44% and 43%, 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 BNA Instruction No. 09/2019, of 27 August (Instruction No. 06/2016, of 8 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 2021 and 2020, the financial instruments for interest rate risk are detailed as follows:

(Thousands of AOA)

	31-12-2021				
	Exposure to		Not subject to interest rate risk	Derivatives	Total
	Fixed rate	Variable rate			
ASSETS					
Cash and deposits at central banks	-	-	344,971,397	-	344,971,397
Loans and advances to credit institutions repayable on demand	-	-	51,143,348	-	51,143,348
Financial assets at fair value through profit or loss	-	148,955	267,782,883	298,758	268,230,596
Financial assets at fair value through other comprehensive income	2,584,778	-	429,389	-	3,014,167
Financial assets at amortised cost					
Debt securities	369,305,246	-	-	-	369,305,246
Loans and advances to Customers	78,648,503	362,336,714	-	-	440,985,217
Other loans and advances to central banks and credit institutions	33,814,994	-	-	-	33,814,994
Other assets	11,801,729	-	81,511,918	-	93,313,647
	496,155,250	**362,485,669**	**745,838,935**	**298,758**	**1,604,778,612**
LIABILITIES					
Deposits from central banks and other credit institutions	80,660,368	-	3,054,424	-	83,714,792
Deposits from Customers and other loans	835,672,336	-	587,278,088	-	1,422,950,424
Financial liabilities at fair value through profit or loss	-	-	-	1,412	1,412
Other liabilities	8,239,758	-	9,536,916	-	17,776,674
	924,572,462	**-**	**599,869,428**	**1,412**	**1,524,443,302**
	(428,417,212)	**362,485,669**	**145,969,507**	**297,346**	**80,335,310**

(Thousands of AOA)

	31-12-2020 (restated)				
	Exposure to		Not subject to interest rate risk	Derivatives	Total
	Fixed rate	Variable rate			
ASSETS					
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 or 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	396,354,958	-	-	-	396,354,958
Loans and advances to Customers	63,935,322	390,335,387	-	-	454,270,709
Other loans and advances to central banks and credit institutions	83,591,141	-	-	-	83,591,141
Other assets	17,429,718	-	108,570,290	-	126,000,008
	564,356,110	**400,956,185**	**646,444,387**	**3,640,415**	**1,615,397,097**
LIABILITIES					
Deposits from central banks and other credit institutions	5,544,093	8,553,971	-	-	14,098,064
Deposits from Customers and other loans	936,150,243	-	587,820,554	-	1,523,970,797
Financial liabilities at fair value through profit or loss	-	-	-	3,978,187	3,978,187
Other liabilities	9,640,819	-	15,301,321	-	24,942,140
	951,335,155	**8,553,971**	**603,121,875**	**3,978,187**	**1,566,989,188**
	(386,979,045)	**392,402,214**	**43,322,512**	**(337,772)**	**48,407,909**

As at 31 December 2021 and 2020, the financial instruments with exposure to interest rate risk according to the maturity or resetting date had the following structure:

(Thousands of AOA)

	31-12-2021								
	Resetting Dates/Maturity Dates								
	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
ASSETS									
Financial assets at fair value through profit or loss	-	-	-	-	-	-	-	148,956	148,956
Financial assets at fair value through other comprehensive income	-	341,400	-	269,723	1,802,321	18,516	-	-	2,431,960
Financial assets at amortised cost									
Debt securities	-	167,170	1,526,187	107,705,163	165,813,067	72,956,834	24,415,332	-	372,583,753
Loans and advances to Customers	174,162,133	76,491,183	35,920,278	42,217,269	1,668,430	6,846,757	47,326,259	-	384,632,309
Other loans and advances to central banks and credit institutions	31,408,693	2,220,020	-	471,919	-	-	-	-	34,100,632
Other assets	-	-	-	-	-	-	-	14,846,614	14,846,614
	205,570,826	**79,219,773**	**37,446,465**	**150,664,074**	**169,283,818**	**79,822,107**	**71,741,591**	**14,995,570**	**808,744,224**
LIABILITIES									
Deposits from central banks and other credit institutions	16,500,000	-	-	-	-	-	-	-	16,500,000
Deposits from Customers and other loans	109,529,100	260,665,534	200,516,315	224,171,478	-	-	-	-	794,882,427
Other liabilities	-	-	-	-	-	8,239,756	-	-	8,239,756
	126,029,100	**260,665,534**	**200,516,315**	**224,171,478**	**-**	**8,239,756**	**-**	**-**	**819,622,183**
	79,541,726	**(181,445,761)**	**(163,069,850)**	**(73,507,404)**	**169,283,818**	**71,582,351**	**71,741,591**	**14,995,570**	**(10,877,959)**

(Thousands of AOA)

	31-12-2020 (restated)								
	Resetting Dates/Maturity Dates								
	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
ASSETS									
Financial assets at fair value through profit or loss	-	8,350,900	-	-	-	-	3,290	-	8,354,190
Financial assets at fair value through other comprehensive income	-	1,172,700	-	473,004	-	3,348,619	-	-	4,994,323
Financial assets at amortised cost									
Debt securities	-	1,622,500	1,533,158	17,541,359	181,480,665	191,745,174	32,707,991	-	426,630,847
Loans and advances to Customers	149,690,144	45,932,559	59,152,358	72,544,572	33,864,396	5,413,154	35,343,312	-	401,940,495
Other loans and advances to central banks and credit institutions	76,887,121	6,258,496	-	796,504	-	-	-	-	83,942,121
Other assets	-	-	-	-	-	-	-	17,429,718	17,429,718
	226,577,265	**63,337,155**	**60,685,516**	**91,355,439**	**215,345,061**	**200,506,947**	**68,054,593**	**17,429,718**	**943,291,694**
LIABILITIES									
Deposits from central banks and other credit institutions	8,500,000	-	-	-	-	-	-	-	8,500,000
Deposits from Customers and other loans	247,045,042	220,696,183	207,645,550	240,527,792	-	6,176,901	1,075,803	-	923,167,271
Other liabilities	-	-	-	-	-	1,067,926	5,780,454	-	6,848,380
	255,545,042	**220,696,183**	**207,645,550**	**240,527,792**	**-**	**7,244,827**	**6,856,257**	**-**	**938,515,651**
	(28,967,777)	**(157,359,028)**	**(146,960,034)**	**(149,172,353)**	**215,345,061**	**193,262,120**	**61,198,336**	**17,429,718**	**4,776,043**

As at 31 December 2021 and 2020, 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)

	31-12-2021			31-12-2020 (restated)		
	Average balance for the period	Interest for the period	Average interest rate	Average balance for the period	Interest for the period	Average interest rate
FINANCIAL ASSETS						
Cash and cash equivalents	56,999,208	-	0.00%	74,101,542	-	0.00%
Financial assets at amortised cost						
Loans and advances to Customers	456,513,795	65,722,353	14.40%	451,278,877	66,980,206	14.84%
Debt securities	383,085,455	22,903,211	5.98%	475,193,703	36,418,844	7.66%
Other loans and advances to central banks and credit institutions	108,169,440	242,900	0.22%	46,743,259	244,831	0.52%
Financial assets at fair value through other comprehensive income	3,661,751	337,506	9.22%	18,320,545	2,240,160	12.23%
Financial assets at fair value through profit or loss	231,902,657	-	0.00%	155,166,274	0	0.00%
	1,240,332,306	**89,205,970**		**1,220,804,200**	**105,884,041**	
FINANCIAL LIABILITIES						
Deposits from central banks and other credit institutions	1,534,813,112	63,937,667	4.17%	1,381,511,187	47,133,581	3.41%
Deposits from Customers and other loans	41,259,620	3,077,174	7.46%	127,715,085	11,912,874	9.33%
Other liabilities						
Lease liabilities	8,239,756	2,179,867	26.46%	11,169,856	2,792,439	25.00%
	1,584,312,488	**69,194,708**		**1,520,396,128**	**61,838,894**	

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 2021 and 2020, the breakdown of assets and liabilities, by currency, net of impairment is presented as follows:

(Thousands of AOA)

	31-12-2021					
	Kwanzas	Kwanzas indexed to the US Dollar	US Dollars	Euro	Other currencies	Total
ASSETS						
Cash and deposits at central banks	129,097,842	-	213,813,906	1,814,908	244,741	344,971,397
Loans and advances to credit institutions repayable on demand	6,329,540	-	25,853,938	17,224,032	1,735,838	51,143,348
Financial assets at fair value through profit or loss	266,119,780	-	1,812,058	298,758	-	268,230,596
Financial assets at fair value through other comprehensive income	1,306,034	-	1,708,133	-	-	3,014,167
Financial assets at amortised cost						
Debt securities	4,851,445	45,369,396	319,084,405	-	-	369,305,246
Loans and advances to Customers	332,294,338	28,304,373	76,300,193	4,086,303	10	440,985,217
Other loans and advances to central banks and credit institutions	4,909,123	-	28,120,183	785,688	-	33,814,994
Property, plant and equipment	87,882,647	-	-	-	-	87,882,647
Intangible assets	15,476,651	-	-	-	-	15,476,651
Non-current assets held for sale	-	-	-	-	-	-
Current tax assets	2,462,185	-	-	-	-	2,462,185
Deferred tax assets	3,417,453	-	-	-	-	3,417,453
Other assets	23,005,489	867,553	68,973,121	403,616	63,868	93,313,647
Total Assets	**877,152,527**	**74,541,322**	**735,665,937**	**24,613,305**	**2,044,457**	**1,714,017,548**
LIABILITIES						
Deposits from central banks and other credit institutions	19,629,690	-	61,769,424	2,315,678	-	83,714,792
Deposits from Customers and other loans	683,375,945	925,872	663,173,019	74,253,983	1,221,605	1,422,950,424
Financial liabilities at fair value through profit or loss	-	-	-	1,412	-	1,412
Provisions	1,119,402	34,112	-	2,407,175	-	3,560,689
Deferred tax liabilities	4,008	18,584	7,669	-	-	30,261
Other liabilities	6,420,838	-	10,404,988	826,363	124,485	17,776,674
Total Liabilities	**710,549,883**	**978,568**	**735,355,100**	**79,804,611**	**1,346,090**	**1,528,034,252**
	166,602,644	**73,562,754**	**310,837**	**(55,191,306)**	**698,367**	**185,983,296**

(Thousands of AOA)

	31-12-2020 (restated)					
	Kwanzas	Kwanzas indexed to the US Dollar	US Dollars	Euro	Other currencies	Total
ASSETS						
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 assets at fair value through profit or 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	304,745,111	-	-	396,354,958
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	110,390,646	-	-	-	-	110,390,646
Intangible assets	14,295,527	-	-	-	-	14,295,527
Non-current assets held for sale	7,796,893	-	-	-	-	7,796,893
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
Total Assets	**833,988,867**	**117,493,688**	**728,104,936**	**70,348,781**	**3,802,700**	**1,753,738,972**
LIABILITIES						
Deposits from central banks and other credit institutions	14,098,052	-	12	-	-	14,098,064
Deposits from Customers and other loans	623,268,533	-	812,474,571	86,731,043	1,496,650	1,523,970,797
Financial liabilities at fair value through profit or 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
Total Liabilities	**659,099,705**	**52,290**	**818,449,400**	**91,935,103**	**1,496,705**	**1,571,033,203**
	174,889,162	**117,441,398**	**(90,344,464)**	**(21,586,322)**	**2,305,995**	**182,705,769**

As at 31 December 2021 and 2020, the sensitivity analysis of the book value of financial instruments to changes in exchange rates is presented as follows:

(Thousands of AOA)

	31-12-2021					
	-20%	-10%	-5%	5%	10%	20%
CURRENCY						
US Dollars	(150,597,342)	(75,298,671)	(37,649,335)	37,649,335	75,298,671	150,597,342
Kwanzas indexed to the US Dollar	(15,386,190)	(7,693,095)	(3,846,547)	3,846,547	7,693,095	15,386,190
Euro	(4,922,809)	(2,461,404)	(1,230,702)	1,230,702	2,461,404	4,922,809
Other currencies	(408,891)	(204,446)	(102,224)	102,224	204,446	408,891
	(171,315,232)	**(85,657,616)**	**(42,828,808)**	**42,828,808**	**85,657,616**	**171,315,232**

(Thousands of AOA)

	31-12-2020 (restated)					
	-20%	-10%	-5%	5%	10%	20%
CURRENCY						
US Dollars	(150,847,398)	(75,423,699)	(37,711,850)	37,711,850	75,423,699	150,847,398
Kwanzas indexed to the US 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 currencies	(760,540)	(380,270)	(190,135)	190,135	380,270	760,540
	(189,176,432)	**(94,588,216)**	**(47,294,108)**	**47,294,108**	**94,588,216**	**189,176,432**

On the date of this report, the Bank's assets and liabilities do not present relevant revaluation impacts, considering that the exchange rate of the Kwanza (AOA) against the United States Dollar (USD) and the Euro (EUR), reference currencies in the foreign exchange market, are close to those published by the Banco Nacional de Angola as at 31 December 2021.

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, monitoring of liquidity positions from a prudential standpoint is also performed, calculated according to the rules required by BNA Instruction No. 09/2019, of 27 August (revoked Instruction No. 06/2016, of 8 August).

As at 31 December 2021 and 2020, the total contractual cash flows by residual maturities of the Bank's financial assets and liabilities, are presented as follows:

(Thousands of AOA)

	31-12-2021									
	Contractual residual 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
ASSETS										
Cash and deposits at central banks	344,971,397	-	-	-	-	-	-	-	-	344,971,397
Loans and advances to credit institutions repayable on demand	51,143,348	-	-	-	-	-	-	-	-	51,143,348
Financial assets at fair value through profit or loss	298,760	-	-	-	-	-	-	148,955	267,782,881	268,230,596
Financial assets at fair value through other comprehensive income	-	-	362,011	-	281,736	1,941,031	-	-	429,389	3,014,167
Financial assets at amortised cost										
Debt securities	-	-	175,946	1,548,582	107,550,437	164,095,960	71,956,317	23,978,004	-	369,305,246
Loans and advances to Customers	11,017	6,093,513	8,485,953	2,068,408	36,549,189	34,583,007	118,459,119	174,997,628	59,737,383	440,985,217
Other loans and advances to central banks and credit institutions	-	31,124,222	2,219,301	-	471,471	-	-	-	-	33,814,994
Other assets	-	-	-	-	-	76,322,209	-	-	16,991,438	93,313,647
	396,424,522	**37,217,735**	**11,243,211**	**3,616,990**	**144,852,833**	**276,942,207**	**190,415,436**	**199,124,587**	**344,941,091**	**1,604,778,612**
LIABILITIES										
Deposits from central banks and other credit institutions	67,139,526	16,575,266	-	-	-	-	-	-	-	83,714,792
Deposits from Customers and other loans	9,045,561	689,908,777	266,058,887	201,928,506	226,839,975	933,140	28,235,578	-	-	1,422,950,424
Financial liabilities at fair value through profit or loss	1,412	-	-	-	-	-	-	-	-	1,412
Subordinated liabilities	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	21,367,624	-	-	21,367,624
	76,186,499	**706,484,043**	**266,058,887**	**201,928,506**	**226,839,975**	**933,140**	**49,603,202**	**-**	**-**	**1,528,034,252**
Liquidity gap	**320,238,023**	**(669,266,308)**	**(254,815,676)**	**(198,311,516)**	**(81,987,142)**	**276,009,067**	**140,812,234**	**199,124,587**	**344,941,091**	**76,744,360**
Accrued liquidity gap	**320,238,023**	**(349,028,285)**	**(603,843,961)**	**(802,155,477)**	**(884,142,619)**	**(608,133,552)**	**(467,321,318)**	**(268,196,731)**	**76,744,360**	

(Thousands of AOA)

	31-12-2020 (restated)									
	Contractual residual 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
ASSETS										
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 or loss	-	-	11,991,315	-	-	-	-	3,290	204,931,937	216,926,542
Financial assets at fair value through other comprehensive income	-	-	1,817,784	-	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	165,957,470	30,548,562	-	396,354,958
Loans and advances to Customers	-	23,685,162	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
	-	**432,734,950**	**41,703,231**	**19,907,112**	**52,469,355**	**360,004,907**	**253,246,438**	**158,607,334**	**296,723,770**	**1,615,397,097**
LIABILITIES										
Deposits from central banks and other credit institutions	-	5,544,081	8,553,983	-	-	-	-	-	-	14,098,064
Deposits from Customers and other loans	587,820,554	208,883,928	240,467,910	229,486,023	257,312,382	-	-	-	-	1,523,970,797
Financial liabilities at fair value through profit or loss	-	-	-	3,978,187	-	-	-	-	-	3,978,187
Other liabilities	-	-	-	-	-	-	24,942,140	-	-	24,942,140
	587,820,554	**214,428,009**	**249,021,893**	**233,464,210**	**257,312,382**	**-**	**24,942,140**	**-**	**-**	**1,566,989,188**
Liquidity gap	**(587,820,554)**	**218,306,941**	**(207,318,662)**	**(213,557,098)**	**(204,843,027)**	**360,004,907**	**228,304,298**	**158,607,334**	**296,723,770**	**48,407,909**
Accrued liquidity gap	**(587,820,554)**	**(369,513,613)**	**(576,832,275)**	**(790,389,373)**	**(995,232,400)**	**(635,227,493)**	**(406,923,195)**	**(248,315,861)**	**48,407,909**	

As at 31 December 2021 and 2020, the liquidity ratio calculated in accordance with Instruction No. 19/2016, of 30 August, amounts to 343% and 335%, 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.

As at 31 December 2021 and 2020, the Bank has observation ratios of 1 to 3 months at 615% and 607%, respectively, 3 to 6 months at 2.005% and 519%, respectively, and 6 to 12 months at 817% and 615%, respectively.

Real Estate Risk

As at 31 December 2021 and 2020, the exposure to real estate (direct and indirect) is as follows:

(Thousands of AOA)

	31-12-2021	31-12-2020 (restated)
Participation units held in Real Estate funds (Note 6)	257,123,937	194,669,287
Real Estate received in lieu of payment for loan operations (Note 13)	2,392,425	8,157,099
Real estate reclassified as fixed assets (Note 13)	-	261,034
	259,516,362	**203,087,420**

Operating Risk

The Bank's Risk Office 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 8 August, and BNA letter reference No. 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. 03/2016), own funds requirements for market risk and credit risk of counterparties in the trading portfolio (Notice No. 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 the Banco Nacional de Angola;
- Negative elements of the original own funds — comprise: (i) Treasury 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 No. 12/2014, of 17 December, on the constitution of provisions; and (xii) actuarial losses not recognised in profit or loss;
- Additional own funds — comprise: (i) redeemable 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 the BNA; (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 the 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 No. 5(2)(a) and (i) and Article No. 7(2)(a)(d) and (f), both of Notice No. 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.

		31-12-2021	31-12-2020 (restated)
Regulatory own funds requirements			
Credit and counterparty risk		73,632,889	75,181,400
Operating risk		8,434,079	11,465,184
Market risk and counterparty credit risk in the trading portfolio		927,603	5,091,005
	A	**82,994,571**	**91,737,589**
Regulatory own funds			
Original own funds		170,436,274	168,152,481
Additional own funds		39,215	143,644
Deductions to original and additional own funds		(9,507)	(16,524,406)
	B	**170,465,982**	**151,771,719**
Regulatory solvency ratio	**C=B/A*10%**	**20.54%**	**16.54%**

NOTE 40
Recently issued accounting standards and interpretations

Voluntary policy changes

During the period there were no voluntary changes in accounting policies, compared to those considered in the preparation of the previous year financial information.

New standards and interpretations applicable to the period

The following standards, interpretations, amendments and revisions have mandatory application for the first time in annual periods beginning on 1 January 2021:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Phase 2 – Interest Rate Benchmark Reform (IBOR Reform)
Corresponds to additional amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, related to the second phase of the Interest Rate Benchmark Reform (IBOR reform), concerning changes to interest rate benchmark and the impacts at the level of modifications of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures.

Amendment to IFRS 4 – Insurance Contracts, deferral of IFRS 9
This amendment aims to extend the exemption date from adopting IFRS 9 from 1 January 2021 to 1 January 2023, thus aligning with the date from which the adoption of IFRS 17 becomes applicable.

Amendment to IFRS 16 – Leases – "Covid-19 Related Rent Concessions beyond 30 June 2021"
This amendment aims to extend to 30 June 2022 the application of the optional practical expedient by which lessees are exempted from reviewing whether rent concessions up to that date, typically rent suspensions or rent reductions, related to the Covid-19 pandemic correspond to lease modifications.

There were no significant effects on the Bank's financial statements arising from the adoption of these new standards, interpretations, amendments and revisions referred to above.

New standards and interpretations already issued, which will come into force in future periods

The following standards, interpretations, amendments and revisions have mandatory application in future periods:

Amendments to IFRS 3, IAS 16, IAS 37 and Annual Improvements 2018-2020
These amendments correspond to a set of updates to the different standards mentioned, namely:

- IFRS 3 – updated reference to the 2018 conceptual framework; additional requirements for analysis of liabilities under IAS 37 or IFRIC 21 at the acquisition date; and explicit clarification that contingent assets are not recognised in a business combination;
- IAS 16 – prohibition of deducting from the cost of a tangible asset income related to the sale of products before the asset is available for use;
- IAS 37 – clarification that costs of compliance with a contract correspond to costs directly related to the contract; and
- Annual improvements 2018-2020 correspond essentially to amendments to four standards, IFRS 1, IFRS 9, IFRS 16 and IAS 41.

It shall be applicable in periods beginning on or after 1 January 2022.

IFRS 17 – Insurance Contracts
This standard establishes, for insurance contracts within its scope, the principles for their recognition, measurement, presentation and disclosure. This standard replaces IFRS 4 – Insurance Contracts. It shall be applicable in periods beginning on or after 1 January 2023.

Amendment to IAS 1 – Presentation of financial statements – Classification of liabilities as current and non-current
This amendment published by IASB clarifies the classification of liabilities as current and non-current by analysing the contractual conditions existing at the reporting date. It shall be applicable in periods beginning on or after 1 January 2023.

Amendment to IAS 1 – Presentation of Financial Statements and IFRS Practice Statement 2 – Disclosures of Accounting Policies
This amendment published by the IASB clarifies that material accounting policies, rather than significant accounting policies, should be disclosed. It shall be applicable in periods beginning on or after 1 January 2023.

Amendment to IAS 8 – Accounting policies, changes in accounting estimates and errors – Definition of accounting estimates
This amendment published by IASB changes the definition of accounting estimate for monetary amount in financial statements subject to measurement uncertainty. It shall be applicable in periods beginning on or after 1 January 2023.

Amendment to IAS 12 Income Taxes – Deferred Taxes
This amendment published by IASB clarifies that the exemption of initial recognition of deferred taxes does not apply in transactions that produce equal amounts of taxable and deductible temporary differences. It shall be applicable in periods beginning on or after 1 January 2023.

Amendment to IFRS 17 – Insurance contracts – initial application of IFRS 17 and IFRS 9 – comparative information
This amendment published by IASB introduces changes on comparative information to present when an Entity simultaneously adopts IFRS 17 and IFRS 9. It shall be applicable in periods beginning on or after 1 January 2023.

The Bank does not foresee significant effects on its financial statements with the adoption of these new standards, interpretations, amendments and revisions referred to above.

NOTE 41

Comparability of information – Adoption of IAS 29 and adjustment for impairment of public debt securities

In 2021, the Bank's Board of Directors (i) applied the provisions of IAS 29 for the first time, with reference to the 2017 and 2018 financial years and (ii) adjusted the impairment of public debt securities.

The application of the IAS 29 Standard after the period in which the characteristics of a hyperinflationary economic environment are observed, must respect the terms set out in IAS 8 Standard – Accounting Policies, Changes in Accounting Estimates and Errors, with regard to the change of accounting policies, and the corresponding impacts must be reflected retrospectively. Accordingly, the Bank has retrospectively applied the new policy in its financial statements (restatement), with reference to the first comparative period presented, i.e., 1 January 2020.

As at 31 December 2020, the impairment calculation methodology defined by the Bank provided for an exemption, applicable to an issue of Treasury Bonds of the Republic of Angola denominated in United States Dollars maturing in December 2022 which, according to information obtained from the Bank, was originated in December 2015 as a result of a conversion process of the balance of deposit accounts in foreign currency held by the Bank with the Banco Nacional de Angola (BNA), for the purposes of compliance with reserve requirements, under Executive Decree No. 547/15, of 6 October, Order No. 406/15, of 7 December, of the Ministry of Finance, Instruction No. 19/2015, of 2 December, and BNA Directive No. 7/DMA/DSP/2015, of 10 December. In this context, during 2020, it was the understanding of the Bank's Board of Directors that given the way in which these securities were originated, without a decision by the Bank, they should be treated similarly to other assets used to fulfil the reserve requirements, without credit risk, and therefore it has not recorded any impairment loss for these securities in its financial statements. However, during 2021 the Bank reviewed its understanding on this matter and recorded the impairment for the referred financial instrument, thereby complying with the requirements of the IFRS 9 Standard. In addition, the new policy was applied retrospectively under the terms of IAS 8, and therefore the comparatives as at 31 December 2020 have been amended accordingly.

Accordingly, the balance sheet as at 1 January 2020 was restated, and the impact of this restatement consisted of an increase in the Bank's equity, as at 1 January 2020, in the amount of AOA 27,120,226 thousand, a decrease in net income, as at 31 December 2020, in the amount of AOA 23,371,258 thousand and an increase in equity, as at 31 December 2020, in the amount of AOA 3,748,968 thousand. These impacts are presented in the following tables:

(Thousands of AOA)

	01-01-2020 (restated)	IAS 29 Adoption	31-12-2019
ASSETS			
Cash and deposits at central banks	190,988,448	-	190,988,448
Loans and advances to credit institution repayable on demand	24,428,190	-	24,428,190
Financial assets at fair value through profit or loss	69,425,364	-	69,425,364
Financial assets at fair value through other comprehensive income	34,178,458	-	34,178,458
Financial assets at amortised cost			
Debt securities	529,302,406	-	529,302,406
Loans and advances to Customers	442,701,013	-	442,701,013
Other loans and advances to central banks and credit institutions	17,012,282	-	17,012,282
Property, plant and equipment	105,186,688	43,904,615	61,282,073
Intangible assets	11,691,206	(24,290,484)	35,981,690
Non-current assets held for sale	96,134,874	7,506,095	88,628,779
Current tax assets	2,056,239	-	2,056,239
Deferred tax assets	2,288,990	-	2,288,990
Other assets	103,205,141	-	103,205,141
Total Assets	**1,628,599,299**	**27,120,226**	**1,601,479,073**
LIABILITIES AND EQUITY			
Deposits from central banks and other credit institutions	176,493,638	-	176,493,638
Deposits from Customers and other loans	1,234,985,588	-	1,234,985,588
Financial liabilities at fair value through profit or loss	207,095	-	207,095
Provisions	8,382,018	-	8,382,018
Deferred tax liabilities	68,602	-	68,602
Other liabilities	18,024,543	-	18,024,543
Total Liabilities	**1,438,161,484**	**-**	**1,438,161,484**
Share capital	142,324,747	88,503,144	53,821,603
Share premium	70,707,406	35,897,337	34,810,069
Treasury shares	(841,657)	(349,475)	(492,182)
Revaluation reserves	160,631	-	160,631
Other reserves and retained earnings	(21,913,312)	(66,465,918)	44,552,606
Individual net profit/(loss) for the period	-	(30,464,862)	30,464,862
Total Equity	**190,437,815**	**27,120,226**	**163,317,589**
Total Liabilities and Equity	**1,628,599,299**	**27,120,226**	**1,601,479,073**

(Thousands of AOA)

	31-12-2020 (restated)	IAS 29 Adoption	Impairment for securities	31-12-2020
ASSETS				
Cash and deposits at central banks	222,111,313	-	-	222,111,313
Loans and advances to credit institution repayable on demand	110,381,892	-	-	110,381,892
Financial assets at fair value through profit or loss	216,926,542	-	-	216,926,542
Financial assets at fair value through other comprehensive income	5,760,534	-	-	5,760,534
Financial assets at amortised cost				
Debt securities	396,354,958	-	(13,725,740)	410,080,698
Loans and advances to Customers	454,270,709	-	-	454,270,709
Other loans and advances to central banks and credit institutions	83,591,141	-	-	83,591,141
Property, plant and equipment	110,390,646	41,702,466	-	68,688,180
Intangible assets	14,295,527	(24,745,011)	-	39,040,538
Non-current assets held for sale	7,796,893	517,253	-	7,279,640
Current tax assets	2,418,635	-	-	2,418,635
Deferred tax assets	3,440,174	-	-	3,440,174
Other assets	126,000,008	-	-	126,000,008
Total Assets	**1,753,738,972**	**17,474,708**	**(13,725,740)**	**1,749,990,004**
LIABILITIES AND EQUITY				
Deposits from central banks and other credit institutions	14,098,064	-	-	14,098,064
Deposits from Customers and other loans	1,523,970,797	-	-	1,523,970,797
Financial liabilities at fair value through profit or loss	3,978,187	-	-	3,978,187
Provisions	3,932,532	-	-	3,932,532
Deferred tax liabilities	111,483	-	-	111,483
Other liabilities	24,942,140	-	-	24,942,140
Total Liabilities	**1,571,033,203**	**-**	**-**	**1,571,033,203**
Share capital	142,324,747	88,503,144	-	53,821,603
Share premium	70,707,406	35,897,337	-	34,810,069
Treasury shares	(841,657)	(349,475)	-	(492,182)
Revaluation reserves	207,486	-	-	207,486
Other reserves and retained earnings	(21,913,313)	(96,930,780)	-	75,017,467
Individual net profit/(loss) for the period	(7,778,900)	(9,645,518)	(13,725,740)	15,592,358
Total Equity	**182,705,769**	**17,474,708**	**(13,725,740)**	**178,956,801**
Total Liabilities and Equity	**1,753,738,972**	**17,474,708**	**(13,725,740)**	**1,749,990,004**

(Thousands of AOA)

	31-12-2020 (restated)	IAS 29 Adoption	Impairment for securities	31-12-2020
Interest and similar income	105,884,041	-	-	105,884,041
Interest and similar expense	(61,838,894)	-	-	(61,838,894)
Net interest income	**44,045,147**	**-**	**-**	**44,045,147**
Fees and commission income	15,228,788	-	-	15,228,788
Fees and commission expense	(3,447,768)	-	-	(3,447,768)
Profit/(loss) from fees and commissions	**11,781,020**	**-**	**-**	**11,781,020**
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	(5,505,166)	-	-	(5,505,166)
Net gains/(losses) arising from investments at amortised cost	12,528,340	-	-	12,528,340
Net gains/(losses) arising from foreign exchange differences	(8,036,553)	-	-	(8,036,553)
Net gains/(losses) arising from the sale of other assets	53,288,581	(6,976,709)	-	60,265,290
Other operating income/(expense)	(6,888,508)	(199,729)	-	(6,688,779)
Net gains/(losses) arising from financial operations	**45,386,694**	**(7,176,438)**	**-**	**52,563,132**
Operating income	**101,212,861**	**(7,176,438)**	**-**	**108,389,299**
Staff costs	(23,317,752)	-	-	(23,317,752)
Supplies and services	(17,048,086)	-	-	(17,048,086)
Depreciation and amortisation for the period	(10,887,291)	(2,469,080)	-	(8,418,211)
Provisions and impairment of other assets	(10,691,874)	-	-	(10,691,874)
Impairment of other financial assets	(24,290)	-	-	(24,290)
Impairment of other financial assets at amortised cost	(48,244,798)	-	(13,725,740)	(34,519,058)
Impairment of financial assets at fair value through other comprehensive income	71,145	-	-	71,145
Profit/(loss) before tax from continuing operations	**(8,930,085)**	**(9,645,518)**	**(13,725,740)**	**14,441,173**
Income tax				
Deferred tax	1,151,185	-	-	1,151,185
Profit/(loss) after tax from continuing operations	**(7,778,900)**	**(9,645,518)**	**(13,725,740)**	**15,592,358**
Individual net profit/(loss) for the period	**(7,778,900)**	**(9,645,518)**	**(13,725,740)**	**15,592,358**

(Thousands of AOA)

	Net Equity (restated)			
	Net Equity 31-12-2020	Other changes 2020	Net profit/ (loss) 2020	Net Equity 01-01-2020
Amounts previously reported	**178,956,801**	**46,854**	**15,592,358**	**163,317,589**
CHANGES IN ACCOUNTING ESTIMATES AND ERRORS				
Impacts of IAS 29 adoption	17,474,708	-	(9,645,518)	27,120,226
Impairment for public debt securities	(13,725,740)	-	(13,725,740)	-
Restated balances	**182,705,769**	**46,854**	**(7,778,900)**	**190,437,815**

- As described in Note 2.1, the adoption of the IAS 29 Standard entailed monetary revaluation of eligible assets and liabilities, i.e., non-monetary items against the equity items (Notes 20 and 21). Therefore, the captions Property, plant and equipment (Note 11), Intangible assets (Note 12) and Non-current assets held for sale (Note 13) were retrospectively revalued in the accumulated amount of AOA 17,474,708 thousand. Additionally, the caption Intangible assets includes an amount of goodwill on which the valuation performed by the Bank with reference to 31 December 2017, after the effects of the adoption of IAS 29 in that year, concluded that the estimated recoverable amount is lower than its carrying amount, which resulted in the recognition of impairment on the full amount of this asset at that date (Note 12).
- As described in Note 8, during 2021, the Board of Directors retrospectively recognised impairment losses in the amount of AOA 13,725,740 thousand on Treasury Bonds with an impact on Financial assets at amortised cost – Debt securities against profit or loss for that period.

NOTE 42
Covid-19

In March 2020, the spread of the disease resulting from the new coronavirus (Covid-19) was declared a pandemic by the World Health Organization, which significantly affected the world and Angolan economies, with particular emphasis on the continuation of the economic recession.

With regard to the public health pandemic associated with the new Covid-19 virus, the Board of Directors of the Bank has defined a Contingency Plan aimed at preventing and mitigating the risks associated with the spread of the virus, which determines the adoption of measures that allow: securing the life and health of employees and their safety conditions through the provision of preventive information and adequate means of protection, maintaining essential services in operation, ensuring the operability and functioning of infrastructures and assessing the equity impacts on the value of assets, which were duly recorded in the Bank's financial statements as at 31 December 2021.

The financial statements have been prepared on a going concern basis as the Bank is considered to have the required 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. However, the Covid-19 pandemic has introduced an increased level of uncertainty and the need to consider the impact on operations, profitability, capital and liquidity.

On this date, the pandemic is still ongoing in Angola and worldwide and its evolution and constraints caused by the pandemic control measures adopted by the Angolan State and the other countries worldwide may significantly affect the Angolan economy and, consequently, the achievement of the main accounting estimates and projections considered by the Board of Directors in the preparation of the Bank's individual financial statements (Note 3). Therefore, the realisation of the Bank's assets over the next few years at their balance sheet values as at 31 December 2021 may be influenced by the development of the Angolan economy and the success of its future operations.

NOTE 43
Events after the reporting period

Rating

In January 2022, the Fitch rating agency revised upwards the debt rating of the Republic of Angola, improving the external rating from CCC to B3. According to the published note, reference is made to the positive impacts on the macroeconomic climate associated with the increase in oil prices and improved tax management.

The Bank is monitoring the potential impacts of this revision, and a detailed analysis is being carried out to reliably estimate the referred impacts to be recognised in the financial statements during the first half of 2022.

Invasion of Ukraine

In February 2022, the Russian Federation invaded Ukraine which resulted in the enforcement of sanctions, at international level, directed at the Russian Federation and Belarus, as well as certain entities related to these countries. At this date, to the best of the Board of Directors' knowledge, there are no direct or indirect exposures to Ukraine, Russia and Belarus that could affect the Bank's financial statements. The Board of Directors believes that given that events are evolving on a daily basis, future negative impacts may occur on the world economy and financial system, as well as on the evolution of the Angolan economy and its financial system, in particular. Consequently, there could be possible future impacts on the main accounting estimates used by the Board of Directors in the preparation of the Bank's individual financial statements, which are disclosed in Note 3 of the Notes to the financial statements.

NOTE 44
Note added for translation

These financial statements are a free translation of the financial statements originally issued in Portuguese. In the event of discrepancies, the Portuguesa language prevails.