

Note 8 – Financial assets at amortised cost – Debt securities

This caption is analysed as follows:

	31-12-2024	31-12-2023
	AOA thousand	
Bonds and other fixed-income securities		
Issued by public entities		
Foreign currency bonds	182,829,423	263,587,038
Non-adjustable bonds	103,677,979	120,456,956
Bonds indexed to the US Dollar	79,932,028	71,139,180
Treasury Bills	-	17,394,921
	366,439,430	472,578,095
Impairment losses	(5,252,331)	(5,262,762)
	361,187,099	467,315,333

The fair value of debt securities classified as financial assets at amortised cost is presented in Note 38, in accordance with the disclosure requirements established in IFRS 7 and IFRS 9.

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

In December 2023, the rating agency Fitch revised the rating of the debt of the Republic of Angola, maintaining the external rating at B-, with a stable outlook. 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. In June 2024, the same agency revised the rating of the debt of the Republic of Angola, maintaining the external rating at B-, with a stable outlook. According to the published note, this revision reflects high inflation and high levels of public debt denominated in foreign currency.

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 amortised cost), the following criteria should be considered: (i) 12-month probability of default (PD) for Angola’s rating published in Moody’s study “Sovereign default and recovery rates” applicable to the period concerned; and (ii) loss given default (LGD) associated with the sovereign default events verified, as indicated in the same study”. The Bank has adopted this methodology as its accounting policy for this matter.

In accordance with the accounting policy described in Note 2.5, 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.

As at 31 December 2024 and 31 December 2023, Moody’s study was used to calculate impairment, which on that date showed an implied impairment rate of 1.560% – “PD of 2.60% and LGD of 60%” (2023: 1.468% – PD of 2.447% and LGD of 60%) for stage 1 operations.



In the period ended 31 December 2024 and 2023, the caption presents the following changes:

AOA thousand

	31-12-2023	Acquisitions	Maturities	Disposals	Exchange rate effect (Note 26)	Variation at amortised cost	31-12-2024
Bonds and other fixed-income securities							
Issued by public entities							
Foreign currency Treasury Bonds	263,587,038	95,721,360	(190,374,195)	-	13,412,395	482,825	182,829,423
Non-adjustable Treasury Bonds	120,456,956	7,517,700	(1,461,600)	(22,344,297)	-	(490,780)	103,677,979
Treasury Bonds indexed to the US Dollar	71,139,180	-	(46,754)	-	7,188,420	1,651,182	79,932,028
Treasury Bills	17,394,921	5,000,000	(5,059,551)	(18,924,261)	-	1,588,891	-
	472,578,095	108,239,060	(196,942,100)	(41,268,558)	20,600,815	3,232,118	366,439,430

AOA thousand

	31-12-2022	Acquisitions	Maturities	Disposals	Exchange rate effect (Note 26)	Variation at amortised cost	31-12-2023
Bonds and other fixed-income securities							
Issued by public entities							
Foreign currency Treasury Bonds	202,194,207	27,382,981	(89,351,608)	-	124,320,263	(958,805)	263,587,038
Non-adjustable Treasury Bonds	,65,098,672	61,298,194	(2,528,200)	(5,656,600)	-	2,244,890	120,456,956
Treasury Bonds indexed to the US Dollar	43,409,044	-	-	-	28,162,925	(432,789)	71,139,180
Treasury Bills	-	17,254,239	(2,709)	-	-	143,391	17,394,921
	310,701,923	105,935,414	(91,882,517)	(5,656,600)	152,483,188	996,687	472,578,095

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



As at 31 December 2024 and 31 December 2023, the breakdown of debt securities classified as financial assets measured at amortised cost, by residual maturity, was as follows:

AOA thousand

	31-12-2024					Total
	Below 3 months	3 to 12 months	1 to 5 years	Above 5 years	Indefinite duration	
Bonds and other fixed-income securities						
Issued by public entities						
Foreign currency Treasury Bonds	-	80,298,643	102,530,780	-	-	182,829,423
Non-adjustable Treasury Bonds	-	2,099	35,479,021	68,196,859	-	103,677,979
Treasury Bonds indexed to the US Dollar	-	38,782,294	41,149,734	-	-	79,932,028
Impairment losses	-	(1,393,580)	(2,794,880)	(1,063,871)	-	(5,252,331)
	-	117,689,456	176,364,655	67,132,988	-	361,187,099

AOA thousand

	31-12-2023					Total
	Below 3 months	3 to 12 months	1 to 5 years	Above 5 years	Indefinite duration	
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	8,441,513	33,502,428	78,418,457	-	120,456,956
Treasury Bonds indexed to the US Dollar	48,115	-	71,091,065	-	-	71,139,180
Treasury Bills	-	17,394,921	-	-	-	17,394,921
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



As at 31 December 2024 and 31 December 2023, Financial assets measured at amortised cost – Debt securities are as follows:

AOA thousand

31-12-2024									
	Issuing Entity	Average rate	Nominal value	Acquisition cost	Accrued interest	Discount premium	Cambial	Impairment losses	Book value
Bonds and other fixed-income securities									
Issued by public entities									
Foreign currency Treasury Bonds	Angolan State	8.70%	182,856,000	153,774,967	1,438,805	(2,052,482)	29,668,133	(2,699,037)	180,130,386
Non-adjustable Treasury Bonds	Angolan State	17.34%	98,189,400	98,655,346	5,292,586	(269,953)	-	(1,617,358)	102,060,621
Treasury Bonds indexed to the US Dollar	Angolan State	8.15%	76,085,899	13,773,242	3,397,558	(2,396,586)	65,157,814	(935,936)	78,996,092
			357,131,299	266,203,555	10,128,949	(4,719,021)	94,825,947	(5,252,331)	361,187,099

AOA thousand

31-12-2023									
	Issuing Entity	Average rate	Nominal value	Acquisition cost	Accrued interest	Discount premium	Cambial	Impairment losses	Book value
Bonds and other fixed-income securities									
Issued by public entities									
Foreign currency Treasury Bonds	Angolan State	6.21%	257,300,960	164,092,394	1,702,776	(1,540,619)	99,332,487	(2,242,686)	261,344,352
Non-adjustable Treasury Bonds	Angolan State	17.34%	114,886,200	115,068,617	5,365,982	22,357	-	(1,756,958)	118,699,998
Treasury Bonds indexed to the US Dollar	Angolan State	8.36%	69,191,499	13,816,737	1,249,569	(1,896,520)	57,969,394	(1,043,906)	70,095,274
Treasury Bills	Angolan State	-	20,000,000	17,251,600	-	143,321	-	(219,212)	17,175,709
			461,378,659	310,229,348	8,318,327	(3,271,461)	157,301,881	(5,262,762)	467,315,333

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

AOA thousand

	31-12-2024	31-12-2023
Opening balance	5,262,762	4,404,485
Increases/(Reversals) (Note 33)	(330,989)	(1,404,091)
Foreign exchange differences and other (Note 26)	320,558	2,262,368
Closing balance	5,252,331	5,262,762