

Note 39 – Risk management

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

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

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

Main risk categories

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

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

Liquidity – Liquidity risk reflects the Bank's inability to meet its obligations associated with financial liabilities at each maturity date without incurring in significant losses due to deteriorating access to Financial (financing risk) and/or the sale of its assets below their normal market value (market liquidity risk).

Real Estate – Real estate risk results from the probability of negative impacts on the Bank's income and/or capital due to unfavourable changes in the market price.

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

Internal organisation

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

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

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

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

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 programme under implementation. The regulatory package consisting of the aforementioned Notice and supplementary Instructions revokes the regulations published in 2016, which guided risk management and regulatory limits until this date. In accordance with the new regulatory framework, the Bank made its first report in May 2022, with reference to the period ended 31 March 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 31 December 2024 and 31 December 2023, 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

	31-12-2024		
	Gross carrying amount	Impairment losses	Net book value
Balance sheet items			
Cash and deposits at central banks	325,319,262	-	325,319,262
Loans and advances to credit institutions repayable on demand	38,618,318	(3,442)	38,614,876
Financial assets at fair value through profit or loss	384,043,138	-	384,043,138
Financial assets at fair value through other comprehensive income	25,379,483	-	25,379,483
Financial assets at amortised cost			
Debt securities	366,439,430	(5,252,331)	361,187,099
Loans and advances to Customers	695,445,620	(210,010,525)	485,435,095
Other loans and advances to central banks and credit institutions	97,485,051	(688)	97,484,363
Other assets	194,898,156	(29,287,709)	165,610,447
	2,127,628,458	(244,554,695)	1,883,073,763
Off-balance sheet items			
Documentary credit	61,800,565	(43,402)	61,757,163
Guarantees provided	34,110,037	(590,373)	33,519,664
	95,910,602	(633,775)	95,276,827
	2,223,539,060	(245,188,470)	1,978,350,590

AOA thousand

	31-12-2023		
	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	53,107,016	-	53,107,016
Financial assets at amortised 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
	2,199,073,142	(221,242,841)	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
	2,324,816,856	(221,717,240)	2,103,099,616



As at 31 December 2024 and 31 December 2023, 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	31-12-2024					
	Loans and advances to Customers		Guarantees provided and documentary credit	Total exposure	Impairment losses and provisions	
	Outstanding	Overdue			Amount	%
Real Estate	176,463,052	30,565,405	-	207,028,457	(44,960,627)	22%
Wholesale and Retail Trade	77,193,205	21,159,254	45,725,347	144,077,806	(30,237,332)	21%
Construction	159,470,733	9,258,568	31,448,420	200,177,721	(67,098,952)	34%
Manufacturing Industry	100,572,561	37,806,718	5,618,280	143,997,559	(25,238,528)	18%
Retail	36,558,852	15,645,701	-	52,204,553	(33,204,791)	64%
Other	11,316,122	19,435,449	13,118,555	43,870,126	(9,904,070)	23%
	561,574,525	133,871,095	95,910,602	791,356,222	(210,644,300)	27%

AOA thousand

Business sector	31-12-2023					
	Loans and advances to Customers		Guarantees provided and documentary credit	Total exposure	Impairment losses and provisions	
	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	(27,137,570)	18%
Construction	138,717,419	13,104,213	28,688,400	180,510,032	(51,894,872)	29%
Manufacturing Industry	105,441,852	33,065,664	22,128,812	160,636,328	(27,143,935)	17%
Retail	32,904,087	17,687,443	-	50,591,530	(28,643,462)	57%
Institucional	0	0	-	0	-	-
Other	12,289,541	16,224,258	21,311,923	49,825,722	(10,657,651)	21%
	518,430,584	150,206,972	125,743,714	794,381,271	(190,003,485)	24%

As at 31 December 2024 and 31 December 2023, the geographical concentration of credit risk is presented as follows:

AOA thousand

	31-12-2024			
	Geography			
	Angola	Portugal	Other	Total
Loans and advances to Customers	694,927,298	289,338	228,984	695,445,620
Guarantees provided and documentary credit	95,806,657	-	103,945	95,910,602
	790,733,955	289,338	332,929	791,356,222

AOA thousand

	31-12-2023			
	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



As at 31 December 2024 and 31 December 2023, the exposure to credit risk by financial asset class, rating level and stage, is presented as follows:

AOA thousand

	31-12-2024			Total
	Stage 1 (12 months)	Stage 2 (instrument duration)	Stage 3 (instrument duration)	
Loans and advances to Customers				
Low level	3,144,185	1,043,176	13,047,854	17,235,215
Medium level	22,089,649	70,618,977	18,863,518	111,572,144
High level	12,475,181	225,079,672	107,832,467	345,387,320
No rating	5,495,808	56,800,550	158,954,583	221,250,941
Gross carrying amount	43,204,823	353,542,375	298,698,422	695,445,620
Impairment losses	(395,038)	(46,290,940)	(163,324,547)	(210,010,525)
Net book value	42,809,785	307,251,435	135,373,875	485,435,095

AOA thousand

	31-12-2023			Total
	Stage 1 (12 months)	Stage 2 (instrument duration)	Stage 3 (instrument duration)	
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

Regarding 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.

As at 31 December 2024 and 31 December 2023, the credit quality of financial assets, is presented as follows:

AOA thousand

	Rating origin	Rating level	31-12-2024		Net exposure
			Total exposure	Impairment losses	
Loans and advances to Customers	Internal rating	Low	17,235,215	(4,286,033)	12,949,182
		Medium	111,572,144	(17,980,446)	93,591,698
		High	345,387,320	(65,304,522)	280,082,798
Other assets	External rating	No rating	221,250,941	(122,439,524)	98,811,417
		AAA to AA-	10,755,276	(144)	10,755,132
		A+ to A-	87,736,482	(924)	87,735,558
		BBB+ to BBB-	19,874,489	(1,680)	19,872,809
		BB+ to BB-	-	-	-
		B+ to B-	762,162,892	(5,253,713)	756,909,179
No rating	Not available	805,730,705	(164,791,351)	640,939,354	
			2,381,705,464	(380,058,337)	2,001,647,127

AOA thousand

	Rating origin	Rating level	31-12-2023		Net exposure
			Total exposure	Impairment losses	
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
Other assets	External rating	No rating	209,326,435	(112,210,789)	97,115,646
		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

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

- Real estate guarantees and financial collaterals, which allow a direct reduction in the position value, are important for credit risk mitigation. Personal protection guarantees, with a substitution effect in the position at risk, are also considered;
- Credit operations collateralised by financial guarantees are considered for direct reductions, namely deposits, Angolan State bonds and other similar guarantees;
- Regarding real mortgage guarantees, the valuation of assets is performed by independent valuers registered with the Capital Market Commission (CMC) of Angola. The revaluation of the assets is performed through assessments on-the-site, performed by a technical valuer, in accordance with the 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 18 June and Instruction 22/2021 of 27 March, regarding the Interest Rate Risk in the banking portfolio (financial instruments not held in the portfolio of financial assets at fair value through profit or loss).

As at 31 December 2024 and 31 December 2023, the total portfolios of financial assets at fair value through other comprehensive income and at amortised cost are mainly concentrated in loans and advances to Customers, representing 50% and 44%, respectively, and in public debt securities (National Treasury Bonds), representing 37% and 43%, respectively.

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

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

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

Following the recommendations of BNA's Instruction 22/2021 of 27 October, 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 7 July.



As at 31 December 2024 and 31 December 2023, the financial instruments for interest rate risk are detailed as follows:

AOA thousand

	31-12-2024		Not subject to interest rate risk	Derivatives	Total
	Exposure to Fixed rate	Variable rate			
Assets					
Cash and deposits at central banks	-	-	325,319,262	-	325,319,262
Loans and advances to credit institutions repayable on demand	-	-	38,614,876	-	38,614,876
Financial assets at fair value through profit or loss	56,175,890	123,430	327,743,818	-	384,043,138
Financial assets at fair value through other comprehensive income	23,290,987	-	2,088,496	-	25,379,483
Financial assets at amortised cost					
Debt securities	361,187,099	-	-	-	361,187,099
Loans and advances to Customers	190,942,113	294,492,982	-	-	485,435,095
Other loans and advances to central banks and credit institutions	97,484,363	-	-	-	97,484,363
Other assets	-	-	165,610,447	-	165,610,447
	729,080,452	294,616,412	859,376,899	-	1,883,073,763
Liabilities					
Deposits from central banks and other credit institutions	40,113,143	-	1,882,806	-	41,995,949
Deposits from Customers and other loans	997,537,821	-	703,321,484	-	1,700,859,305
Financial liabilities at fair value through profit or loss	-	-	-	-	-
Other liabilities	3,320,609	-	17,351,577	-	20,672,186
	1,040,971,573	-	722,555,867	-	1,763,527,440
	(311,891,121)	294,616,412	136,821,032	-	119,546,323



AOA thousand

	Exposure to		Not subject to interest rate risk	Derivatives	Total
	Fixed rate	Variable rate			
31-12-2023					
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 amortised cost					
Debt securities	450,139,623	-	17,175,710	-	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
	724,002,819	337,894,898	915,932,585	-	1,977,830,302
Liabilities					
Deposits from central banks and other credit institutions	-	-	1,323,068	-	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
	1,063,925,887	-	800,971,406	-	1,864,897,293
	(339,923,068)	337,894,898	114,961,180	-	112,933,009



As at 31 December 2024 and 31 December 2023, the financial instruments with exposure to interest rate risk according to the maturity or resetting date had the following structure:

AOA thousand

	31-12-2024								Total
	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	
Assets									
Financial assets at fair value through profit or loss	-	-	-	-	-	-	-	236 595	236 595
Financial assets at fair value through other comprehensive income	-	-	561	-	55,864	3,411,070	15,992,634	-	19,460,129
Financial assets at amortised cost									
Debt securities	-	-	22,617,106	97,579,303	47,973,876	128,509,792	64,349,424	-	361,029,501
Loans and advances to Customers	220,992,383	11,578,454	2,185,427	39,556,464	7,635,062	25,090,833	84,417,730	-	391,456,351
Other loans and advances to central banks and credit institutions	83,063,807	8,568,906	3,000,000	712,112	-	-	-	-	95,344,826
Other assets	-	-	-	-	-	-	-	-	-
	304,056,191	20,147,360	27,803,093	137,847,879	55,664,802	157,011,695	164,759,788	236,595	867,527,402
Liabilities									
Deposits from central banks and other credit institutions	40,000,000	-	-	-	-	-	-	-	40,000,000
Deposits from Customers and other loans	112,813,453	303,866,460	248,097,074	271,571,891	-	-	-	-	936,348,878
Other liabilities	-	-	-	-	-	3,320,609	-	-	3,320,609
	152,813,453	303,866,460	248,097,074	271,571,891	-	3,320,609	-	-	979,669,487
	151,242,738	(283,719,100)	(220,293,981)	(133,724,012)	55,664,802	153,691,085	164,759,788	236,595	(112,142,085)



AOA thousand

31-12-2023										
	Resetting dates/Maturity dates								Total	
	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		
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 amortised 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
Other assets										
	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 central banks and other credit institutions	-	-	-	-	-	-	-	-	-	-
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
	124,619,275	(291,392,368)	(14,662,849)	(255,545,452)	130,520,812	78,961,794	178,726,833	124,571	(48,647,382)	



As at 31 December 2024 and 31 December 2023, the average interest rates on the main categories of financial assets and liabilities, as well as the respective average balances and interest for the period, were as follows:

AOA thousand

	31-12-2024			31-12-2023		
	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						
Loans and advances to credit institutions repayable on demand	59,110,647	-	0.00%	39,467,870	-	0.00%
Financial assets at amortised cost						
Debt securities	390,349,156	40,205,422	10.30%	411,877,949	39,101,772	9.49%
Loans and advances to Customers	555,210,467	49,262,583	8.87%	465,913,581	40,539,572	8.70%
Other loans and advances to central banks and credit institutions	114,918,286	7,427,825	6.46%	60,513,501	3,232,218	5.34%
Financial assets at fair value through other comprehensive income	28,348,438	7,185,399	25.35%	39,299,227	6,323,936	16.09%
Financial assets at fair value through profit or loss	46,310,843	9,290,279	20.06%	-	-	0.00%
	1,194,247,837	113,371,508	-	1,017,072,128	89,197,498	-
Financial liabilities						
Deposits from Customers and other loans	1,763,945,389	80,558,353	4.57%	1,559,913,984	67,265,400	4.31%
Deposits from central banks and other credit institutions	40,750,464	7,072,789	17.36%	45,037,130	4,339,802	9.64%
Other liabilities						
Lease liabilities	3,362,119	1,193,157	35.49%	3,482,493	1,409,129	40.46%
Financial liabilities	1,808,057,972	88,824,299	-	1,608,433,607	73,014,331	-
Net interest income	-	24,547,209	-	-	16,183,167	-

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



As at 31 December 2024 and 31 December 2023, the breakdown of assets and liabilities, by currency, net of impairment, is presented as follows:

AOA thousand

	31-12-2024					Total
	Kwanza	Kwanza indexed to the US Dollar	US Dollar	Euro	Other currencies	
Assets						
Cash and deposits at central banks	157,413,974	-	75,608,653	91,936,064	360,571	325,319,262
Loans and advances to credit institutions repayable on demand	247,739	-	23,506,073	12,496,620	2,364,444	38,614,876
Financial assets at fair value through profit or loss	377,167,256	-	6,540,557	335,325	-	384,043,138
Financial assets at fair value through other comprehensive income	25,323,228	-	56,255	-	-	25,379,483
Financial assets at amortised cost						
Debt securities	102,060,621	78,996,092	180,130,386	-	-	361,187,099
Loans and advances to Customers	369,785,526	6,678,572	105,533,632	3,437,365	-	485,435,095
Other loans and advances to central banks and credit institutions	16,611,330	-	79,526,883	1,346,150	-	97,484,363
Other property, plant and equipment	96,006,718	-	-	-	-	96,006,718
Intangible assets	15,403,233	-	-	-	-	15,403,233
Non-current assets held for sale	-	-	-	-	-	-
Current tax assets	2,604,027	-	-	-	-	2,604,027
Deferred tax assets	4,559,386	-	-	-	-	4,559,386
Other assets	124,973,293	-	40,048,000	589,154	-	165,610,447
Total Assets	1,292,156,331	85,674,664	510,950,439	110,140,678	2,725,015	2,001,647,127
Liabilities						
Deposits from central banks and other credit institutions	41,780,063	-	-	215,886	-	41,995,949
Deposits from Customers and other loans	1,030,063,715	3,643	564,313,639	104,480,000	1,998,308	1,700,859,305
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-
Provisions	1,184,967	367,643	-	15,650	-	1,568,260
Deferred tax liabilities	5,462,501	-	-	-	-	5,462,501
Other liabilities	17,158,421	-	1,306,192	2,207,553	20	20,672,186
Total Liabilities	1,095,649,667	371,286	565,619,831	106,919,089	1,998,328	1,770,558,201
	196,506,664	85,303,378	(54,669,392)	3,221,589	726,687	231,088,926



AOA thousand

	31-12-2023					
	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 amortised 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



As at 31 December 2024 and 31 December 2023, the sensitivity analysis of the book value of financial instruments to changes in exchange rates is presented as follows:

AOA thousand

Currency	31-12-2024					
	-20%	-10%	-5%	5%	10%	20%
US Dollar	10,933,878	5,466,939	2,733,470	(2,733,470)	(5,466,939)	(10,933,878)
Kwaza indexed to the US Dollar	(17,060,676)	(8,530,338)	(4,265,169)	4,265,169	8,530,338	17,060,676
Euro	(644,318)	(322,159)	(161,079)	161,079	322,159	644,318
Other currencies	(145,337)	(72,669)	(36,334)	36,334	72,669	145,337
	(6,916,452)	(3,458,226)	(1,729,113)	1,729,113	3,458,226	6,916,452

AOA thousand

Currency	31-12-2023					
	-20%	-10%	-5%	5%	10%	20%
US Dollar	3,608,089	1,804,044	902,022	(902,022)	(1,804,044)	(3,608,089)
Kwaza 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



As at the date of this report, the Bank's assets and liabilities show significant revaluation impacts, taking into account the variation in the Kwana (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 31 December 2024.

Liquidity Risk

In addition to regulatory ratios, liquidity risk is assessed using internal metrics defined by the Group'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 characterise the Bank's risk profile and ensure that it 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 daily, and several reports are prepared for control, monitor and support 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 27 September (revoked Instruction 09/2019 of 27 August).

As at 31 December 2024 and 31 December 2023, the total contractual cash flows by residual maturities of the Bank's financial assets and liabilities, are presented as follows:

AOA thousand

	31-12-2024						Total
	Contractual residual maturities						
	On demand	Below 3 months	3 to 12 months	1 to 5 years	Above 5 years	Undetermined	
Assets							
Cash and deposits at central banks	325,319,262	-	-	-	-	-	325,319,262
Loans and advances to credit institutions repayable on demand	38,614,876	-	-	-	-	-	38,614,876
Financial assets at fair value through profit or loss	-	-	-	6,532,347	49,618,181	327,892,610	384,043,138
Financial assets at fair value through other comprehensive income	-	-	612	4,127,091	19,163,284	2,088,496	25,379,483
Financial assets at amortised cost							
Debt securities	-	-	117,689,457	176,364,076	67,133,566	-	361,187,099
Loans and advances to Customers	-	139,994,000	32,429,355	121,658,432	141,878,847	49,474,461	485,435,095
Other loans and advances to central banks and credit institutions	-	93,384,078	4,100,285	-	-	-	97,484,363
Other assets	-	-	-	-	-	165,610,447	165,610,447
	363,934,138	233,378,078	154,219,709	308,681,946	277,793,878	545,066,014	1,883,073,763
Liabilities							
Deposits from central banks and other credit institutions	1,666,920	40,113,143	-	-	-	215,886	41,995,949
Deposits from Customers and other loans	703,321,484	465,430,820	532,105,989	1,012	-	-	1,700,859,305
Provisions	-	-	-	-	-	1,568,260	1,568,260
Other liabilities	-	-	148,585	222,446	2,949,578	17,351,577	20,672,186
	704,988,404	505,543,963	532,254,574	223,458	2,949,578	19,135,723	1,765,095,700
Liquidity gap	(341,054,266)	(272,165,885)	(378,034,865)	308,458,488	274,844,300	525,930,291	117,978,063
Accrued liquidity gap	(341,054,266)	(613,220,151)	(991,255,016)	(682,796,528)	(407,952,228)	117,978,063	



AOA thousand

	31-12-2023						
	Contractual residual maturities						Total
	On demand	Below 3 months	3 to 12 months	1 to 5 years	Above 5 years	Undetermined	
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 amortised 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	224,944,332	524,971,053	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	788,564,116	478,617,720	581,825,673	-	-	-	1,849,007,508
Provisions	-	-	-	-	-	3,613,319	3,613,319
Other liabilities	-	-	-	346,284	3,136,209	11,084,224	14,566,717
	789,770,634	478,617,720	581,825,673	346,284	3,136,209	14,814,092	1,868,510,612
Liquidity gap	(338,695,859)	(313,088,524)	(320,635,064)	349,774,052	221,808,123	510,156,961	109,319,689
Accrued liquidity gap	(338,695,859)	(651,784,383)	(972,419,446)	(622,645,395)	(400,837,271)	109,319,689	

As at 31 December 2024 and 31 December 2023, the liquidity ratio calculated in accordance with Instruction 14/2021 of 27 September, amounts to 545% and 380%, 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 31 December 2024 and 31 December 2023, the Bank has observation ratios of 1 to 3 months at 411% and 468%, respectively, 3 to 6 months at 484% and 850%, respectively, and 6 to 12 months at 469% and 560%, respectively.

Real Estate Risk

As at 31 December 2024 and 31 December 2023, the Bank's exposure to real estate (direct and indirect) is as follows:

AOA thousand

	31-12-2024			31-12-2023		
	Gross book value	Impairment losses	Net book value	Gross book value	Impairment losses	Net book value
Shares held in Real Estate funds (Note 6)	317,500,369	-	317,500,369	291,905,863	-	291,905,863
Loans and advances to Customers (Note 9)	329,582,617	(72,720,224)	256,862,393	327,641,219	(94,374,997)	233,266,222
Other property, plant and equipment (Note 11)	92,753,506	(14,359,361)	78,394,145	90,516,589	(12,588,716)	77,927,873
Non-current assets held for sale (Note 13)	-	-	-	942,568	(226,216)	716,352
Promissory Contracts (Note 15)	138,103,031	(9,593,796)	128,509,235	123,518,549	(13,501,597)	110,016,952
	877,939,523	(96,673,381)	781,266,142	834,524,788	(120,691,526)	713,833,262

The Bank uses the expertise of SG Hemera Capital Partners, SGOIC, S.A. (HCP), Collective Investment Scheme (CIS) Management Company that manages the real estate investment funds (REIFs) 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. CIS under its management, including the REIFs in which the Bank is an investor, are also supervised by the CMC and independently audited.



The “Análise de Benchmark do Mercado Imobiliário Angolano (*Angola Real Estate Benchmark Analysis*) reports, 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 Non-current Assets Held for Sale and REIFs 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 Non-current Assets Held for Sale, 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 2024 and the analyses performed so far, the Board of Directors’ conclusion is that the evolution of the real estate market in Angola, during 2024, in kwanzas, is adequately expressed in the value of real estate assets recorded, directly and indirectly, in the balance sheet as at 31 December 2024.

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 realisation at the balance sheet figures as at 31 December 2024 may be affected by developments in the Angolan economy and the success of the Bank’s 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 organisational units that ensure the adequate implementation of operational risk management in the Bank.

The Bank has initiated a set of guidelines and actions aimed at better alignment of systems, human resources and processes in order to allow an effective continuous mitigation of 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 organisational model by processes, which allows the Bank to adopt an end-to-end perspective of the value chain of products and services in Operational Risk management, involving the entire organisation and enhancing transversal responsibility.

The identification of events that might generate operational risks and respective assessments 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 organised 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.

Regulatory own funds ratio

As at 31 December 2024 and 31 December 2023, the Bank is in compliance with the regulatory own funds ratio.