



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 analyzed as follows:

	(Thousands of AOA)	
	31-12-2022	31-12-2021
Cash		
In national currency	22,866,722	16,333,740
In foreign currency	4,314,340	4,768,772
	27,181,062	21,102,512
Demand deposits at Banco Nacional de Angola		
In national currency	55,350,966	112,764,101
In foreign currency	131,698,471	211,104,784
	187,049,438	323,868,885
	214,230,500	344,971,397

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 2022, reserve requirements are determined in accordance with the provisions of Instruction No. 02/2021 of 10 February, Instruction No. 08/2021 of 14 May and Directive No. 11/2022 of 12 December.

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.



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 2022 and 2021, the minimum reserve requirements for demand deposits with the BNA were calculated by applying the ratios summarized in the following table:

		31-12-2022		31-12-2021	
		National currency	Foreign currency	National currency	Foreign currency
Rate on Tax Base					
Central Government	Daily calculation	100%	100%	100%	100%
Local Governments and Municipal Administrations	Daily calculation	17%	100%	22%	100%
Other sectors	Weekly calculation	17%	22%	22%	22%

As at 31 December 2022, 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 and good standing, provided they have a residual maturity higher than or equal to 24

(twenty-four) months. The same applies to credits defined in accordance with Article 8 of Notice No. 10/2022 of 6 April, on granting credit to the real sector of the economy, whatever the residual maturity, and to the credits defined in accordance with Article 10 of Notice No. 09/2022 of 6 April, on granting credit for housing, whatever the residual maturity.

As at 31 December 2021, 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 higher 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 BNA's Notice No. 10/2020 of 1 April, on granting credit to the real sector of the economy, whatever the residual maturity.

During 2015, BNA converted part of ATLANTICO's cash requirements in USD, into securities denominated in the same currency, whose amount as at 31 December 2021, amounted to AOA 108,015,851 thousand (Note 8). These debt securities were accounted at their acquisition cost and subsequently measured as described in Note 2.5., until their maturity date on 19 December 2022.

As at 31 December 2022 and 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.

The methodology for calculating impairment loss is described in Note 2.5.