

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.