4

FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS

4.1.

Financial statements

Balance sheet

AOA thousand

Individual balance sheet as at December 31, 2023 and December 31, 2022	Notes	12-31-2023	12-31-2022
Assets			
Cash and deposits at central banks	4	356,926,890	214,230,500
Loans and advances to credit institutions repayable on demand	5	94,147,108	46,169,024
Financial assets at fair value through profit or loss	6	299,015,502	260,385,874
Financial assets at fair value through other comprehensive income	7	53,107,016	54,236,351
Financial assets at amortized cost			
Debt securities	8	467,315,333	306,297,438
Loans and advances to customers	9	479,108,472	453,601,310
Other loans and advances to central banks and credit institutions	10	81,193,455	30,547,298
Other property, plant and equipment	11	92,372,476	103,859,695
Intangible assets	12	10,658,318	13,022,100
Non-current assets held for sale	13	716,352	-
Current tax assets	14	2,464,674	2,546,736
Deferred tax assets	14	3,657,438	3,750,143
Other assets	15	147,016,525	95,631,885
Total Assets		**2,087,699,559**	**1,584,278,354**
Liabilities and Equity			
Deposits from central banks and other credit institutions	16	1,323,068	7,321,923
Deposits from customers and other loans	17	1,849,007,508	1,364,668,411
Financial liabilities at fair value through profit or loss	6	-	2,030,008
Provisions	18	3,613,319	2,926,832
Deferred tax liabilities	14	7,230,139	152,875
Other liabilities	19	14,566,717	17,469,183
Total Liabilities		**1,875,740,751**	**1,394,569,232**
Share capital	20	142,324,747	142,324,747
Share premiums	20	70,707,406	70,707,406
Treasury shares	20	(841,657)	(841,657)
Revaluation reserves	21	13,427,848	284,357
Other reserves and retained earnings	21	(22,765,732)	(26,263,845)
Individual net profit/(loss) for the period		9,106,196	3,498,114
Total Equity		**211,958,808**	**189,709,122**
Total Liabilities and Equity		**2,087,699,559**	**1,584,278,354**

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

Income statement

AOA thousand

Individual income statement for the periods ended December 31, 2023 and December 31, 2022	Notes	12-31-2023	12-31-2022
Interest and similar income	22	89,197,498	95,773,570
Interest and similar expenses	22	(73,014,331)	(63,319,084)
Net interest income		**16,183,167**	**32,454,486**
Fees and commissions income	23	28,417,107	27,291,483
Fees and commissions expense	23	(6,814,391)	(6,877,822)
Profit/(loss) from fees and commissions		**21,602,716**	**20,413,661**
Profit/(loss) from financial assets and liabilities at fair value through profit or loss	24	38,504,385	(3,093,397)
Profit/(loss) from investments at amortized cost	25	417,836	134,431
Profit/(loss) from foreign exchange differences	26	32,490,097	22,451,332
Profit/(loss) from the sale of other assets	27	(16,002,681)	(883,728)
Other operating income	34	(9,558,600)	(7,506,367)
Profit/(loss) from financial operations		**45,851,037**	**11,102,271**
Operating income		**83,636,920**	**63,970,418**
Staff costs	28	(28,495,834)	(26,994,278)
Supplies and services	29	(19,109,419)	(18,433,543)
Depreciation and amortisation for the period	11, 12 and 30	(9,580,382)	(10,139,056)
Provisions and impairment of other assets net of reversals	13, 15, 18 and 31	(7,744,577)	6,830,761
Impairment of other financial assets	5 and 32	(6,364)	3,838
Impairment for financial assets at amortized cost	8, 9, 10 and 33	(9,762,011)	(11,341,301)
Impairment of financial assets at fair value through other comprehensive income	21	260,568	(731,416)
Profit/(loss) before tax from continuing operations		**9,198,901**	**3,165,423**
Income tax			
Deferred tax	14	(92,705)	332,691
Current tax	14	-	-
Profit/(loss) after tax from continuing operations		**9,106,196**	**3,498,114**
Individual net profit/(loss) for the period		**9,106,196**	**3,498,114**
Average number of ordinary shares issued	35	53,821,603	53,821,603
Basic earnings per share (in AOA)	35	0.17	0.06
Diluted earnings per share (in AOA)	35	0.17	0.06

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

Statement of comprehensive income

AOA thousand

Individual statement of comprehensive income for the periods ended December 31, 2023 and December 31, 2022	Notes	12-31-2023	12-31-2022
Individual net profit/(loss) for the period		**9,106,196**	**3,498,114**
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	7 and 21	5,614,959	1,081,743
Transfer to profit or loss for impairment recorded in the period	21	260,568	(731,416)
Tax impact	14	(2,056,957)	(122,615)
		3,818,570	**227,712**
Items that will not be subsequently reclassified to profit or loss			
Revaluation reserves of other property, plant and equipment			
Gross amount	11 and 21	13,000,000	-
Tax impact	14	(4,550,000)	-
Other reserves resulting from valuation at fair value			
Gross amount	7 and 21	1,346,032	-
Tax impact	14	(471,111)	-
		9,324,921	**-**
Profit/(loss) not included in the individual income statements		**13,143,491**	**227,712**
Individual comprehensive income for the period		**22,249,687**	**3,725,826**

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

Statement of changes in equity

AOA thousand

Individual statement of changes in equity for the periods ended December 31, 2023 and December 31, 2022	Share capital	Share premiums	Treasury shares	Revaluation reserves	Other reserves and retained earnings			Individual net profit/(loss) for the period	Total Equity
					Legal reserve	Other reserves and retained earnings	Total		
Balance as at December 31, 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**
Appropriation of net profit for the period									
Transfer to legal reserve	-	-	-	-	342,837	-	342,837	(342,837)	-
Transfer to reserve and retained earnings	-	-	-	-	-	3,085,531	3,085,531	(3,085,531)	-
Changes in fair value, net of tax	-	-	-	227,712	-	-	-	-	227,712
Individual net profit/(loss) for the period	-	-	-	-	-	-	-	3,498,114	3,498,114
Balance as at December 31, 2022	**142,324,747**	**70,707,406**	**(841,657)**	**284,357**	**20,188,362**	**(46,452,206)**	**(26,263,845)**	**3,498,114**	**189,709,122**
Appropriation of net profit for the period									
Transfer to legal reserve	-	-	-	-	349,811	-	349,811	(349,811)	-
Transfer to reserve and retained earnings	-	-	-	-	-	3,148,303	3,148,302	(3,148,303)	-
Changes in fair value, net of tax	-	-	-	13,143,491	-	-	-	-	13,143,491
Individual net profit/(loss) for the period	-	-	-	-	-	-	-	9,106,196	9,106,196
Balance as at December 31, 2023	**142,324,747**	**70,707,406**	**(841,657)**	**13,427,848**	**20,538,173**	**(43,303,903)**	**(22,765,732)**	**9,106,196**	**211,958,808**

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

Cash flow statement

AOA thousand

Individual cash flow statement for the periods ended December 31, 2023 and December 31, 2022	Notes	12-31-2023	12-31-2022
Cash flow from operating activites			
Interest, commissions and other similar income received		76,867,325	126,892,721
Interest, commissions and other similar income paid		(77,817,508)	(69,906,922)
Payments to employees and suppliers		(45,725,655)	(47,989,301)
Cash flows before changes in operating assets and liabilities		**(46,675,838)**	**8,996,498**
(Increases)/decreases in operating assets and liabilities:			
Financial assets at fair value through profit or loss		-	4,491,755
Financial assets at fair value through other comprehensive income		9,658,027	(48,609,618)
Financial assets at amortized cost			
Debt securities		(9,201,959)	66,178,292
Loans and advances to customers		59,979,514	(41,849,352)
Other loans and advances to credit institutions		(50,459,542)	3,635,368
Deposits from central banks and other credit institutions		(1,939,791)	(76,317,615)
Non-current assets held for sale		116,444	219,729
Deposits from customers and other loans		172,116,492	(52,751,427)
Other operating assets and liabilities		(32,539,805)	7,832,916
Net cash from operating activities before income tax		**101,053,543**	**(128,173,455)**
Income tax paid		(10,643)	248,140
Net cash from operating activities		**101,042,900**	**(127,925,315)**
Cash flows from investment activities			
Acquisitions of property, plant and equipment and intangible assets, net of disposals		(8,524,572)	(8,475,639)
Net cash from investment activities		**(8,524,572)**	**(8,475,639)**
Net cash from financing activities			
Payments relating to lease liabilities		(3,479,142)	(1,576,290)
Net cash from financing activities		**(3,479,142)**	**(1,576,290)**
Changes in cash and cash equivalents		**89,039,186**	**(137,977,243)**
Cash and cash equivalents at the beginning of the period		260,406,692	396,125,751
Effects of exchange rate changes on cash and cash equivalents		101,641,652	2,258,184
Net change in cash and cash equivalents		-	-
Cash and cash equivalents at the end of the period		**451,087,530**	**260,406,692**
Cash and cash equivalents (excluding impairment losses) include:			
Cash	4	21,401,309	27,181,063
Cash and deposits at central banks	4	335,525,581	187,049,438
Loans and advances to credit institutions repayable on demand	5	94,160,640	46,176,191
		451,087,530	**260,406,692**

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 August 31, 2006. Through communication of Banco Nacional de Angola (hereinafter also referred to as "BNA") dated November 6, 2006, ATLANTICO was authorized and definitively registered as ATLANTICO, and started its business activity on November 17, 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 BNA, in investments in credit institutions, in the acquisition of securities and other assets, for which it is duly authorized. The Bank also provides other bank services and carries out various types of transactions in foreign currency, for which, as at June 30, 2023, it had a network of 95 bank branches.

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 January 1, 2016.

Note 2 – Accounting policies

2.1. Basis of presentation

In accordance with the provisions of Notice 05/2019 of August 30, from 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, except for assets and liabilities recorded at fair value, namely financial assets at fair value through profit or loss (Note 6) and financial assets at fair value through other comprehensive income (Note 7).

The preparation of financial statements in accordance with IAS/IFRS requires the Bank to make judgments 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 judgments. Areas that involve a higher level of judgment 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 December 31, 2023, were approved at the Board of Directors meeting held on March 15, 2024, 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 December 31, 2023 and 2022. In accordance with the legislation in force, the Bank prepares and presents the consolidated financial statements separately.

2.2. Comparability of the information

The accounting policies were consistently applied and are consistent with those used in the preparation of the prior period financial statement, except for the change in 2023 to the accounting policy relating to the subsequent measurement of own-service properties, using the revaluation model. The impact of this change led to an increase in revaluation reserves net of tax, in the amount of AOA 8,450,000 thousand, as shown in Notes 11 and 21.

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

The recently issued accounting standards applicable to the Bank, which were not yet in force on December 31, 2023, can be analysed in Note 40.

2.3. 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 recognized 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 recognized against the income statement, except for those recognized 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	12-31-2023	12-31-2022
AOA/USD	828.800	503.691
AOA/EUR	915.990	537.438

2.4. 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 amortized 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 recognized in net interest income.

Loans and advances to customers and account receivables are derecognized 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.

2.5. 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 amortized 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 held 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 amortized 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 assessed 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 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.

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 recognized in other comprehensive income, in which case only dividends are recognized 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 recognized 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 derecognizes 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 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 derecognize the financial asset and recognize 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 recognize the financial asset; or

- 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 derecognize the financial asset and recognize 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 recognize 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 derecognized 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 derecognized 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 derecognizes the original financial asset and recognizes 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 recognized 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 recognized 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 Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognizes 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 recognizes 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 recognized 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 recognized in Loans and advances to customers after the loss compensation is transferred to the collateral taker.

Financial assets measured at amortized cost

The Bank measures a financial asset at amortized 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 – Hold 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 amortized 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 and 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 recognized 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 amortized 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 amortized cost or at fair value through other comprehensive income, shall be 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 recognized at fair value. Gains and losses arising from the subsequent changes in fair value are recognized 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 judgment, 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 are recorded in the income statement, under Gains/ (losses) arising from financial assets and liabilities measured 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), 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, Venture Capital 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 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

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 derecognized 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 recognizes 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 Group, it is not expected that in the moment subsequent to a CPCV cancellation event the underlying asset would remain on the Group'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 BNA 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 recognized 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 amortized cost, debt instruments measured at fair value through other comprehensive income, off-balance sheet exposures, finance leases, other account 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 formalization, valuation, and degree of coverage; and
- 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; and
- 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 78% of the value of credit exposure recorded in the Bank's assets, for a group of approximately 76 different customers.

The adoption of the materiality criteria recommended in BNA Instruction 08/2019, of August 27, on Impairment losses for the loan portfolio (Instruction 08/2019), would define the need for individual analysis for an additional set of approximately 96 customers obtaining an increase in coverage of less than 14 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 (except for 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; and

- 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.

Except for 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 90 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); and

- 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 not drawn 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 private 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 amortized cost – Debt securities” (Note 8) and “Financial assets at amortized 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 13/DSB/DRO/2019, of December 27, 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 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 amortized 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 the latest available study carried out by Moody's "Sovereign default and recovery rates" and the LGD associated with the sovereign default events occurred, indicated in the same study, in accordance with Directive 13/DSB/DRO/2019, is considered; and

- For the balances recorded under "Financial assets at amortized 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 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 13/DSB/DRO/2019.

Despite the requirements set out in Directive 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%.

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 amortizations 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, except for 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 monthly. 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; and
- Subsequently, the evidence resulting from this development is compared with the assumptions used in the model for calculating impairment losses, namely regarding 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 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, other credit institutions and customers' deposits. These liabilities are initially measured at fair value, which normally refers to the consideration received, net of transaction costs, and are subsequently stated at amortized 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 recognized 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.

2.6. 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 recognized in equity as a deduction to the amount issued. Amounts paid or received related to sales or acquisitions of equity instruments are recognized in equity, net of transaction costs.

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

2.7. Property, plant and equipment

Recognition and measurement

Property, plant and equipment are recorded at acquisition cost less accumulated depreciation and impairment losses, except for own-service properties, for which the revaluation model will apply from 2023 onwards.

The revaluation amount is based on market values determined through appraisals carried out by independent experts.

Increases in book value as a result of revaluations are charged to property, plant and equipment. Decreases that can be offset by previous revaluations of the same asset are transferred to the respective revaluation reserve, while the remaining are recognized in the income statement.

Revaluations are performed with the frequency necessary to ensure that the carrying amount does not differ materially from that which would be determined using the fair value at the balance sheet date.

The revaluation surplus included in equity is transferred to retained earnings when the asset is used. The amount of the surplus transferred results from the difference between the depreciation based on the revalued carrying amount of the asset and the depreciation based on the original cost of the asset. Transfers of the revaluation surplus to retained earnings are not made through profit or loss.

Subsequent costs

Subsequent costs are recognized 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 recognized 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:

	Number of years
Own use properties (buildings)	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 recognized when the net book value of the asset exceeds its recoverable amount. Impairment losses are recognized 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 2.11., this caption includes right-of-use assets arising from lease agreements.

2.8. Intangible assets

Recognition and measurement

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

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 amortization items of property, plant and equipment.

Software

The costs incurred with the acquisition of software from third parties are capitalized as well as additional expenses incurred by the Bank necessary for their implementation. These costs are amortized 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 recognized and recorded as intangible assets.

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

2.9. 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 2.5.).

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.

2.10. 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 formalized.

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 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 capitalization 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 authorization 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.

2.11. 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; and

- 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 recognized 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 (January 1, 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 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 real estate 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 recognizes 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 re-measurements 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.

Judgment in determining the term of the lease

The Bank has applied judgment 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 recognized.

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 judgment 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 amortization, 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.

2.12. Taxes

Income taxes

Income tax recognized in profit or loss comprises current and deferred tax effects. Income tax is recognized 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 recognized in equity arising from the revaluation of financial assets available at fair value through other comprehensive income, Other property, plant and equipment and cash flow hedging derivatives are subsequently recognized 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 19/14 of October 22, which came into force on January 1, 2015, recently amended by Law 26/20 of July 20, 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 26/20 of July 20 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 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 26/20 of July 20, only realized 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 collateralized 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 collateralized loans are not accepted, except for the part not covered; and

- Costs with Property Tax – According to the new wording of Article 18(a) of the Corporate Tax Code, as amended by Law 26/20 of July 20, 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 recognized 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 recognized 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 Group 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 realize 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 2/14 of October 20, in force since November 19, 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, amortization 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 January 1, 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 January 1, 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 August 9, 2020, the new Property Tax Code (CIP), which is levied on the ownership of own property, rents and real estate transfer, approved by Law 20/20 of July 9, 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 20/20 of July 9, 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 (usucapion) on real estate.

Value Added Tax

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 October 1, 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 7/19 of April 24 and the amendments introduced by Law 17/19 of August 13, 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 000003/DNP/DSIVA/AGT/2020 of February 10, authorized 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 3/14 of October 21, 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, and it pays the tax at the rates set out in the Stamp Duty Table.

Industrial Tax

In accordance with the provisions of Article 67 of Law 19/14 of October 22, amended by Law 26/20 of July 20, 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 71 and following of Law 19/14, of October 22, amended by Law 26/20, of July 20, 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.

2.13. Employee benefits

Defined contribution plans

For defined-contribution plans, the liabilities related to the benefit attributable to the Bank's employees are recognized as an expense of the period when due. Prepaid contributions are recognized 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 recognized 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 Labor Law, Law 7/15, of June 15, 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 recognized as cost, whichever is earlier, between the time where the Bank can no longer withdraw the offer of these benefits or when the group recognizes 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 07/04 of October 15, which revoked Law 18/90, of October 27, 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 227/18, of September 27, the contribution rates for this system are 8% for the employer and 3% for the workers.

By resolution of the Board of Directors, ATLANTICO is making contributions under a defined contribution plan, corresponding to a fixed percentage of 2.5% of the monthly pensionable salary of each employee (1.5% is financed by the Bank and 1% voluntarily by the employees, who may raise their contributions to the maximum limit of 5% on a voluntary basis), 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.

These contributions are initially kept under the respective provisions caption and are transferred to the Pension Fund immediately afterwards.

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 Governing 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).

2.14. Provisions

Provisions are recognized 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 its payment will be required and (iii) a reliable estimate can be made of the amount of the obligation.

The measurement of provisions for guarantees and other commitments is made in accordance with the impairment model defined by the Bank, 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 derecognized through their use for the obligations for which they were initially recognized or for the cases that the situations were no longer observed.

2.15. Interest income

Interest income and expense for financial instruments measured at amortized cost are recognized 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 recognized 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 (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 recognized 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 9 and IFRS 15:

- 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 recognized and unpaid relating to loans past due for more than 90 days, which are not covered by collateral are written off, and are only recognized when received, as their recovery is considered to be remote, and recognized off balance sheet.

For financial assets classified under stage 3, interest is recognized 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.

2.16. Dividends

Dividends (income from equity instruments) are recognized 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.

2.17. Fees and commissions income/(expense)

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

- Fees and commissions which are earned as services are rendered are recognized 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 recognized as income when the service is completed in accordance with IFRS 15; and

- Fees and commissions that are an integral part of the effective interest rate of a financial instrument, are recognized in net interest income in accordance with IFRS 9.

2.18. Fiduciary activities

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

2.19. Financial guarantees and commitments

Financial guarantees are contracts which require the Bank to make specific payments in order to reimburse the holder for a loss incurred as a result of a debtor's failure to comply with a payment. Irrevocable commitments have the purpose of providing credit under predetermined conditions.

Liabilities arising from financial guarantees or commitments given to provide a loan at an interest rate below market value are initially recognized at fair value and the initial fair value is amortized over the useful life of the guarantee or commitment. Subsequently the liability is recorded at the higher of the amortized amount and the present value of any payment expected to be settled.

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 judgments 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 judgment and make estimates in deciding which treatment is most appropriate. The main accounting estimates and judgments 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 amortized cost and fair value through other comprehensive income

The critical judgments with the greatest impact on the recognized amounts of impairment of financial assets at amortized 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 amortized 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 2.5. – 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;

- Banks' definition for 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; and

- Models and assumptions used: the Bank uses several models and assumptions when measuring the estimate of expected credit losses. The judgment 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 2.5.

The process of evaluating the loan portfolio and account receivables to determine whether an impairment loss should be recognized is subject to several estimates and judgments. 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 recognized 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 granted 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 judgments 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 which takes into account the prospects for the evolution of macroeconomic indicators for Angola and assumptions involving a high degree of subjectivity, and whose verification is subject to uncertainty in view of the current circumstances of the real estate market, as well as the analysis of real estate risk management performed by the Bank (Note 39).

Consequently, the use of different methodologies or of different assumptions or judgments 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 recognized 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 current tax estimate for the years ended December 31, 2023 and 2022 was calculated in accordance with Law 26/20, of July 20, using the applicable tax rate of 35%.

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 income 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 five 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 26/20, of July 20, namely, (i) income/expenses with potential/realized 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 years ended December 31, 2023 and 2022, 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 recognized in their entirety, whereas a deferred tax asset should only be recognized if it is certain that future taxable profit will be sufficient to allow the benefit of the loss to be realized.

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

3.4. Measurement of promissory contracts of purchase and sale

The Bank recognizes 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 evaluation, 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 2.5.).

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 recognized 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:

AOA thousand

	12-31-2023	12-31-2022
Cash		
In national currency	17,167,938	22,866,722
In foreign currency	4,233,371	4,314,340
	21,401,309	**27,181,062**
Demand deposits at Banco Nacional de Angola		
In national currency	101,740,736	55,350,966
In foreign currency	233,784,845	131,698,471
	335,525,581	**187,049,438**
	356,926,890	**214,230,500**

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 December 31, 2023, reserve requirements are determined in accordance with the provisions of Instruction 08/2021 of May 14, Instruction 04/2023 of March 30 and Directive 12/DME/2023, of November 28.

As at December 31, 2022, reserve requirements were determined in accordance with the provisions of Instruction 02/2021 of February 10, Instruction 08/2021 of May 14 and Directive 11/2022 of December 12.

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

As at December 31, 2023 and 2022, the minimum reserve requirements for demand deposits with the BNA were calculated by applying the ratios summarized in the following table:

AOA thousand

	12-31-2023			12-31-2022		
	Period of constitution	National currency	Foreign currency	Period of constitution	National currency	Foreign currency
Rate on Tax Base						
Central Government	Fortnightly Calculation	100%	100%	Daily calculation	100%	100%
Local Governments and Municipal Administrations	Fortnightly Calculation	18%	100%	Daily calculation	17%	100%
Other sectors	Fortnightly Calculation	18%	22%	Weekly calculation	17%	22%

As at December 31, 2023 and 2022, the following may be deducted from the requirement in national currency: (i) 80% of the assets representing the value of disbursements of loans, in national currency and good standing, granted to projects in the agriculture, livestock, forestry and fisheries sectors may be deducted from the requirement in national currency and good standing, granted up to April 14, 2021, provided they have a residual maturity higher than or equal to 24 (twenty-four) months; (ii) the credits defined in accordance with Article 8 of Notice 10/2022 of April 6, on granting credit to the real sector of the economy, whatever the residual maturity; (iii) the credits defined in accordance with Article 10 of Notice 09/2022 of April 6, on granting credit for housing, whatever the residual maturity.

As at December 31, 2023, excesses in the reserve requirement account of up to 20% of the effective requirement are permitted, exempt from the collection of a custodial fee, and average daily balances below the limit of 20% of the effective requirement and whenever the average of the balances for the period in the reserve requirement account is the effective requirement, under the terms of Directive 12/2023 of November 28, are considered defaults in the reserve requirement.

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

Note 5 - Loans and advances to credit institutions repayable on demand

This caption is analysed as follows:

AOA thousand

	12-31-2023	12-31-2022
Loans and advances to credit institutions repayable on demand in Angola		
Demand Deposits	227,211	186,898
Cheques receivable	-	8,491,644
	227,211	**8,678,542**
Loans and advances to credit institutions repayable on demand abroad		
Demand Deposits	93,933,429	37,497,649
	93,933,429	**37,497,649**
Impairment losses (Note 32)	(13,532)	(7,168)
	94,147,108	**46,169,024**

As at December 31, 2022, the balance of the item "Loans and advances to other credit institutions in Angola – Other interbank money market transactions" refers to a set of transactions pending settlement/adjustment, in national and foreign currency, relating to the use of internationally branded cards (VISA network) used in the Bank's payment terminal network in national territory and other transactions pending settlement in the national interbank payment subsystem, which were settled during 2023 considering the amount of the same nature recorded under "Loans and advances from central banks and other credit institutions" (Note 16).

As at December 31, 2023 and 2022, "Loans and advances to other credit institutions abroad – Demand deposits" includes (i) the amounts of AOA 5,165,351 thousand and AOA 336,615 thousand, respectively, which aim to ensure the provisioning in the corresponding Bank for the daily settlement of the use of VISA cards; and (ii) the amounts of AOA 5,795,840 thousand and AOA 6,087,778 thousand, respectively, 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 December 31, 2023 and 2022, Loans and advances to credit institutions repayable on demand, in the country and abroad, do not bear interest.

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

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

This caption is analysed as follows:

AOA thousand

	12-31-2023	12-31-2022
Financial assets at fair value through profit or loss		
Other variable income securities		
Shares	298,890,931	260,203,725
Loans and advances to customers	124,571	182,149
	299,015,502	**260,385,874**
Financial liabilities at fair value through profit or loss		
Derivatives		
Derivative financial instruments with negative fair value	-	2,030,008
	-	**2,030,008**

As at December 31, 2023 and 2022, the amount of Other variable-income securities refers to shares held in the following Collective Investment Undertakings (Investment Funds):

AOA thousand

	12-31-2023					
	Issuing Entity	Country	Activity/Tipology	Currency	Shareholding	Book value
Financial assets at fair value through profit or loss						
Other variable income securities						
Pactual Property Fund – FIIF	Private	Angola	CIU	AOA	99.50%	291,905,863
Dual Impact Fund - FCR	Private	Angola	CIU	AOA	100.00%	3,263,984
FIPA Fund	Private	Luxembourg	CIU	USD	5.13%	1,335,223
FIPA Fund II	Private	Luxembourg	CIU	USD	8.42%	2,385,862
						298,890,931

AOA thousand

	12-31-2022					
	Issuing Entity	Country	Activity/Tipology	Currency	Shareholding	Book value
Financial assets at fair value through profit or loss						
Other variable income securities						
Pactual Property Fund – FIIF	Private	Angola	CIU	AOA	99.50%	253,776,204
Atlântico Liquidez – FIMA	Private	Angola	CIU	AOA	100.00%	3,096,760
Atlântico Protecção – FIMF	Private	Angola	CIU	AOA	100.00%	1,490,073
FIPA Fund	Private	Luxembourg	CIU	USD	5.13%	811,462
FIPA Fund II	Private	Luxembourg	CIU	USD	8.42%	1,029,226
						260,203,725

The investment funds Pactual Property – FIIF and Dual Impact Fund are managed by SG Hemera Capital Partners – SGOIC, S.A., while the investment funds Fundo FIPA and Fundo FIPA II 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 2.5.

The participation units held in the Pactual Property Fund – FIIF were mainly acquired through capital increases, namely two operations carried out during 2020 and one operation carried out during 2021.

The capital increases made by contributions in kind of (I) real estate received as payment in kind of loan obligations, previously recorded under “Non-current assets held for sale” (Note 13), and (ii) own use properties 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 derecognized the properties against the subscription of shares at their market value, and the difference between the book value of the derecognized properties and their market value is recognized 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 December 31, 2023, the increase in the fair value of the units held in the Pactual Property Fund – FIIF is essentially the result of the revaluation process of all the properties held by the Fund, performed in 2023, based on the average of three valuations carried out by independent appraisers registered with the CMC of Angola. The gains inherent in the valuation of the investment units were recognized against the item “Results of financial assets and liabilities at fair value through profit or loss” (Note 24).

As at December 31, 2023 and 2022, considering that the registration of real estate assets in Angola is a lengthy process due to the inherent administrative and legal aspects, as felt by the Angolan market in general, it was not possible to sign all the public deeds for the properties transferred from the Bank to the Pactual Porperty Fund as part of the capital increases carried out in 2020 and 2021, irrevocable powers of attorney were signed between the Bank and the Fund, granting powers to the latter to carry out all the acts related to formalizing the transfer of the properties, as well as their enjoyment. It is the opinion of the Board of Directors, supported by the opinion of legal advisors, that the documentation available to the Bank and the Fund's Management Company supports the respective ownership of the properties, with the registration of the acquisition only pending the development of the legal procedures inherent in the deed process, so it is the Board of Directors' conviction that the Fund holds all the risks and benefits associated with the ownership of the properties transferred and that there will be no future material impacts on the Bank's financial statements related to this situation.

As at December 31, 2023 and 2022 the Bank will carry out the following operations in relation to shares:

- Initial subscription of 3,075 shares, in February 2022, corresponding to the amount of AOA 3,075,000 thousand, by cash contribution to the Collective Investment Undertaking in the form of a risk capital investment fund called “Dual Impact Fund – Fundo de Capital de Risco de Subscrição Particular”.
- Redemption of 66,354 shares, between April and October 2022, corresponding to all the shares held in Fundo Atlântico Liquidez – FIMA, managed by SG Hemera Capital Partners – SGOIC, S.A.; and
- Redemption of 10,103,554 investment units, in July 2023, corresponding to all the investment units held in Atlântico Protecção – FIMF, managed by SG Hemera Capital Partners – SGOIC, S.A., and the consequent liquidation of the Fund, due to its having reached the expiry date defined by the Shareholders' Meeting.

As at December 31, 2023 and 2022, the amounts recorded under Loans and advances to customers refer to six loan transactions, whose cash flows do not meet the SPPI criterion (Solely Payments of Principal and Interest). As at December 31, 2023 and 2022, the nominal amounts of these loans amounts to AOA 1,401,477 thousand and AOA 1,226,937 thousand, respectively, in domestic and foreign currency, classified in Stage 3 of impairment, due to default over 90 days, with a fair value of AOA 124,571 thousand and AOA 182,149 thousand, respectively.

As at December 31, 2022, the amount recorded under Derivatives – Derivative financial instruments with negative fair value is related to SWAP operations in EUR/USD currencies, contracted with Instituto Nacional de Segurança Social, with a view to hedge the foreign exchange position. As at December 31, 2023, the derivative operations have been settled.

As provided for in IFRS 13, as at December 31, 2023 and 2022, financial instruments are measured in accordance with the following valuation hierarchy levels:

AOA thousand

	12-31-2023			
	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				
Shares	-	-	298,890,931	298,890,931
Loans and advances to customers	-	-	124,571	124,571
	-	-	**299,015,502**	**299,015,502**

AOA thousand

	12-31-2022			
	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				
Shares	-	-	260,203,725	260,203,725
Loans and advances to customers	-	-	182,149	182,149
	-	**-**	**260,385,874**	**260,385,874**
Financial liabilities at fair value through profit or loss				
Derivatives				
Derivative financial instruments with negative fair value	-	2,030,008	-	2,030,008
	-	**2,030,008**	**-**	**2,030,008**

The main parameters used, during the year ended December 31, 2023 and 2022, 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 December 31, 2023 and 2022, the breakdown of financial assets at fair value through profit or loss by maturity is as follows:

AOA thousand

	12-31-2023			
	Below 3 months	Between 1 and 5 years	Undefined maturity	Total
Financial assets at fair value through profit or loss				
Other variable income securities	-	298,890,931	-	298,890,931
Loans and advances to customers	-	-	124,571	124,571
	-	**298,890,931**	**124,571**	**299,015,502**

AOA thousand

	12-31-2022			
	Below 3 months	Between 1 and 5 years	Undefined maturity	Total
Financial assets at fair value through profit or loss				
Other variable income securities	-	260,203,725	-	260,203,725
Loans and advances to customers	-	-	182,149	182,149
	-	**260,203,725**	**182,149**	**260,385,874**
Financial liabilities at fair value through profit or loss				
Derivatives				
Derivative financial instruments with negative fair value	2,030,008		-	2,030,008
	2,030,008		**-**	**2,030,008**

Note 7 - Financial assets at fair value through other comprehensive income

This caption is analysed as follows:

AOA thousand

	12-31-2023				
	Cost [1]	Change in fair value – Positive	Change in fair value – Negative	Accrued interest	Book value
Bonds and other fixed-income securities					
Issued by public entities	42,775,123	8,129,839	(1,678,032)	2,104,665	51,331,595
Shares	429,389	1,346,032	-	-	1,775,421
	43,204,512	**9,475,871**	**(1,678,032)**	**2,104,665**	**53,107,016**

(1) Acquisition cost for shares and other equity instruments and amortized cost for debt securities.

AOA thousand

	12-31-2022				
	Cost [1]	Change in fair value – Positive	Change in fair value – Negative	Accrued interest	Book value
Bonds and other fixed-income securities					
Issued by public entities	51,419,198	750,275	(1,009,072)	1,315,084	52,475,485
Issued by other entities	1,239,855	124,908	(111,432)	78,146	1,331,477
Shares	429,389	-	-	-	429,389
	53,088,442	**875,183**	**(1,120,504)**	**1,393,230**	**54,236,351**

(1) Acquisition cost for shares and other equity instruments and amortized cost for debt securities.

As at December 31, 2023 and 2022, debt securities at fair value through other comprehensive income are measured in accordance with the accounting policy described in Note 2.5.

As at December 31, 2023 and 2022, the caption Bonds and other fixed income securities – From other issuers refers to non-adjustable Treasury bonds issued by the Angolan State.

As at December 31, 2022, the caption Bonds and other fixed income securities – From other issuers relates to the subscription of securities relating to a corporate issue of Angolan public debt, which took place during 2015, through the Avenir Entity. On July 1, 2023, this instrument reached maturity and the Bank received the full nominal value and the respective coupons.

As at December 31, 2023 and 2022, “Shares” includes the financial investment in EMIS – Empresa Interbancária de Serviços, S.A.R.L (EMIS), which was set up to manage electronic facilities for payments and other complementary services. As at December 31, 2023 and 2022, the Bank holds a 10.14% stake in the share capital of this entity, and its fair value is calculated as described in Note 38. The effect resulting from the fair value update, amounting to AOA 1,346,032 thousand, was recorded against “Revaluation reserves and other reserves and retained earnings” (Note 21), net of tax calculated at the rate in force (Note 14).

In the period ended December 31, 2023 and 2022, Bonds and other fixed-income securities presents the following changes:

AOA thousand

	12-31-2022	Acquisitions	Maturities	Disposals	Exchange rate effect (Note 26)	Changes in fair value	12-31-2023
Bonds and other fixed-income securities							
Issued by public entities							
Non-adjustable Treasury Bonds	52,475,485	46,574,973	(19,498,489)	(35,721,663)	-	7,501,289	51,331,595
	52,475,485	**46,574,973**	**(19,498,489)**	**(35,721,663)**	**-**	**7,501,289**	**51,331,595**
Issued by other entities							
Foreign currency bonds	1,331,477	-	(1,012,849)	-	(227,006)	(91,623)	-
	53,806,962	**46,574,973**	**(20,511,338)**	**(35,721,663)**	**(227,006)**	**7,409,666**	**51,331,595**

AOA thousand

	12-31-2021	Acquisitions	Maturities	Disposals	Exchange rate effect (Note 26)	Changes in fair value	12-31-2022
Bonds and other fixed-income securities							
Issued by public entities							
Non-readjustable Treasury bonds	876,645	51,223,882	(611,122)	-	-	986,080	52,475,485
	876,645	**51,223,882**	**(611,122)**	**-**	**-**	**986,080**	**52,475,485**
Issued by other entities							
Foreign currency bonds	1,708,133	-	-	-	(382,398)	5,742	1,331,477
	2,584,778	**51,223,882**	**(611,122)**	**-**	**(382,398)**	**991,822**	**53,806,962**

As provided for in IFRS 13, as at December 31, 2023 and 2022, financial instruments are measured in accordance with the following valuation hierarchy levels:

AOA thousand

	12-31-2023			
	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	-	51,331,595	-	51,331,595
Shares	-	-	1,775,421	1,775,421
	-	**51,331,595**	**1,775,421**	**53,107,016**

AOA thousand

	12-31-2022			
	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	-	52,475,485	-	52,475,485
Issued by other entities	-	1,331,477	-	1,331,477
Shares	-	-	429,389	429,389
	-	**53,806,962**	**429,389**	**54,236,351**

The main parameters used, during the year ended December 31, 2023 and 2022, 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 December 31, 2023 and 2022, the calculation of the fair value of "Bonds and other fixed-income securities" is based on the market prices available at BODIVA, as described in Note 38. The effect resulting from the fair value update, amounting to AOA 4,813,048 thousand, was recorded against "Revaluation reserves and other reserves and retained earnings" (Note 21), net of tax calculated at the rate in force (Note 14).

As at December 31, 2023 and 2022, the breakdown of financial assets at fair value through other comprehensive income, by residual maturity periods, is as follows:

AOA thousand

	12-31-2023					
	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	3,045	20,816,236	8,887,267	21,625,047	-	51,331,595
Shares	-	-	-	-	1,775,421	1,775,421
	3,045	**20,816,236**	**8,887,267**	**21,625,047**	**1,775,421**	**53,107,016**

AOA thousand

	12-31-2022					
	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	28,354,383	444,590	4,538,658	19,137,854	-	52,475,485
Issued by other entities	-	1,331,477	-	-	-	1,331,477
Shares	-	-	-	-	429,389	429,389
	28,354,383	**1,776,067**	**4,538,658**	**19,137,854**	**429,389**	**54,236,351**

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

Note 8 - Financial assets at amortized cost – Debt securities

This caption is analysed as follows:

AOA thousand

	12-31-2023	12-31-2022
Bonds and other fixed-income securities		
Issued by public entities		
Foreign currency Treasury Bonds	263,587,038	202,194,207
Non-adjustable Treasury Bonds	137,851,877	65,098,672
Treasury Bonds indexed to the US Dollar	71,139,180	43,409,044
	472,578,095	**310,701,923**
Impairment losses	(5,262,762)	(4,404,485)
	467,315,333	**306,297,438**

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

In accordance with this accounting policy, debt securities measured at amortized cost are impaired, in accordance with the model defined (Note 2.5.).

In October 2022, the rating agency Moody's revised the rating of the debt of the Republic of Angola, maintaining the external rating at B3 from stable to positive. 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 December 2023, the rating agency Fitch revised the rating of the debt of the Republic of Angola, maintaining the external rating at B-, seen as a positive outlook for the Angolan economy. According to the published note, this revision reflects forecasts of lower economic growth, higher inflation, and an increase in the ratio of debt to Gross Domestic Product (GDP) as a result of the strong depreciation of the Kwanza.

Directive 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 amortized 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 2.5., 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 as at December 31, 2023 and 2022, Moody's "Sovereign default and recovery rates 1983-2022" was considered, which on this date gives an implicit impairment rate of 1.468% (PD of 2.447% and LGD of 60%) for Stage 1 operations.

In the period ended December 31, 2023 and 2022, the caption presents the following changes:

AOA thousand

	12-31-2022	Acquisitions	Maturities	Disposals	Exchange rate effect (Note 26)	Change in amortized cost	12-31-2023
Bonds and other fixed-income securities							
Issued by public entities							
Foreign currency Treasury Bonds	202,194,207	27,382,981	(88,615,868)	-	124,320,263	(1,694,545)	263,587,038
Non-adjustable Treasury Bonds	65,098,672	78,535,647	(2,500,171)	(5,600,630)	-	2,318,359	137,851,877
Treasury Bonds indexed to the US Dollar	43,409,044	-	-	-	28,162,925	(432,789)	71,139,180
	310,701,923	**105,918,628**	**(91,116,039)**	**(5,600,630)**	**152,483,188**	**191,025**	**472,578,095**

AOA thousand

	12-31-2021	Acquisitions	Maturities	Disposals	Exchange rate effect (Note 26)	Change in amortized cost	12-31-2022
Bonds and other fixed-income securities							
Issued by public entities							
Foreign currency Treasury Bonds	322,176,163	34,754,679	(107,705,163)	(38,956,626)	-	(8,074,846)	202,194,207
Non-adjustable Treasury Bonds	4,922,780	59,257,201	(1,693,357)	-	-	2,612,048	65,098,672
Treasury Bonds indexed to the US Dollar	47,649,560	-	-	-	(4,065,951)	(174,565)	43,409,044
	374,748,503	**94,011,880**	**(109,398,520)**	**(38,956,626)**	**(4,065,951)**	**(5,637,363)**	**310,701,923**

Disposals of financial assets classified under this business model do not exceed the defined frequency and significance thresholds (Note 2.5.).

As at December 31, 2023 and 2022, the breakdown of financial assets measured at amortized cost, by residual maturity, is as follows:

AOA thousand

	12-31-2023				
	Below 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
Bonds and other fixed-income securities					
Issued by public entities					
Foreign currency Treasury Bonds	-	190,005,132	73,581,906	-	263,587,038
Non-adjustable Treasury Bonds	94,558	25,836,434	33,502,428	78,418,457	137,851,877
Treasury Bonds indexed to the US Dollar	48,115	-	71,091,065	-	71,139,180
Impairment losses	(498)	(1,494,953)	(2,615,971)	(1,151,340)	(5,262,762)
	142,175	**214,346,613**	**175,559,428**	**77,267,117**	**467,315,333**

AOA thousand

	12-31-2022				
	Below 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
Bonds and other fixed-income securities					
Issued by public entities					
Foreign currency Treasury Bonds	-	68,995,605	133,198,602	-	202,194,207
Non-adjustable Treasury Bonds	1,884,888	693,171	18,907,130	43,613,483	65,098,672
Treasury Bonds indexed to the US Dollar	-	-	43,409,044	-	43,409,044
Impairment losses	(26,106)	(1,006,703)	(2,773,284)	(598,392)	(4,404,485)
	1,858,782	**68,682,073**	**192,741,492**	**43,015,091**	**306,297,438**

As at December 31, 2023 and 2022, Financial assets measured at amortized cost – Debt securities are as follows:

AOA thousand

	12-31-2023							
	Issuing Entity	Average rate	Nominal value	Acquisition cost	Accrued interest	Premium/ Discount	Impairment losses	Book value
Bonds and other fixed-income securities								
Issued by public entities								
Foreign currency Treasury Bonds	Angolan State	7.25%	263,424,881	263,424,880	1,702,776	(1,540,619)	(2,242,686)	261,344,352
Non-adjustable Treasury Bonds	Angolan State	16.74%	132,320,216	132,320,217	5,365,982	165,678	(1,976,170)	135,875,708
Treasury Bonds indexed to the US Dollar	Angolan State	7.96%	71,786,131	13,816,737	1,249,569	(1,896,520)	(1,043,906)	70,095,273
			467,531,229	**409,561,835**	**8,318,328**	**(3,271,461)**	**(5,262,762)**	**467,315,333**

AOA thousand

	12-31-2022							
	Issuing Entity	Average rate	Nominal value	Acquisition cost	Accrued interest	Premium/ Discount	Impairment losses	Book value
Bonds and other fixed-income securities								
Issued by public entities								
Foreign currency Treasury Bonds	Angolan State	6.40%	200,337,504	145,150,295	1,765,757	90,946	(2,882,972)	199,311,235
Non-adjustable Treasury Bonds	Angolan State	16.13%	62,284,961	62,284,961	2,781,232	32,479	(907,269)	64,191,403
Treasury Bonds indexed to the US Dollar	Angolan State	7.96%	43,623,206	14,322,697	760,378	(974,540)	(614,244)	42,794,800
			306,245,671	**221,757,953**	**5,307,367**	**(851,115)**	**(4,404,485)**	**306,297,438**

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

AOA thousand

	12-31-2023	12-31-2022
Opening balance	**4,404,485**	**5,443,257**
Increases/(Reversals) (Note 33)	(1,404,091)	(842,753)
Foreign exchange differences and other (Note 26)	2,262,368	(196,019)
Closing balance	**5,262,762**	**4,404,485**

Note 9 - Financial assets at amortized cost – Loans and advances to customers

This caption is analysed as follows:

AOA thousand

	12-31-2023	12-31-2022
Domestic loans		
Corporate		
Loans	333,566,233	341,529,851
Current account loans	11,193,566	9,727,703
Overdrafts	752,016	483,031
Credit cards	60,917	1,194,077
	345,572,732	**352,934,662**
Retail		
Loans	27,045,002	45,167,867
Mortgages	7,602,501	5,356,281
Employees	11,419,922	4,109,712
Credit cards	2,735,641	2,889,189
Consumer loans	8,402,054	987,391
Overdrafts	9,404	29,789
	57,214,522	**58,540,229**
	402,787,254	**411,474,891**
Foreign loans		
Retail		
Employees	398,668	158,223
Credit cards	79,600	58,931
Consumer loans	4,955	565
Loans	4,739	-
Overdrafts	27	601
	487,988	**218,320**
Total outstanding loans	**403,275,242**	**411,693,211**
Overdue loans		
Below 1 year	19,272,314	7,685,540
1 to 3 years	12,955,455	8,413,776
Above 3 years	117,979,204	80,051,359
	150,206,972	**96,150,675**
Total loans granted	**553,482,214**	**507,843,886**
Interest receivable	115,155,342	102,003,330
Total loans granted and interest receivable	**668,637,557**	**609,847,216**
Impairment losses	(189,529,085)	(156,245,906)
	479,108,472	**453,601,310**

Notice 10/2022 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 10/2022, 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 December 31, 2023 and 2022, exposure and impairment established by situation and risk segment is detailed as follows:

AOA thousand

Segment	12-31-2023							
	Exposure					Impairment losses		
	Total exposure	Outstanding loans	Of which restructured	Overdue loans	Of which restructured	Total impairment	Outstanding loans	Overdue loans
Corporate								
Loans	536,151,404	434,256,761	360,040,761	101,894,643	86,505,048	(113,358,716)	(62,824,817)	(50,533,899)
Current account loans	18,764,703	11,734,494	6,636,617	7,030,209	2,279,196	(5,880,717)	(300,820)	(5,579,897)
Overdrafts	19,539,387	427,005	-	19,112,382	-	(6,834,336)	(1,964)	(6,832,372)
Credit cards	751,418	751,418	-	-	-	(23,277)	(23,277)	-
	575,206,912	**447,169,678**	**366,677,378**	**128,037,234**	**88,784,244**	**(126,097,046)**	**(63,150,878)**	**(62,946,168)**
Retail								
Loans	44,572,784	39,601,618	33,649,792	4,971,166	4,066,719	(35,278,051)	(1,749,762)	(33,528,288)
Overdrafts	8,441,755	7,615,215	85,758	826,540	18,422	(5,607,108)	(620,404)	(4,986,704)
Mortgages	5,300,982	206,394	-	5,094,587	-	(4,017,042)	(1,152)	(4,015,890)
Consumer Loans	28,521,333	17,276,328	2,851,975	11,245,006	3,233,006	(17,843,527)	(285,393)	(17,558,134)
Employes	3,780,818	3,748,378	-	32,440	-	(400,876)	(215,593)	(185,283)
Credit cards	2,812,972	2,812,972	-	-	-	(285,435)	(285,435)	-
	93,430,645	**71,260,906**	**36,587,525**	**22,169,739**	**7,318,147**	**(63,432,039)**	**(3,157,740)**	**(60,274,299)**
	668,637,557	**518,430,584**	**403,264,903**	**150,206,972**	**96,102,391**	**(189,529,085)**	**(66,308,618)**	**(123,220,467)**

AOA thousand

Segment	12-31-2022							
	Exposure					Impairment losses		
	Total exposure	Outstanding loans	Of which restructured	Overdue loans	Of which restructured	Total impairment	Outstanding loans	Overdue loans
Corporate								
Loans	490,686,105	424,063,443	333,334,489	66,622,662	47,569,471	(92,056,693)	(56,575,248)	(35,481,445)
Current account loans	14,712,294	10,149,419	8,318,045	4,562,875	1,385,148	(3,390,076)	(247,289)	(3,142,787)
Overdrafts	17,058,250	4,453,828	-	12,604,422	-	(5,454,855)	(66,863)	(5,387,991)
Credit cards	483,031	483,031	-	-	-	(14,793)	(14,793)	-
	522,939,679	**439,149,721**	**341,652,535**	**83,789,959**	**48,954,619**	**(100,916,417)**	**(56,904,194)**	**(44,012,223)**
Retail								
Loans	64,776,754	60,126,189	34,636,587	4,650,566	3,150,731	(44,347,912)	(41,068,682)	(3,279,230)
Overdrafts	6,515,331	797,159	-	5,718,174	-	(4,952,495)	(1,700)	(4,950,796)
Mortgages	5,799,704	5,393,543	214,162	406,161	-	(3,539,155)	(1,083,088)	(2,456,067)
Employees	4,293,880	4,283,365	-	10,515	-	(454,807)	(350,381)	(104,426)
Credit cards	2,948,121	2,948,120	-	-	-	(189,364)	(189,364)	-
Consumer loans	2,573,746	998,445	26,677	1,575,301	269,031	(1,845,755)	(162,146)	(1,683,609)
	86,907,536	**74,546,820**	**34,877,427**	**12,360,717**	**3,419,763**	**(55,329,489)**	**(42,855,362)**	**(12,474,127)**
	609,847,216	**513,696,541**	**376,529,961**	**96,150,675**	**52,374,382**	**(156,245,906)**	**(99,759,556)**	**(56,486,350)**

As at December 31, 2023 and 2022, changes in inflows and outflows in the restructured exposure are detailed as follows:

AOA thousand

	12-31-2023	12-31-2022
Opening balance of restructured loan portfolio (gross)	**428,904,343**	**410,002,790**
Loans restructured in the period	19,197,784	5,092,372
Accrued interest of restructured loan portfolio	32,151,817	40,795,638
Settlement of restructured loans (partial or total)	(29,723,851)	-
Clearance of restructured credits	-	(7,307,379)
Foreign exchange and other	51,077,505	(16,603,413)
Write-offs	(2,240,305)	(3,075,665)
Closing balance of restructured loan portfolio (gross)	**499,367,294**	**428,904,343**

As at December 31, 2023 and 2022, restructured exposure and impairment losses established by situation and segment are detailed as follows:

AOA thousand

	12-31-2023			
	Loans			Impairment losses
	Outstanding	Overdue	Total	
Corporate	366,677,378	88,784,244	455,461,622	(101,280,796)
Retail				
Consumption	2,851,975	3,233,006	6,084,981	(928,920)
Mortgages	85,758	18,422	104,180	(53,445)
Other	33,649,792	4,066,719	37,716,511	(30,541,960)
	403,264,903	**96,102,391**	**499,367,294**	**(132,805,122)**

AOA thousand

	12-31-2022			
	Loans			Impairment losses
	Outstanding	Overdue	Total	
Corporate	341,652,535	48,954,619	390,607,154	(76,108,222)
Retail				
Consumption	26,677	269,031	295,709	(287,751)
Mortgages	214,162	-	214,162	(200,728)
Other	34,636,587	3,150,731	37,787,318	(27,466,320)
	376,529,961	**52,374,382**	**428,904,343**	**(104,063,021)**

As at December 31, 2023 and 2022, restructured exposure and impairment losses established by segment and stage are detailed as follows:

AOA thousand

	12-31-2023				
	Impairment stage				Impairment losses
	Stage 1	Stage 2	Stage 3	Total	
Corporate	-	306,811,354	148,650,269	455,461,622	(101,280,796)
Retail					
Consumption	-	-	6,084,981	6,084,981	(928,920)
Mortgages	-	7,527	96,653	104,180	(53,445)
Other	-	-	37,716,511	37,716,511	(30,541,960)
	-	**306,818,881**	**192,548,414**	**499,367,294**	**(132,805,122)**

AOA thousand

	12-31-2022				
	Impairment stage				Impairment losses
	Stage 1	Stage 2	Stage 3	Total	
Corporate	6,448,773	271,224,807	112,933,573	390,607,154	(76,108,222)
Retail					
Consumption	-	23,877	271,832	295,709	(287,751)
Mortgages	-	27,298	186,864	214,162	(200,728)
Other	-	-	37,787,319	37,787,319	(27,466,320)
	6,448,773	**271,275,983**	**151,179,588**	**428,904,343**	**(104,063,021)**

As at December 31, 2023 and 2022, the breakdown of exposure by residual maturity, excluding interest receivable, is presented as follows:

AOA thousand

	12-31-2023	12-31-2022
Below 3 months	76,867,198	1,358,226
3 to 12 months	16,609,354	1,514
1 to 5 years	137,551,842	180,204,962
Above 5 years	172,246,847	230,128,510
Undefined maturity	150,206,973	96,150,674
	553,482,214	**507,843,886**

As at December 31, 2023 and 2022, the breakdown of exposure by rate type, including interest receivable, is presented as follows:

AOA thousand

	12-31-2023	12-31-2022
Fixed rate	168,950,932	154,432,521
Variable rate	499,686,625	455,414,695
	668,637,557	**609,847,216**

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

AOA thousand

	12-31-2023	12-31-2022
Opening balance	**156,245,906**	**147,333,307**
Increases/(Reversals) (Note 33)	11,185,691	12,446,429
Interest increase stage 3	8,576,916	11,608,771
Charge-offs	(7,721,236)	(14,107,192)
Foreign exchange differences and other (Note 26)	21,241,808	(1,035,410)
Closing balance	**189,529,085**	**156,245,906**

As at December 31, 2023 and 2022, the exposure and impairment established, by stage, is presented as follows:

AOA thousand

	12-31-2023			
	Impairment stage			
	Stage 1	Stage 2	Stage 3	Total
Total exposure	52,741,476	340,475,454	275,420,627	668,637,557
Impairment losses	(627,852)	(43,644,605)	(145,256,627)	(189,529,085)
	52,113,624	**296,830,849**	**130,164,000**	**479,108,472**

AOA thousand

	12-31-2022			
	Impairment stage			
	Stage 1	Stage 2	Stage 3	Total
Total exposure	40,934,199	341,653,239	227,259,778	609,847,216
Impairment losses	(555,263)	(36,443,103)	(119,247,540)	(156,245,906)
	40,378,936	**305,210,136**	**108,012,238**	**453,601,310**

As at December 31, 2023 and 2022, the exposure transfer matrix, by stage, is presented as follows:

AOA thousand

	12-31-2023			
	Impairment stage			
	Stage 1	Stage 2	Stage 3	Total
Stage as at January 1, 2023				
Stage 1	23,921,934	9,028,487	225,771	33,176,192
Stage 2	8,123,536	319,192,121	18,718,267	346,033,924
Stage 3	-	314,213	248,396,880	248,711,093
Exposures originated in 2023	20,696,006	11,940,633	8,079,709	40,716,348
	52,741,476	**340,475,454**	**275,420,627**	**668,637,557**

AOA thousand

	12-31-2022			
	Impairment stage			
	Stage 1	Stage 2	Stage 3	Total
Stage as at January 1, 2022				
Stage 1	32,665,200	18,611,027	629,904	51,906,131
Stage 2	202,099	223,411,381	27,869,698	251,483,178
Stage 3	29	2,030,306	165,198,950	167,229,285
Exposures originated in 2022	8,066,871	97,600,525	33,561,226	139,228,622
	40,934,199	**341,653,239**	**227,259,778**	**609,847,216**

As at December 31, 2023 and 2022, the detail of exposure and impairment losses established, by segment and stage with the respective classifications, is as follows:

AOA thousand

Segment	12-31-2023												
	Exposure									Impairment losses			
	Total exposure	Credit in Stage 1	Of which recovered	Credit in Stage 2	Of which recovering	Of which restructured	Credit in Stage 3	Of which recovering	Of which restructured	Total impairment	Credit in Stage 1	Credit in Stage 2	Credit in Stage 3
Corporate													
Loans	536,151,404	38,731,857	7,858,995	330,618,818	3,221,939	300,431,444	166,800,729	20,768,678	146,114,365	(113,358,716)	(291,690)	(42,950,825)	(70,116,201)
Current account loans	18,764,703	2,617,390	-	8,115,425	1,735,515	6,379,910	8,031,888	727,840	2,535,904	(5,880,717)	(48,571)	(95,354)	(5,736,793)
Overdrafts	19,539,386	42,663	0	149,534	3,174	-	19,347,190	1,593,654	-	(6,834,336)	(74)	(62,783)	(6,771,479)
Credit cards	751,418	686,539	2,262	46,432	13,260	-	18,447	6,340	-	(23,277)	(6,190)	(3,039)	(14,048)
	575,206,911	**42,078,448**	**7,861,257**	**338,930,209**	**4,973,887**	**306,811,354**	**194,198,254**	**23,096,512**	**148,650,269**	**(126,097,046)**	**(346,524)**	**(43,112,001)**	**(82,638,521)**
Retail													
Loans	44,572,784	1,050,877	9,247	76,797	32,988	-	43,445,110	-	37,716,511	(35,278,051)	(28,737)	(38,511)	(35,210,803)
Mortgages	8,441,755	1,959,121	153,758	650,968	298,947	7,527	5,831,666	615,947	96,653	(5,607,108)	(45,141)	(298,755)	(5,263,212)
Overdrafts	5,300,982	7,672	36	10,252	686	-	5,283,058	2,975	-	(4,017,042)	(256)	(1,946)	(4,014,840)
Consumer Loans	28,521,333	1,997,691	29,789	249,080	173,379	-	26,274,562	284,868	6,084,981	(17,843,527)	(88,109)	(64,216)	(17,691,203)
Employes	3,780,818	3,616,585	58,326	69,747	48,468	-	94,486	16,501	-	(400,876)	(98,399)	(98,329)	(204,147)
Credit cards	2,812,972	2,031,081	11,123	488,400	65,983	-	293,491	214,384	-	(285,435)	(20,686)	(30,847)	(233,902)
	93,430,645	**10,663,028**	**262,279**	**1,545,245**	**620,451**	**7,527**	**81,222,373**	**1,134,675**	**43,898,145**	**(63,432,039)**	**(281,328)**	**(532,604)**	**(62,618,107)**
	668,637,557	**52,741,476**	**8,123,536**	**340,475,454**	**5,594,338**	**306,818,881**	**275,420,627**	**24,231,187**	**192,548,414**	**(189,529,085)**	**(627,852)**	**(43,644,605)**	**(145,256,627)**

AOA thousand

Segment	12-31-2022												
	Exposure									Impairment losses			
	Total exposure	Credit in Stage 1	Of which recovered	Credit in Stage 2	Of which recovering	Of which restructured	Credit in Stage 3	Of which recovering	Of which restructured	Total impairment	Credit in Stage 1	Credit in Stage 2	Credit in Stage 3
Corporate													
Loans	490,686,105	21,390,653	-	334,610,886	14,181,320	269,515,704	134,684,566	8,684,414	111,388,256	(171,963)	(35,227,176)	(56,657,554)	(70,116,201)
Current account loans	14,712,294	7,591,636	-	1,709,103	-	1,709,103	5,411,555	12,374	1,545,317	(62,069)	(41,086)	(3,286,922)	(5,736,793)
Overdrafts	17,058,250	47,715	11	785,788	4,766	-	16,224,746	19,873	-	(467)	(82,911)	(5,371,476)	(6,771,479)
Credit cards	483,031	439,759	243	31,856	10,884	-	11,416	2,141	-	(2,952)	(2,288)	(9,552)	(14,048)
	522,939,679	**29,469,763**	**255**	**337,137,633**	**14,196,970**	**271,224,807**	**156,332,283**	**8,718,801**	**112,933,573**	**(237,451)**	**(35,353,461)**	**(65,325,505)**	**(82,638,521)**
Retail													
Loans	64,776,754	2,874,813	20,327	2,434,166	235,626	-	59,467,775	255,830	37,787,319	(113,706)	(183,338)	(44,050,868)	(35,210,803)
Mortgages	2,573,746	595,723	-	264,847	90,227	23,877	1,713,176	78,639	271,832	(30,382)	(118,740)	(1,696,633)	(5,263,212)
Overdrafts	4,293,880	3,992,058	32,147	265,505	212,909	-	36,316	1,871	-	(97,957)	(278,513)	(78,337)	(4,014,840)
Consumer Loans	6,515,331	14,162	73	479,044	1,413	-	6,022,125	903,118	-	(380)	(184,941)	(4,767,174)	(17,691,203)
Employes	2,948,121	2,483,521	12,637	292,961	47,879	-	171,639	93,114	-	(40,614)	(13,434)	(135,316)	(204,147)
Credit cards	5,799,705	1,504,158	136,661	779,083	284,602	27,298	3,516,465	988,398	186,864	(34,773)	(310,676)	(3,193,706)	(233,902)
	86,907,537	**11,464,435**	**201,844**	**4,515,606**	**872,655**	**51,175**	**70,927,496**	**2,320,971**	**38,246,015**	**(317,812)**	**(1,089,642)**	**(53,922,035)**	**(62,618,107)**
	609,847,217	**40,934,199**	**202,099**	**341,653,239**	**15,069,625**	**271,275,983**	**227,259,778**	**11,039,771**	**151,179,588**	**(555,263)**	**(36,443,103)**	**(119,247,540)**	**(145,256,627)**

As at December 31, 2023 and 2022, the detail of exposure and impairment losses established, by segment and by range of days past due, is presented as follows:

AOA thousand

Segment	12-31-2023													
	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	38,731,857	323,614,437	5,763,261	1,241,120	49,570,137	915,742	116,314,851	(291,690)	(40,806,676)	(1,350,486)	(793,664)	(21,726,451)	(124,410)	(48,265,339)
Current account loans	2,617,390	8,115,425	-	-	727,840	-	7,304,048	(48,571)	(95,354)	-	-	(156,896)	-	(5,579,897)
Overdrafts	42,664	16,419	83,990	49,125	1,911	1,591,463	17,753,815	(74)	(1,757)	(51,290)	(9,736)	(133)	(241)	(6,771,105)
Credit cards	686,539	46,432	-	-	18,447	-	-	(6,190)	(3,039)	-	-	(14,048)	-	-
	42,078,450	**331,792,714**	**5,847,251**	**1,290,245**	**50,318,335**	**2,507,205**	**141,372,714**	**(346,524)**	**(40,906,826)**	**(1,401,776)**	**(803,399)**	**(21,897,529)**	**(124,651)**	**(60,616,342)**
Retail														
Loans	1,050,877	32,988	43,809	-	2,108,437	40,728,796	607,878	(28,737)	(8,991)	(29,520)	-	(1,712,035)	(33,075,014)	(423,754)
Mortgages	1,959,121	355,543	266,137	29,289	456,648	134,200	5,240,817	(45,141)	(129,483)	(156,608)	(12,663)	(445,779)	(128,849)	(4,688,584)
Overdrafts	7,672	1,501	3,237	5,513	839	574	5,281,645	(256)	(105)	(1,449)	(392)	(791)	(545)	(4,013,504)
Consumer Loans	1,997,691	187,643	61,275	162	193,366	14,605,001	11,476,195	(88,109)	(35,183)	(28,919)	(114)	(162,102)	(11,704,993)	(5,824,108)
Employes	3,616,585	62,370	7,155	223	10,279	7,412	76,797	(98,399)	(86,742)	(11,462)	(126)	(30,452)	(19,485)	(154,209)
Credit cards	2,031,081	488,400	-	-	293,490	-	-	(20,686)	(30,847)	-	-	(233,902)	-	-
	10,663,028	**1,128,445**	**381,613**	**35,187**	**3,063,058**	**55,475,982**	**22,683,332**	**(281,328)**	**(291,351)**	**(227,958)**	**(13,296)**	**(2,585,061)**	**(44,928,886)**	**(15,104,159)**
	52,741,477	**332,921,159**	**6,228,864**	**1,325,431**	**53,381,393**	**57,983,187**	**164,056,046**	**(627,852)**	**(41,198,176)**	**(1,629,734)**	**(816,695)**	**(24,482,590)**	**(45,053,537)**	**(75,720,501)**

AOA thousand

Segment	12-31-2022													
	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	21,390,653	329,139,598	5,471,288	-	47,861,817	1,346,414	85,476,336	(171,963)	(35,222,858)	(4,318)	-	(21,180,427)	(85,381)	(35,391,747)
Current account loans	7,591,636	1,709,103	-	-	671,379	-	4,740,176	(62,069)	(41,086)	-	-	(144,135)	-	(3,142,787)
Overdrafts	47,715	663,827	80,443	41,518	106	119	16,224,521	(467)	(66,403)	(11,739)	(4,770)	(91)	(102)	(5,371,284)
Credit cards	439,759	31,856	-	-	11,416	-	-	(2,952)	(2,288)	-	-	(9,552)	-	-
	29,469,763	**331,544,385**	**5,551,731**	**41,518**	**48,544,717**	**1,346,533**	**106,441,032**	**(237,451)**	**(35,332,635)**	**(16,056)**	**(4,770)**	**(21,334,205)**	**(85,482)**	**(43,905,817)**
Retail														
Loans	2,874,813	2,396,542	36,769	855	50,342,523	116,074	9,009,178	(113,706)	(160,209)	(22,481)	(648)	(40,794,767)	(107,427)	(3,148,674)
Consumer loans	595,723	231,486	33,361	-	32,474	47,083	1,633,619	(30,382)	(100,567)	(18,172)	-	(31,197)	(43,615)	(1,621,822)
Employees	3,992,058	230,288	16,460	18,758	2,451	43	33,823	(97,957)	(246,275)	(14,622)	(17,616)	(6,150)	(105)	(72,083)
Overdrafts	14,162	10,804	429,825	38,415	3,513	14,166	6,004,446	(380)	595	(182,888)	(2,648)	(1,915)	(13,343)	(4,751,916)
Credit cards	2,483,521	292,961	-	-	171,639	-	-	(40,614)	(13,434)	-	-	(135,316)	-	-
Mortgages	1,504,158	672,040	107,043	-	831,948	84,408	2,600,109	(34,773)	(246,982)	(63,695)	-	(801,334)	(80,621)	(2,311,751)
	11,464,435	**3,834,121**	**623,458**	**58,028**	**51,384,548**	**261,774**	**19,281,174**	**(317,812)**	**(766,871)**	**(301,859)**	**(20,912)**	**(41,770,679)**	**(245,111)**	**(11,906,246)**
	40,934,199	**335,378,505**	**6,175,189**	**99,546**	**99,929,265**	**1,608,307**	**125,722,207**	**(555,263)**	**(36,099,506)**	**(317,915)**	**(25,682)**	**(63,104,883)**	**(330,593)**	**(55,812,063)**

As at December 31, 2023 and 2022, the detail of exposure and impairment losses established, by segment and by granting year, is presented as follows:

AOA thousand

Segment	12-31-2023														
	2020 and preceding years			2021			2022			2023			Total		
	Number of transactions	Total exposure	Impairment losses	Number of transactions	Total exposure	Impairment losses	Number of transactions	Total exposure	Impairment losses	Number of transactions	Total exposure	Impairment losses	Number of transactions	Total exposure	Impairment losses
Corporate															
Loans	222	364,372,684	(98,851,389)	44	27,333,919	(4,942,286)	40	116,421,212	(7,587,287)	69	28,023,589	(1,977,754)	375	536,151,404	(113,358,716)
Current account loans	23	7,304,048	(5,579,897)	1	713,699	(142,813)	-	-	-	13	10,746,956	(158,007)	37	18,764,703	(5,880,717)
Overdrafts	735	19,523,123	(6,831,198)	77	1,170	(874)	152	15,075	(2,264)	15	18	-	979	19,539,386	(6,834,336)
Credit cards	506	412,747	(19,134)	66	53,199	(301)	102	95,994	(1,081)	205	189,479	(2,761)	879	751,419	(23,277)
	1,486	**391,612,602**	**(111,281,618)**	**188**	**28,101,987**	**(5,086,274)**	**294**	**116,532,281**	**(7,590,632)**	**302**	**38,960,042**	**(2,138,522)**	**2,270**	**575,206,912**	**(126,097,046)**
Retail															
Loans	99	6,257,297	(4,730,101)	20	160,321	(35,482)	8	37,593,106	(30,480,833)	18	562,060	(31,635)	145	44,572,784	(35,278,051)
Mortgages	90	6,891,851	(4,671,950)	7	869,808	(678,082)	1	229,412	(215,786)	8	450,684	(41,290)	106	8,441,755	(5,607,108)
Overdrafts	11,245	5,092,527	(3,819,667)	1,492	27,262	(25,486)	732	178,739	(170,653)	46	2,454	(1,236)	13,515	5,300,982	(4,017,042)
Consumer Loans	1,598	26,199,975	(17,268,323)	178	333,980	(147,014)	246	490,415	(207,091)	958	1,496,963	(221,099)	2,980	28,521,333	(17,843,527)
Employes	1,286	2,005,020	(278,469)	221	563,440	(29,779)	180	372,223	(47,973)	336	840,137	(44,655)	2,023	3,780,820	(400,876)
Credit cards	4,063	1,896,673	(256,391)	244	125,411	(8,985)	1,324	428,852	(9,115)	908	362,035	(10,944)	6,539	2,812,971	(285,435)
	18,381	**48,343,343**	**(31,024,901)**	**2,162**	**2,080,222**	**(924,828)**	**2,491**	**39,292,747**	**(31,131,451)**	**2,274**	**3,714,333**	**(350,859)**	**25,308**	**93,430,645**	**(63,432,039)**
	19,867	**439,955,945**	**(142,306,519)**	**2,350**	**30,182,209**	**(6,011,102)**	**2,785**	**155,825,028**	**(38,722,083)**	**2,576**	**42,674,375**	**(2,489,381)**	**27,578**	**668,637,557**	**(189,529,085)**

AOA thousand

Segment	12-31-2022														
	2019 and preceding years			2020			2021			2022			Total		
	Number of transactions	Total exposure	Impairment losses	Number of transactions	Total exposure	Impairment losses	Number of transactions	Total exposure	Impairment losses	Number of transactions	Total exposure	Impairment losses	Number of transactions	Total exposure	Impairment losses
Corporate															
Loans	275	286,111,336	(69,738,261)	43	71,498,234	(12,573,760)	47	27,798,115	(3,169,758)	42	105,278,420	(6,574,914)	407	490,686,105	(92,056,693)
Current account loans	23	3,194,858	(2,679,191)	1	1,545,317	(463,595)	2	2,368,108	(173,037)	11	7,604,011	(74,253)	37	14,712,294	(3,390,076)
Overdrafts	1,193	17,020,472	(5,438,623)	175	8,730	(4,912)	233	12,325	(6,287)	439	16,723	(5,033)	2,040	17,058,250	(5,454,855)
Credit cards	480	292,241	(12,693)	88	67,043	(680)	81	40,937	(203)	124	82,810	(1,216)	773	483,031	(14,792)
	1,971	**306,618,907**	**(77,868,768)**	**307**	**73,119,324**	**(13,042,947)**	**363**	**30,219,485**	**(3,349,285)**	**616**	**112,981,964**	**(6,655,416)**	**3,257**	**522,939,680**	**(100,916,416)**
Retail															
Loans	582	29,727,694	(16,851,049)	188	1,514,559	(275,352)	107	465,698	(103,060)	333	33,068,804	(27,118,451)	1,210	64,776,755	(44,347,912)
Consumer loans	1,113	1,677,763	(1,613,262)	25	36,115	(27,394)	109	229,743	(87,157)	744	630,126	(117,940)	1,991	2,573,747	(1,845,753)
Employees	1,860	2,844,298	(382,626)	50	230,329	(5,892)	265	787,546	(44,477)	174	431,706	(21,812)	2,349	4,293,879	(454,807)
Overdrafts	57,745	5,289,514	(3,955,561)	11,085	227,114	(194,257)	30,294	551,851	(497,446)	19,793	446,851	(305,232)	118,917	6,515,330	(4,952,496)
Credit cards	3,910	2,317,033	(169,817)	457	182,982	(8,443)	296	114,294	(6,446)	1,283	333,812	(4,659)	5,946	2,948,121	(189,365)
Mortgages	62	4,365,155	(2,671,870)	8	527,787	(270,064)	6	673,116	(486,351)	1	233,646	(110,872)	77	5,799,704	(3,539,157)
	65,272	**46,221,457**	**(25,644,185)**	**11,813**	**2,718,886**	**(781,402)**	**31,077**	**2,822,248**	**(1,224,937)**	**22,328**	**35,144,945**	**(27,678,966)**	**130,490**	**86,907,536**	**(55,329,490)**
	67,243	**352,840,364**	**(103,512,953)**	**12,120**	**75,838,210**	**(13,824,349)**	**31,440**	**33,041,733**	**(4,574,222)**	**22,944**	**148,126,909**	**(34,334,382)**	**133,747**	**609,847,216**	**(156,245,906)**

As at December 31, 2023 and 2022, the detail of exposure and impairment losses established, by segment and type of analysis, is presented as follows:

AOA thousand

Segment	12-31-2023					
	Individual impairment		Collective impairment		Total	
	Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses
Corporate						
Loans	478,405,496	(100,242,058)	57,745,909	(13,116,657)	536,151,405	(113,358,715)
Current account loans	14,825,450	(4,579,604)	3,939,253	(1,301,114)	18,764,703	(5,880,718)
Overdrafts	14,758,233	(3,812,236)	4,781,153	(3,022,101)	19,539,386	(6,834,337)
Credit cards	3,900	(1,541)	747,518	(21,737)	751,418	(23,277)
	507,993,079	**(108,635,438)**	**67,213,833**	**(17,461,609)**	**575,206,912**	**(126,097,047)**
Retail						
Loans	42,837,232	(34,787,048)	1,735,553	(491,002)	44,572,785	(35,278,051)
Mortgages	271,188	(96,283)	8,170,567	(5,510,825)	8,441,755	(5,607,108)
Overdrafts	4,037,167	(2,787,328)	1,263,814	(1,229,715)	5,300,981	(4,017,043)
Consumer Loans	19,727,421	(11,687,869)	8,793,913	(6,155,658)	28,521,334	(17,843,527)
Employes	-	-	3,780,818	(400,876)	3,780,818	(400,876)
Credit cards	2,452	(1,557)	2,810,520	(283,878)	2,812,972	(285,435)
	66,875,460	**(49,360,085)**	**26,555,186**	**(14,071,954)**	**93,430,645**	**(63,432,039)**
	574,868,538	**(157,995,524)**	**93,769,019**	**(31,533,563)**	**668,637,557**	**(189,529,087)**

AOA thousand

Segment	12-31-2022					
	Individual impairment		Collective impairment		Total	
	Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses
Corporate						
Loans	448,852,561	(78,239,427)	41,833,544	(13,817,266)	490,686,105	(92,056,693)
Current account loans	6,098,836	(2,353,054)	8,613,458	(1,037,022)	14,712,294	(3,390,076)
Overdrafts	14,439,507	(2,971,919)	2,618,743	(2,482,936)	17,058,250	(5,454,855)
Credit cards	3,313	(925)	479,719	(13,867)	483,032	(14,792)
	469,394,216	**(83,565,325)**	**53,545,464**	**(17,351,091)**	**522,939,680**	**(100,916,416)**
Retail						
Loans	57,296,967	(40,831,799)	7,479,788	(3,516,113)	64,776,755	(44,347,912)
Consumer loans	-	-	2,573,747	(1,845,753)	2,573,747	(1,845,753)
Employees	-	-	4,293,879	(454,807)	4,293,879	(454,807)
Overdrafts	3,840,114	(2,659,586)	2,675,216	(2,292,910)	6,515,330	(4,952,496)
Credit cards	348	(273)	2,947,773	(189,092)	2,948,121	(189,365)
Mortgages	205,665	(10,298)	5,594,039	(3,528,859)	5,799,704	(3,539,157)
	61,343,094	**(43,501,956)**	**25,564,442**	**(11,827,534)**	**86,907,536**	**(55,329,490)**
	530,737,310	**(127,067,281)**	**79,109,906**	**(29,178,625)**	**609,847,216**	**(156,245,906)**

As at December 31, 2023 and 2022, the Bank collected the relevant information on its customers, namely their credit operations and associated guarantees, in order to obtain aggregate information on the credit portfolio. The information collected makes it possible to determine the amount of global exposure for each customer, including the amount of direct and indirect credit. Additionally, through the automatic criteria, it is possible to identify individually significant customers or economic groups as well as the stage of each operation. For significant exposures where no objective stage 2 or 3 indicators have been detected, a case-by-case review is performed to determine whether there is a significant increase in credit risk (in which case they are reclassified to stage 2). If no significant credit risk factors have been identified for these customers or economic groups, they are kept at stage 1 and analysed under collective impairment.

Significant exposures classified as stage 2 (through objective criteria or through case-by-case analysis) or stage 3 are subject to individual analysis in order to determine their individual impairment rate.

Non-significant exposures are grouped into exposure segments with similar credit risk characteristics, which are assessed collectively. This segmentation is based on the characteristics of the customer and their operations, as well as the existence of guarantees associated with these operations.

Additionally, the Bank defines the existence of a portfolio segmentation consistent with regulatory requirements, with the statistical relevance necessary to determine robust LGD parameters that are in line with the Bank's recovery strategies.

As at December 31, 2023 and 2022, the detail of exposure and impairment losses established, by type of analysis and business sector, is presented as follows:

AOA thousand

	12-31-2023													
	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	205,179,290	(44,516,134)	76,751,728	(20,297,318)	145,389,825	(49,168,730)	111,169,933	(23,777,114)	24,036,346	(14,571,508)	12,341,416	(5,664,720)	574,868,538	(157,995,524)
Collective impairment	15,988	(9,861)	17,256,073	(6,829,823)	6,431,807	(2,321,860)	27,337,583	(3,326,985)	26,555,184	(14,071,954)	16,172,383	(4,973,080)	93,769,018	(31,533,563)
	205,195,278	**(44,525,995)**	**94,007,801**	**(27,127,142)**	**151,821,632**	**(51,490,590)**	**138,507,517**	**(27,104,099)**	**50,591,530**	**(28,643,462)**	**28,513,799**	**(10,637,799)**	**668,637,557**	**(189,529,087)**

AOA thousand

	12-31-2022													
	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	185,609,520	(32,045,270)	83,131,186	(17,331,964)	117,955,858	(39,955,085)	105,193,047	(17,076,407)	29,209,549	(16,549,947)	9,638,150	(4,108,609)	530,737,310	(127,067,281)
Collective impairment	284,189	(10,106)	13,669,655	(4,995,930)	13,041,864	(2,119,492)	10,581,019	(4,980,348)	24,542,916	(11,799,039)	16,990,263	(5,273,711)	79,109,906	(29,178,625)
	185,893,709	**(32,055,375)**	**96,800,841**	**(22,327,894)**	**130,997,722**	**(42,074,577)**	**115,774,066**	**(22,056,755)**	**53,752,465**	**(28,348,986)**	**26,628,413**	**(9,382,320)**	**609,847,216**	**(156,245,906)**

As at December 31, 2023 and 2022, the detail of exposure and impairment losses established, by type of analysis and geography, is presented as follows:

AOA thousand

	12-31-2023							
	Angola		Portugal		Other countries		Total	
	Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses
Individual impairment	574,868,538	(157,995,524)	-	-	-	-	574,868,538	(157,995,524)
Collective impairment	93,405,182	(31,382,484)	317,694	(146,481)	46,143	(4,596)	93,769,019	(31,533,561)
	668,273,720	**(189,378,008)**	**317,694**	**(146,481)**	**46,143**	**(4,596)**	**668,637,557**	**(189,529,085)**

AOA thousand

	12-31-2022							
	Angola		Portugal		Other countries		Total	
	Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses
Individual impairment	528,389,201	(125,729,094)	2,348,109	(1,338,187)	-	-	530,737,310	(127,067,281)
Collective impairment	78,756,041	(29,040,819)	304,512	(114,592)	49,353	(23,213)	79,109,905	(29,178,624)
	607,145,242	**(154,769,913)**	**2,652,621**	**(1,452,779)**	**49,353**	**(23,213)**	**609,847,216**	**(156,245,906)**

As at December 31, 2023 and 2022, the analysis of the fair value of guarantees underlying the loan portfolio of the corporate, construction and real estate development and housing segments is as follows:

AOA thousand

	12-31-2023											
	Corporate				Construction and Retail Trade				Mortgages			
	Real Estate		Other guarantees		Real Estate		Other guarantees		Real Estate		Other guarantees	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
< AOA 50 M	13	291,606	1,268	3,325,412	-	-	3	3,169	48	720,134	4	40,237
≥ AOA 50 M and < AOA 100 M	8	605,553	45	2,721,290	-	-	-	-	35	1,250,225	-	-
≥ AOA 100 M and < AOA 500 M	42	5,773,477	77	17,043,405	5	1,444,626	-	-	19	1,652,648	3	159,207
≥ AOA 500 M and < AOA 1,000 M	8	4,173,978	25	13,735,949	6	3,076,144	-	-	1	230,593	-	-
≥ AOA 1,000 M and < AOA 2,000 M	13	10,094,586	12	10,029,577	2	2,404,352	-	-	-	-	-	-
≥ AOA 2,000 M and < AOA 5,000 M	10	20,726,284	14	30,344,482	1	4,343,508	-	-	-	-	-	-
≥ AOA 5,000 M	20	120,969,384	9	72,050,355	12	201,894,781	1	9,945,600	-	-	-	-
	114	**162,634,867**	**1,450**	**149,250,470**	**26**	**213,163,410**	**4**	**9,948,769**	**103**	**3,853,600**	**7**	**199,444**

AOA thousand

	12-31-2022											
	Corporate				Construction and Retail Trade				Mortgages			
	Real Estate		Other guarantees		Real Estate		Other guarantees		Real Estate		Other guarantees	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
< AOA 50 M	7	163,302	1,013	2,614,003	1	20,000	83	225,145	28	379,120	65	42,995
≥ AOA 50 M and < AOA 100 M	9	629,379	25	1,349,300	-	-	2	185,552	22	666,648	1	50,000
≥ AOA 100 M and < AOA 500 M	28	3,625,135	42	9,079,124	7	1,652,791	14	2,628,535	27	1,968,051	4	294,988
≥ AOA 500 M and < AOA 1,000 M	11	2,335,833	6	3,853,123	2	607,455	7	1,313,793	-	-	-	-
≥ AOA 1,000 M and < AOA 2,000 M	17	16,931,333	4	4,686,129	2	1,188,037	4	9,754	-	-	-	-
≥ AOA 2,000 M and < AOA 5,000 M	10	14,756,772	4	9,344,358	4	6,794,024	2	4,126,617	1	46,740	-	-
≥ AOA 5,000 M	20	121,197,533	2	55,499,354	13	159,959,814	5	11,508,198	1	4,312,059	-	-
	102	**159,639,287**	**1,096**	**86,425,389**	**29**	**170,222,121**	**117**	**19,997,592**	**79**	**7,372,619**	**70**	**387,983**

As at December 31, 2023 and 2022, the loan-to-value ratio of the corporate, construction and property development and housing segments is presented as follows:

AOA thousand

Segment/Ratio	12-31-2023					
	Number of properties	Number of other real guarantees	Credit in Stage 1	Credit in Stage 2	Credit in Stage 3	Impairment losses
Corporate						
No guarantee provided	-	-	1,409,485	8,014,608	17,786,649	(15,741,162)
< 50%	57	234	8,361,344	101,475,591	23,400,133	(32,049,993)
≥ 50% and < 75%	10	116	2,055,431	14,745,746	50,430,472	(35,308,305)
≥ 75% and < 100%	5	133	20,895,823	10,081,823	9,369,677	(2,969,565)
≥ 100%	42	967	9,356,366	55,395,043	56,136,089	(27,342,171)
	114	**1,450**	**42,078,449**	**189,712,812**	**157,123,020**	**(113,411,196)**
Construction and Retail Trade						
No guarantee provided	-	-	-	-	-	-
< 50%	7	1	-	46,416,686	18,930,145	(20,745,233)
≥ 50% and < 75%	7	2	-	63,517,634	2,268,843	(10,223,607)
≥ 75% and < 100%	2	-	-	39,283,076	27,407,443	(14,732,292)
≥ 100%	10	1	-	-	31,307,916	(2,689,225)
	26	**4**	**-**	**149,217,397**	**79,914,348**	**(48,390,357)**
Mortgages						
No guarantee provided	-	-	-	-	-	-
< 50%	8	3	213,199	298,271	326,996	(526,411)
≥ 50% and < 75%	6	1	95,093	-	27,132	(28,227)
≥ 75% and < 100%	5	-	82,055	-	56,361	(55,482)
≥ 100%	84	3	2,538,185	243,850	5,257,940	(5,017,213)
	103	**7**	**2,928,533**	**542,121**	**5,668,430**	**(5,627,334)**
	243	**1,461**	**45,006,981**	**339,472,331**	**242,705,798**	**(167,428,887)**

AOA thousand

Segment/Ratio	12-31-2022					
	Number of properties	Number of other real guarantees	Credit in Stage 1	Credit in Stage 2	Credit in Stage 3	Impairment losses
Corporate						
No guarantee provided	-	-	4,507,209	7,938,347	24,532,446	(19,038,649)
< 50%	32	143	65,573	1,235,382	11,054,270	(8,771,678)
≥ 50% and < 75%	7	77	736,962	305,563	10,252,035	(2,760,018)
≥ 75% and < 100%	4	62	5,287,339	59,803,245	11,555,238	(15,864,157)
≥ 100%	59	814	9,249,624	76,496,708	15,192,792	(7,306,558)
	102	**1,096**	**19,846,708**	**145,779,245**	**72,586,779**	**(53,741,059)**
Construction and Retail Trade						
No guarantee provided	-	-	1,136,654	64,426,681	26,385,219	(26,411,004)
< 50%	-	36	1,632,161	16,616,077	51,634	(1,430,507)
≥ 50% and < 75%	6	12	6,454,244	32,679,390	547,353	(7,634,808)
≥ 75% and < 100%	4	10	231	15,763,812	4,110,397	(3,447,008)
≥ 100%	19	59	399,764	61,872,428	52,650,900	(8,252,031)
	29	**117**	**9,623,056**	**191,358,388**	**83,745,503**	**(47,175,358)**
Mortgages						
No guarantee provided			1,309,463	458,942	2,063,818	(2,251,644)
< 50%	3	45	106,931	85,449	81,248	(93,743)
≥ 50% and < 75%	2	7			140,514	(134,669)
≥ 75% and < 100%	2	6	32,780	81,606		(75,392)
≥ 100%	72	12	989,544	236,868	1,643,120	(1,443,984)
	79	**70**	**2,438,718**	**862,865**	**3,928,700**	**(3,999,431)**
	210	**1,283**	**31,908,481**	**338,000,498**	**160,260,983**	**(104,915,848)**

As at December 31, 2023 and 2022, the analysis of the fair value and the net book value of properties received as recovery or foreclosure, recorded under Non-current assets held for sale (Note 13), by type of real estate, is as follows:

AOA thousand

Type of property	12-31-2023			12-31-2022		
	Number of properties	Valuation value of the asset	Net book value	Number of properties	Valuation value of the asset	Net book value
Constructed buildings						
Business	1	743,211	564,840	-	-	-
Mortgages	1	199,357	151,511	-	-	-
	2	**942,568**	**716,352**	**-**	**-**	**-**

As at December 31, 2023 and 2022, the analysis of the net book value of properties received as recovery or foreclosure, recorded under Non-current assets held for sale (Note 13), by type of real estate and seniority, is as follows:

AOA thousand

Time elapsed since the payment/foreclosure	12-31-2023				12-31-2022			
	< 1 Year	≥ 1 year and < 2.5 years	≥ 2.5 years and < 5 years	Net book value	< 1 Year	≥ 1 year and < 2.5 years	≥ 2.5 years and < 5 years	Total
Constructed buildings								
Business	743,211	-	-	743,211	-	-	-	-
Mortgages	199,357	-	-	199,357	-	-	-	-
	942,568	**-**	**-**	**942,568**	**-**	**-**	**-**	**-**

As at December 31, 2023 and 2022, the detail of exposure, by segment and internal risk degree, is presented as follows:

AOA thousand

	12-31-2023									
Segment	Low risk level			Medium risk level	High risk level				No rating	Total
	B1	B2	B3	C	D	E	F	G	-	
Corporate										
Loans	-	11,153,741	2,779,938	87,850,982	74,277,418	39,402,999	-	205,859,369	114,826,958	536,151,405
Current account loans	-	-	2,406,356	69,524	9,703,654	96,103	-	1,849,667	4,639,399	18,764,703
Overdrafts	-	-	-	83,018	869,789	1,293,066	1,818	9,955,043	7,336,652	19,539,386
Credit cards	-	207	18,622	47,654	45,374	29,499	-	6,750	603,311	751,418
	-	**11,153,948**	**5,204,916**	**88,051,178**	**84,896,235**	**40,821,668**	**1,818**	**217,670,829**	**127,406,320**	**575,206,912**
Retail										
Loans	5,849	128,866	136,539	271,075	320,074	-	-	-	43,710,382	44,572,785
Mortgages	-	274,009	382,779	373,671	1,008,953	511,610	49,069	47,762	5,793,902	8,441,755
Overdrafts	-	64	1,400	205,886	5,420	84	-	569	5,087,557	5,300,981
Consumer loans	66,531	182,316	838,446	6,146,648	190,548	64	-	207,519	20,889,261	28,521,333
Employees	4,077	459	19,501	-	-	-	-	-	3,756,781	3,780,818
Credit Cards	2,964	39,393	50,184	21,113	7,249	6,162	168	3,504	2,682,235	2,812,972
	79,421	**625,108**	**1,428,850**	**7,018,394**	**1,532,244**	**517,921**	**49,238**	**259,354**	**81,920,118**	**93,430,645**
	79,421	**11,779,056**	**6,633,766**	**95,069,572**	**86,428,478**	**41,339,589**	**51,056**	**217,930,183**	**209,326,437**	**668,637,557**

AOA thousand

Segment	12-31-2022									
	Low risk level			Medium risk level	High risk level				No rating	Total
	B1	B2	B3	C	D	E	F	G	-	
Corporate										
Loans	-	6,435,447	7,548,278	79,196,362	66,181,683	38,359,549	892,182	165,747,505	126,325,100	490,686,105
Current account loans	-	-	717,635	6,844,994	2,297,680	1,805,206	-	139,282	2,907,498	14,712,294
Overdrafts	-	-	2	657,070	539,715	1,272,675	36,733	9,232,537	5,319,518	17,058,250
Credit cards	-	293	8,197	22,980	31,002	27,604	-	7,240	385,715	483,032
		6,435,740	**8,274,112**	**86,721,405**	**69,050,079**	**41,465,034**	**928,915**	**175,126,564**	**134,937,831**	**522,939,680**
Retail										
Loans	132,184	198,247	659,363	5,708,435	137,510	292	-	58,674	57,882,051	64 776 755
Consumer loans	-	31,024	176,669	515,042	35,452	541	619	11,772	1,802,628	2 573 747
Employees	83	-	23,440	-	-	-	18,517	-	4,251,839	4 293 879
Overdrafts	29	493	2,242	202,251	6,180	766	-	861	6,302,506	6 515 329
Credit cards	2,947	23,908	31,073	15,364	6,723	487	3	3,051	2,864,564	2 948 120
Mortgages	-	278,352	376,964	134,894	618,924	292,232	-	125,229	3,973,109	5 799 705
	135,242	**532,025**	**1,269,753**	**6,575,986**	**804,789**	**294,318**	**19,139**	**199,588**	**77,076,697**	**86 907 536**
	135,242	**6,967,765**	**9,543,865**	**93,297,391**	**69,854,868**	**41,759,353**	**948,054**	**175,326,151**	**212,014,528**	**609 847 216**

As at December 31, 2023 and 2022, the disclosure of risk factors associated with the impairment model, by segment, is as follows:

Segment	12-31-2023			
	Probability of default (%)			Loss given default (%)
	Stage 1	Stage 2	Stage 3	
Corporate				
Loans	3%	25%	100%	94%
Current account loans	3%	12%	100%	94%
Overdrafts	3%	13%	100%	92%
Credit cards	3%	13%	100%	88%
Retail				
Loans	4%	29%	100%	96%
Consumer loans	6%	22%	100%	97%
Employees	1%	14%	-	94%
Overdrafts	4%	7%	100%	95%
Credit cards	3%	8%	100%	94%
Mortgages	3%	14%	100%	96%

Segment	12-31-2022			
	Probability of default (%)			Loss given default (%)
	Stage 1	Stage 2	Stage 3	
Corporate				
Loans	2%	11%	100%	92%
Current account loans	2%	11%	100%	92%
Overdrafts	2%	11%	100%	87%
Credit cards	2%	11%	100%	83%
Retail				
Loans	6%	21%	100%	96%
Consumer loans	6%	21%	100%	97%
Employees	1%	11%	-	94%
Overdrafts	3%	6%	100%	95%
Credit cards	3%	7%	100%	94%
Mortgages	3%	13%	100%	97%

As at December 31, 2023, the risk factors associated with the impairment model by segment recorded (I) a worsening in the probability of default, reflecting a higher number of loans that went into default, in particular in the corporate segment in Stage 2 and (ii) a deterioration of the loss given default, resulting from the non-materialization of the legal processes in progress.

In order to determine 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 1-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 December 31, 2023 and 2022, finance leases, by residual maturity, is presented as follows:

AOA thousand

	12-31-2023	12-31-2022
Outstanding rents and residual values		
Below 1 year	4,285,823	4,785,583
1 to 5 years	6,327,377	3,785,551
Above 5 years	1,319,038	2,099,504
	11,932,238	**10,670,638**
Outstanding interest		
Below 1 year	843,072	793,721
1 to 5 years	1,111,126	1,264,183
Above 5 years	356,704	837,449
	2,310,902	**2,895,352**
Outstanding principal		
Below 1 year	3,442,750	3,991,862
1 to 5 years	5,216,251	2,521,368
Above 5 years	962,335	1,262,056
	9,621,336	**7,775,286**
Impairment losses	(1,162,928)	(442,967)
	8,458,408	**7,332,318**

There are no finance lease agreements with contingent rents.

Note 10 - Financial assets at amortized cost – Other loans and advances to central banks and credit institutions

This caption is analysed as follows:

AOA thousand

	12-31-2023	12-31-2022
Other loans and advances to credit institutions in Angola		
Loans and advances	42,722,284	14,000,000
Reverse repurchase agreement transactions	-	4,996,993
Interest receivable	235,578	112,800
	42,957,862	**19,109,793**
Other loans and advances to credit institutions abroad		
Loans and advances	38,192,355	11,458,096
Interest receivable	46,912	2,672
	38,239,267	**11,460,768**
Impairment losses	(3,674)	(23,263)
	81,193,455	**30,547,298**

As at December 31, 2023 and 2022, the breakdown of Other loans and advances to central banks and credit institutions, excluding interest receivable, by residual maturities, is as follows:

AOA thousand

	12-31-2023	12-31-2022
Below 3 months	78,206,464	25,305,807
3 to 12 months	2,708,175	5,149,282
	80,914,639	**30,455,089**

As at December 31, 2023 and 2022, the breakdown of Other loans and advances to central banks and credit institutions, including interest receivable, by currency, is as follows:

AOA thousand

	12-31-2023			12-31-2022		
	Gross exposure	Impairment losses	Net exposure	Gross exposure	Impairment losses	Net exposure
In AOA	42,957,864	-	42,957,864	19,109,793	-	19,109,793
In USD	37,089,890	(3,160)	37,086,730	10,580,183	(18,692)	10,561,491
In EUR	1,149,375	(514)	1,148,861	880,585	(4,571)	876,014
	81,197,129	**(3,674)**	**81,193,455**	**30,570,561**	**(23,263)**	**30,547,298**

As at December 31, 2023, the balance of “Other loans and advances to credit institutions in Angola – Loans and advances”, refers to seven liquidity providing operations on the interbank money market, with an average maturity of 3 months and bearing interest at an average annual rate of 13.33%.

As at December 31, 2022, the balance of Other loans and advances to credit institutions in Angola – Loans and advances, refers to two liquidity providing operations on the interbank money market with a maturity of 7 days, without interest.

As at December 31, 2022, the balance of Other loans and advances to credit institutions in Angola – Reverse repurchase agreement transactions, refers to short-term REPO operations carried out on the interbank money market, with an average annual interest rate of 11.45%. As at December 31, 2023, the operation reached its maturity date and the Bank received the full amount of the contract.

As at December 31, 2023 and 2022, the balance of “Loans and advances to credit institutions abroad – Loans and advances” refers to liquidity investments which are collateralized by documentary credit operations for customer imports.

As at December 31, 2023 and 2022, Loans and advances to credit institutions abroad are not remunerated, and the outstanding operations earned interest at an average annual rate of 4.02% and 1.47%, respectively.

As at December 31, 2023 and 2022, exposures relating to 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 amortized cost are as follows:

AOA thousand

	12-31-2023	12-31-2022
Opening balance	**23,263**	**285,640**
Increases/(Reversals) (Note 33)	(19,589)	(262,377)
Closing balance	**3,674**	**23,263**

Note 11 - Property, plant and equipment

The changes in this caption are detailed as follows:

AOA thousand

	Gross amount						Depreciation, amortisation and impairment losses					Net amount	
	Balance as at 12-31-2022	Acquisitions	Revaluation	Disposals/ Write-offs	Transfers	Balance as at 12-31-2023	Balance as at 12-31-2022	Amortization for the period	Disposals/ Write-offs	Transfers	Balance as at 12-31-2023	12-31-2022	12-31-2023
Real Estate													
For own use	50,836,997	1,843,425	13,000,000	-	568	65,680,990	(6,389,156)	(1,052,202)	-	(185)	(7,441,543)	44,447,841	58,239,447
Improvements to leased properties	14,625,833	649,813	-	-	(568)	15,275,078	(4,645,566)	(501,792)	-	185	(5,147,173)	9,980,267	10,127,905
Other	9,286,581	-	-	-	-	9,286,581	-	-	-	-	-	9,286,581	9,286,581
	74,749,411	**2,493,238**	**13,000,000**	**-**	**-**	**90,242,649**	**(11,034,722)**	**(1,553,994)**	**-**	**-**	**(12,588,716)**	**63,714,689**	**77,653,933**
Other assets under construction													
For own use	12,091,765	-	-	(11,817,825)	-	273,940	-	-	-	-	-	12,091,765	273,940
Advances	14,104,760	-	-	(14,104,760)	-	-	-	-	-	-	-	14,104,760	-
	26,196,525	**-**	**-**	**(25,922,585)**	**-**	**273,940**	**-**	**-**	**-**	**-**	**-**	**26,196,525**	**273,940**
Equipment													
IT equipment	19,376,154	2,278,789	-	(87,869)	-	21,567,073	(12,364,281)	(2,072,058)	84,944	-	(14,351,395)	7,011,873	7,215,678
Indoor facilities	2,558,652	152,809	-	-	-	2,711,461	(2,010,468)	(163,392)	-	-	(2,173,860)	548,184	537,601
Furniture and material	6,758,932	1,260	-	-	-	6,760,192	(6,044,447)	(400,183)	-	-	(6,444,630)	714,485	315,562
Security equipment	4,895,146	75,493	-	-	-	4,970,638	(4,314,508)	(258,118)	-	-	(4,572,626)	580,638	398,012
Machinery and tools	1,757,271	185,439	-	(14,259)	-	1,928,451	(1,588,509)	(79,605)	14,259	-	(1,653,856)	168,762	274,596
Transport equipment	2,205,145	1,548,280	-	(159,507)	-	3,593,917	(2,017,325)	(479,392)	159,597	(90)	(2,337,210)	187,820	1,256,707
Other	2,664,127	93,615	-	-	-	2,757,742	(2,562,569)	(52,718)	-	-	(2,615,287)	101,558	142,455
	40,215,426	**4,335,683**	**-**	**(261,635)**	**-**	**44,289,474**	**(30,902,107)**	**(3,505,467)**	**258,800**	**(90)**	**(34,148,864)**	**9,313,320**	**10,140,611**
Other property, plant and equipment													
Other	2,705	-	-	-		2,705	(2,702)	(3)	-	-	(2,705)	3	-
	2,705	**-**	**-**	**-**	**-**	**2,705**	**(2,702)**	**(3)**	**-**	**-**	**(2,705)**	**3**	**-**
Right-of-use assets													
Real Estate	5,976,506	70,178	-	-	-	6,046,684	(1,341,348)	(401,344)	-	-	(1,742,692)	4,635,158	4,303,992
	5,976,506	**70,178**	**-**	**-**	**-**	**6,046,684**	**(1,341,348)**	**(401,344)**	**-**	**-**	**(1,742,692)**	**4,635,158**	**4,303,992**
	147,140,573	**6,899,099**	**13,000,000**	**(26,184,220)**	**-**	**140,855,452**	**(43,280,879)**	**(5,460,807)**	**258,800**		**(48,482,977)**	**103,859,695**	**92,372,476**

AOA thousand

	Gross amount					Depreciation, amortisation and impairment losses					Net amount	
	Balance as at 12-31-2021	Acquisitions	Disposals/ Write-offs	Transfers	Balance as at 12-31-2022	Balance as at 12-31-2021	Amortization for the period	Disposals/ Write-offs	Transfers	Balance as at 12-31-2022	12-31-2021	12-31-2022
Real Estate												
For own use	35,767,695	14,595,655	473,647	-	50,836,997	(5,480,329)	(817,569)	(91,258)	-	(6,389,156)	30,287,366	44,447,841
Improvements to leased properties	13,260,294	2,240,556	(875,017)	-	14,625,833	(4,228,347)	(450,501)	33,282	-	(4,645,566)	9,031,947	9,980,267
Other	6,442,531	2,706,656	137,394	-	9,286,581	-	-	-	-	-	6,442,531	9,286,581
	55,470,520	**19,542,867**	**(263,975)**	**-**	**74,749,411**	**(9,708,676)**	**(1,268,071)**	**(57,976)**	**-**	**(11,034,722)**	**45,761,844**	**63,714,689**
Other assets under construction												
Balance as at December 31, 2023	12,824,846	-	-	(733,081)	12,091,765	-	-	-	-	-	12,824,846	12,091,765
Advances	13,500,079	-	(128,400)	733,081	14,104,760	-	-	-	-	-	13,500,079	14,104,760
	26,324,925	**-**	**(128,400)**	**-**	**26,196,525**	**-**	**-**	**-**	**-**	**-**	**26,324,925**	**26,196,525**
Equipment												
IT equipment	18,938,468	4,265,351	(3,827,665)	-	19,376,154	(14,463,583)	(1,675,380)	3,774,682	-	(12,364,281)	4,474,885	7,011,873
Indoor facilities	3,079,322	99,213	(619,883)	-	2,558,652	(2,432,999)	(194,326)	616,857	-	(2,010,468)	646,323	548,183
Furniture and material	7,074,203	-	(315,271)	-	6,758,932	(5,872,307)	(486,846)	314,707	-	(6,044,447)	1,201,896	714,485
Security equipment	5,057,647	14,459	(176,961)	-	4,895,146	(4,157,258)	(334,016)	176,766	-	(4,314,508)	900,389	580,638
Machinery and tools	2,240,656	45,646	(529,031)	-	1,757,271	(2,040,844)	(79,679)	532,015	-	(1,588,509)	199,812	168,762
Transport equipment	3,708,352	65,593	(1,568,801)	-	2,205,145	(3,349,753)	(197,372)	1,529,800	-	(2,017,325)	358,599	187,820
Other	3,132,103	7,224	(475,201)	-	2,664,126	(2,956,497)	(81,270)	475,199	-	(2,562,568)	175,606	101,558
	43,230,751	**4,497,486**	**(7,512,812)**	**-**	**40,215,426**	**(35,273,241)**	**(3,048,889)**	**7,420,025**	**-**	**(30,902,105)**	**7,957,510**	**9,313,320**
Other property, plant and equipment												
Other	2,709		(4)		2,705	(2,692)	(10)	-	-	(2,702)	17	3
	2,709	**-**	**(4)**	**-**	**2,705**	**(2,692)**	**(10)**	**-**	**-**	**(2,702)**	**17**	**3**
Right-of-use assets												
Real Estate	10,792,390	-	(4,815,884)	-	5,976,506	(2,954,039)	(1,158,113)	2,770,804	-	(1,341,348)	7,838,351	4,635,158
	10,792,390	**-**	**(4,815,884)**	**-**	**5,976,506**	**(2,954,039)**	**(1,158,113)**	**2,770,804**	**-**	**(1,341,348)**	**7,838,351**	**4,635,158**
	135,821,295	**24,040,353**	**(12,721,075)**		**147,140,573**	**(47,938,648)**	**(5,475,083)**	**10,132,853**		**(43,280,878)**	**87,882,647**	**103,859,695**

As described in Note 2.7., during the 2023 financial year the Bank changed its accounting policy regarding the measurement of the properties recorded under this caption, subsequently changing their measurement from acquisition cost to fair value. As part of this, the properties recorded under "Properties – For own use" were revalued by appraisers registered with the CMC of Angola. As at December 31, 2023, the effect resulting from the fair value update, amounting to AOA 13,000,000 thousand, was recorded against "Revaluation reserves and other reserves and retained earnings" (Note 21), net of tax calculated at the rate in force (Note 14).

As at December 31, 2023 and 2022, the caption "Property – For own use" includes two office units located on floors 5 and 6 of buildings 7 and 8 of the Cidade Financeira condominium, located in Luanda – Talatona, which were received as a result of the "Agreement for the termination of the promissory contract" of the contract entered into between the Bank and a third party entity. The parties agreed that all risks and benefits associated with the properties would be transferred to the Bank with immediate effect. The termination of this contract was carried out through the derecognition of the properties previously included in the caption "Other assets" (Note 15) for their respective appraised value of AOA 12,688,209 thousand, calculated by an independent real estate appraiser. As these fractions were leased to the Bank, in 2022, the effect recorded under the caption "Right-of-use assets – Real Estate" corresponds to the cancellation of the lease in accordance with the requirements of IFRS 16.

As at December 31, 2023 and 2022, the increase in the "Real Estate – Works on leased properties" corresponds mainly to works to adapt the branch network.

As at December 31, 2023 and 2022, the amount recorded under "Properties – Other" corresponds mainly to land and other similar non-amortizable properties.

As at December 31, 2022, the caption "Assets under construction" includes the amount of AOA 25,922,585 related to the construction of the Bank's new head office building in Luanda Bay. During 2023, the balance of disposals/write-offs is the result of the signing of a payment in kind loan agreement between the Bank and the project developer, as a customer, as disclosed in Note 13. Through this agreement, the parties agreed to cancel the aforementioned contract and to clear the accounts under that promissory contract, with immediate effect, and to immediately transfer all the risks and benefits inherent in the property covered by the contract in its current state to the Bank. The promissory contract was cancelled by derecognizing the amount relating to the construction of the property, against its recognition under "Non-current assets held for sale" (Note 13) at book value.

As at December 31, 2023 and 2022, the increase in "Equipment – IT equipment" mainly corresponds to investments related to the purchase of equipment and materials for cyber risk management, ATM machines and Cash Deposit Machines.

As at December 31, 2023 and 2022, the caption Right-of-use assets – Real Estate corresponds to assets under lease, in accordance with the requirements of IFRS 16, adopted on January 1, 2019, as described in Note 2.11.

Note 12 - Intangible assets

The changes in this caption are detailed as follows:

AOA thousand

	Gross amount					Accumulated amortizations				Accumulated impairment losses		Net amount	
	Balance as at 12-31-2022	Acquisitions	Disposals/ Write-offs	Transfers	Balance as at 12-31-2023	Balance as at 12-31-2022	Amortization for the period	Disposals/ Write-offs	Balance as at 12-31-2023	Balance as at 12-31-2022	Balance as at 12-31-2023	12-31-2022	12-31-2023
Automatic data processing systems	33,975,246	1,755,794	-	-	35,731,040	(21,645,042)	(4,060,824)	-	(25,705,866)	-	-	12,330,204	10,025,174
Goodwill	51,349,585	-	-	-	51,349,585	-	-	-	-	(51,349,585)	(51,349,585)	-	-
Other intangible assets	2,933,594	-	(753,239)	-	2,180,355	(2,241,698)	(58,751)	753,239	(1,547,210)	-	-	691,896	633,145
	88,258,425	**1,755,794**	**(753,239)**	**-**	**89,260,980**	**(23,886,740)**	**(4,119,576)**	**753,239**	**(27,253,077)**	**(51,349,585)**	**(51,349,585)**	**13,022,100**	**10,658,318**

AOA thousand

	Gross amount					Accumulated amortizations				Accumulated impairment losses		Net amount	
	Balance as at 12-31-2021	Acquisitions	Disposals/ Write-offs	Transfers	Balance as at 12-31-2022	Balance as at 12-31-2021	Amortization for the period	Disposals/ Write-offs	Balance as at 12-31-2022	Balance as at 12-31-2021	Balance as at 12-31-2022	12-31-2021	12-31-2022
Automatic data processing systems	33,513,867	2,058,911	(1,597,532)	-	33,975,246	(18,725,453)	(4,608,599)	1,689,010	(21,645,042)	-	-	14,788,414	12,330,204
Goodwill	51,349,585	-	-	-	51,349,585	-	-,	-	-	(51,349,585)	(51,349,585)	-	-
Other intangible assets	2,880,188	53,406	-	-	2,933,594	(2,191,951)	(55,374)	5,627	(2,241,698)	-	-	688,237	691,896
	87,743,640	**2,112,317**	**(1,597,532)**		**88,258,425**	**(20,917,404)**	**(4,663,973)**	**1,694,637**	**(23,886,740)**	**(51,349,585)**	**(51,349,585)**	**15,476,651**	**13,022,100**

Note 13 - Non-current assets held for sale

This caption is analysed as follows:

AOA thousand

	12-31-2023	12-31-2022
Real Estate	942,568	-
Impairment losses	(226,216)	-
	716,352	**-**

The changes in this caption are detailed as follows:

AOA thousand

	Balance as at 12-31-2022					Impairment losses (Note 31)		Balance as at 12-31-2023		
	Gross amount	Impairment losses	Net amount	Inflows	Disposals	Increases	Reversals, charge-offs and transfers	Gross amount	Impairment losses	Net amount
Properties received in lieu of payment	-	-	-	67,204,881	(66,262,313)	(226,216)	-	942,568	(226,216)	716,352
	-	**-**	**-**	**67,204,881**	**(66,262,313)**	**(226,216)**	**-**	**942,568**	**(226,216)**	**716,352**

As at December 31, 2023, the “Inflows” presented mainly relate to a property received in payment in kind, as part of the recovery of a credit operation granted to customers and other liabilities with the Bank. Within the scope of this payment in kind, the customer handed over the property called “Projecto Parcela 1” located in Luanda Bay, whose market value in its current state amounted to AOA 70,512,465 thousand, determined by the average of three valuations carried out by independent experts registered with the Capital Markets Commission. On the date the contract was signed, the customer's liabilities to the Bank amounted to AOA 66,262,313 thousand, corresponding to (i) credit exposure in the total amount of AOA 27,928,044 thousand, previously recorded under “Loans and advances to customers” (Note 9), (ii) advances under the promissory contract for the acquisition of a building in the “Projecto Parcela 1” in the total amount of AOA 25,922,585 thousand, previously recorded under “Assets under construction” (Note 11), and (iii) transfer to the Bank of a set of liabilities relating to costs and expenses related to the development of the project's works recorded under “Accrued costs”, in the caption “Other liabilities" (Note 19), as the Bank awaits the issue of the respective invoices.

Additionally, 2 other properties were received in lieu of payment.

Also in the year ended December 31, 2023, the Bank signed a promissory contract (Note 15) for the transfer of the “Projecto Parcela 1” property to a private entity, for the amount of AOA 49,800,000 thousand. 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 2.10.).

Note 14 - Taxes

As at December 31, 2023 and 2022, the caption Current tax assets is presented as follows:

AOA thousand

	12-31-2023	12-31-2022
Current tax assets		
Other taxes receivable	2,464,674	2,546,736
	2,464,674	**2,546,736**

As at December 31, 2023 and 2022, the caption "Current tax assets" includes (i) taxes recoverable through the provisional settlement of Industrial Tax for the financial years 2017 and 2018, in the amounts of AOA 694,824 thousand and AOA 543,364 thousand, respectively, (ii) an amount to be recovered from the Tax Authorities (AGT) in the amount of AOA 580,295 thousand, and (iii) provisional settlement of Industrial Tax on services ("withholding tax") for the years 2021 and 2022 in the amounts of AOA 58,958 thousand and AOA 51,729 thousand, respectively.

Regarding the assessment and payment of provisional Industrial Tax, in accordance with Article 66 (10) of the Industrial Tax Code, as amended by Law 26/20 of July 20, the Bank assessed the tax for the 2023 financial year and was exempted from the assessment and payment of the tax for the 2022 financial year by means of letters from the AGT.

As at December 31, 2023 and 2022, "Deferred tax assets" and "Deferred tax liabilities" are analysed as follows:

AOA thousand

	Assets		Liabilities		Net	
	12-31-2023	12-31-2022	12-31-2023	12-31-2022	12-31-2023	12-31-2022
Deferred tax assets/(liabilities)						
Impairment of unaccepted loans	3,657,438	-	-	-	3,657,438	-
Loans and advances to customers (direct and indirect)	-	1,887,188	-	-	-	1,887,188
Securities portfolio	-	152,159	(2,208,505)	(152,875)	(2,208,505)	(716)
Other provisions for risks and charges	-	1,710,796	-	-	-	1,710,796
Other property, plant and equipment	-	-	(4,550,000)	-	(4,550,000)	-
Other financial assets	-	-	(471,634)	-	(471,634)	-
Potential exchange rate variations	-	-	(61,447,608)	(1,872,257)	(61,447,608)	(1,872,257)
Tax losses carried forward	-	-	61,447,608	1,872,257	61,447,608	1,872,257
	3,657,438	**3,750,143**	**(7,230,139)**	**(152,875)**	**(3,572,701)**	**3,597,268**

In 2020, Law 26/20 of July 20 was published which introduced several amendments to the corporate income tax system provided for in the Industrial Tax Code, namely, to Articles 13 and 14 (Income or gains/Costs or expenses) and Article 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 realized favourable and unfavourable exchange rate changes will now be considered as income and costs of this nature. Moreover, Article 45 of the Industrial Tax Code has been amended, with the introduction of a new paragraph 4 to the list of articles, which now states that “Provisions set up for collateralized 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 unrealized 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 unrealized 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 recognized in their entirety, whereas a deferred tax asset should only be recognized 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 2023 and 2022, considering the changes disclosed in the AGT letter (reference no. 1633/GAGA/GJ/AGT/2021, of April 8), and the projections of the tax results for the next 5 years.

As at December 31, 2023, it was calculated deferred tax liabilities related to potential exchange rate changes in the amount of AOA 61,447,608 thousand, considering the net effect of this nature of deferred tax, and deferred tax assets related to tax losses generated in the year and in previous years in the amount of AOA 61,447,608 thousand.

As at December 31, 2022, it was calculated deferred tax liabilities related to potential exchange rate changes in the amount of AOA 1,872,257 thousand, considering the net effect of this nature of deferred tax, and deferred tax assets related to tax losses generated in the year and in previous years in the amount of AOA 1,872,257 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:

AOA thousand

	12-31-2023	12-31-2022
Opening balancel	**3,597,268**	**3,387,192**
Recorded in profit or loss	(92,705)	332,691
Recorded in reserves - other comprehensive income	(7,077,264)	(122,615)
Closing balance (Assets/(Liabilities))	**(3,572,701)**	**3,597,268**

As at December 31, 2023 and 2022, tax recorded in profit or loss and reserves is as follows:

AOA thousand

	12-31-2023		12-31-2022	
	Recorded in profit or loss	Recognized in reserves	Recorded in profit or loss	Recognized in reserves
Loans and advances to customers (direct and indirect)	(92,705)	-	332,691	-
Other property, plant and equipment	-	(4,550,000)	-	-
Securities portfolio	-	(2,055,630)	-	(122,615)
Other financial assets	-	(471,634)	-	-
Deferred taxes	**(92,705)**	**(7,077,264)**	**332,691**	**(122,615)**
Total tax recognized	**(92,705)**	**(7,077,264)**	**332,691**	**(122,615)**

As at December 31, 2023 and 2022, the estimated industrial tax of the Bank can be analysed as follows:

AOA thousand

	12-31-2023		12-31-2022	
	%	Amount	%	Amount
Profit/(loss) before tax		**9,198,901**		**3,165,423**
Tax rate	35.00		35.00	
Tax assessed based on the tax rate		3,219,615	0.00%	1,107,898
Changes to positive equity (Article No. 13) - Adoption of IAS 29	-	n.a.	-	n.a.
Excessive amortization (Article No. 40)	12.32	216,860	0.43	13,717
Unforeseen provisions (Article No. 45)	454.67	8,005,640	8.81	278,889
Capital Gains Tax and Property Tax (Article No. 18)	75.38	1,327,319	13.01	411,717
Fines and penalties for infringements (Article No. 18)	11.55	203,281	10.06	318,446
Adjustments related to prior and extraordinary periods (Article No. 18)	28.54	502,582	14.81	468,833
Currency valuations (Article No. 13/14)	(3,927.88)	(69,160,784)	1,156.10	36,595,574
Income subject to Capital Gains Tax (Article No. 47)	(992.33)	(17,472,652)	(279.31)	(8,841,264)
Potential capital gains	(760.93)	(13,398,138)		
Unforeseen provisions (Article No. 45)	(12.34)	(217,345)	(650.96)	(20,605,707)
Other	33.83	595,583	(43.67)	(1,382,496)
Tax losses - Consumer goods	-	-	(264.28)	(8,365,607)
Tax payable - Current tax liability	**-**	**-**	**-**	**-**
Other expense/(income) – Industrial Tax	-	-	-	-
Income tax		**-**		**-**

As at December 31, 2023, the Bank did not recognized deferred tax assets on the full amount of recoverable tax losses. Therefore, as at December 31, 2023, the Bank has tax losses carried forward amounting to approximately AOA 31,225,443 thousand, on which it does not recognize deferred tax assets as their recoverability has not been demonstrated on this date.

In accordance with the applicable legislation, tax losses carried forward can be used for a period of five 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 259/10, of November 18 and Presidential Decree 31/12, of January 30, is exempted from all taxes.

In addition, Presidential Legislative Decree 5/11, of December 30 (revised and republished by Presidential Legislative Decree 2/14, of October 20) 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 47 of the Industrial Tax Code and the Law amending the Industrial Tax Code (Law 19/14 of October 22, in force since January 1, 2015, and Law 26/20 of July 20, 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 December 31, 2023 and 2022, such income was deducted from taxable profit.

Likewise, the expenditure calculated with the settlement of Capital Gains Tax is not accepted for tax purposes for the calculation of taxable profit, as set out in paragraph 1-a), Article 18, 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 May 17, 2016), only those arising from securities issued on or after January 1, 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 January 1, 2013, should be subject to Business Tax.

Note 15 - Other assets

This caption is analysed as follows:

AOA thousand

	12-31-2023	12-31-2022
Debtors from promissory contracts	123,518,549	60,394,533
Sundry debtors	29,345,774	33,103,382
Other assets		
Other pending transactions	12,426,733	11,601,077
Deferred expenses	7,491,186	5,555,811
Escrow accounts	333,912	3,253,624
Administrative public sector	-	174,600
Precious metals, coins, medals and other valuables	2,210	2,210
Other assets	331,949	684,658
	20,585,990	**21,271,979**
	173,450,313	**114,769,895**
Impairment losses	(26,433,788)	(19,138,010)
	147,016,525	**95,631,885**

As at December 31, 2023 and 2022, the caption Debtors from promissory contracts refers to amounts receivable under real estate sale agreements, most of which are recorded in domestic currency, with the remainder recorded in foreign currency, whose accounting policy is described in Note 2.5. 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 "Profit/(loss) from the sale of other assets" (Note 27), whose accounting policy is described in Note 2.10.

During the year ended December 31, 2023, the increase in the balance of the item "Debtors within the signing of promissory contracts" is essentially due to (i) the signing of a new CPCV, in the amount of AOA 49,800,000 thousand, as disclosed in Note 13, and (ii) the increase in the gross book value of CPCV expressed in foreign currency, due to the effect of the devaluation of the Kwanza against the main international currencies, recorded against the item "Foreign exchange results", as described in Note 26.

As at December 31, 2022, a promissory contract between the Bank and a third party (Note 11) was revoked and derecognized, with the parties agreeing to the immediate transfer of all the risks and benefits inherent in the properties to the Bank.

During the period ended December 31, 2022, the caption Debtors from promissory contracts was impacted by the appreciation of the Kwanza against the US Dollar, the signing of two new CPCV agreements, partial settlements of CPCV contracts and the triggering of a contractual clause of a CPCV contracts 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 December 31, 2023 and 2022, the caption Other assets – Sundry debtors refers to other assets with credit risk, namely: (i) amounts receivable under the "Angola Invest" Program of the Ministry of Economy and Planning, (ii) debt acknowledgment agreements through the assignment of the contractual position in loan agreements with customers; (iii) agreements for the assignment of surface rights; and (iv) 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 reduction in the balance of this caption is essentially due to the full settlement of outstanding amounts relating to the execution of guarantees provided under the "Angola Invest" Program.

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

AOA thousand

	12-31-2023	12-31-2022
Opening balance	**19,138,010**	**26,203,982**
Increases/(Reversals) (Note 31)	7,599,445	(4,235,113)
Foreign exchange differences and other (Note 26)	(303,667)	(2,830,859)
Closing balance	**26,433,788**	**19,138,010**

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

Note 16 - Deposits from central banks and other credit institutions

This caption is analysed as follows:

AOA thousand

	12-31-2023	12-31-2022
Deposits from credit institutions abroad		
Interbank market transactions	1,323,068	7,321,923
	1,323,068	**7,321,923**

As at December 31, 2023 and 2022, the balance of the item "Deposits from credit institutions in Angola – Other interbank market transactions" refers to a set of transactions pending settlement/adjustment, in national and foreign currency, relating to the use of internationally branded cards (VISA network) used in the Bank's payment terminal network in national territory and other transactions pending settlement in the national interbank payment subsystem. During the 2023 financial year, these transactions were settled net, considering the balance of the same nature recorded under "Deposits with other credit institutions in the country – Other interbank money market transactions" (Note 5).

Note 17 - Deposits from customers and other loans

This caption is analysed as follows:

AOA thousand

	12-31-2023	12-31-2022
Demand deposits from residents		
In national currency		
Corporate	322,997,882	218,375,526
Retail	122,040,122	98,851,873
	445,038,004	**317,227,399**
In foreign currency		
Corporate	245,147,919	134,785,707
Retail	72,252,696	41,885,161
	317,400,615	**176,670,869**
	762,438,619	**493,898,268**
Demand deposits from non-residents		
In national currency		
Corporate	1,274,242	652,505
Retail	17,675,725	11,375,925
	18,949,967	**12,028,430**
In foreign currency		
Corporate	2,639,582	1,093,209
Retail	4,535,948	2,253,656
	7,175,530	**3,346,865**
	26,125,497	**15,375,295**
Total demand deposits	**788,564,116**	**509,273,563**
Term deposits in national currency		
From residents		
Corporate	360,725,201	318,257,141
Retail	180,729,229	153,141,567
From non-residents	9,016,314	7,129,516
	550,470,744	**478,528,224**
Term deposits in foreign currency		
From residents		
Corporate	263,852,786	183,701,370
Retail	218,884,448	156,542,280
From non-residents	6,576,612	5,068,658
	489,313,845	**345,312,307**
Total term deposits	**1,039,784,589**	**823,840,531**
Total interest payable on term deposits	**13,651,283**	**11,408,179**
Total term deposits and interest payable	**1,053,435,872**	**835,248,711**
Other loans in foreign currency		
In national currency		
Principal	7,000,000	-
Interest payable	7,521	-
In foreign currency		
Principal	-	19,587,983
Interest payable	-	558,154
Total other loans and interest payable	**7,007,521**	**20,146,137**
	1,849,007,508	**1,364,668,411**

As at December 31, 2023, the caption “Other loans – In domestic currency” corresponds to a REPO operation contracted with an institutional customer, in the amount of AOA 7,000,000 thousand, on June 30, 2023, which has a maturity of 6 months and bears interest at an average annual rate of 13.50%.

As at December 31, 2022, Other foreign currency loans corresponds to a financing granted by the International Finance Corporation, an organization of the World Bank, in the amount of USD 50,000 thousand, contracted on May 23, 2019, with the disbursement taking place on February 26, 2021 with the conclusion of the relevant amendment. The financing is due on March 15, 2026, with repayment in half-yearly instalments starting on March 15, 2022, and is remunerated in accordance with the 6-month Libor plus a spread of 5.75%. In March 2023, the Bank made an early settlement of the entire debt with that institution, namely the principal, interest, commissions, and other fees arising from the early settlement. Thus, as at December 31, 2023, there are no additional liabilities or amounts payable under that loan.

As at December 31, 2023 and 2022, term deposits by residual maturity periods, excluding interest payable, is as follows:

AOA thousand

	12-31-2023	12-31-2022
Term deposits in national currency		
Below 3 months	295,245,739	282,080,394
3 to 6 months	112,420,580	94,732,560
6 to 12 months	142,804,425	101,715,270
	550,470,744	**478,528,224**
Term deposits in foreign currency		
Below 3 months	176,506,199	127,747,379
3 to 6 months	122,406,877	101,539,303
6 to 12 months	190,400,770	116,025,625
	489,313,845	**345,312,307**
	1,039,784,589	**823,840,531**

As at December 31, 2023 and 2022, term deposits by currency and average interest rate, excluding interest payable, is as follows:

AOA thousand

	12-31-2023		12-31-2022	
	Average interest rate	Amount	Average interest rate	Amount
In AOA	11.54%	550,470,744	12.06%	478,528,224
In USD	1.43%	440,242,696	1.17%	312,159,895
In EUR	0.30%	49,071,150	0.05%	33,152,412
		1,039,784,589		**823,840,531**

Note 18 - Provisions

The changes in this caption are detailed as follows:

AOA thousand

	Provisions for guarantees and commitments	Other provisions for risks and charges	Total
Balance as at December 31, 2021	**1,030,129**	**2,530,560**	**3,560,689**
Increases/Reversals (Note 31)	73,827	(277,050)	(203,223)
Foreign exchange differences and other (Note 26)	(160,128)	(270,506)	(430,635)
Balance as at December 31, 2022	**943,828**	**1,983,004**	**2,926,832**
Increases/Reversals (Note 31)	(261,546)	180,462	(81,084)
Foreign exchange differences and other (Note 26)	(207,882)	975,453	767,571
Balance as at December 31, 2023	**474,400**	**3,138,919**	**3,613,319**

As at December 31, 2023 and 2022, the caption Provisions for guarantees and 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 not drawn credit facilities.

As at December 31, 2023 and 2022, 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 of reflecting the best estimate of the amount and associated probability of payment.

As at December 31, 2023 and 2022, the balance under "Other provisions for risks and charges" includes the amount of EUR 2,966,861, corresponding to AOA 2,717,615 thousand and AOA 1,613,380 thousand, respectively, relating to liabilities to third parties, to be settled during the first half of 2024.

Note 19 - Other liabilities

This caption is analysed as follows:

AOA thousand

	12-31-2023	12-31-2022
Accrued expenses	5,239,307	3,552,502
Lease liabilities	3,482,493	5,470,195
Tax charges payable - withheld from third parties	1,507,446	1,076,760
Liabilities with employees	1,350,054	1,757,109
Sundry creditors	1,204,637	2,224,951
Administrative and marketing expenses payable	558,867	2,062,852
VAT payable from clearance/captive	459,007	1,113,370
Social Security contribution	193,933	164,921
Other	570,973	46,524
	14,566,717	**17,469,183**

As at December 31, 2023 and 2022, the caption "Other liabilities – Accrued expenses" includes amounts payable to service providers for telecommunications, security, valuables transportation, cleaning and other services.

As at December 31, 2023 and 2022, the caption "Other liabilities – Lease liabilities" corresponds to the present value of lease payments to be settled over the lease term, recognized under IFRS 16, as described in Note 2.11.

As at December 31, 2023 and 2022, the breakdown of lease liabilities by residual maturities is presented as follows:

AOA thousand

	12-31-2023	12-31-2022
1 to 5 years	346,284	49,406
Above 5 years	3,136,209	5,420,788
	3,482,493	**5,470,195**

As at December 31, 2023 and 2022, the balance of "Other liabilities – Liabilities with employees" includes the amount of AOA 1,134,914 thousand and AOA 1,133,049 thousand, respectively, related to holiday allowances.

As at December 31, 2023 and 2022, the caption "Other liabilities – Sundry creditors" mainly includes (i) costs related to the guarantee corresponding to the financing obtained from the International Finance Corporation, amounting to AOA 39,000 thousand and AOA 965,411 thousand, respectively, and (ii) other costs related to other guarantees and commitments undertaken by the Bank in the amount of AOA 798,806 thousand and AOA 488,977 thousand, respectively.

As at December 31, 2023 and 2022, the caption "Other liabilities – Administrative and marketing expenses payable" includes expenses payable for services rendered to the Bank, mainly related to VISA network services.

Note 20 - Share capital, share premiums 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 November 6 and 21, 2006), represented by 1,000,000 nominal shares of 10 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 December 13, 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 September 6, 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 December 17, 2013) and cash inflows in the amount of AOA 9,759,400 thousand (equivalent to USD 100,000 at the exchange rate of December 17, 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 December 17, 2013. As at December 31, 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 December 31, 2015, the Bank's share capital amounted to AOA 34,157,900 thousand, represented by 34,157,900 ordinary shares with a nominal value of AOA 1,000.

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

Considering the existence of own shares received within the merger, it was decided to cancel the own shares held. On this basis, the share capital of ATLANTICO is reduced from AOA 56,097,687 thousand to AOA 53,821,603 thousand, as a result of the extinction of 2,276,084 fully paid-up own shares of which, as a result of the merger, ATLANTICO will become holder, based on Articles No. 461 and 372(4)(a), of the Commercial Companies Code.

As at 31 December 2023 and 2022, 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 December 31, 2023 and 2022, the Shareholder structure is as follows:

	12-31-2023		12-31-2022	
	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%	12,124,244	22.53%
Sotto Financial Group S.A.R.L	10,657,874	19.80%	10,657,874	19.80%
Jasper Capital Partners – Investimentos e Participações, S.A.	9,753,116	18.12%	9,753,116	18.12%
Quadros – Gestão de Activos, S.A.	2,220,263	4.13%	2,220,263	4.13%
Fundação ULWAZI (ex-Fundação Atlântico)	1,247,223	2.32%	1,247,223	2.32%
Gemcorp Fund I LP	1,024,737	1.90%	1,024,737	1.90%
Acções Próprias (ATLANTICO)	492,182	0.91%	492,182	0.91%
Other entities	278,609	0.52%	278,609	0.52%
	53,821,603	**100.00%**	**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. 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 December 31, 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. The adoption of IAS 29 on treasury shares resulted in an impact of AOA 349,475 thousand. Accordingly, as at December 31, 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)

The fair value reserve represents the potential gains and losses relating to the updating of (i) the portfolio of financial assets at fair value through other comprehensive income, (ii) shareholdings recorded at fair value through other comprehensive income and (iii) the revaluation of properties for own use recorded under "Other property, plant and equipment". 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:

AOA thousand

	12-31-2023	12-31-2022
Opening balance	**284,357**	**56,645**
Changes in fair value of other property, plant and equipment (Note 11)	13,000,000	-
Changes in fair value of securities at fair value through other comprehensive income (Note 7)	5,614,155	1,081,743
Changes in fair value of investments at fair value through other comprehensive income (Note 7)	1,346,032	-
Recognized impairment	260,568	(731,416)
Deferred taxes recognized in reserves (Note 14)	(7,077,264)	(122,615)
Closing balance	**13,427,848**	**284,357**

Revaluation reserves, other reserves and retained earnings

Changes occurred in these captions are analysed as follows:

AOA thousand

	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 December 31, 2021 (Restated)	**87,145**	**(30,500)**	**56,645**	**19,845,525**	**(49,537,737)**	**(29,692,213)**	**(29,635,568)**
Changes in fair value	350,327	(122,615)	227,712	-	-	-	227,712
Transfer to legal reserve	-	-	-	342,837	-	342,837	342,837
Transfer to retained earnings	-	-	-	-	3,085,531	3,085,531	3,085,531
Balance as at December 31, 2022	**437,472**	**(153,115)**	**284,357**	**20,188,362**	**(46,452,206)**	**(26,263,845)**	**(25,979,488)**
Changes in fair value	19,960,187	(7,077,264)	12,882,923	-	-	-	12,882,923
Transfer to legal reserve	-	-	-	349,811	-	349,811	349,811
Transfer to retained earnings	-	-	-	-	3,148,302	3,148,302	3,148,302
Balance as at December 31, 2023	**20,397,659**	**(7,230,379)**	**13,167,280**	**20,538,173**	**(43,303,903)**	**(22,765,732)**	**(9,598,451)**

By unanimous resolution of the General Meeting held on April 17, 2023, it was decided to apply the amount corresponding to the net profit obtained in the previous period (2022): 90% in free reserves and 10% in legal reserves.

Note 22 - Net interest income

This caption is analysed as follows:

AOA thousand

	12-31-2023	12-31-2022
Interest and similar income		
Interest from financial assets at amortized cost		
Interest from loans and advances to customers	40,539,572	69,808,073
Interest from debt securities	39,101,772	23,775,436
Interest from other loans and advances to credit institutions	3,232,218	688,267
Interest from financial assets at fair value through other comprehensive income	6,323,936	1,501,794
	89,197,498	**95,773,570**
Interest and similar expenses		
Interest from deposits	(67,265,400)	(58,633,541)
Interest from deposits from central banks and other credit institutions	(4,339,802)	(3,324,101)
Lease interest	(1,409,129)	(1,361,442)
	(73,014,331)	**(63,319,084)**
	16,183,167	**32,454,486**

As at December 31, 2023 and 2022, the caption "Interest from loans and advances to customers" includes the amount of AOA 92,705 thousand and AOA 332,691 thousand, respectively, relating to commissions and other income accounted for under the effective interest rate method, as established in IAS/IFRS and detailed in Note 2.15.

As at December 31, 2023 and 2022, the caption "Interest on loans and advances to customers" includes the amount of AOA 583,403 thousand and AOA 259,971 thousand, relating to the effect of loans and advances to employees, in accordance with IAS 19.

As at December 31, 2023 and 2022, 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 recognizes interest on these operations, in accordance with the accounting policy described in Note 2.15.

Note 23 - Profit/(loss) from fees and commissions

This caption is analysed as follows:

AOA thousand

	12-31-2023	12-31-2022
Fees and commissions income		
Electronic transactions	11,710,781	10,354,908
Transfers issued/received	6,195,865	4,356,277
VISA	3,249,728	3,155,079
Guarantees provided	1,163,582	1,160,415
Opening of credit facilities/renewals and maintenance	1,050,468	771,784
DD account maintenance	680,863	1,277,112
Custody commissions and market transactions	654,432	279,967
Withdrawals	229,431	455,316
Documentary letters of credit	73,854	1,360,684
Foreign exchange transactions	3,437	45,927
Other	3,404,666	4,074,014
	28,417,107	**27,291,483**
Fees and commissions expense		
Electronic transactions	(5,770,565)	(6,079,013)
Foreign transactions	(490,242)	(333,472)
Other	(553,584)	(465,337)
	(6,814,391)	**(6,877,822)**
	21,602,716	**20,413,661**

As at December 31, 2023 and 2022, 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 December 31, 2023 and 2022, "Fee and commission income – Other commissions" essentially corresponds to the gains obtained from commissions on products and services marketed by the Bank.

As at December 31, 2023 and 2022, the balance under "Fees and commissions expense – Electronic transactions" essentially corresponds to the costs incurred with commissions for transactions carried out at ATMs and POS terminals belonging to other banks.

Note 24 - Profit/(loss) from financial assets and liabilities at fair value through profit or loss

This caption is analysed as follows:

AOA thousand

	12-31-2023			12-31-2022		
	Income	Expense	Total	Income	Expense	Total
Other variable income securities						
Shares	38,280,395	-	38,280,395	-	(4,104,719)	(4,104,719)
Loans and advances to customers	-	(39)	(39)	23,725	-	23,725
Derivatives	-	-	-	987,597	-	987,597
Securities	224,029	-	224,029		-	-
	38,504,424	**(39)**	**38,504,385**	**1,011,322**	**(4,104,719)**	**(3,093,397)**

This caption includes the change in fair value and the result of the disposal of other variable-income securities recorded in the financial assets portfolio at fair value through profit or loss, fair value of loans and advances to customers whose contractual cash flows do not comply with SPPI (Solely Payments of Principal and Interest), and the capital gains and losses on derivatives in the portfolio, as disclosed in Note 2.5.

As at December 31, 2023, the income recorded under "Other variable income securities – Investment units" includes AOA 37,380,515 thousand relating to the valuation of the investment units held in the Pactual Property Fund – FIIF (Note 6), calculated in accordance with the accounting policy described in Note 2.5. The increase in value during the year is essentially due to the revaluation of all the properties held by the Fund in 2023.

Note 25 - Profit/(loss) from investments at amortized cost

This caption is analysed as follows:

AOA thousand

	12-31-2023			12-31-2022		
	Income	Expense	Total	Income	Expense	Total
Bonds and other fixed-income securities						
Issued by public entities	417,836	-	417,836	134,431	-	134,431
	417,836	**-**	**417,836**	**134,431**	**-**	**134,431**

The balance of this caption is mainly related to the disposal of Treasury Bonds indexed to the US Dollar (Notes 2.5. and 8).

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

This caption is analysed as follows:

AOA thousand

Profit/(loss) from foreign exchange differences	12-31-2023	12-31-2022
Profit/(loss) from revaluation of assets and liabilities	20,847,047	7,775,713
Profit/(loss) from currency purchase and sale transactions	7,294,304	14,675,618
Other profit/(loss) from foreign exchange differences	4,348,746	-
	32 490 097	**22 451 332**

As at December 31, 2023 and 2022, the caption Profit/(loss) from 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 2.3. As at December 31, 2023 and 2022, there was a significant depreciation of the Kwanza currency against the main reference currencies, namely 65% and 71% against the US Dollar and Euro, respectively.

As at December 31, 2023 and 2022, in accordance with the accounting policy described in Note 2.3., foreign exchange gains and losses on own and customer transactions in foreign currencies, namely hedging of import documentary credits, foreign exchange transactions abroad, direct sale of foreign currency and other similar transactions, are recorded in the caption Profit/(loss) from currency purchase and sale transactions.

Note 27 - Profit/(loss) from the sale of other assets

This caption is analysed as follows:

AOA thousand

	12-31-2023	12-31-2022
Promissory contracts	(15,970,776)	-
Write-offs of fixed assets	(31,905)	(883,728)
	(16,002,681)	**(883,728)**

As at December 31, 2023 and 2022, 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).

Note 28 - Staff costs

This caption is analysed as follows:

AOA thousand

	12-31-2023	12-31-2022
Wages and salaries	18,272,106	17,435,827
Mandatory social charges	3,619,978	3,474,336
Other staff costs	6,603,705	6,084,116
	28,495,834	**26,994,278**

As at December 31, 2023 and 2022, the caption Staff costs includes the amount of AOA 516,437 thousand and AOA 4,761 thousand, respectively, relating to the effect of loans and advances to employees and management bodies, in accordance with IAS 19.

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

	12-31-2023	12-31-2022
Senior management functions	115	105
Management functions	318	328
Specific functions	538	516
Administrative and other functions	525	503
	1,496	**1,452**

As at December 31, 2023 and 2022, staff costs relating to members of the Board of Directors and Other Corporate Bodies were as follows:

AOA thousand

	12-31-2023					
	Board of Directors	Other Corporate Bodies				Total
		Supervisory Board	Welfare Board	General Meeting	Total	
Remunerations	3,077,486	108,560	232,969	5,878	347,407	3,424,893
Other remuneration	1,672,226	-	-	-	-	1,672,226
Other social charges	291,466	-	-	-	-	291,466
	5,041,178	**108,560**	**232,969**	**5,878**	**347,407**	**5,388,585**

AOA thousand

	12-31-2022					
	Board of Directors	Other Corporate Bodies				Total
		Supervisory Board	Welfare Board	General Meeting	Total	
Remunerations	1,773,230	152,414	173,167	19,621	345,202	2,118,432
Other remuneration	1,505,620	-	-	-	-	1,505,620
Other social charges	219,360	-	-	-	-	219,360
	3,498,210	**152,414**	**173,167**	**19,621**	**345,202**	**3,843,412**

Note 29 - Supplies and services

This caption is analysed as follows:

AOA thousand

	12-31-2023	12-31-2022
Communication and shipment	6,767,812	5,540,165
Audit and advisory	4,718,999	5,938,030
Maintenance and repair	2,014,731	1,139,814
Security and surveillance	1,870,960	1,898,996
Travel and representation	1,420,036	998,924
IT services	1,038,599	642,018
Advertising and publications	406,086	303,252
Water, energy and fuel	242,132	225,037
Current consumables	237,526	1,460,867
Rents & Leases	110,908	48,214
Other	281,630	238,228
	19,109,419	**18,433,543**

As at December 31, 2023 and 2022, the balance of “Communications and shipment” includes AOA 5,636,392 thousand and AOA 1,166,779 thousand, respectively, relating to communication services on the interbank network, for communication with platforms shared between EMIS, BODIVA and the banks operating in the market.

As at December 31, 2023 and 2022, the balance of “Audit and advisory” essentially includes amounts related to technical support services from external partners.

As at December 31, 2023 and 2022, the balance of “Security and surveillance” and “Maintenance and repair” includes amounts related to the Bank's investments in developing and strengthening the security of the digital business and other maintenance services for means and equipment used by the Bank, respectively.

Between December 31, 2023 and 2022, the increase in costs is also justified by (i) the significant depreciation of the Kwanza currency against the main reference currencies, as described in Note 26, and (ii) the reversal of the downward trend in the inflation rate, seen in 2022, ending the 2023 financial year with an increase of around 20%.

Note 30 - Depreciation and amortization for the period

This caption is analysed as follows:

AOA thousand

	12-31-2023	12-31-2022
Other property, plant and equipment (Note 11)		
Real Estate		
Real Estate	1,553,993	1,268,071
Equipment		
IT equipment	2,072,058	1,675,380
Furniture and material	479,392	197,372
Security equipment	400,183	486,846
Transport equipment	258,118	334,016
Indoor facilities	163,392	194,326
Machinery and tools	79,606	79,679
Other	52,718	81,270
Right-of-use assets		
Real Estate	401,347	1,158,112
Other property, plant and equipment	-	11
	5,460,807	**5,475,082**
Intangible assets (Note 12)		
Automatic data processing systems	4,060,823	4,608,600
Other intangible assets	58,752	55,373
	4,119,575	**4,663,973**
	9,580,382	**10,139,056**

Note 31 - Provisions and impairment of other assets

This caption is analysed as follows:

AOA thousand

	12-31-2023	12-31-2022
Increases		
Non-current assets held for sale (Note 13)	(226,216)	-
Other assets (Note 15)	(11,392,515)	(1,060,033)
Provisions (Note 18)	(3,368,576)	(73,827)
Reversals		
Non-current assets held for sale (Note 13)	-	2,392,425
Other assets (Note 15)	3,793,070	5,295,146
Provisions (Note 18)	3,449,660	277,050
	(7,744,577)	**6,830,761**

As at December 31, 2023 and 2022, the item “Provisions” includes contributions to the ATLANTICO Pension Fund, as defined in Note 2.13.

Note 32 - Impairment of other financial assets

This caption is analysed as follows:

AOA thousand

	12-31-2023	12-31-2022
Charges net of reversals		
Loans and advances to credit institutions repayable on demand (Note 5)	(6,364)	3,838
	(6,364)	**3,838**

As at December 31, 2023 and 2022, the balance of this caption results from the application of the requirements of Directive 13/DSB/DRO/2019 on its other loans and advances to credit institutions.

Note 33 - Impairment for financial assets at amortized cost

This caption is analysed as follows:

AOA thousand

	12-31-2023	12-31-2022
Charges net of reversals		
Debt securities (Note 8)	1,404,091	842,752
Loans and advances to customers (Note 9)	(11,185,691)	(12,446,429)
Other loans and advances to central banks and credit institutions (Note 10)	19,589	262,377
	(9,762,011)	**(11,341,301)**

As at December 31, 2023 and 2022, the balance of this caption results from the application of the requirements of Directive 13/DSB/DRO/2019 on securities, loans and advances to customers and loans and advances to credit institutions repayable on demand.

Note 34 - Other operating income

This caption is analysed as follows:

AOA thousand

	12-31-2023	12-31-2022
Non-recurrent income on credit operations	(7,759,948)	(3,567,459)
Direct and indirect taxes	(749,332)	(932,152)
Deposit guarantee fund	(151,610)	(278,353)
Contributions and donations	143,753	224,767
Other	(1,041,463)	(2,953,170)
	(9,558,600)	**(7,506,367)**

As at December 31, 2023 and 2022, "Direct and indirect taxes" includes the amounts of AOA 2,353,996 thousand and AOA 2,045,669 thousand, respectively, relating to Capital Gains Tax, and includes the amounts of AOA 2,130,958 thousand and AOA 1,213,726 thousand, respectively, relating to Value Added Tax.

As at December 31, 2023, the caption "Deposit guarantee fund" corresponds to payments of the periodic contribution to the Deposit Guarantee Fund, in accordance with BNA Notice 01/19.

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 December 31, 2023 and 2022, Earnings per share are detailed as follows:

AOA thousand

	12-31-2023	12-31-2022
Individual net profit/(loss) attributable to shareholders of the Bank	**9,106,196**	**3,498,114**
Weighted average number of ordinary shares issued	53,821,603	53,821,603
Weighted average number of treasury shares in portfolio	(841,657)	(841,657)
Average number of ordinary shares outstanding	**52,979,946**	**52,979,946**
Basic earnings per share attributable to shareholders of the Bank (in AOA)	**171.88**	**66.03**
Diluted earnings per share attributable to shareholders of the Bank (in AOA)	**171.88**	**66.03**

Note 36 - Off-balance sheet accounts

This caption is analysed as follows:

AOA thousand

	12-31-2023	12-31-2022
Guarantees provided	125,743,714	33,922,097
Commitments to third parties	14,893,375	14,701,868
Liabilities for services rendered	345,155,656	416,464,775
Guarantees received	(2,026,292,902)	(1,843,093,705)
	(1,540,500,157)	**(1,378,004,964)**

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.

Bank guarantees provided are banking operations that do not result in the mobilization of Funds by the Bank.

As at December 31, 2023 and 2022, the exposure and impairment losses associated with guarantees provided, by stage, are detailed as follows:

AOA thousand

	12-31-2023			
	Stage 1	Stage 2	Stage 3	Total
Gross amount	122,220,453	2,967,035	556,226	125,743,714
Impairment losses (Note 18)	(162,394)	(239,801)	(72,205)	(474,400)
	122,058,060	**2,727,234**	**484,021**	**125,269,315**

AOA thousand

	12-31-2022			
	Stage 1	Stage 2	Stage 3	Total
Gross amount	27,338,995	1,807,720	4,775,383	33,922,097
Impairment losses (Note 18)	(40,399)	(259,259)	(644,169)	(943,828)
	27,298,596	**1,548,460**	**4,131,214**	**32,978,270**

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 not drawn 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:

1. All entities that are directly or indirectly owned by more than 2% of ATLANTICO's share capital;

2. All entities in which shareholders directly or indirectly hold more than 10% of the share capital, falling within the point 1, or in which they are the effective beneficiaries;

3. 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;

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

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

5. Entities that are directly or indirectly in a control or group relationship with ATLANTICO (cf. definitions in paragraphs 5 and 6 below of Title IV);

6. 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 ATLANTICO, of one of the following:

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

7. Entities in which members of the management and/or supervisory body exercise management or supervisory functions;

8. 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; and

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

As at December 31, 2023 and 2022, 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.
Sotto 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
Miguel Nuno André Raposo Alves
Ana Patrícia Pereira Gabriel Tavares
Éder Nuno Vicente Samuel de Sousa
Isabel Regina do Espírito Santo
Paulo Fernando Cartaxo Tomás
João da Conceição Ribeiro Mendonça
Elpidio Ferreira Lourenço Neto
José Miguel Bensliman Schorcht da Silva Pessanha
José Carlos Manuel Burity
Ana Catarina Nunes de Souza e Sá
Mauro André dos Santos Neves
Madalena Adriano Domingos de Lemos Neto
Vanessa Fernandes de Oliveira Mendonça

Members of the Supervisory Board
Maria Cristina Santos Ferreira
José Pedro Porto Dordio
Nuno Gonçalo de Teodósio e Cruz Cachado de Oliveira
António Guilherme Rodrigues Frutuoso de Melo
Nelson Luís Vieira Teixeira

Members of the Board of the General Meeting
João Manuel Pedro
Fernando Magiolo Magarreiro
Patrícia Correia Dias

Other related entities
Banco Comercial Português S.A.
Banco Atlântico Europa, S.A.
Atlântico Property - FIIF
Fortaleza Seguros, S.A.
SG Hermera Capital Partners - SGOIC, S.A.
Odell Global Investors - SGOIC, S.A.
Milos Capital Partners, S.A.
Dual Impact Fund, FCR

As at December 31, 2023 and 2022, the balances with related parties are detailed as follows:

AOA thousand

	12-31-2023				
	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	11,733,495	-	-	7,129,518	18,863,013
Financial assets at fair value through profit or loss	-	-	-	295,169,846	295,169,846
Financial assets at amortized cost					
Loans and advances to customers	12,202,321	2,753,291	2,567,813	334	17,523,759
Other loans and advances to central banks and credit institutions	1,144,988	-	-	-	1,144,988
Other assets	7,560,606	-	-	3,623,352	11,183,958
Total Assets	**32,641,410**	**2,753,291**	**2,567,813**	**305,923,050**	**343,885,564**
Liabilities					
Customer resources	25,578,718	14,019,644	2,861,968	7,815,137	50,275,467
Total Liabilities	**25,578,718**	**14,019,644**	**2,861,968**	**7,815,137**	**50,275,467**

AOA thousand

	12-31-2022				
	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	4,472,027	-	-	11,442,484	15,914,511
Financial assets at fair value through profit or loss	-	-	-	258,363,037	258,363,037
Financial assets at amortized cost					
Loans and advances to customers	11,345,504	3,290,838	2,464,342	649	17,101,333
Other loans and advances to central banks and credit institutions	10,745,618	-	-	-	10,745,618
Other assets	6,747,833	-	-	3,525,803	10,273,636
Total Assets	**33,310,982**	**3,290,838**	**2,464,342**	**273,331,973**	**312,398,135**
Liabilities					
Customer resources	20,517,734	15,322,290	2,654,189	11,037,769	49,531,982
Total Liabilities	**20,517,734**	**15,322,290**	**2,654,189**	**11,037,769**	**49,531,982**

As at December 31, 2023 and 2022, the income and expenses recognized in net interest income for the period, arising from the Bank's transactions with related parties, were as follows:

AOA thousand

Net interest income	12-31-2023				
	Shareholders	Board of Directors	Other key management personnel and family members	Other related parties	Total
Interest from loans and advances to customers	855,139	50,952	141,514	-	1,047,606
Interest and similar income	**855,139**	**50,952**	**141,514**	**-**	**1,047,606**
Interest from customer deposits	(491,909)	(950,710)	(61,221)	(574,904)	(2,078,745)
Interest and similar expenses	**(491,909)**	**(950,710)**	**(61,221)**	**(574,904)**	**(2,078,745)**
Net interest income	**363,230**	**(899,758)**	**80,293**	**(574,904)**	**(1,031,139)**

AOA thousand

Net interest income	12-31-2022				
	Shareholders	Board of Directors	Other key management personnel and family members	Other related parties	Total
Interest from loans and advances to customers	1,102,915	2,183,093	173,771	649,730	4,109,509
Interest and similar income	**1,102,915**	**2,183,093**	**173,771**	**649,730**	**4,109,509**
Interest from customer deposits	(369,567)	(921,739)	(56,297)	(889,410)	(2,237,013)
Interest and similar expenses	**(369,567)**	**(921,739)**	**(56,297)**	**(889,410)**	**(2,237,013)**
Net interest income	**733,349**	**1,261,353**	**117,474**	**(239,679)**	**1,872,496**

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 issuer.

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 December 31, 2023 and 2022, the fair value of financial instruments is presented as follows:

AOA thousand

	12-31-2023				
	Net book value	Fair value of financial instruments			Total book value
		Measured at fair value	Measured at amortized cost	Total	
Assets					
Financial assets at fair value through profit or loss					
Shares	298,890,931	298,890,931	-	298,890,931	298,890,931
Loans and advances to customers	124,571	124,571	-	124,571	124,571
	299,015,502	**299,015,502**		**299,015,502**	**299,015,502**
Financial assets at fair value through other comprehensive income					
Bonds and other fixed-income securities	51,331,595	51,331,595	-	51,331,595	51,331,595
Shares	1,775,421	1,775,421	-	1,775,421	1,775,421
	53,107,016	**53,107,016**	**-**	**53,107,016**	**53,107,016**
Financial assets at amortized cost					
Debt securities	467,315,333	-	467,315,333	467,315,333	467,315,333
Loans and advances to customers	479,108,472	-	479,108,472	479,108,472	479,108,472
Other loans and advances to central banks and credit institutions	81,193,455	-	81,193,455	81,193,455	81,193,455
	1,027,617,260	**-**	**1,027,617,260**	**1,027,617,260**	**1,027,617,260**
Total Assets	**1,379,739,778**	**352,122,518**	**1,027,617,260**	**1,379,739,778**	**1,379,739,778**
Liabilities					
Financial liabilities at fair value through profit or loss					
Deposits from customers and other loans					
Term deposit	1,053,435,872	-	1,053,435,872	1,053,435,872	1,053,435,872
Other loans	7,007,521	-	7,007,521	7,007,521	7,007,521
	1,060,443,393		**1,060,443,393**	**1,060,443,393**	**1,060,443,393**
Total Liabilities	**1,060,443,393**	**-**	**1,060,443,393**	**1,060,443,393**	**1,060,443,393**

AOA thousand

	12-31-2022				
	Net book value	Fair value of financial instruments			Total book value
		Measured at fair value	Measured at amortized cost	Total	
Assets					
Financial assets at fair value through profit or loss					
Shares	260,203,725	260,203,725	-	260,203,725	260,203,725
Loans and advances to customers	182,149	182,149	-	182,149	182,149
	260,385,874	**260,385,874**		**260,385,874**	**260,385,874**
Financial assets at fair value through other comprehensive income					
Bonds and other fixed-income securities	53,806,962	53,806,962	-	53,806,962	53,806,962
Shares	429,389	429,389	-	429,389	429,389
	54,236,351	**54,236,351**	**-**	**54,236,351**	**54,236,351**
Financial assets at amortized cost					
Debt securities	467,315,333	-	467,315,333	467,315,333	467,315,333
Loans and advances to customers	453,601,310	-	453,601,310	453,601,310	453,601,310
Other loans and advances to central banks and credit institutions	30,547,298	-	30,547,298	30,547,298	30,547,298
	951,463,941	**-**	**951,463,941**	**951,463,941**	**951,463,941**
Total Assets	**1,266,086,166**	**314,622,225**	**951,463,941**	**1,266,086,166**	**1,266,086,166**
Liabilities					
Financial liabilities at fair value through profit or loss					
Derivatives	2,030,008	2,030,008	-	2,030,008	2,030,008
	2,030,008	**2,030,008**		**2,030,008**	**2,030,008**
Financial liabilities at amortized cost					
Deposits from customers and other loans					
Term deposit	835,248,710	-	835,248,710	835,248,710	835,248,710
Other loans	20,146,137	-	20,146,137	20,146,137	20,146,137
	855,394,847		**855,394,847**	**855,394,847**	**855,394,847**
Total Liabilities	**857,424,855**	**2,030,008**	**855,394,847**	**857,424,855**	**857,424,855**

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 judgment, 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 December 31, 2023 and 2022, 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 amortized 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 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.

For shares, the best estimate of fair value is the book value of the entities in which the Bank holds shares, given by their equity and the percentage held by the Bank and, where possible, with the Auditor's Report.

Financial assets at amortized 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 amortized cost is presumed to be their carrying amount.

Deposits from central banks and other credit institutions

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.

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 December 31, 2023 and 2022, the credit quality of financial assets is presented as follows:

AOA thousand

	12-31-2023				
	Rating origin	Rating level	Total exposure	Impairment losses	Net exposure
Loans and advances to customers	Internal rating	Low	18,492,243	(1,186,300)	17,305,943
		Medium	95,069,572	(13,909,922)	81,159,649
		High	345,749,306	(62,222,073)	283,527,232
	No rating	Not available	209,326,435	(112,210,789)	97,115,646
Other assets	External rating	AAA to AA-	5,706,184	(86)	5,706,099
		A+ to A-	21,609,759	(445)	21,609,314
		BBB+ to BBB-	97,383,137	(6,932)	97,376,206
		BB+ to BB-	3,382,649	(3,155)	3,379,494
		B+ to B-	906,710,590	(5,269,346)	901,441,245
	No rating	Not available	657,088,320	(78,009,589)	579,078,731
			2,360,518,196	**(272,818,637)**	**2,087,699,559**

AOA thousand

	12-31-2022				
	Rating origin	Rating level	Total exposure	Impairment losses	Net exposure
Loans and advances to customers	Internal rating	Low	16,646,871	(1,605,262)	15,041,609
		Medium	93,297,391	(12,664,117)	80,633,275
		High	287,888,425	(44,376,095)	243,512,330
	No rating	Not available	212,014,528	(97,600,432)	114,414,096
Other assets	External rating	AAA to AA-	-	-	-
		A+ to A-	12,931,395	(875)	12,930,519
		BBB+ to BBB-	16,493,447	(1,159)	16,492,288
		BB+ to BB-	16,862,799	(11,760)	16,851,040
		B+ to B-	573,525,791	(4,421,121)	569,104,669
	No rating	Not available	585,889,025	(70,590,498)	515,298,527
			1,815,549,672	**(231,271,319)**	**1,584,278,354**

Note 39 - Risk management

The Bank is subject to different types of risk during 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 organization

The Risk Office (ROF) is part of ATLANTICO's organizational 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 Commission (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, formalized 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 08/2021, which establishes a new regulatory and prudential framework for the Angolan financial system arising from the supervisory equivalence program 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. In accordance with the new regulatory framework, the Bank made its first report in May 2022, with reference to the period ended March 31, 2022. On this date, the new regulatory package has been fully implemented by the Bank, in accordance with the guidelines of the Banco Nacional de Angola.

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 concentration/individual, sector and geographic risks;
- Define and monitor the internal boundaries for counter parties; and
- Monitor 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; and
- Personal or real guarantees at the credit conception, in order to mitigate the Bank's exposure to the respective counterparty.

As at December 31, 2023 and 2022, the information on the Bank's exposure to credit risk by type of financial assets, including off-balance sheet exposure, is detailed as follows:

AOA thousand

	12-31-2023		
	Gross carrying amount	Impairment losses	Net book value
Balance sheet items			
Cash and deposits at central banks	356,926,890	-	356,926,890
Loans and advances to credit institutions repayable on demand	94,160,640	(13,532)	94,147,108
Financial assets at fair value through profit or loss	299,015,502	-	299,015,502
Financial assets at fair value through other comprehensive income	53,640,751	(533,736)	53,107,016
Financial assets at amortized cost			
Debt securities	472,578,094	(5,262,762)	467,315,333
Loans and advances to customers	668,637,557	(189,529,085)	479,108,472
Other loans and advances to central banks and credit institutions	81,197,130	(3,674)	81,193,455
Other assets	173,450,313	(26,433,788)	147,016,525
	2,199,606,878	**(221,776,576)**	**1,977,830,301**
Off-balance sheet items			
Documentary credit	87,422,704	(56,508)	87,366,196
Guarantees provided	38,321,010	(417,892)	37,903,118
	125,743,714	**(474,400)**	**125,269,315**
	2,325,350,592	**(222,250,976)**	**2,103,099,616**

AOA thousand

	12-31-2022		
	Gross carrying amount	Impairment losses	Net book value
Balance sheet items			
Cash and deposits at central banks	214,230,500	-	214,230,500
Loans and advances to credit institutions repayable on demand	46,176,191	(7,167)	46,169,024
Financial assets at fair value through profit or loss	260,385,874	-	260,385,874
Financial assets at fair value through other comprehensive income	54,236,351	-	54,236,351
Financial assets at amortized cost			
Debt securities	310,701,923	(4,404,485)	306,297,438
Loans and advances to customers	609,847,216	(156,245,906)	453,601,310
Other loans and advances to central banks and credit institutions	30,570,561	(23,263)	30,547,298
Other assets	114,769,894	(19,138,009)	95,631,885
	1,640,918,511	**(179,818,830)**	**1,461,099,680**
Off-balance sheet items			
Documentary credit	17,916,012	(578,983)	17,337,028
Guarantees provided	16,006,086	(364,844)	15,641,242
	33,922,097	**(943,828)**	**32,978,270**
	1,674,840,608	**(180,762,658)**	**1,494,077,950**

As at December 31, 2023 and 2022, the breakdown by sector of activity of the loan exposure to customers, including guarantees provided and documentary credit, is as follows:

AOA thousand

Business sector	12-31-2023					
	Loans and advances to customers		Guarantees provided and documentary credit	Total exposure	Impairment losses	
	Outstanding	Overdue			Amount	%
Real Estate	156,655,165	48,540,113	-	205,195,278	(44,525,995)	22%
Wholesale and Retail Trade	72,422,520	21,585,281	53,614,580	147,622,381	(27,127,141)	18%
Construction	138,717,419	13,104,213	28,688,400	180,510,032	(51,490,590)	29%
Manufacturing Industry	105,441,852	33,065,664	22,128,812	160,636,328	(27,104,099)	17%
Retail	32,904,087	17,687,443	-	50,591,530	(28,643,461)	57%
Other	12,289,541	16,224,258	21,311,923	49,825,722	(10,637,799)	21%
	518,430,584	**150,206,972**	**125,743,714**	**794,381,271**	**(189,529,085)**	**24%**

AOA thousand

Business sector	12-31-2022					
	Loans and advances to customers		Guarantees provided and documentary credit	Total exposure	Impairment losses	
	Outstanding	Overdue			Amount	%
Real Estate	152,974,929	32,918,780	-	185,893,709	(32,055,375)	17%
Wholesale and Retail Trade	83,756,481	13,044,360	9,334,835	106,135,676	(22,327,894)	21%
Construction	124,977,747	6,019,975	4,553,495	135,551,217	(42,074,577)	31%
Manufacturing Industry	95,103,146	20,670,920	6,908,465	122,682,532	(22,056,755)	18%
Retail	41,390,644	12,361,821	1,050,763	54,803,228	(28,348,986)	52%
Other	15,493,594	11,134,819	12,074,539	38,702,952	(9,382,319)	24%
	513,696,541	**96,150,675**	**33,922,097**	**643,769,313**	**(156,245,906)**	**24%**

As at December 31, 2023 and 2022, the geographical concentration of credit risk is presented as follows:

AOA thousand

	12-31-2023 Geography			
	Angola	Portugal	Other	Total
Loans and advances to customers	668,273,720	317,694	46,141	668,637,556
Guarantees provided and documentary credit	125,639,769	-	103,945	125,743,714
	793,913,489	**317,694**	**150,087**	**794,381,270**

AOA thousand

	12-31-2022 Geography			
	Angola	Portugal	Other	Total
Loans and advances to customers	607,145,242	2,652,621	49,353	609,847,216
Guarantees provided and documentary credit	33,818,152	-	103,945	33,922,097
	640,963,394	**2,652,621**	**153,298**	**643,769,313**

As at December 31, 2023 and 2022, the exposure to credit risk by financial asset class, rating level and stage, is presented as follows:

AOA thousand

	12-31-2023			
	Stage 1 (12 months)	Stage 2 (instrument duration)	Stage 3 (instrument duration)	Total
Loans and advances to customers				
Low level	6,820,535	11,222,062	449,646	18,492,243
Medium level	18,695,684	57,296,458	19,077,429	95,069,571
High level	18,385,438	220,056,440	107,307,428	345,749,306
No rating	8,839,819	51,900,494	148,586,124	209,326,437
Gross carrying amount	**52,741,476**	**340,475,454**	**275,420,627**	**668,637,557**
Impairment losses	(627,852)	(43,644,605)	(145,256,627)	(189,529,085)
Net book value	**52,113,624**	**296,830,849**	**130,164,000**	**479,108,472**

AOA thousand

	12-31-2022			
	Stage 1 (12 months)	Stage 2 (instrument duration)	Stage 3 (instrument duration)	Total
Loans and advances to customers				
Low level	8,699,168	6,763,168	1,184,535	16,646,871
Medium level	12,870,243	70,439,731	9,987,417	93,297,391
High level	8,502,748	205,221,660	74,164,020	287,888,428
No rating	10,862,040	59,228,680	141,923,806	212,014,526
Gross carrying amount	**40,934,199**	**341,653,239**	**227,259,778**	**609,847,216**
Impairment losses	(555,263)	(36,443,103)	(119,247,540)	(156,245,906)
Net book value	**40,378,936**	**305,210,136**	**108,012,238**	**453,601,310**

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 collateralized by financial guarantees are considered for direct reductions, namely deposits, Angolan state bonds and other similar guarantees;

- Regarding real mortgage guarantees, the valuation of assets is performed by independent valuers registered with the Capital Market Commission (CMC) of Angola. The revaluation of the assets is performed through assessments on-the-site, performed by a technical valuer, in accordance with best market practices;

- The model for calculating impairment losses on the loans and advances to customers portfolio was implemented in 2018, governed by the general principles defined in IFRS 9, as well as the guidelines and iterations of IAS/IFRS implementation with Banco Nacional de Angola, in order to align the calculation process with the best international practices;

- The Bank's impairment model begins with the segmentation of the credit portfolio customers into separate groups, according to their stage and depending on the existence of signs of impairment (which include internal and external information) and the size of the set of exposures of each economic/customer group;

- The assessment of impairment losses on an individual basis is determined through an analysis of the total credit exposure on a case-by-case basis. For each loan considered individually significant, the Bank assesses at each balance sheet date, the expected impairment loss (ECL);

- For each one of the customers/active loans, a set of impairment signs is verified, which includes internal and external information. This information increases impairment values, since these represent an increase in the risk of default;

- It should be noted that a restructured loan is a sign of impairment and, therefore, the loan portfolio marked as restructured is included in the loans with signs of impairment;

- In the group of homogeneous populations, customer exposures are subject to collective analysis; and

- 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 banking portfolio.

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

The Financial 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 is subject to reporting under Notice 08/2021 of June 18 and Instruction 22/2021 of March 27, 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 December 31, 2023 and 2022, the total portfolios of financial assets at fair value through other comprehensive income and at amortized cost are mainly concentrated in loans and advances to customers, representing 44% and 46%, respectively, and in public debt securities (National Treasury Bonds), representing 48% and 31%, 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's Instruction 22/2021 of October 27, the Bank calculates its exposure to the balance sheet interest rate risk based on the methodology defined in the Instruction. It also carries out the quantification of the economic capital requirements for the interest rate risk of the banking portfolio, based on the simulation of a 260-day historical value at risk (VaR) with a 99% confidence interval (considering all the institution's positions, sensitive to interest rate fluctuations and related to currencies representing more than 5% of total assets or liabilities), in accordance with Instruction 10/2021 of July 7.

As at December 31, 2023 and 2022, the financial instruments for interest rate risk are detailed as follows:

AOA thousand

	12-31-2023				
	Exposure to		Not subject to interest rate risk	Derivatives	Total
	Fixed rate	Variable rate			
Assets					
Cash and deposits at central banks	-	-	356,926,890	-	356,926,890
Loans and advances to credit institutions repayable on demand	-	-	94,147,108	-	94,147,108
Financial assets at fair value through profit or loss	-	124,571	298,890,931	-	299,015,502
Financial assets at fair value through other comprehensive income	51,331,595	-	1,775,420	-	53,107,016
Financial assets at amortized cost					
Debt securities	467,315,333	-	-	-	467,315,333
Loans and advances to customers	141,338,145	337,770,327	-	-	479,108,472
Other loans and advances to central banks and credit institutions	81,193,455	-	-	-	81,193,455
Other assets	-	-	147,016,525	-	147,016,525
	741,178,529	**337,894,898**	**898,756,875**	**-**	**1,977,830,302**
Liabilities					
Deposits from central banks and other credit institutions	116,550	-	1,206,518	-	1,323,068
Deposits from customers and other loans	1,060,443,394	-	788,564,114	-	1,849,007,508
Financial liabilities at fair value through profit or loss	-	-	-	-	-
Other liabilities	3,482,493	-	11,084,224	-	14,566,717
	1,064,042,437	**-**	**800,854,856**	**-**	**1,864,897,293**
	(322,863,908)	**337,894,898**	**97,902,020**	**-**	**112,933,009**

AOA thousand

	12-31-2022				
	Exposure to		Not subject to interest rate risk	Derivatives	Total
	Fixed rate	Variable rate			
Assets					
Cash and deposits at central banks	-	-	214,230,500	-	214,230,500
Loans and advances to credit institutions repayable on demand	-	-	46,169,024	-	46,169,024
Financial assets at fair value through profit or loss	-	182,149	260,203,725	-	260,385,874
Financial assets at fair value through other comprehensive income	53,806,962	-	429,389	-	54,236,351
Financial assets at amortized cost					
Debt securities	306,297,438	-	-	-	306,297,438
Loans and advances to customers	132,806,599	320,794,711	-	-	453,601,310
Other loans and advances to central banks and credit institutions	30,547,298	-	-	-	30,547,298
Other assets	-	-	95,631,885	-	95,631,885
	523,458,297	**320,976,860**	**616,664,523**	**-**	**1,461,099,680**
Liabilities					
Deposits from central banks and other credit institutions	-	-	7,321,923	-	7,321,923
Deposits from customers and other loans	855,394,847	-	509,273,563	-	1,364,668,411
Financial liabilities at fair value through profit or loss	-	-	943,693	1,086,315	2,030,008
Other liabilities	5,470,195	-	11,998,988	-	17,469,183
	860,865,042	**-**	**529,538,168**	**1,086,315**	**1,391,489,524**
	(337,406,744)	**320,976,860**	**87,126,355**	**(1,086,315)**	**69,610,156**

As at December 31, 2023 and 2022, the financial instruments with exposure to interest rate risk according to the maturity or resetting date had the following structure:

AOA thousand

	12-31-2023								
	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	-	-	-	-	-	-	-	124,571	124,571
Financial assets at fair value through other comprehensive income	-	2,903	19,199,981	-	66,630	6,810,785	16,693,720	-	42,774,020
Financial assets at amortized cost									
Debt securities		55,890	190,047,407	24,751,565	124,802,958	53,524,244	74,349,165	-	467,531,229
Loans and advances to customers	214,939,877	11,408,447	10,917,220	50,565,267	5,651,224	22,109,259	87,683,948	-	403,275,242
Other loans and advances to central banks and credit institutions	65,505,443	12,701,028	-	2,708,167	-	-	-	-	80,914,639
	280,445,320	**24,168,268**	**220,164,608**	**78,025,000**	**130,520,812**	**82,444,288**	**178,726,833**	**124,571**	**994,619,700**
Liabilities									
Deposits from customers and other loans	155,826,045	315,560,636	234,827,456	333,570,451	-	-	-	-	1,039,784,589
Other liabilities	-	-	-	-	-	3,482,493	-	-	3,482,493
	155,826,045	**315,560,636**	**234,827,456**	**333,570,451**	**-**	**3,482,493**	**-**	**-**	**1,043,267,083**
	436,271,366	**339,728,904**	**454,992,064**	**411,595,451**	**130,520,812**	**85,926,781**	**178,726,833**	**124,571**	**2,037,886,783**

AOA thousand

	12-31-2022								
	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	-	-	-	-	-	-	-	182,149	182,149
Financial assets at fair value through other comprehensive income	28,160,300	182,900	-	1,656,655	933,400	3,483,400	19,554,800	-	53,971,455
Financial assets at amortized cost									
Debt securities	-	1,786,726	35,389,765	32,776,590	167,295,476	27,419,194	41,577,920	-	306,245,672
Loans and advances to customers	197,443,499	77,354,612	11,864,967	1,003,679	22,996,291	1,273,600	99,756,563	-	411,693,211
Other loans and advances to central banks and credit institutions	26,548,320	503,691	3,000,000	403,079	-	-	-	-	30,455,089
	252,152,119	**79,827,929**	**50,254,731**	**35,840,002**	**191,225,168**	**32,176,194**	**160,889,283**	**182,149**	**802,547,576**
Liabilities									
Deposits from customers and other loans	132,230,423	277,597,350	196,271,863	217,740,896	-	-	-	-	823,840,531
Other liabilities	-	-	-	-	-	5,470,195	-	-	5,470,195
	132,230,423	**277,597,350**	**196,271,863**	**217,740,896**	**-**	**5,470,195**	**-**	**-**	**829,310,726**
	119,921,696	**(197,769,420)**	**(146,017,131)**	**(181,900,894)**	**191,225,168**	**26,706,000**	**160,889,283**	**182,149**	**(26,763,150)**

As at December 31, 2023 and 2022, 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:

AOA thousand

	12-31-2023			12-31-2022		
	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	39,467,870	-	0.00%	41,136,877	-	0.00%
Financial assets at amortized cost						
Debt securities	411,877,949	36,584,004	8.88%	313,874,521	23,775,436	7.57%
Loans and advances to customers	465,913,581	40,539,574	8.70%	440,644,543	69,808,073	15.84%
Other loans and advances to central banks and credit institutions	60,513,501	5,752,869	9.51%	34,543,217	688,267	1.99%
Financial assets at fair value through other comprehensive income	39,299,227	6,321,051	16.08%	11,843,932	1,501,794	12.68%
Financial assets at fair value through profit or loss	268,147,438		0.00%	266,929,647	-	0.00%
	1,285,219,566	**89,197,498**		**1,108,972,738**	**95,773,570**	
Financial liabilities						
Deposits from customers and other loans	45,037,130	2,946,528	6.54%	1,295,219,162	60,149,023	4.64%
Deposits from central banks and other credit institutions	1,559,913,984	68,658,674	4.37%	19,868,127	1,808,619	9.10%
Lease liabilities	3,482,493	1,409,129	40%	5,470,195	1,361,442	24.89%
	1,608,433,607	**73,014,331**		**1,320,557,484**	**63,319,084**	
Net interest income		**16,183,168**			**32,454,487**	

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

As at December 31, 2023 and 2022, the breakdown of assets and liabilities, by currency, net of impairment, is presented as follows:

AOA thousand

	12-31-2023					
	Kwanza	Kwanza indexed to the US Dollar	US Dollar	Euro	Other currencies	Total
Assets						
Cash and deposits at central banks	118,908,675	-	151,340,956	86,311,368	365,892	356,926,890
Loans and advances to credit institutions repayable on demand	213,681	-	63,894,855	28,003,274	2,035,298	94,147,108
Financial assets at fair value through profit or loss	295,294,417	-	3,397,588	323,497	-	299,015,502
Financial assets at fair value through other comprehensive income	53,055,687	-	51,328	-	-	53,107,016
Financial assets at amortized cost						
Debt securities	135,875,709	70,095,273	261,344,351	-	-	467,315,333
Loans and advances to customers	356,575,779	7,453,142	110,894,233	4,185,318	-	479,108,472
Other loans and advances to central banks and credit institutions	-	-	80,044,078	1,149,377	-	81,193,455
Other property, plant and equipment	92,372,476	-	-	-	-	92,372,476
Intangible assets	10,658,318	-	-	-	-	10,658,318
Non-current assets held for sale	716,352	-	-	-	-	716,352
Current tax assets	2,464,674	-	-	-	-	2,464,674
Deferred tax assets	3,657,438	-	-	-	-	3,657,438
Other assets	134,937,384	-	12,077,230	1,911	-	147,016,525
Total Assets	**1,204,730,590**	**77,548,415**	**683,044,620**	**119,974,745**	**2,401,190**	**2,087,699,559**
Liabilities						
Deposits from central banks and other credit institutions	1,206,518	-	-	93,329	23,221	1,323,068
Deposits from customers and other loans	1,032,754,691	3,280	700,107,045	114,052,260	2,090,232	1,849,007,508
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-
Provisions	731,533	117,016	-	2,764,770	-	3,613,319
Deferred tax liabilities	7,229,618	264	258	-	-	7,230,139
Other liabilities	11,964,932	-	977,762	1,624,020	3	14,566,717
Total Liabilities	**1,053,887,292**	**120,560**	**701,085,064**	**118,534,379**	**2,113,456**	**1,875,740,751**
	150,843,298	**77,427,855**	**(18,040,444)**	**1,440,366**	**287,734**	**211,958,808**

AOA thousand

	12-31-2022					
	Kwanza	Kwanza indexed to the US Dollar	US Dollar	Euro	Other currencies	Total
Assets						
Cash and deposits at central banks	78,217,689	-	82,298,251	53,484,896	229,664	214,230,500
Loans and advances to credit institutions repayable on demand	8,671,375	-	21,855,109	14,007,004	1,635,536	46,169,024
Financial assets at fair value through profit or loss	231,291,046	-	29,094,828	-	-	260,385,874
Financial assets at fair value through other comprehensive income	52,904,874	-	1,331,477	-	-	54,236,351
Financial assets at amortized cost						
Debt securities	64,191,403	39,911,828	202,194,207	-	-	306,297,438
Loans and advances to customers	372,223,365	2,895,643	74,873,698	3,608,604	-	453,601,310
Other loans and advances to central banks and credit institutions	-	-	29,666,713	880,585	-	30,547,298
Other property, plant and equipment	103,859,695	-	-	-	-	103,859,695
Intangible assets	13,022,100	-	-	-	-	13,022,100
Current tax assets	2,546,736	-	-	-	-	2,546,736
Deferred tax assets	3,750,143	-	-	-	-	3,750,143
Other assets	58,801,832	787,229	35,066,934	921,518	54,372	95,631,885
Total Assets	**989,480,256**	**43,594,700**	**476,381,217**	**72,902,608**	**1,919,573**	**1,584,278,354**
Liabilities						
Deposits from central banks and other credit institutions	7,318,396	-	3,527	-	-	7,321,923
Deposits from customers and other loans	818,010,841	1,976	483,025,781	62,489,445	1,140,368	1,364,668,411
Financial liabilities at fair value through profit or loss	2,030,008	-	-	-	-	2,030,008
Provisions	724,925	6,430	-	2,195,476	-	2,926,832
Deferred tax liabilities	141,819	6,339	4,717	-	-	152,875
Other liabilities	13,963,962	-	1,694,404	1,810,371	446	17,469,183
Total Liabilities	**842,189,951**	**14,745**	**484,728,429**	**66,495,292**	**1,140,814**	**1,394,569,232**
	147,290,305	**43,579,955**	**(8,347,212)**	**6,407,316**	**778,758**	**189,709,122**

As at December 31, 2023 and 2022, the sensitivity analysis of the book value of financial instruments to changes in exchange rates is presented as follows:

AOA thousand

	12-31-2023					
	-20%	-10%	-5%	5%	10%	20%
Currency						
US Dollar	3,608,089	1,804,044	902,022	(902,022)	(1,804,044)	(3,608,089)
Kwanza indexed to the US Dollar	(15,485,571)	(7,742,785)	(3,871,393)	3,871,393	7,742,785	15,485,571
Euro	(288,073)	(144,037)	(72,018)	72,018	144,037	288,073
Other currencies	(57,547)	(28,773)	(14,387)	14,387	28,773	57,547
	(12,223,102)	**(6,111,551)**	**(3,055,776)**	**3,055,776**	**6,111,551**	**12,223,102**

AOA thousand

	12-31-2022					
	-20%	-10%	-5%	5%	10%	20%
Currency						
US Dollar	1,669,442	834,721	417,361	(417,361)	(834,721)	(1,669,442)
Kwanza indexed to the US Dollar	(8,715,991)	(4,357,996)	(2,178,998)	2,178,998	4,357,996	8,715,991
Euro	(1,281,463)	(640,732)	(320,366)	320,366	640,732	1,281,463
Other currencies	(155,752)	(77,876)	(38,938)	38,938	77,876	155,752
	(8,483,763)	**(4,241,882)**	**(2,120,941)**	**2,120,941**	**4,241,882**	**8,483,763**

As at the date of this report, the Bank's assets and liabilities show significant revaluation impacts, considering the variation in the Kwanza (AOA) exchange rates against the main foreign currencies, especially the United States Dollar (USD) and the Euro (EUR), the reference currencies in the foreign exchange market, which are the same as those published by Banco Nacional de Angola on December 31, 2023.

Liquidity Risk

In addition to regulatory ratios, liquidity risk is assessed using internal metrics defined by the Bank's management, namely exposure limits, intra-day liquidity risk, Net Stable Funding Required (NSFR), and the weight of liquid assets in total assets. This control is reinforced with the monthly execution of sensitivity analysis, in order to characterize 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's Instruction 14/2021 of September 27 (revoked Instruction 09/2019 of August 27).

As at December 31, 2023 and 2022, the total contractual cash flows by residual maturities of the Bank's financial assets and liabilities, are presented as follows:

AOA thousand

	12-31-2023						
	Contractual residual maturities						
	On demand	Below 3 months	3 to 12 months	1 to 5 years	Above 5 years	Undetermined	Total
Assets							
Cash and deposits at central banks	356,926,890	-	-	-	-	-	356,926,890
Loans and advances to credit institutions repayable on demand	94,147,108	-	-	-	-	-	94,147,108
Financial assets at fair value through profit or loss	-	-	-	-	124,571	298,890,931	299,015,502
Financial assets at fair value through other comprehensive income	-	3,045	20,816,236	8,887,267	21,625,047	1,775,420	53,107,016
Financial assets at amortized cost							
Debt securities	-	47,968	214,440,821	175,559,427	77,267,116	-	467,315,333
Loans and advances to customers	777	87,005,726	23,212,553	165,673,641	125,927,598	77,288,176	479,108,472
Other loans and advances to central banks and credit institutions	-	78,472,456	2,720,999	-	-	-	81,193,455
Other assets	-	-	-	-	147,016,525	-	147,016,525
	451,074,776	**165,529,196**	**261,190,609**	**350,120,336**	**371,960,857**	**377,954,528**	**1,977,830,301**
Liabilities							
Deposits from central banks and other credit institutions	1,206,518	-	116,550	-	-	-	1,323,068
Deposits from customers and other loans	9,315,992	1,257,865,843	581,825,673	-	-	-	1,849,007,508
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	3,613,319	3,613,319
Other liabilities	-	-	-	14,566,717	-	-	14,566,717
	10,522,511	**1,257,865,843**	**581,942,222**	**14,566,717**	**-**	**3,613,319**	**1,868,510,611**
Liquidity gap	**440,552,265**	**(1,092,336,647)**	**(320,751,613)**	**335,553,619**	**371,960,857**	**374,341,209**	**109,319,690**
Accrued liquidity gap	**440,552,265**	**(651,784,382)**	**(972,535,995)**	**(636,982,377)**	**(265,021,520)**	**109,319,690**	

AOA thousand

	12-31-2022						
	Contractual residual maturities						
	On demand	Below 3 months	3 to 12 months	1 to 5 years	Above 5 years	Undetermined	Total
Assets							
Cash and deposits at central banks	214,230,500	-	-	-	-	-	214,230,500
Loans and advances to credit institutions repayable on demand	46,169,024	-	-	-	-	-	46,169,024
Financial assets at fair value through profit or loss	-	-	-	-	182,149	260,203,725	260,385,874
Financial assets at fair value through other comprehensive income	28,160,300	194,083	1,776,066	4,538,658	19,137,855	429,389	54,236,351
Financial assets at amortized cost							
Debt securities	-	1,858,783	68,682,073	192,741,491	43,015,091	-	306,297,438
Loans and advances to customers	426	79,157,519	4,712,694	125,643,876	184,555,160	59,531,634	453,601,310
Other loans and advances to central banks and credit institutions	736,390	26,404,971	3,405,937	-	-	-	30,547,298
Other assets	-	-	-	-	78,734,014	16,897,871	95,631,885
	289,296,641	**107,615,356**	**78,576,771**	**322,924,025**	**325,624,269**	**337,062,619**	**1,461,099,680**
Liabilities							
Deposits from central banks and other credit institutions	7,321,923	-	-	-	-	-	7,321,923
Deposits from customers and other loans	3,316,621	923,634,487	417,571,166	20,146,137	-	-	1,364,668,411
Financial liabilities at fair value through profit or loss	-	1,086,316	943,692	-	-	-	2,030,008
Provisions	-	-	-	-	-	2,926,832	2,926,832
Balance as at December 31, 2023	-	-	-	17,469,183	-	-	17,469,183
	10,638,544	**924,720,802**	**418,514,858**	**37,615,320**	**-**	**2,926,832**	**1,394,416,356**
Liquidity gap	**278,658,097**	**(817,105,446)**	**(339,938,087)**	**285,308,705**	**325,624,269**	**334,135,787**	**66,683,324**
Accrued liquidity gap	**278,658,097**	**(538,447,350)**	**(878,385,437)**	**(593,076,732)**	**(267,452,463)**	**66,683,324**	

As at December 31, 2023 and 2022, the liquidity ratio calculated in accordance with Instruction 14/2021 of September 27, amounts to 380% and 278%, respectively.

This Instruction defines as the minimum advisable, a liquidity ratio of 130% for cash flows in domestic currency and aggregate cash flows in all currencies, and 180% for exposure to cash flows in foreign currency. The BNA has defined the same minimum observation ratios as those for liquidity.

As at December 31, 2023 and 2022, the Bank has observation ratios of 1 to 3 months at 468% and 260 %, respectively, 3 to 6 months at 850% and 365%, respectively, and 6 to 12 months at 560% and 492%, respectively.

Real Estate Risk

As at December 31, 2023 and 2022, the Bank's exposure to real estate (direct and indirect) is as follows:

AOA thousand

	12-31-2023			12-31-2022		
	Gross book value	Impairment losses, Depreciations	Net book value	Gross book value	Impairment losses, Depreciations	Net book value
Investment units held in property funds (Note 6)	291,905,863	-	291,905,863	253,776,204	-	253,776,204
Property development loans (Note 9)	220,139,687	(46,976,462)	173,163,224	175,002,360	(31,277,592)	143,724,768
Other property, plant and equipment (Note 11)	90,516,589	(12,588,716)	77,927,873	74,749,411	(11,034,722)	63,714,689
Non-current assets held for sale (Note 13)	942,568	(226,216)	716,352	-	-	-
Promissory contracts for the purchase and sale of property (Note 15)	123,518,549	(13,501,597)	110,016,952	60,627,552	(10,979,103)	49,648,449
	727,023,255	**(73,292,991)**	**653,730,264**	**564,155,528**	**(53,291,417)**	**510,864,111**

The Bank uses the expertise of SG Hemera Capital Partners, SGOIC, S.A. ("HCP"), Sociedade Gestora de Organismos de Investimento Colectivo (OIC) that manages the real estate investment funds (FII) in which it is an investor, and which has a high level of expertise in the area of real estate funds, to obtain additional information in the assessment of real estate risk. The management company is a non-banking financial entity, supervised by the CMC – Capital Market Commission, and audited by an independent auditor. OIC under its management, including the FII in which the Bank is an investor, are also supervised by the CMC and independently audited.

The "*Análise de Benchmark do Mercado Imobiliário Angolano*" report, prepared by the Management Company, is a fundamental element, as it adds to the market information a universe of assessments that is particularly significant for the Bank's exposure and validates them within a reasonable range, in a transparent manner, reinforcing our confidence in the value of the investment unit, reported in terms of its reflection of the fair value of the asset and also in the quality of the valuations. The Bank carefully identifies warning signs that make it possible to identify risks in advance and, in the half-yearly stress tests, simulates the impacts of contraction of the real estate value in the functional accounting currency.

At each moment, the conclusions and determination of impairment on ANCDV's and FII's Credit result from specific methodologies that depend directly on the assessment of the specific quality of these assets and their fair value, with any market benchmarks performed by the Bank and HCP being accessory instruments in this analysis. Regarding Credit and ANCDV's, the Bank follows the regulatory guidelines within the scope of the frequency of revaluations (and most of the portfolio is already fully complied with), as well as the discounts applicable for seniority of evaluations and timing of recovery, so that the impairment methodologies are adjusted to the values of the properties one by one when these are the base factors of the strategy of recovery of the credit and values. The amount recorded on the Bank's balance sheet of the units of the Pactual Property Fund is calculated using the amount of the unit reported monthly by the HCP, which is subject to regular validation by its independent auditors.

Considering the warning signs identified, namely some parameters in real estate evaluations performed in 2023 and the analyses performed so far, the Board of Directors' conclusion is that the evolution of the real estate market in Angola, during 2023, in kwanzas, is adequately expressed in the value of real estate assets recorded in the balance sheet as at December 31, 2023.

In this context, the Board of Directors believes that the current uncertainty in the main indicators of the Angolan economy may result in possible future impacts on the accounting estimates made on the valuations of real estate assets considered in the preparation of the Bank's individual financial statements: (i) a real estate investment fund majority-owned by the Bank; (ii) properties for own use recorded under "Other property, plant and equipment"; and (iii) collateral from credit operations granted to customers and amounts receivable from promissory contracts for the purchase and sale of real estate. These valuations incorporate some degree of subjectivity and include assumptions made by expert appraisers which may be strongly influenced by the evolution of the country's macroeconomic factors, particularly in terms of sales prices, sales periods, and construction costs. Accordingly, although the Board of Directors considers that the forecasts for Angola's macroeconomic indicators, as well as the valuation reports prepared by experts in the real estate sector of the market, are adequate and support the fair value determined for the real estate assets, their realization at the balance sheet figures as at December 31, 2023 may be affected by the evolution of the Angolan economy and the success of its future operations.

Operational 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 organizational 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 operational 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 organizational 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 organization and enhancing transversal responsibility.

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

Operational 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; and
- 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 08/2021 of June 18 and Instruction 19/2021 of October 27.

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 (Instruction 11/2023), own funds requirements for market risk and credit risk of counterparties in the trading portfolio (Instruction 16/2021), regulatory capital requirements for operational risk (Instruction 13/2021), regulatory capital requirements for adjustment risk and credit assessment (Instruction 18/2021), and regulatory capital requirement for excess to the large exposures limit (Instruction 10/2023).

Angolan financial institutions shall maintain a level of own funds compatible with the nature and scale of operations, always ensuring a minimum regulatory Solvency Ratio of 8%.

Regulatory own funds comprise:

- Core Tier 1 capital – includes: (i) paid-up share capital; (ii) positive retained earnings from previous periods; (iii) legal, statutory and other reserves arising from undistributed earnings, or set up for capital increase; (iv) positive net income from the previous period; (v) provisional positive net income for the current period; (vi) issue premiums in respect of items falling under the previous subparagraphs; (vii) equity instruments whose issue conditions have been previously approved by Banco Nacional de Angola;

- The negative elements of the core Tier 1 capital – include: (i) Treasury shares held at book value in the balance sheet; (ii) Loss carried forward from previous periods; (iii) Net loss from the previous period; (iv) Provisional net loss for the current period; (v) Intangible assets less amortization, including goodwill included in the valuation of significant investments of the institution; (vi) Expenses with deferred costs related to pension liabilities; (vii) Deferred tax assets that depend on future profitability; (viii) Adjustments on losses through impairment of financial instruments in relation to that determined by Banco Nacional de Angola in the prudential supervision; (ix) positive revaluation differences resulting from the application of the equity method; (x) Actuarial losses not recognized in the income statement; (xi) The amount of the elements to be deducted from the additional Tier 1 capital elements that exceed the institution's additional Tier 1 capital elements; (xii) the exposure amount of incomplete transactions; (xiii) The core Tier 1 capital instruments of Financial Institutions held directly, indirectly and synthetically with which the institution has cross-holdings that Banco Nacional de Angola considers to have been established to artificially inflate the institution's own funds; (xiv) the applicable amount of core Tier 1 capital instruments of Financial Institutions held by the institution directly, indirectly and synthetically, if the institution does not have a significant investment in such entities; (xv) The applicable amount of core Tier 1 capital instruments of financial institutions held by the institution directly, indirectly and synthetically, if the institution has a significant investment in such entities, excluding underwriting positions held for a period of five (5) business days or less; and (xvi) Any tax on core Tier 1 capital that is foreseeable at the time it is calculated, unless the institution appropriately adjusts the amount of core Tier 1 capital items to the extent that such tax reduces the amount to which those items may be used to hedge risks or losses;

- Additional Tier 1 capital – includes: (i) Preferred shares; (ii) Hybrid and/or convertible instruments; (iii) Other instruments whose issue conditions have been previously approved by Banco Nacional de Angola and which do not fall under Articles 18 and 22 of Notice 8/2021; (iv) Issue premiums relating to the items included in the previous items;

- The negative elements of the additional Tier 1 capital – include: (i) Additional Tier 1 capital instruments held directly, indirectly and synthetically, including additional Tier 1 capital instruments that the institution may be required to purchase as a result of existing contractual obligations; (ii) the additional Tier 1 capital instruments of financial institutions held directly, indirectly and synthetically, with which the institution has cross-holdings that Banco Nacional de Angola considers to have been set up to artificially inflate the institution's own funds; (iii) the applicable amount of the additional Tier 1 capital instruments of financial institutions held directly, indirectly and synthetically, if the institution does not have a significant investment in those financial institutions; (iv) the applicable amount of additional Tier 1 capital instruments of Financial Institutions held directly, indirectly and synthetically by the institution, where the institution has a significant investment in those Financial Institutions, excluding underwriting positions held for a period of five business days or less; (v) the amount of items required to be deducted from Tier 2 capital items in excess of the institution's Tier 2 capital items; and (vi) any tax on additional Tier 1 capital elements that is foreseeable at the time it is calculated, except where the institution appropriately adjusts the amount of additional Tier 1 capital elements to the extent that that tax reduces the amount by which those elements may be allocated to cover risks or losses;

- Tier 2 capital – includes: (i) redeemable preferred shares; (ii) reserves from the revaluation of own use properties; (iii) Subordinated Debt, in the form of loans or bonds issued, whose issue conditions have been previously approved by Banco Nacional de Angola and comply with the requirements of Article 23 of Notice 8/2021; (iv) other instruments whose issue conditions have been previously approved by Banco Nacional de Angola and comply with the requirements of Article 23 and are not included in Article 18 or 20, both of this Notice; and (v) Issue premiums relating to items included in the previous sub-paragraphs;

- The negative elements of the Tier 2 capital – include: (i) Tier 2 capital instruments held directly, indirectly and synthetically, including additional Tier 2 capital instruments that the institution may be required to purchase as a result of existing contractual obligations; (ii) the Tier 2 capital instruments of financial institutions held directly, indirectly and synthetically, with which the institution has cross-holdings that Banco Nacional de Angola considers to have been set up to artificially inflate the institution's own funds; (iii) the applicable amount of the Tier 2 capital instruments of financial institutions held directly, indirectly and synthetically, if the institution does not have a significant investment in those financial institutions; (iv) the applicable amount of Tier 2 capital instruments of Financial Institutions held directly, indirectly and synthetically by the institution, where the institution has a significant investment in those Financial Institutions, excluding underwriting positions held for a period of five business days or less.

- Tier 1 and Tier 2 own funds deductions – include

  i. Institutions must consider as own funds instruments associated with own funds items that correspond to the same level of own funds as the deduction to be made pursuant to Article 25 of Notice 08/2021 of June 18.

- Prudential Limits for Major Risks

  i. Excesses over the limits established in Instruction 10/2023 on prudential limits to major risks are now considered as own funds requirements in accordance with Notice 08/2021 of June 18.

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

As at December 31, 2023 and 2022, the summary of the Bank's capital requirement calculations are as follows:

AOA thousand

	12-31-2023	12-31-2022
Regulatory own funds requirements		
Credit and counterparty risk	77,427,286	64,623,817
Operational Risk	9,584,669	8,112,392
Market risk and counterparty credit risk in the trading book	753,435	1,226,838
A	**87,765,389**	**73,963,047**
Regulatory own funds		
Tier 1 capital	201,300,480	176,687,020
Additional Tier 2 capital	-	-
B	**201,300,480**	**176,687,020**
	C=B/A*8%	**C=B/A*8%**
Regulatory solvency ratio	**18.35%**	**19.11%**

Note 40 - Recently issued accounting standards and interpretations

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 January 1, 2023:

IFRS 17 – Insurance contracts (including amendments to IFRS 17)

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.

Amendment to IAS 8 – Accounting policies, changes in accounting estimates and errors – Definition of accounting estimates

This amendment published by IASB defines accounting estimate as the monetary amount in financial statements subject to measurement uncertainty.

Amendment to IAS 1 – Presentation of Financial Statements and IFRS Practice Statement 2 – Disclosures of Accounting Policies

This amendment, issued by the IASB in February 2021, clarifies that material accounting policies, rather than significant accounting policies, should be disclosed and provides examples of how to identify a material accounting policy.

Amendment to IAS 12 Income taxes – Deferred taxes related to assets and liabilities arising from a single transaction

This amendment issued by IASB in May 2021 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.

Amendment to IFRS 17 – Insurance contracts – initial application of IFRS 17 and IFRS 9 – comparative information

This amendment issued by IASB in December 2021 introduces changes on comparative information to present when an Entity simultaneously adopts IFRS 17 and IFRS 9.

Amendment to IAS 12 – Income taxes – International Tax Reform (Pillar Two)

This amendment published by the IASB in May 2023 includes a temporary exemption from the requirement to recognize deferred taxes and disclose information on taxes arising from the Pillar Two model of the international taxation reform, and it must be disclosed that this exemption has been used.

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.

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 IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current and Non-current; Deferral of Effective Date; Non-current Liabilities with Covenants

This amendment issued by IASB clarifies the classification of liabilities as current and non-current by analysing the contractual conditions existing at the reporting date. The amendment to non-current liabilities with covenants clarifies that only conditions that must be met on or before the balance sheet date are relevant for the purpose of current/non-current classification. The date of application of the amendments has been postponed to January 1, 2024.

Amendment to IFRS 16 – Leases – Lease liabilities in sale and leaseback transactions

This amendment, issued by the IASB in September 2022, clarifies how a lessee seller should account for a sale and leaseback transaction that meets the criteria in IFRS 15 to be classified as a sale.

Amendment to IAS 7 – Statement of Cash Flows – and IFRS 7 – Financial Instruments: Disclosures – Supplier Finance Arrangements

These amendments published by the IASB in May 2023 include additional disclosure requirements for qualitative and quantitative information on supplier financing arrangements.

Amendment to IAS 21 – The effects of changes in exchange rates – Lack of exchangeability

This amendment published by the IASB in August 2023 defines the approach to assessing whether or not a currency can be exchanged for another currency. If it is concluded that the currency cannot be exchanged for another, it indicates how the exchange rate to be applied is determined and the additional disclosures required.

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 - Events after the reporting period

Up to the date of publication of these financial statements, there were no subsequent events to report.

Note 42 – 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 Portuguese version prevails.