



FINANCIAL STATEMENTS

CONSOLIDATED | NOTES

31 DECEMBER 2022

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Financial Statements

Balance Sheet

BANCO MILLENNIUM ATLANTICO S.A.
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022 AND 2021

	Notes	31-12-2022	31-12-2021
Assets			
Cash and deposits at central banks	4	214,230,500	344,971,397
Loans and advances to credit institutions repayable on demand	5	46,169,024	51,143,348
Financial assets at fair value through profit or loss	6	2,022,837	7,536,289
Financial assets at fair value through other comprehensive income	7	54,236,351	3,014,167
Financial assets at amortized cost			
Debt securities	8	306,297,438	369,305,246
Loans and advances to customers	9	453,601,310	440,985,217
Other loans and advances to central banks and credit institutions	10	30,547,298	33,814,994
Other property, plant and equipment	11	103,859,695	87,882,647
Intangible assets	12	13,022,100	15,476,651
Investment properties	13	260,061,434	256,570,622
Non-current assets held for sale	14	-	-
Current tax assets	15	2,546,736	2,462,185
Deferred tax assets	15	3,750,143	3,417,453
Other assets	16	92,942,823	93,450,534
Total Assets		1,583,287,689	1,710,030,750
Liabilities and Equity			
Deposits from central banks and other credit institutions	17	7,321,923	83,714,792
Deposits from customers and other loans	18	1,357,007,428	1,407,617,629
Financial liabilities at fair value through profit or loss	6	2,030,008	1,412
Provisions	19	2,926,832	3,560,689
Current tax liabilities	15	-	123,179
Deferred tax liabilities	15	3,269,553	845,496
Other liabilities	20	19,748,804	21,764,957
Total Liabilities		1,392,304,548	1,517,628,154
Share capital	21	142,324,747	142,324,747
Share premiums	21	70,707,406	70,707,406
Treasury shares	21	(841,657)	(841,657)
Revaluation reserves	22	284,357	56,645
Other reserves and retained earnings	22	(26,263,845)	(29,692,213)
Consolidated net profit/(loss) for the period		3,498,114	3,428,368
Total Equity attributable to shareholders of the Bank		189,709,122	185,983,296
Non-controlling interests		1,274,020	6,419,300
Total Equity		190,983,141	192,402,596
Total Liabilities and Equity		1,583,287,689	1,710,030,750

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

Income Statement

BANCO MILLENNIUM ATLÂNTICO S.A.
CONSOLIDATED INCOME STATEMENT
FOR THE PERIODS ENDED 31 DECEMBER 2022 AND 2021

	Notes	31-12-2022	31-12-2021
Interest and similar income	23	95,703,357	90,338,860
Interest and similar expenses	23	(62,098,440)	(68,310,981)
Net interest income		33,604,917	22,027,879
Fees and commissions income	24	26,650,749	20,758,096
Fees and commissions expense	24	(6,877,822)	(4,882,041)
Profit/(loss) from fees and commissions		19,772,927	15,876,055
Profit/(loss) from other financial assets and liabilities at fair value through profit or loss	25	291,782	393,861
Profit/(loss) from investments at amortized cost	26	134,431	4,254,411
Profit/(loss) from foreign exchange differences	27	22,414,019	18,826,927
Profit/(loss) from the sale of other assets	28	(883,728)	-
Profit/(loss) from the revaluation of investment properties	29	-	12,925,717
Other operating income	36	(10,494,791)	(13,568,099)
Profit/(loss) from financial operations		11,461,713	22,832,817
Operating income		64,839,558	60,736,751
Staff costs	30	(26,994,278)	(26,783,597)
Supplies and services	31	(19,311,221)	(18,791,741)
Depreciation and amortization for the period	11, 12 and 32	(10,139,056)	(11,038,885)
Provisions and impairment of other assets net of reversals	14, 16, 19 and 33	6,830,761	(10,817,104)
Impairment of other financial assets	5 and 34	3,838	13,283
Impairment for financial assets at amortized cost	8, 9, 10 and 35	(11,341,301)	11,036,040
Impairment of financial assets at fair value through other comprehensive income	22	(731,416)	261,314
Profit/(loss) before tax from continuing operations		3,156,885	4,616,061
Income tax			
Current tax	15	(9,115)	(97,223)
Deferred Tax	15	332,691	(541,131)
Profit/(loss) after tax from continuing operations		3,480,460	3,977,708
Consolidated net profit/(loss) for the period		3,480,460	3,977,708
Consolidated net profit/(loss) for the period attributable to:			
Non-controlling interests		(17,654)	549,340
Shareholders of the Bank		3,498,114	3,428,368
Average number of ordinary shares issued	37	53,821,603	53,821,603
Basic earnings per share (in thousands of AQA)	37	0.60	0.60
Diluted earnings per share (in thousands of AQA)	37	0.60	0.60

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

Statement of Comprehensive Income

BANCO MILLENNIUM ATLÁNTICO S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED 31 DECEMBER 2022 AND 2021

	Notes	31-12-2022	31-12-2021
Consolidated net profit/(loss) for the period		3 480 460	3 977 708
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	21	1,081,743	(493,377)
Transfer to profit or loss for impairment recorded in the period	21	(731,416)	261,314
Tax impact	21	(122,615)	81,222
		227,712	(150,841)
Consolidated comprehensive income for the period		3,708,172	3,826,867

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

Statement of Changes in Equity

BANCO MILLENNIUM ATLANTICO S.A.
 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE PERIODS ENDED 31 DECEMBER 2022 AND 2021

	Share capital	Share premiums	Treasury shares	Revaluation reserves	Other reserves and retained earnings			Consolidated net profit/(loss) for the period	Total Equity
					Legal reserve	Other reserves and retained earnings	Total		
Balance as at 31 December 2020 (Restated)	142,324,747	70,707,406	(841,657)	207,486	19,845,525	(41,758,837)	(21,913,313)	(7,778,900)	182,705,769
Appropriation of net profit for the period									
Transfer to reserves and retained earnings	-	-	-	-	-	(7,778,900)	(7,778,900)	7,778,900	-
Changes in fair value, net of tax	-	-	-	(150,841)	-	-	-	-	(150,841)
Consolidated net profit/(loss) for the period	-	-	-	-	-	-	-	3,428,368	3,428,368
Balance as at 31-12-2021	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 reserves and retained earnings	-	-	-	-	-	3,085,531	3,085,531	(3,085,531)	-
Changes in fair value, net of tax	-	-	-	227,712	-	-	-	-	227,712
Consolidated net profit/(loss) for the period	-	-	-	-	-	-	-	3,498,114	3,498,114
Balance as at 31-12-2022	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

Cash Flow Statement

BANCO MILLENNIUM ATLÁNTICO S.A.
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIODS ENDED 31 DECEMBER 2022 AND 2021

	Notes	31-12-2022	31-12-2021
Cash flows from operating activities			
Interest, commissions and other similar income received		126 892 721	78 799 894
Interest, commissions and other similar expense paid		(69,906,922)	(73,392,177)
Payments to employees and suppliers		(47,989,301)	(49,536,943)
Cash flows before changes in operating assets and liabilities		8,996,498	(44,129,226)
(Increases)/decreases in operating assets and liabilities:			
Financial assets at fair value through profit or loss		4,491,755	(1,985,218)
Financial assets at fair value through other comprehensive income		(48,609,618)	33,086,440
Financial assets at amortized cost			
Debt securities		66,178,292	54,559,351
Loans and advances to customers		(41,849,352)	28,699,129
Other loans and advances to credit institutions		3,635,368	49,851,664
Deposits from central banks and other credit institutions		(76,317,615)	69,595,434
Non-current assets held for sale		219,729	16,245,523
Deposits from customers and other loans		(52,751,427)	(134,605,916)
Other operating assets and liabilities		7,832,916	11,961,342
Net cash from operating activities before income tax		(128,173,455)	83,278,523
Income tax paid		248,140	(66,273)
Net cash from operating activities		(127,925,315)	83,212,250
Cash flows from investment activities			
Acquisitions of property, plant and equipment and intangible assets, net of disposals		(8,475,639)	(11,812,240)
Net cash from investment activities		(8,475,639)	(11,812,240)
Net cash from financing activities			
Payments relating to lease liabilities		(1,576,290)	(3,787,403)
Net cash from financing activities		(1,576,290)	(3,787,403)
Changes in cash and cash equivalents		(137,977,243)	67,612,607
Cash and cash equivalents at the beginning of the period		396,125,751	332,517,495
Effects of exchange rate changes on cash and cash equivalents		2,258,184	(4,004,351)
Cash and cash equivalents at the end of the period		260,406,692	396,125,751
Cash and cash equivalents (excluding impairment losses) include:			
Cash	4	27,181,063	21,102,512
Cash and deposits at central banks	4	187,049,438	323,868,885
Loans and advances to credit institutions repayable on demand	5	46,176,191	51,154,354
		260,406,692	396,125,751

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

Notes to the Consolidated Financial Statements

Note 1 - Introduction

Banco Millennium Atlântico, S.A., which also uses the brand ATLANTICO (hereinafter referred to as “Banco” or “ATLANTICO”), was incorporated by Public Deed on 31 August 2006. Through communication of Banco Nacional de Angola (hereinafter also referred to as “BNA”) dated 6 November 2006, ATLANTICO was authorized and definitively registered as ATLANTICO, and started its business activity on 17 November 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 consolidated financial statements presented reflect the results of the Bank’s operations and all its subsidiaries (hereinafter also referred to as the “Group”) for the period ended 31 December 2022 and 2021.

The Group’s structure is presented with a breakdown of the entities in which the Bank holds a direct or indirect interest equal to or higher than 20%, or over which it exercises control or significant influence in its management, and which were included in the consolidation perimeter:

Entity	Country	Shareholding (%) as at 31-12-2022	Shareholding (%) as at 31-12-2022
Pactual Property Fund – Closed-End Real Estate Investment Fund	Angola	99.50%	99.50%
Dual Impact Fund – Risk capital fund	Angola	100.00%	-
Atlântico Protecção – Closed-End Real Estate Investment Fund	Angola	100.00%	100.00%
Atlântico Liquidez – Open-End Real Estate Investment Fund	Angola	-	58.53%

As at 31 December 2021 and 31 December 2020, the investment funds included in the Group’s consolidation perimeter were recorded using the full consolidation method, in accordance with the accounting policy described in Note 2.3.

Note 2 – Accounting policies

2.1 Basis of presentation

In accordance with the provisions of Notice No. 05/2019 of 30 August, 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 other comprehensive income and financial assets at fair value through profit or loss.

The preparation of financial statements in accordance with IAS/IFRS requires the Bank to make judgements 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 judgements. Areas that involve a higher level of judgement 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 31 December 2022 were approved at the Board of Directors meeting held on 16 March 2023, and it is the Board of Directors' belief that they will be approved at the General Meeting of Shareholders without material changes.

2.2 Comparability of the information

The Bank adopted the standards whose application is mandatory for periods beginning on or after 1 January 2020. The accounting policies were consistently applied and are consistent with those used in the preparation of the prior period financial statements.

In 2021, the Bank's Board of Directors applied the provisions of IAS 29 for the first time, as it considered it to be the most appropriate requirement in accordance with IAS/IFRS. The application of the IAS 29 Standard after the period in which the characteristics of a hyperinflationary economic environment are observed, must respect the terms set out in IAS 8 Standard – Accounting Policies, Changes in Accounting Estimates and Errors, with regard to the change of accounting policies, and the corresponding impacts must be reflected retrospectively. Accordingly, the Bank has retrospectively applied the new policy in its financial statements for the 2017 and 2018 financial years (restatement), and the impacts are presented with reference to the first comparative period presented, i.e., 1 January 2020.

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

2.3 Basis of consolidation

As of 1 January 2019, the Group started to apply IFRS 3 (revised) for the accounting recognition of business combinations. Changes in accounting policies arising from the application of IFRS 3 (revised) are applied prospectively.

The consolidated financial statements presented reflect the Group's assets, liabilities, income, and costs.

Investments in subsidiaries

Subsidiaries are entities (including investment funds) controlled by the Group. The Group 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).

The financial statements of subsidiaries are included in the financial statements from the date on which the Group acquires control until the date on which control ends.

Accumulated losses are attributed to non-controlling interests in the proportions held, which may imply the recognition of negative non-controlling interests.

Investments in associates

Financial investments in associates are recorded using the equity method from the date on which the Group acquires significant influence until the moment it ends. Associates are entities over which the Group has significant influence, but not control over their financial and operating policies. It is assumed that the Group has significant influence when it holds 20% or more of the voting rights of the investee. If the Group

holds, directly or indirectly, less than 20% of the voting rights of the investee, it is presumed that the Group does not have significant influence, unless such influence can be clearly demonstrated.

The existence of significant influence by the Group 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 Group and the investee;
- Interchange of the management team; and
- Provision of essential technical information.

Acquisition and dilution of non-controlling interests

The acquisition of non-controlling interests, which does not result in a change in control over a subsidiary, is accounted for as a transaction with shareholders and, as such, no additional goodwill resulting from this transaction is recognized. The difference between the acquisition cost and the fair value of the acquired non-controlling interests is recognized directly in reserves. Likewise, gains or losses arising from disposals of non-controlling interests, which do not result in a loss of control over a subsidiary, are always recognized against reserves.

Loss of control

Gains or losses arising from the dilution or sale of a part of the investment in a subsidiary, with loss of control, are recognized by the Group in the income statement.

Transactions eliminated in consolidation

Balances and transactions between Group entities, as well as unrealized gains and losses resulting from these transactions, are eliminated in the preparation of the consolidated financial statements.

2.4 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 issued by the BNA at the balance sheet date. Foreign exchange differences arising on translation are recognized in the income statement under Profit/(loss) from foreign exchange differences (Note 27).

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 through 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	31-12-2022	31-12-2021
AOA/USD	503.691	554.981
AOA/EUR	537.438	629.015

2.5 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 Group, 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 Group to their respective cash flows have expired, (ii) the Group transferred substantially all associated risks and rewards of ownership, or (iii) notwithstanding the fact that the Group may have retained part, but not substantially all the associated risks and rewards of ownership, control over the assets was transferred.

2.6 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 Group'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 hold 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 Group assessed its business models based on a wide set of indicators, including its business plan and current risk management policies.

The Group conducted an assessment of 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 Group'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 Group 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 Group 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 Group 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 Group'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 experience in order to evaluate the frequency and materiality of sales. The threshold for frequency is defined according to the number of transactions in each 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 Group of frequent and significant sales, close to maturity or due to deterioration of credit risk are not exceeded.

For financial assets classified in the Hold to collect business model, the frequency and significance thresholds defined by the Group were exceeded. The sales are related to the Bank's need to adjust its short foreign exchange position within regulatory limits, in compliance with the provisions imposed by the BNA under Notice No. 13/2022, of 26 April, in 2022, and Notice No. 14/2019, of 29 November, in 2021, respectively. For this purpose, the Bank submitted to the BNA an exchange rate reset plan, mainly providing for the gradual disposal of the portfolio of treasury bonds indexed to the US dollar and non-indexed.

Accordingly, although the transactions have exceeded the thresholds of the Hold to collect business model, due to the fact that they were carried out under the currency reset plan agreed between the Bank and the BNA, in order to reduce the Bank's short foreign exchange position and comply with the regulatory foreign exchange position requirements, the Bank considers that these sales are within the framework and infrequent and therefore do not represent sufficient grounds to consider changing the business model originally defined for these assets at their origination.

With regards to the other financial instruments, namely equity and derivative instruments, these are 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 if 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 Group 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 Group 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 Group 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 Group 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 Group treats the transaction as a transfer of a financial asset if, and only if, all the following three conditions are met:
- The Group 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 Group 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 Group 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 Group 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 Group 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 Group retains substantially all the risks and rewards of ownership of the financial asset, it shall continue to recognize the financial asset; or
 - If the Group 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 Group 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 Group 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 Group'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 Group 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 Group through repurchase agreements and other transactions are not derecognized because the Group 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 Group renegotiates or modifies the contractual cash flows of loans and advances to customers. In such cases, the Group assesses whether the new terms of the contract are substantially different from the original terms. The Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group'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 Group, 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 Group 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 Group 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 Group 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 Group 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 - Held 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 Group 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, are mandatorily 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 Group uses the fair value hierarchy, with three levels in the valuation of financial instruments (assets or liabilities), which reflects the level of judgement, 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 41).

Gains and losses generated by the subsequent valuation recorded in the income statement, under Profit/(loss) from financial assets and liabilities 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.

Other credit-risk assets

The impairment of assets that relate to advances, promissory contracts, 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.

Amounts receivable from the promissory contracts (“CPCV” - “Contrato-Promessa de Compra e Venda”)

I. Recognition of amounts receivable from promissory contracts

For the recognition of real estate CPCV, the Group 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 28).

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 Group 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 after 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 Group 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 Group 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 Group. 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 Group 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 Group defined the amount of the institution's own funds as the benchmark for the identification of significant exposures. The criteria defined by the Group 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 Group ensure that portfolio coverage by individual analysis is above 80% of the value of credit exposure recorded in the Group's assets, for a group of approximately 100 different customers.

The adoption of the materiality criteria recommended in BNA Instruction No. 08/2019, of 27 August, on Impairment losses for the loan portfolio (Instruction No. 08/2019), would define the need for individual analysis for an additional set of approximately 150 customers obtaining an increase in coverage of less than 10 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 Group 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 Group under the contract and the cash flows that the Group 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.

With the exception of 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 Group 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 30 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 Group under the contract and the cash flows the Group 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 undrawn loan commitments: the present value of the difference between the resulting contractual cash flows that are due to the Group if the commitment is fulfilled and the cash flows that the Group expects to receive.

The concept supporting the Group'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 Group'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 Group'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 Group's impairment model divides corporate customers by sector of economic activity and private customers by credit product.

Accordingly, the Group ensures that for the purposes of analyzing 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 Group'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 Group 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 Group 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 Group 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 No. 13/DSB/DRO/2019, of 27 December 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 No. 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 Moody's study "Sovereign default and recovery rates, 1983-2020" and the LGD associated with the sovereign default events occurred, indicated in the same study, in accordance with Directive No. 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 No. 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 No. 13/DSB/DRO/2019.

Despite the requirements set out in Directive No. 13/DSB/DRO/2019 regarding the use of PDs per rating contained in Moody's publication, the Group considers a minimum PD of 0.03% in line with best practices.

Significant increase in credit risk

The stage 2 rating is based on the observation of a significant increase in the credit risk level.

The Group'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 Group 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 Group 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 Group 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 Group 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 Group 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 behavioral 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 Group 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 Group, including identification and testing of other macroeconomic data.

In this context, the Group 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 Group 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 Notice 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 analyzed 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 with regard to 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 Group 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.

2.7 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 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.

2.8 Property, plant and equipment

Recognition and measurement

Property, plant and equipment are recorded at acquisition cost less accumulated depreciation and impairment losses. Costs includes expenses which are directly attributable to the acquisition of goods.

Under the IAS 29 Standard, in the event of hyperinflation, banking financial institutions must update the measurement of property, plant and equipment monthly based on the Consumer Price Index.

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 depreciation items of property, plant and equipment.

Subsequent costs

Subsequent costs are recognized as a separate asset only when it is likely that future economic benefits will result for the Group. 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 2.12, this caption includes right-of-use assets arising from lease agreements.

The implementation of IAS 29 has no impact on the determination of the useful life of each class of assets.

2.9 Intangible assets

Recognition and measurement

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

Under the IAS 29 Standard, in the event of hyperinflation, banking financial institutions must update the measurement of property, plant and equipment monthly based on the Consumer Price Index.

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 Group necessary for their implementation. These costs are amortized on a straight-line basis over the estimated useful life, which normally corresponds to 5 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.

Goodwill

Goodwill recorded in the financial statements results from the difference between the value defined in the merger of Banco Millennium Angola S.A. and the value at which the assets and liabilities of that entity were recorded in the accounts. Goodwill is recognized as an asset and recorded at acquisition cost and is not subject to amortization.

According to IAS 36, the recoverable amount of goodwill shall be the highest between its value in use (i.e., the present value of the future cash flows expected from its use) and its fair value less costs of sale. Based on these criteria, ATLANTICO performed an evaluation that considers, among others, the following factors:

- An estimate of the future cash flows generated;
- Time value of money;
- A risk premium related with uncertainty; and
- Other factors related with the markets' financial current situation, in particular inflation and exchange rate development and interest rates growth.

The assumptions used for this assessment may change with the change in economic and market conditions.

The review of the assumptions used, and the development of macroeconomic and market conditions may result in changes in these assumptions and, consequently, in the recoverable amount of goodwill.

Impairment recorded for goodwill cannot be reversed.

2.10 Investment properties

Properties held by the Group for the purpose of long-term capital appreciation and not short-term sale, and which are not intended for sale in the ordinary course of business or for its use, are classified as investment properties.

These investments are recognized at fair value. The fair value of the investment property should reflect market conditions at the balance sheet date. Changes in fair value are recognized under Profit/(loss) from the revaluation of investment properties (Note 29).

Properties are valued by at least three independent valuers. Assessments are performed under the following conditions:

- Prior to the acquisition and disposal of the property, the reference date for the valuation of the property cannot be longer than six months in relation to the date of the contract in which the transaction price is established;
- Prior to the development of construction projects in order to determine the value of the property to be built;
- Whenever circumstances occur that may induce significant changes in the value of the property; and
- With a minimum frequency of two years.

The valuations carried out are conducted by independent expert valuers registered with CMC. The valuation reports are analyzed 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.

The registered investment properties arise only from non-banking activities (investment funds).

2.11 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 Group 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 Group 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 expert valuers. Additionally, and in accordance with Directive no. 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 expert valuers registered with CMC. The valuation reports are analyzed 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 Group 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 Group'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 Group 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 years 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.

2.12 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 Group has adopted IFRS 16 using the modified retrospective approach, which has no impact on equity as, except for 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 (1 January 2019).

A. Lease definition

The Group evaluates whether an agreement is or contains a lease based on 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 Group allocates the consideration in the agreement for each leasing component and not the leasing based on 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 Group leases several real estate properties used for the Group's branches and central services.

As lessee, the Group previously classified leases as operating or finance leases based on an overall assessment of whether the lease transfers substantially all the risks and rewards associated with ownership of the underlying assets.

The Group 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 Group records lease liabilities under Other liabilities in the balance sheet.

The Group 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 remeasurements 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 Group's incremental financing rate. The Group 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.

Judgement in determining the term of the lease

The Group has applied judgement to determine the lease term of some agreements in which it is the lessee, which include renewal and termination options. The Group 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 Group 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 Group has the option, namely in property lease agreements, to lease the assets for additional periods of 1 to 5 years. The Group applies judgement 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 Group 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 Group 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 Group 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 Group applies IFRS 15 to allocate the contractual amounts.

Operating leases

Payments made by the Group under operating lease agreements are recorded as expenses in the periods to which they relate, when applicable.

2.13 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 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 No. 19/14 of 22 October, which came into force on 1 January 2015, recently amended by Law No. 26/20 of 20 July, 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 No. 26/20 of 20 July 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/realized 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 No. 26/20 of 20 July, only realized favorable and unfavorable exchange rate changes are considered as income and costs for tax purposes. In view of the above, the Group must exclude from the net profit for the period the amounts of potential favorable and unfavorable 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 No. 18(a) of the Corporate Tax Code, as amended by Law No. 26/20 of 20 July, 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 No. 2/14 of 20 October, in force since 19 November 2014, reviewed and introduced several legislative changes to the IAC Code, following the Tax Reform project.

IAC is applied generally on income from the Group'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 1 January 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 1 January 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 9 August 2020, the new Property Tax Code (CIP), which is levied on the ownership of own property, rents, and real estate transfer, approved by Law No. 20/20 of 9 July, 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, 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.

Regarding properties leased by Group Bank, as a lessee, the Group 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 No. 20/20 of 9 July, 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 (usucaption) on real estate.

Value Added Tax

The Group, 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 1 October 2019.

As a taxpayer registered at the Tax Office of Large Taxpayers, the Group, 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 No. 7/19 of 24 April and the amendments introduced by Law No. 17/19 of 13 August, 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 Group 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 Group on its purchases of goods and services is only partially deductible using the pro rata method. In the meantime, AGT, through Instruction No. 000003/DNP/DSIVA/AGT/2020 of 10 February, 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 Group 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 No. 3/14 of 21 October, the Group 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.

Industrial Tax

In accordance with the provisions of Article No. 67 of Law No. 19/14 of 22 October, amended by Law No. 26/20 of 20 July, 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 No. 71 and following of Law No. 19/14, of 22 October, amended by Law No. 26/20, of 20 July, 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.

2.14 Employee benefits

Defined-contribution plans

For defined-contribution plans, the liabilities related to the benefit attributable to the Group'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 Group 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 No. 7/15, of 15 June, establishes that the amount of holiday allowance payable to employees each 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 No. 07/04 of 15 October, which revoked Law No. 18/90, of 27 October, 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 No. 227/18, of 27 September, the contribution rates for this system are 8% for the employer and 3% for the workers.

By resolution of the Bank's Board of Directors, ATLANTICO is making contributions under a defined contribution plan, corresponding to a fixed percentage of 8% of the monthly pensionable salary of each employee (5% by the Bank and 3% by the employee), 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..

ATLANTICO started to discount monthly the amount equivalent to the salary of the employees who joined the Fund, thus maintaining its contribution of 5% on the salary of those employees. This discount is initially kept under the caption Provisions and at the moment immediately afterwards, is transferred to the Pension Fund.

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 30).

2.15 Provisions

Provisions are recognized when (i) the Group 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 an outflow of economic benefits will be required to settle a present legal or constructive obligation as a result of past events and (iii) a reliable estimate can be made of the amount of the obligation.

The measurement of provisions for loan commitments and financial guarantees is made in accordance with the impairment model implemented when adopting IFRS 9, 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 corresponds 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.

2.16 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 15 and IFRS 9:

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

2.17 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 Profit/(loss) from financial operations, Profit/(loss) from other financial instruments at fair value through profit or loss or other income, depending on the classification of the underlying instrument.

2.18 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.

2.19 Fiduciary activities

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

2.20 Financial guarantees and commitments

Financial guarantees are contracts which require the Group 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.

2.21 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.

2.22 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 judgements 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 judgement and make estimates in deciding which treatment is most appropriate. The main accounting estimates and judgements used in the application of the accounting principles by the Group are presented in this Note, with the objective of improving the understanding of how their application affects the results reported by the Group and their disclosure. A broad description of the main accounting policies used by the Group 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 Group 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 Group'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 judgements 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 Group determines the business model based on how it wants to manage financial assets and business objectives. The Group 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 2.6 – 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 Group 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 Group uses several models and assumptions when measuring the estimate of expected credit losses. The judgement 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 Group reviews its loan portfolio regularly in order to assess the existence of impairment losses, as described in the accounting policy in Note 2.6.

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 judgements. 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 Group.

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 Group 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 16), 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 judgements in estimating fair value.

With particular emphasis on the measurement of real estate assets, held directly and indirectly (Notes 13 and 14), 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 Group (Note 41).

Consequently, the use of different methodologies or of different assumptions or judgements in applying a particular model may have produced financial results that differ from those reported.

3.3 Income taxes

The Group 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 31 December 2022 and 2021 was calculated in accordance with Law No. 26/20, of 20 July, 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 5 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 No. 26/20, of 20 July, 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 Group 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 year ended 31 December 2022 and 2021, 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. Accordingly, the Group, calculated deferred tax assets up to the limit of the deferred tax liabilities, and these amounts have been offset in the financial statements.

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 15).

3.4 Measurement of promissory contracts

The Group 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 revaluation, in the case of indexed CPCV.

In contracts with payment plans with a term longer than one year and no agreed interest rate, the Group 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 Group defined a maximum rate of 25% as a threshold for the classification in Stage 3 of the individually significant exposures (as a result of the credit impairment model), applying this concept in the CPCV, according to the verification of the defined risk criteria (Note 2.6).

In addition to the evaluation factors described above, the Group 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 Group.

Additionally, the measurements and impairment tests on the CPCV (Notes 16) are based, among other factors, on valuations made by independent experts registered with the Capital Market Commission of

Angola, which have implied a set of assumptions whose verification is subject to uncertainty in view of the current circumstances of the real estate market.

Note 4 - Cash and deposits at central banks

This caption is analyzed as follows:

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

The caption Demand deposits at Banco Nacional de Angola includes mandatory deposits whose purpose is to satisfy legal reserve requirements. These deposits do not bear interest.

As at 31 December 2022, reserve requirements are determined in accordance with the provisions of Instruction no. 02/2021 of 10 February, Instruction no. 08/2021 of 14 May and Directive no. 11/2022 of 12 December.

As at 31 December 2021, reserve requirements were calculated in accordance with the provisions of Instruction No. 02/2021 of 10 February, Instruction No. 08/2021 of 14 May, Directive No. 05/DMA/2021 of 5 May, Directive No. 06/DMA/DSP/2021 of 21 May and Directive No. 07/DMA/2021 of 6 July.

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

As at 31 December 2022 and 2021, the minimum reserve requirements for demand deposits with the BNA were calculated by applying the ratios summarized in the following table:

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

As at 31 December 2022, the amount of up to 80% of the assets representing the value of disbursements of loans in national currency granted to projects in the agriculture, livestock, forestry and fisheries sectors may be deducted from the requirement in national currency and good standing, granted on 14 April 2021, provided they have a residual maturity higher than or equal to 24 (twenty-four) months. The same applies to credits defined in accordance with Article 8 of Notice no. 10/2022 of 6 April, on granting credit to the real sector of the economy, whatever the residual maturity, and to the credits defined in accordance with Article 10 of Notice no. 09/2022 of 6 April, on granting credit for housing, whatever the residual maturity. As at 31 December 2021, the amount of up to 80% of the assets representing the value of disbursements of loans in national currency granted to projects in the agriculture, livestock, forestry and fisheries sectors may be deducted from the requirement in national currency, provided they have a residual maturity higher than or equal to 24 months. The same applies to the total amount of loans granted for the production of

essential goods that show a deficit in national production supply, raw materials and the investment required for their production, including in investment for the acquisition of technology, machinery and equipment under the terms of BNA's Notice no. 10/2020 of 1 April, on granting credit to the real sector of the economy, whatever the residual maturity.

During 2015, BNA converted part of ATLANTICO's cash requirements in USD, into securities denominated in the same currency, whose amount as at 31 December 2021, amounted to AOA 108,015,851 thousand (Note 8). These debt securities were accounted at their acquisition cost and subsequently measured as described in Note 2.4, until their maturity date on 19 December 2022.

As at 31 December 2022 and 2021, the minimum reserve requirements in foreign currency may be made up 20% with the amounts deposited with the BNA and 50% in Treasury Bonds in foreign currency, belonging to the own portfolio and relating to the issue of 10 December 2015.

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

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

This caption is analyzed as follows:

	31-12-2022	31-12-2021
Loans and advances to credit institutions repayable on demand in Angola		
Demand Deposits	186,898	156,499
Cheques receivable	8,491,644	6,173,041
	8,678,542	6,329,540
Loans and advances to credit institutions repayable on demand abroad		
Demand Deposits	37,497,649	44,824,814
	37,497,649	44,824,814
Impairment losses (Note 34)	(7,168)	(11,006)
	46,169,024	51,143,348

As at 31 December 2022 and 2021, the balance of Cheques receivable relates to cheques submitted for settlement in the business day sessions following the reference date of the financial statements.

As at 31 December 2022 and 2021, Loans and advances to credit institutions repayable on demand abroad shows (i) amounts of AOA 336,225 thousand and AOA 157,528 thousand, respectively, which aim to ensure the provisioning in the corresponding Bank for the daily settlement of the use of VISA cards and (ii) amounts of AOA 6,088,168 thousand and AOA 3,070,173 thousand 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 31 December 2022 and 2021, Loans and advances to credit institutions repayable on demand, in Angola and abroad, do not bear interest.

The methodology for calculating impairment loss is described in Note 2.6.

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

This caption is analyzed as follows:

	31-12-2022	31-12-2021
Financial assets at fair value through profit or loss		
Other fixed income securities		
Issued by public entities		
Non-adjustable Treasury Bonds	-	4,275,238
Treasury Bonds indexed to the USDollar	-	1,002,368
Other variable income securities		
Shares	1,840,688	1,810,967
Loans and advances to customers	182,149	148,956
Derivatives		
Derivative financial instruments with positive fair value	-	298,760
	2,022,837	7,536,289
Financial liabilities at fair value through profit or loss		
Derivatives		
Derivative financial instruments with negative fair value	2,030,008	1,412
	2,030,008	1,412

As at 31 December 2022 and 2021, the amount of Other variable income securities refers to shares held in the following Collective Investment Undertakings (Investment Funds):

31-12-2022						
	Issuing Entity	Country	Activity / Tipology *	Currency	Shareholding	Book value
Financial assets at fair value through profit or loss						
Other variable income securities						
FIPA Fund	Private	Luxembourg	QU	USD	5.13%	811,462
FIPA Fund II	Private	Luxembourg	QU	USD	8.42%	1,029,226
						1,840,688

* Collective Investment Undertaking

31-12-2021						
	Issuing Entity	Country	Activity / Tipology *	Currency	Shareholding	Book value
Financial assets at fair value through profit or loss						
Other variable income securities						
FIPA Fund	Private	Luxembourg	QU	USD	5.13%	1,064,839
FIPA Fund II	Private	Luxembourg	QU	USD	8.42%	746,128
						1,810,967

* Collective Investment Undertaking

Fundo FIPA and Fundo FIPA II investment funds are managed by Angola Capital Partners, LLC, and are valued in accordance with the quotations published daily by these Management Companies, as disclosed in Note 2.6.

As at 31 December 2022 and 2021, the amounts recorded under Loans and advances to customers refer to six and seven loan transactions, respectively, whose cash flows do not meet the SPPI criterion (Solely Payments of Principal and Interest). As at 31 December 2022 and 2021, the nominal amounts of these loans amounts to AOA 1,226,937 thousand and AOA 1,255,550 thousand, respectively, in local and foreign currency, classified in Stage 3 of impairment, due to default over 90 days, with a fair value of AOA 182,149 thousand and AOA 148,956 thousand, respectively.

As at 31 December 2022 and 2021, the amounts recorded under Derivatives – Derivative financial instruments with positive fair value and Derivatives – Derivative financial instruments with negative fair

value is related to SWAP operations in EUR/USD currencies, contracted with Instituto Nacional de Segurança Social and Banco Comercial Português, S.A., respectively, with a view to hedge the foreign exchange position.

As at 31 December 2022 and 2021, the aforementioned derivative operations show a negative net value of AOA 2,030,008 thousand and a positive net value of AOA 297,346 thousand, respectively.

As provided for in IFRS 13, as at 31 December 2022 and 2021, financial instruments are measured in accordance with the following valuation hierarchy levels:

31-12-2022				
	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	-	-	1,840,688	1,840,688
Loans and advances to customers	-	-	182,149	182,149
	-	-	2,022,837	2,022,837
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
31-12-2021				
	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 fixed income securities				
Issued by public entities				
Non-adjustable Treasury Bonds	-	-	4,275,238	4,275,238
Treasury Bonds indexed to the USDollar	-	-	1,002,368	1,002,368
Other variable income securities				
Shares	-	-	1,810,967	1,810,967
Loans and advances to customers	-	-	148,956	148,956
Derivatives				
Derivative financial instruments with positive fair value	-	298,758	-	298,758
	-	298,758	1,959,923	7,536,287
Financial liabilities at fair value through profit or loss				
Derivatives				
Derivative financial instruments with negative fair value	-	1,412	-	1,412
	-	1,412	-	1,412

The main parameters used, during the year ended 31 December 2022 and 2021, in the valuation model, as well as the description of the valuation levels provided for in IFRS 13, are described in Note 40.

As at 31 December 2022 and 2021, the breakdown of financial assets measured at fair value, by residual maturity, is as follows:

31-12-2022					
	Below 3 months	3 to 12 months	1 to 5 years	Undefined maturity	Total
Financial assets at fair value through profit or loss					
Other variable income securities	-	-	-	1,840,688	1,840,688
Loans and advances to customers	-	-	-	182,149	182,149
	-	-	-	2,022,837	2,022,837
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
31-12-2021					
	Below 3 months	3 to 12 months	1 to 5 years	Undefined maturity	Total
Financial assets at fair value through profit or loss					
Other fixed income securities	2,229,146	943,455	2,105,005	-	5,277,606
Other variable income securities	-	-	-	1,810,967	1,810,967
Loans and advances to customers	-	-	-	148,958	148,958
Derivatives					
Derivative financial instruments with positive fair value	298,760	-	-	-	298,760
	2,527,906	943,455	2,105,005	1,959,925	7,536,289
Financial liabilities at fair value through profit or loss					
Derivatives					
Derivative financial instruments with negative fair value	1,412	-	-	-	1,412
	1,412	-	-	-	1,412

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

This caption is analyzed as follows:

	31-12-2022				
	Cost ⁽¹⁾	Potential added value		Interest	Amount Book value
		Positive	Negative		
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.

	31-12-2021				
	Cost ⁽¹⁾	Potential added value		Interest	Amount Book value
		Positive	Negative		
Bonds and other fixed-income securities					
Issued by public entities	806,439	586,149	(560,145)	44,202	876,645
Issued by other entities	1,622,252	137,627	(115,717)	63,971	1,708,133
Shares	429,389	-	-	-	429,389
	2,858,080	723,776	(675,862)	108,173	3,014,167

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

In accordance with the accounting policy described in Note 2.6, debt securities at fair value through other comprehensive income are impaired as a result of the adoption of IFRS 9, as set out in the defined model.

As at 31 December 2022 and 2021, the caption Bonds and other fixed-income securities – Issued by other entities refers to non-adjustable Treasury bonds issued by the Angolan State. As at 31 December 2022, the balance mainly relates to 243,407 units of non-adjustable Treasury bonds with an average residual maturity of approximately 3 years, acquired on a regulated market.

As at 31 December 2022 and 2021, the caption Bonds and other fixed income securities – Issued by other entities relates to the subscription of securities relating to a corporate issue of Angolan public debt, which took place during 2015, through the Avenir Entity.

As at 31 December 2022 and 2021, Bonds and other fixed-income securities presents the following changes:

	31-12-2021	Acquisitions	Maturities	Disposals	Exchange rate effect (Note 26)	Changes in fair value	31-12-2022
Bonds and other fixed-income securities							
Issued by public entities							
Non-adjustable 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
	31-12-2020 (Restated)	Acquisitions	Maturities	Disposals	Exchange rate effect (Note 26)	Changes in fair value	31-12-2021
Bonds and other fixed-income securities							
Issued by public entities							
Non-adjustable Treasury Bonds	3,052,803	15,247	(1,839,216)	(173,088)	-	(179,101)	876,645
	3,052,803	15,247	(1,839,216)	(173,088)	-	(179,101)	876,645
Issued by other entities							
Foreign currency bonds	2,258,777	-	-	-	(276,590)	(274,054)	1,708,133
	5,311,580	15,247	(1,839,216)	(173,088)	(276,590)	(453,155)	2,584,778

Shares includes the financial investment in EMIS – Empresa Interbancária de Serviços, S.A. (EMIS), which was set up to manage electronic facilities for payments and other complementary services. As at 31 December 2022 and 2021, the Bank holds a 10.14% interest of this Company's share capital and additional financial investments amounting to AOA 429,389 thousand.

As provided for in IFRS 13, as at 31 December 2022 and 2021, financial instruments are measured in accordance with the following valuation hierarchy levels:

31-12-2022				
	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
31-12-2021				
	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	-	876,645	-	876,645
Issued by other entities	-	1,708,133	-	1,708,133
Shares	-	-	429,389	429,389
	-	2,584,778	429,389	3,014,167

The main parameters used, during the year ended 31 December 2022 and 2021, in the valuation model, as well as the description of the valuation levels provided for in IFRS 13, are described in Note 40.

As at 31 December 2022 and 2021, the breakdown of financial assets at fair value through other comprehensive income, by residual maturity periods, is as follows:

31-12-2022						
	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
31-12-2021						
	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	-	362,011	514,634	-	-	876,645
Issued by other entities	-	-	1,708,133	-	-	1,708,133
Shares	-	-	-	-	429,389	429,389
	-	362,011	2,222,767	-	429,389	3,014,167

Changes in the fair value reserve during the year are detailed in Note 22.

Note 8 – Financial assets at amortized cost – Debt securities

This caption is analyzed as follows:

	31-12-2022	31-12-2021
Bonds and other fixed-income securities		
Issued by public entities		
Foreign currency Treasury Bonds	202,194,207	322,176,163
Non-adjustable Treasury Bonds	65,098,672	4,922,780
Treasury Bonds indexed to the USDollar	43,409,044	47,649,560
	310,701,923	374,748,503
Impairment losses	(4,404,485)	(5,443,257)
	306,297,438	369,305,246

The fair value of the investment portfolio at amortized cost is disclosed in Note 40, within the scope of the disclosure requirements set out in IFRS 7 and IFRS 9.

In accordance with the accounting policy described in Note 2.6, debt securities measured at amortized cost are impaired as a result of the adoption of IFRS 9, as set out in the defined model (Note 2.6).

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 January 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, reference is made to the positive impacts on the macroeconomic climate associated with the increase in oil prices and improved tax management.

Directive No. 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 on 31 December 2021, Moody's "Sovereign default and recovery rates 1983-2020" was considered, which on this date gives an implicit impairment rate of 1.484% (PD of 2.473% and LGD of 60%) for Stage 1 operations.

As at 31 December 2021 the caption Financial assets at amortized cost - Debt securities includes AOA 108,015,851 thousand, relating to an issue of Treasury Bonds of the Republic of Angola in US dollars falling due in December 2022 which, according to information obtained from the Bank, was originated in December 2015 as a result of a translation process of the balance of foreign currency deposit accounts held by the Bank with Banco Nacional de Angola (BNA). In December 2022, the aforementioned bond matured, and the Bank received the corresponding repayment of the total nominal value and accrued interest, divided into (i) cash of USD 125,000,000 and (ii) 7,045 units of a new bond with a nominal value of USD 70,450,000 and a residual maturity of less than six months, by mutual agreement with the issuer of these bonds.

In the period ended 31 December 2022 and 2021, the caption presents the following changes:

	31-12-2021	Acquisitions	Maturities	Disposals	Exchange rate effect (Note 26)	Change in amortised cost	31-12-2022
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 USDollar	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

	31-12-2020 (Restated)	Acquisitions	Maturities	Disposals	Exchange rate effect (Note 26)	Change in amortised cost	31-12-2021
Bonds and other fixed-income securities							
Issued by public entities							
Foreign currency Treasury Bonds	318,470,851	51,912,288	-	-	(48,303,831)	96,855	322,176,163
Non-adjustable Treasury Bonds	11,663,341	-	(4,436,094)	(2,059,652)	-	(244,815)	4,922,780
Treasury Bonds indexed to the USDollar	99,936,283	43,496	(4,130,752)	(6,828,370)	(40,244,179)	(1,126,918)	47,649,560
	430,070,475	51,955,784	(8,566,846)	(8,888,022)	(88,548,010)	(1,274,878)	374,748,503

In the periods ended 31 December 2022 and 2021, the disposal of financial assets classified in this business model are the result of a series of sales under the currency swap plan implemented by the Bank.

The disposal of financial assets classified in this business model exceed the defined thresholds of frequency. However, the Bank considers that since these are not significant sales, associated to a plan with a regulatory framework that justifies sales above the threshold, this does not jeopardize or changes the business model originally defined/classified for this portfolio of assets (Note 2.6).

As at 31 December 2022 and 2021, the breakdown of financial assets measured at amortized cost, by residual maturity, is as follows:

31-12-2022					
	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 USDollar	-	-	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
31-12-2021					
	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	-	108,015,851	214,160,312	-	322,176,163
Non-adjustable Treasury Bonds	179,231	1,578,673	3,164,876	-	4,922,780
Treasury Bonds indexed to the USDollar	-	-	23,218,687	24,430,873	47,649,560
Impairment losses	(2,522)	(23,389)	(5,068,240)	(349,106)	(5,443,257)
	176,709	109,571,135	235,475,635	24,081,767	369,305,246

As at 31 December 2022 and 2021, Financial assets measured at amortized cost - Debt securities are as follows:

31-12-2022								
	Issuing Entity	Average rate	Nominal value	Acquisition cost	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	200,337,504	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 USDollar	Angolan State	7.96%	43,623,206	13,816,737	760,378	(974,540)	(614,244)	42,794,800
			306,245,671	276,439,202	5,307,367	(851,115)	(4,404,485)	306,297,438

31-12-2021								
	Issuing Entity	Average rate	Nominal value	Acquisition cost	Interest	Premium/ Discount	Impairment losses	Book value
Bonds and other fixed-income securities								
Issued by public entities								
Foreign currency Treasury Bonds	Angolan State	6.35%	320,173,477	368,477,309	2,214,849	(212,163)	(3,091,758)	319,084,405
Treasury Bonds indexed to the USDollar	Angolan State	7.96%	47,689,158	13,816,737	831,248	(870,846)	(2,280,164)	45,369,396
Non-adjustable Treasury Bonds	Angolan State	13.69%	4,721,118	4,721,117	129,558	72,104	(71,335)	4,851,445
			372,583,753	387,015,163	3,175,655	(1,010,905)	(5,443,257)	369,305,246

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

	31-12-2022	31-12-2021
Opening balance	5,443,257	33,715,517
Increases/ (Reversals) (Note 35)	(842,753)	(26,458,763)
Foreign exchange differences and other (Note 28)	(196,019)	(1,813,497)
Closing balance	4,404,485	5,443,257

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

This caption is analyzed as follows:

	31-12-2022	31-12-2021
Domestic loans		
Corporate		
Loans	341,529,851	336,652,059
Current account loans	9,727,703	9,338,164
Overdrafts	1,194,077	275,539
Credit cards	483,031	216,627
	352,934,662	346,482,389
Retail		
Loans	45,167,867	21,660,986
Mortgages	5,356,281	5,544,901
Employees	4,109,712	5,507,963
Credit cards	2,889,189	1,942,229
Consumer loans	987,391	600,319
Overdrafts	29,789	2,881,515
	58,540,229	38,137,913
	411,474,891	384,620,302
Foreign loans		
Retail		
Employees	158,223	1,350
Credit cards	58,931	10,583
Consumer loans	565	-
Overdrafts	601	74
	218,320	12,007
Total outstanding loans	411,693,211	384,632,309
Overdue loans		
Below 1 year	7,685,540	4,788,707
1 to 3 years	8,413,776	10,607,231
Above 3 years	80,051,359	80,926,281
	96,150,675	96,322,219
Total loans granted	507,843,886	480,954,528
Interest receivable	102,003,330	107,363,996
Total loans granted and interest receivable	609,847,216	588,318,524
Impairment losses	(156,245,906)	(147,333,307)
	453,601,310	440,985,217

Notices No. 10/2021 and 10/2022 of the Banco Nacional de Angola require 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 No. 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 31 December 2022 and 2021, exposure and impairment established by segment and situation is detailed as follows:

Segment	31-12-2022					Impairment losses		
	Exposure					Total impairment	Outstanding loans	Overdue loans
	Total exposure	Outstanding loan	Of which restructured	Overdue loan	Of which restructured			
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)

Segment	31-12-2021					Impairment losses		
	Exposure					Total impairment	Outstanding loans	Overdue loans
	Total exposure	Outstanding loan	Of which restructured	Overdue loan	Of which restructured			
Corporate								
Loans	507,270,679	436,186,257	347,340,705	71,084,422	47,958,424	(113,224,294)	(76,020,421)	(37,203,873)
Current account loans	14,703,198	9,740,282	7,997,293	4,962,916	1,526,195	(3,788,157)	(378,937)	(3,409,220)
Overdrafts	14,645,653	652,286	-	13,993,367	-	(6,688,354)	(14,340)	(6,674,014)
Credit cards	216,945	216,945	-	-	-	(12,419)	(12,419)	-
	536,836,475	446,795,770	355,337,998	90,040,705	49,484,619	(123,713,224)	(76,426,117)	(47,287,107)
Retail								
Loans	31,771,590	28,601,155	3,452,114	3,170,435	1,178,605	(14,822,459)	(11,785,935)	(3,036,524)
Overdrafts	4,133,170	2,937,147	-	1,196,023	-	(3,252,529)	(2,107,841)	(1,144,688)
Mortgages	2,190,933	606,048	33,082	1,584,885	281,255	(1,774,034)	(138,808)	(1,635,226)
Employees	5,539,210	5,526,627	-	12,583	-	(339,127)	(125,433)	(213,694)
Credit cards	1,952,494	1,952,494	-	-	-	(62,851)	(62,851)	-
Consumer loans	5,894,652	5,577,064	233,963	317,588	1,154	(3,369,083)	(689,535)	(2,679,548)
	51,482,049	45,200,535	3,719,159	6,281,514	1,461,014	(23,620,083)	(14,910,403)	(8,709,680)
	588,318,524	491,996,305	359,057,157	96,322,219	50,945,633	(147,333,307)	(91,336,520)	(55,996,787)

As at 31 December 2022 and 2021, changes in inflows and outflows in the restructured exposure are detailed as follows:

	31-12-2022	31-12-2021
Opening balance of restructured loan portfolio (gross)	410,002,790	307,911,314
Loans restructured in the period	5,092,372	19,404,222
Accrued interest of restructured loan portfolio	40,795,638	86,983,497
Settlement of restructured loans (partial or total)	(7,307,379)	(4,296,243)
Write-offs	(3,075,665)	-
Other	(16,603,413)	-
Closing balance of restructured loan portfolio (gross)	428,904,343	410,002,790

As at 31 December 2022 and 2021, restructured exposure and impairment established by segment and situation is detailed as follows:

31-12-2022				
	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)

31-12-2021				
	Loans			Impairment losses
	Outstanding	Overdue	Total	
Corporate	355,337,998	49,484,620	404,822,618	(96,509,390)
Retail				
Consumption	33,082	281,255	314,337	(305,867)
Mortgages	233,963	1,154	235,117	(213,773)
Other	3,452,114	1,178,604	4,630,718	(1,123,757)
	359,057,157	50,945,633	410,002,790	(98,152,787)

As at 31 December 2022 and 2021, restructured exposure and impairment established by segment and stage is detailed as follows:

31-12-2022						
	Impairment stage				Total	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 ends	-	-	37,787,319	37,787,319	(27,466,320)	
	6,448,773	271,275,983	151,179,588	428,904,343	(104,063,021)	

31-12-2021						
	Impairment stage				Total	Impairment losses
	Stage 1	Stage 2	Stage 3	Total		
Corporate	5,911,551	231,491,831	167,419,236	404,822,618	(96,509,390)	
Retail						
Consumptions	-	27,559	286,778	314,337	(305,867)	
Mortgages	-	27,421	207,696	235,117	(213,773)	
Other ends	-	-	4,630,718	4,630,718	(1,123,757)	
	5,911,551	231,546,811	172,544,428	410,002,790	(98,152,787)	

As at 31 December 2022 and 2021, the breakdown of exposure by residual maturity, excluding interest receivable, is detailed as follows:

	31-12-2022	31-12-2021
Below 3 months	1,358,226	23,531,501
3 to 12 months	1,514	30,828,659
1 to 5 years	180,204,962	145,722,562
Above 5 years	230,128,510	184,549,587
Undefined maturity	96,150,674	96,322,219
	507,843,886	480,954,528

As at 31 December 2022 and 2021, the breakdown of exposure by rate type, including interest receivable, is detailed as follows:

	31-12-2022	31-12-2021
Fixed rate	154,432,521	99,829,836
Variable rate	455,414,695	488,488,688
	609,847,216	588,318,524

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

	31-12-2022	31-12-2021
Opening balance	147,333,307	145,410,566
Increases/ (Reversals) (Note 35)	12,446,429	15,525,227
Interest increase stage 3	11,608,771	-
Charge-offs	(14,107,192)	(3,674,598)
Foreign exchange differences and other (Note 28)	(1,035,410)	(9,927,888)
Closing balance	156,245,906	147,333,307

As at 31 December 2022 and 2021, the exposure and impairment established, by stage, is detailed as follows:

	31-12-2022			
	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
	31-12-2021			
	Impairment stage			
	Stage 1	Stage 2	Stage 3	Total
Total exposure	52,932,598	283,620,917	251,765,009	588,318,524
Impairment losses	(781,843)	(23,942,303)	(122,609,161)	(147,333,307)
	52,150,755	259,678,614	129,155,848	440,985,217

As at 31 December 2022 and 2021, the exposure transfer matrix, by stage, is detailed as follows:

31-12-2022				
	Impairment stage			
	Stage 1	Stage 2	Stage 3	Total
<i>Stage as at 01-01-2022</i>				
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
31-12-2021				
	Impairment stage			
	Stage 1	Stage 2	Stage 3	Total
<i>Stage as at 01-01-2021</i>				
Stage 1	40,611,630	26,808,242	2,733,266	70,153,138
Stage 2	154,950	212,196,526	51,624,949	263,976,425
Stage 3	-	27,651,238	190,303,041	217,954,279
Exposures originated in 2021	12,166,018	16,964,911	7,103,753	36,234,682
	52,932,598	283,620,917	251,765,009	588,318,524

As at 31 December 2022 and 2021, the detail of exposure and impairment losses established, by segment and stage with the respective classifications, is as follows:

Segment	31-12-2022									Impairment losses			
	Total exposure	Exposure						Total impairment	Credit in Stage 1	Credit in Stage 2	Credit in Stage 3		
		Credit in Stage 1	Of which recovered	Credit in Stage 2	Of which recovered	Of which restructured	Credit in Stage 3					Of which recovered	Of which restructured
Corporate													
Loans	490,686,105	21,390,653	-	334,610,886	14,181,320	269,515,704	134,684,566	8,684,414	111,288,256	(92,056,603)	(171,963)	(35,227,176)	(56,657,554)
Current account loans	14,712,294	7,591,636	-	1,709,103	-	1,709,103	5,411,555	12,374	1,545,317	(3,390,076)	(62,069)	(41,086)	(3,286,922)
Overdrafts	17,058,250	47,715	11	785,788	4,766	-	16,224,746	19,873	-	(5,454,855)	(467)	(82,911)	(5,371,476)
Credit cards	483,031	439,759	243	31,856	10,884	-	11,416	2,141	-	(14,793)	(2,952)	(2,288)	(9,552)
	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	(100,916,417)	(237,451)	(35,353,461)	(65,325,505)
Retail													
Loans	64,776,754	2,874,813	20,327	2,434,166	235,626	-	59,467,775	255,830	37,787,319	(44,347,912)	(113,706)	(183,338)	(44,050,868)
Mortgages	2,573,746	595,723	-	264,847	90,227	23,877	1,713,176	78,639	271,832	(1,845,755)	(30,382)	(118,740)	(1,696,633)
Employees	4,293,880	3,992,058	32,147	265,505	212,909	-	36,316	1,871	-	(454,807)	(97,957)	(278,513)	(78,337)
Overdrafts	6,515,331	14,162	73	479,044	1,413	-	6,022,125	903,118	-	(4,952,495)	(380)	(184,941)	(4,767,174)
Credit cards	2,948,121	2,483,521	12,637	292,961	47,879	-	171,639	93,114	-	(189,364)	(40,614)	(13,434)	(135,316)
Consumer loans	5,799,704	1,504,158	136,661	779,083	284,602	27,298	3,516,465	988,398	186,864	(3,539,155)	(34,773)	(310,676)	(3,193,706)
	86,907,536	11,464,435	201,844	4,515,606	872,655	51,175	70,927,496	2,320,971	38,246,015	(55,329,489)	(317,812)	(1,089,642)	(53,922,035)
	609,847,216	40,934,199	202,099	341,653,239	15,069,625	271,275,983	227,259,778	11,039,771	151,179,588	(156,245,906)	(555,263)	(36,443,103)	(119,247,540)
31-12-2021													
Segment	Total exposure	Exposure						Impairment losses					
		Credit in Stage 1	Of which recovered	Credit in Stage 2	Of which recovered	Of which restructured	Credit in Stage 3	Of which recovered	Of which restructured	Total impairment	Credit in Stage 1	Credit in Stage 2	Credit in Stage 3
Corporate													
Loans	507,270,679	31,475,604	33,934	275,335,336	9,992,975	229,579,262	200,459,739	14,240,377	165,719,867	(113,224,294)	(647,524)	(21,605,615)	(90,971,155)
Current account loans	14,703,198	6,618,445	-	2,285,107	-	1,912,569	5,799,646	653,000	1,699,369	(3,788,157)	(2,244)	(219,857)	(3,566,056)
Overdrafts	14,645,653	164,522	21	118,505	1,781	-	14,362,626	159,152	-	(6,688,354)	(829)	(14,147)	(6,673,378)
Credit cards	216,945	184,553	1,405	20,910	2,156	-	11,462	3,174	-	(12,419)	(1,928)	(1,691)	(8,800)
	536,836,475	38,443,124	35,360	277,759,858	9,996,912	231,491,831	220,633,493	15,055,703	167,419,236	(123,713,224)	(652,525)	(21,841,310)	(101,219,389)
Retail													
Loans	31,771,590	5,505,848	37,818	2,254,634	314,207	-	24,011,108	1,116,687	4,630,718	(14,822,459)	(79,363)	(183,331)	(14,559,765)
Consumer loans	5,894,652	1,805,496	-	693,752	125,446	27,421	3,365,414	990,897	207,696	(3,369,083)	(12,198)	(177,544)	(3,179,341)
Employees	5,539,210	5,178,221	74,094	328,389	132,512	-	32,590	5,212	-	(339,127)	(24,950)	(253,040)	(61,137)
Overdrafts	4,133,170	52,970	1,202	2,124,042	1,306	-	1,956,158	826,032	-	(3,252,529)	(183)	(1,370,307)	(1,881,949)
Credit cards	1,952,404	1,720,381	6,496	163,958	32,223	-	68,155	30,469	-	(62,851)	(7,991)	(1,595)	(53,265)
Mortgages	2,190,933	226,568	-	296,274	92,339	27,559	1,688,091	46,224	286,778	(1,774,034)	(4,633)	(115,086)	(1,654,315)
	51,482,049	14,489,474	119,590	5,861,059	698,123	54,980	31,131,516	3,015,521	5,125,192	(23,620,083)	(129,318)	(2,100,993)	(21,389,772)
	588,318,524	52,932,598	154,950	283,620,917	10,695,035	231,546,811	251,765,009	18,071,224	172,544,428	(147,333,307)	(781,843)	(23,942,303)	(122,609,161)

As at 31 December 2022 and 2021, the detail of exposure and impairment losses established by segment and by range of days past due is presented as follows:

Segment	31-12-2022									31-12-2021								
	Exposure									Impairment losses								
	Stage 1			Stage 2			Stage 3			Stage 1			Stage 2			Stage 3		
	≤30 days	>30 days	≤90 days	≤30 days	>30 days	≤90 days	≤30 days	>30 days	≤90 days	≤30 days	>30 days	≤90 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)	(35,222,868)	(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	-	-	(2,852)	(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)	(40,704,767)	(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	(317,121)	(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)	(25,882)	(63,104,883)	(330,593)	(55,812,063)		

As at 31 December 2022 and 2021, the detail of exposure and impairment losses established, by segment and by granting year, is presented as follows:

Segment	31-12-2022									31-12-2021								
	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	(89,738,261)	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	(92,056,893)			
Current account loans	23	3,194,658	(2,679,191)	1	1,545,317	(463,595)	2	2,388,108	(173,037)	11	7,604,011	(74,253)	37	14,712,294	(3,409,219)			
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	17,068,250	(5,454,855)			
Credit cards	482	292,241	(12,893)	88	67,643	(665)	81	40,937	(203)	124	82,810	(1,216)	773	483,031	(14,792)			
	1,971	306,618,907	(77,868,768)	307	73,118,324	(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	(1,813,262)	25	38,115	(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	(502,626)	50	203,329	(5,862)	265	787,546	(44,477)	174	431,766	(21,812)	2,349	4,263,879	(654,807)			
Overdrafts	57,745	5,285,514	(3,955,591)	11,065	227,114	(194,257)	30,294	551,651	(497,440)	7,993	446,851	(482,496)	118,917	6,515,330	(4,462,496)			
Credit cards	3,910	2,317,033	(109,817)	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	(488,351)	1	233,646	(110,872)	77	5,799,704	(3,539,157)			
	65,272	46,221,457	(26,644,188)	11,813	2,718,886	(781,462)	31,077	2,822,248	(1,234,937)	22,328	35,144,945	(27,678,968)	130,498	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)	22,844	148,126,909	(34,334,381)	133,747	609,847,216	(156,245,986)			

As at 31 December 2022 and 2021, the detail of exposure and impairment losses established, by segment and type of analysis, is presented as follows:

31-12-2022						
Segment	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)	53,545,463	(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)	25,564,441	(11,827,534)	86,907,536	(55,329,490)
	530,737,310	(127,067,281)	79,109,904	(29,178,625)	609,847,216	(156,245,906)
31-12-2021						
Segment	Individual impairment		Collective impairment		Total	
	Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses
Corporate						
Loans	444,904,428	(97,983,945)	62,366,251	(15,240,349)	507,270,679	(113,224,294)
Current account loans	6,594,736	(2,554,444)	8,108,462	(1,233,713)	14,703,198	(3,788,157)
Overdrafts	11,563,079	(3,921,594)	3,082,574	(2,766,760)	14,645,653	(6,688,354)
Credit cards	2,156	(478)	214,789	(11,941)	216,945	(12,419)
	463,064,399	(104,460,461)	73,772,076	(19,252,763)	536,836,475	(123,713,224)
Retail						
Loans	21,385,289	(11,358,621)	10,386,301	(3,463,838)	31,771,590	(14,822,459)
Consumer loans	-	-	2,190,933	(1,774,034)	2,190,933	(1,774,034)
Employees	-	-	5,539,210	(339,127)	5,539,210	(339,127)
Overdrafts	2,011,081	(1,310,181)	2,122,089	(1,942,348)	4,133,170	(3,252,529)
Credit cards	1,221	(232)	1,951,273	(62,619)	1,952,494	(62,851)
Mortgages	328,059	(23,623)	5,566,593	(3,345,460)	5,894,652	(3,369,083)
	23,725,650	(12,692,657)	27,756,399	(10,927,426)	51,482,049	(23,620,083)
	486,790,049	(117,153,118)	101,528,475	(30,180,189)	588,318,524	(147,333,307)

As at 31 December 2022 and 2021, the detail of exposure and impairment losses established, by type of analysis and business sector, is presented as follows:

31-12-2022								
Real Estate		Wholesale and Retail Trade		Construction		Manufacturing Industry		
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)
Collective impairment	284,189	(10,106)	13,669,655	(4,995,930)	13,041,864	(2,119,492)	10,581,019	(4,980,348)
	185,893,709	(32,055,375)	96,800,841	(22,327,894)	130,997,722	(42,074,577)	115,774,066	(22,056,755)

31-12-2021							
Retail		Other		Total			
Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses		
Individual impairment	(Continued..)	29,209,549	(16,549,947)	9,638,150	(4,108,609)	530,737,310	(127,067,281)
Collective impairment	(Continued..)	24,542,916	(11,799,039)	16,990,263	(5,273,711)	79,109,906	(29,178,625)
		53,752,465	(28,348,986)	26,628,413	(9,382,320)	609,847,216	(156,245,906)

31-12-2021								
Real Estate		Wholesale and Retail Trade		Construction		Manufacturing Industry		
Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses	
Individual impairment	170,172,906	(28,395,301)	78,754,842	(14,721,304)	99,488,893	(36,582,035)	94,876,871	(18,596,772)
Collective impairment	726,186	(20,789)	11,776,459	(5,766,878)	14,237,185	(1,726,620)	16,284,780	(4,230,250)
	170,899,092	(28,416,090)	90,531,301	(20,488,182)	113,726,078	(38,308,655)	111,161,651	(22,827,022)

31-12-2021							
Retail		Other		Total			
Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses		
Individual impairment	(Continued..)	23,725,650	(12,692,658)	19,770,887	(6,165,048)	486,790,049	(117,153,118)
Collective impairment	(Continued..)	29,003,190	(12,388,475)	29,500,675	(6,047,177)	101,528,475	(30,180,189)
		52,728,840	(25,081,133)	49,271,562	(12,212,225)	588,318,524	(147,333,307)

As at 31 December 2022 and 2021, the detail of exposure and impairment losses established, by type of analysis and geography, is presented as follows:

31-12-2022								
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)

31-12-2021								
Angola		Portugal		Other countries		Total		
Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses	Total exposure	Impairment losses	
Individual impairment	486,790,049	(117,153,118)	-	-	-	-	486,790,049	(117,153,118)
Collective impairment	101,445,485	(30,109,447)	69,237	(61,408)	13,753	(9,334)	101,528,475	(30,180,189)
	588,235,534	(147,262,565)	69,237	(61,408)	13,753	(9,334)	588,318,524	(147,333,307)

As at 31 December 2022 and 2021, 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:

	31-12-2022											
	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
< AQA 50 M	7	163,302	1,013	2,614,003	1	20,000	83	225,145	28	379,120	65	42,995
≥ AQA 50 M and < AQA 100 M	9	629,379	25	1,349,300	-	-	2	185,552	22	666,648	1	50,000
≥ AQA 100 M and < AQA 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
≥ AQA 500 M and < AQA 1,000 M	11	2,335,833	6	3,853,123	2	607,455	7	1,313,793	-	-	-	-
≥ AQA 1,000 M and < AQA 2,000 M	17	16,931,333	4	4,686,129	2	1,188,037	4	9,754	-	-	-	-
≥ AQA 2,000 M and < AQA 5,000 M	10	14,756,772	4	9,344,358	4	6,794,024	2	4,126,617	1	46,740	-	-
≥ AQA 5,000 M	20	121,197,533	2	55,499,354	13	159,959,814	5	11,508,198	1	4,312,059	-	-
Total	102	159,639,287	1,096	86,425,389	29	170,222,121	117	19,997,592	79	7,372,619	70	387,983

	31-12-2021											
	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
< AQA 50 M	13	237,905	1,292	2,670,694	-	-	98	153,377	17	318,552	5	17,237
≥ AQA 50 M and < AQA 100 M	10	597,293	41	2,708,985	2	174,000	3	105,034	20	767,413	-	-
≥ AQA 100 M and < AQA 500 M	31	4,532,791	81	17,089,210	6	1,096,901	11	2,901,433	27	2,176,467	1	94,132
≥ AQA 500 M and < AQA 1,000 M	16	3,469,589	8	4,957,019	2	613,492	7	1,244,325	1	292,203	-	-
≥ AQA 1,000 M and < AQA 2,000 M	16	11,223,355	3	2,897,076	1	1,042,840	3	1,251,432	-	-	-	-
≥ AQA 2,000 M and < AQA 5,000 M	17	29,643,127	2	8,800,265	4	7,269,155	5	299,439	1	61,354	-	-
≥ AQA 5,000 M	11	85,804,438	2	30,325,951	15	163,046,388	6	19,664,108	2	4,311,155	-	-
Total	114	135,508,498	1,429	69,449,200	30	173,242,776	133	25,619,148	68	7,927,144	6	111,369

As at 31 December 2022 and 2021, the loan-to-value ratio of the corporate, construction and property development and housing segments is presented as follows:

Segment/ Ratio	31-12-2022					
	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)
Total	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)
Total	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)
Total	79	70	2,438,718	862,865	3,928,700	(3,999,431)
Total	210	1,283	31,908,481	338,000,498	160,260,983	(104,915,848)

31-12-2021						
Segment/ Ratio	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	-	-	4,232,014	2,292,392	10,639,509	(8,488,054)
< 50%	35	157	13,946,258	46,922,322	10,112,522	(6,562,269)
≥ 50% and < 75%	4	136	2,880,503	20,480,985	7,968,543	(3,394,913)
≥ 75% and < 100%	5	85	4,169,889	46,197,833	10,055,934	(8,847,880)
< 100%	70	1,051	2,552,320	3,704,632	61,478,248	(37,932,517)
	114	1,429	27,780,984	119,598,164	100,254,756	(65,225,633)
Construction and Retail Trade						
No guarantee provided	-	-	727,796	8,721,038	5,670,820	(3,276,752)
< 50%	5	32	9,013,449	24,781,497	37,245,939	(15,400,252)
≥ 50% and < 75%	6	15	12,088,127	17,110,594	18,077,773	(7,211,444)
≥ 75% and < 100%	3	13	25,212	46,922,238	20,988,709	(9,782,970)
< 100%	16	73	1,535,051	49,088,808	37,853,025	(22,277,135)
	30	133	23,389,635	146,624,175	119,836,266	(57,948,553)
Mortgages						
< 50%	4	2	173,823	-	235,178	(232,505)
≥ 50% and < 75%	1	-	-	-	154,467	(146,785)
≥ 75% and < 100%	2	-	-	-	7,070	(6,374)
< 100%	61	4	538,050	371,684	7,799,351	(4,363,415)
	68	6	711,873	371,684	8,196,066	(4,749,079)
	212	1,568	51,882,492	266,594,023	228,287,088	(127,923,265)

As at 31 December 2022 and 2021, 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 14), by type of real estate, is as follows:

Type of property	31-12-2022			31-12-2021		
	Number of properties	Valuation value of the asset	Net book value	Number of properties	Valuation value of the asset	Net book value
Land						
Urban	-	-	-	1	1,362,506	-
Constructed buildings						
Mortgages	-	-	-	1	994,400	-
				2	2,356,906	-

As at 31 December 2022 and 2021, the analysis of the net book value of properties received as recovery or foreclosure, recorded under Non-current assets held for sale (Note 14), by type of real estate and seniority, is as follows:

Time elapsed since the payment/foreclosure	31-12-2022				31-12-2021			
	<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	Net book value
Land								
Urban	-	-	-	-	-	1,362,506	-	1,362,506
Constructed buildings								
Mortgages	-	-	-	-	-	994,400	-	994,400
	-	-	-	-	-	2,356,906	-	2,356,906

As at 31 December 2022 and 2021, the detail of exposure, by segment and internal risk degree, is presented as follows:

31-12-2022										
Segment	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	134,937,830	522,939,679
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	3,053	2,864,564	2,948,122
Mortgages	-	278,352	376,964	134,894	618,924	292,232	-	125,228	3,973,109	5,799,704
	135,242	532,025	1,269,753	6,575,986	804,789	294,318	19,139	199,588	77,076,697	86,907,537
	135,242	6,967,765	9,543,865	93,297,391	69,854,868	41,759,353	948,054	175,326,152	212,014,528	609,847,217
31-12-2021										
Segment	Low risk level			Medium risk level		High risk level			No rating	Total
	B1	B2	B3	C	D	E	F	G		
Corporate										
Loans	10,334	34,978,780	37,397,349	70,534,001	48,201,491	48,879,614	15,124,488	93,367,865	158,776,757	507,270,679
Current account loans	-	-	405,091	460,787	9,984,363	537,847	-	138,996	3,176,114	14,703,198
Overdrafts	-	4	2,547	108,523	582,475	1,293,663	1,878	6,182,448	6,474,115	14,645,653
Credit cards	979	7,650	5,159	8,415	9,337	8,670	-	2,785	173,950	216,945
	11,313	34,986,434	37,810,146	71,111,726	58,777,666	50,719,794	15,126,366	99,692,094	168,600,936	536,836,475
Retail										
Loans	240,615	341,831	688,069	4,568,571	134,549	505	-	105,625	25,691,825	31,771,590
Consumer loans	-	3,974	97,347	163,249	30,976	-	-	3,923	1,891,464	2,190,933
Employees	157	-	-	-	-	-	-	-	5,539,053	5,539,210
Overdrafts	5	125	2,853	10,008	1,845	2	-	643	4,117,689	4,133,170
Credit cards	645	6,833	11,053	10,713	1,297	230	-	265	1,921,458	1,952,494
Mortgages	-	46,062	386,368	101,319	275,902	325,140	-	141,924	4,617,937	5,894,652
	241,422	398,825	1,185,690	4,853,860	444,569	325,877	-	252,380	43,779,426	51,482,049
	252,735	35,385,259	38,995,836	75,965,586	59,222,235	51,045,671	15,126,366	99,944,474	212,380,362	588,318,524

As at 31 December 2022 and 2021, the disclosure of risk factors associated with the impairment model, by segment, is as follows:

31-12-2022				
Segment	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%
31-12-2021				
Segment	Probability of default (%)			Loss given default (%)
	Stage 1	Stage 2	Stage 3	
Corporate				
Loans	4%	17%	100%	90%
Current account loans	4%	15%	100%	90%
Overdrafts	4%	15%	100%	85%
Credit cards	4%	15%	100%	79%
Retail				
Loans	2%	21%	100%	92%
Consumer loans	2%	12%	100%	95%
Employees	0%	7%	-	89%
Overdrafts	1%	2%	100%	90%
Credit cards	1%	1%	100%	90%
Mortgages	1%	6%	100%	95%

As at 31 December 2022 and 2021, the risk factors associated with the impairment model by segment recorded (i) an improvement in the probability of default, reflecting a lower 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 2-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 31 December 2022 and 2021, finance leases, by residual maturity, is presented as follows:

	31-12-2022	31-12-2021
Outstanding rents and residual values		
Below 1 year	4,785,583	5,010,637
1 to 5 years	3,785,551	8,866,826
Above 5 years	2,099,504	3,241,016
	10,670,638	17,118,478
Outstanding interest		
Below 1 year	793,721	1,766,929
1 to 5 years	1,264,183	2,920,032
Above 5 years	837,449	1,319,989
	2,895,352	6,006,950
Outstanding principal		
Below 1 year	3,991,862	3,243,708
1 to 5 years	2,521,368	5,946,794
Above 5 years	1,262,056	1,921,026
	7,775,286	11,111,528
Impairment losses	(442,967)	(545,468)
	7,332,318	10,566,060

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 analyzed as follows:

	31-12-2022	31-12-2021
Other loans and advances to credit institutions in Angola		
Loans and advances	14,000,000	-
Reverse repurchase agreement transactions	4,996,993	5,000,000
Interest receivable	112,800	5,642
	19,109,793	5,005,642
Other loans and advances to credit institutions abroad		
Loans and advances	11,458,096	29,090,457
Interest receivable	2,672	4,535
	11,460,768	29,094,992
Impairment losses (Note 35)	(23,263)	(285,640)
	30,547,298	33,814,994

As at 31 December 2022 and 2021, the breakdown of Other loans and advances to central banks and credit institutions, excluding interest receivable, by residual maturities, is as follows:

	31-12-2022	31-12-2021
Below 3 months	25,305,807	33,304,031
3 to 12 months	5,149,282	786,426
	30,455,089	34,090,457

As at 31 December 2022 and 2021, the breakdown of Other loans and advances to central banks and credit institutions, including interest receivable, by currency, is as follows:

	31-12-2022			31-12-2021		
	Gross exposure	Impairment losses	Net Exposure	Gross exposure	Impairment losses	Net Exposure
In AOA	19,109,793	-	19,109,793	5,005,641	(96,518)	4,909,123
In USD	10,580,183	(18,692)	10,561,491	28,308,566	(188,383)	28,120,183
In EUR	880,585	(4,571)	876,014	786,427	(739)	785,688
	30,570,561	(23,263)	30,547,298	34,100,634	(285,640)	33,814,994

As at 31 December 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 31 December 2022 and 2021, 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% and 18.70%, respectively.

As at 31 December 2022 and 2021, Other loans and advances to credit institutions abroad include operations that are mainly acting as collateral for documentary credit transactions for Customers' imports.

As at 31 December 2022 and 2021, Other loans and advances to credit institutions abroad bears interest at an average annual rate of 1.47% and 0.33%, respectively.

As at 31 December 2022 and 2021, 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:

	31-12-2022	31-12-2021
Opening balance	285,640	388,144
Increases/ (Reversals) (Note 35)	(262,377)	(102,504)
Closing balance	23,263	285,640

Note 11 – Property, plant and equipment

The changes in this caption are detailed as follows:

	Gross amount				Balance as at 31-12-2021	Depreciation, amortisation and impairment losses					Net amount		
	Balance as at 31-12-2021	Acquisitions	Disposals/Write-offs	Transfers		Balance as at 31-12-2021	Amortization for the period	Acquisitions	Disposals/Write-offs	Transfers	Balance as at 31-12-2021	31-12-2021	31-12-2022
Real Estate													
For own use	35,767,695	14,595,655	473,647	-	50,836,997	(5,480,329)	(738,218)	(79,351)	(91,258)	-	(6,389,156)	30,287,366	44,447,841
Improvements to leased properties	13,280,294	2,240,556	(875,017)	-	14,625,833	(4,228,347)	(410,592)	(39,909)	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)	(1,148,810)	(119,260)	(57,976)	-	(11,034,722)	45,761,844	63,714,689
Other assets under construction													
For own use	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)	(1,438,178)	(237,202)	3,774,682	-	(12,364,281)	4,474,865	7,011,873
Indoor facilities	3,079,322	99,213	(819,983)	-	2,358,652	(2,432,999)	(192,511)	(1,765)	616,857	-	(2,010,468)	646,323	548,163
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)	(333,358)	(657)	176,796	-	(4,314,508)	900,389	590,638
Machinery and tools	2,240,656	45,646	(529,031)	-	1,757,271	(2,040,844)	(75,999)	(3,680)	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)	(194,639)	(2,733)	1,529,800	-	(2,017,325)	358,599	187,820
Other	3,132,103	7,224	(475,201)	-	2,664,126	(2,956,497)	(80,500)	(770)	475,199	-	(2,562,568)	175,606	101,558
	43,230,751	4,497,486	(7,512,812)	-	40,215,426	(35,273,241)	(2,802,081)	(246,808)	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)	(5,109,015)	(366,068)	10,132,853	-	(43,280,878)	87,882,647	103,859,695

	Gross amount				Balance as at 31-12-2021	Depreciation, amortisation and impairment losses					Net amount		
	Balance as at 31-12-2020 (Restated)	Acquisitions	Disposals/Write-offs	Transfers		Balance as at 31-12-2020 (Restated)	Amortization for the period	Acquisitions	Disposals/Write-offs	Transfers	Balance as at 31-12-2021	31-12-2020 (Restated)	31-12-2021
Real Estate													
For own use	47,313,970	16,679	(12,062,054)	499,100	35,767,695	(5,869,448)	(726,781)	(227)	1,112,857	3,270	(5,480,329)	41,444,522	30,287,366
Improvements to leased properties	16,738,628	25,670	(2,613,389)	(888,915)	13,260,294	(5,381,384)	(434,014)	(286)	1,374,904	212,433	(4,228,347)	11,355,544	9,031,947
Other	11,800,547	-	(5,358,016)	-	6,442,531	-	-	-	-	-	-	11,800,547	6,442,531
	75,851,445	42,349	(20,033,459)	(389,815)	55,470,520	(11,250,832)	(1,160,795)	(513)	2,487,761	215,703	(9,708,676)	64,600,613	45,761,844
Other assets under construction													
For own use	26,343,251	14,020	(32,346)	(13,500,079)	12,824,846	-	-	-	-	-	-	26,343,251	12,824,846
Advances	-	-	-	13,500,079	13,500,079	-	-	-	-	-	-	-	13,500,079
	26,343,251	14,020	(32,346)	-	26,324,925	-	-	-	-	-	-	26,343,251	26,324,925
Equipment													
IT equipment	17,783,984	982,253	(217,583)	389,814	18,938,468	(12,846,988)	(1,491,335)	(125,015)	215,458	(215,703)	(14,463,583)	4,936,966	4,474,885
Indoor facilities	3,142,533	14,383	(77,594)	-	3,079,322	(2,237,047)	(271,556)	(1,052)	76,655	-	(2,432,999)	905,486	646,323
Furniture and material	7,363,524	-	(242,376)	(46,945)	7,074,203	(5,553,312)	(588,653)	-	239,340	30,318	(5,872,307)	1,810,212	1,201,896
Security equipment	5,223,913	14,380	(180,646)	-	5,057,647	(3,898,492)	(412,255)	(1,201)	154,690	-	(4,157,258)	1,325,422	900,389
Machinery and tools	2,201,151	53,190	(13,685)	-	2,240,656	(1,941,958)	(100,993)	(7,978)	10,085	-	(2,040,844)	259,193	199,812
Transport equipment	4,089,500	-	(381,148)	-	3,708,352	(3,326,050)	(387,693)	-	363,990	-	(3,349,753)	763,540	358,599
Other	355,786	-	(69,170)	2,845,487	3,132,103	(297,265)	(171,595)	-	69,167	(2,556,804)	(2,956,497)	58,521	175,606
	40,160,392	1,064,206	(1,182,202)	3,188,356	43,230,751	(30,101,112)	(3,424,080)	(135,246)	1,129,385	(2,742,189)	(35,273,241)	10,059,280	9,313,320
Other property, plant and equipment													
Other	2,883,229	-	-	(2,880,520)	2,709	(2,528,901)	(277)	-	2,526,486	(2,692)	-	354,328	17
	2,883,229	-	-	(2,880,520)	2,709	(2,528,901)	(277)	-	2,526,486	(2,692)	-	354,328	17
Right-of-use assets													
Real Estate	10,692,167	-	100,223	-	10,792,390	(1,658,993)	(1,314,471)	-	19,425	-	(2,954,039)	9,033,174	7,838,351
	10,692,167	-	100,223	-	10,792,390	(1,658,993)	(1,314,471)	-	19,425	-	(2,954,039)	9,033,174	7,838,351
	155,930,484	1,120,575	(21,147,784)	(81,979)	135,821,295	(45,539,838)	(5,899,623)	(135,759)	3,636,571	-	(47,938,648)	110,390,646	87,862,647

As described in Note 2.2, during 2021, the Bank adopted IAS 29 Standard, and proceeded to the monetary updating of the gross amounts and accumulated depreciation of property, plant and equipment from their origination date to 1 January 2019. The amount resulting from this monetary revaluation was recorded under the caption Revaluation reserves and other reserves and retained earnings (Note 22).

As at 31 December 2022, the caption Real estate - 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 the contract would be terminated with immediate effect, that all risks and benefits associated with the properties would be transferred to the Bank with immediate effect and that the Bank would not return the deposit paid by the third party. The termination of this contract was carried out through the derecognition of the properties previously included in the caption Other assets (Note 16) for their respective appraised value of AOA 12,688,209 thousand, calculated by an independent real estate appraiser on 13 March 2022. As these fractions were leased to the Bank, 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 31 December 2022, the increase in the item Real estate - Improvements to leased properties corresponds mainly to improvement works in the real estate portfolio, namely improvements in leased properties and adaptations in the branch networks as part of the Contact Centre project.

As at 31 December 2022 and 2021, the caption Assets under construction includes the amount of AOA 26,196,525 thousand and AOA 26,324,925 thousand, respectively, related to the construction of the Bank's new headquarters building in Luanda Bay. As at 31 December 2022 and 2021, the item Other assets under construction - Advances amounting to AOA 14,104,760 thousand and AOA 13,500,079 thousand, respectively, essentially corresponds to the lag between the financial execution of the CPCV signed with the promoter and the execution of the works resulting from the construction methodology applied to this project, due to the specific characteristics of this Parcel.

As at 31 December 2022, the increase in Equipment - IT equipment mainly corresponds to investments related to the purchase of equipment and materials for cyber risk management.

As at 31 December 2022 and 2021, the caption Right-of-use assets - Real Estate corresponds to assets under lease, in accordance with the requirements of IFRS 16, adopted on 1 January 2019, as described in Note 2.12.

As at 31 December 2021, the balance of Disposals / Write-offs essentially corresponds to the reclassification of properties for own use whose use was discontinued to the caption Investment properties (Note 13), with the difference between the book value of the reclassified properties and their market value being recognized as gains or losses on the revaluation of investment properties under Profit/(loss) from the revaluation of investment properties (Note 29).

As at 31 December 2021, the balance of Transfers includes the amount associated to artistic assets, which during the period was reclassified to Other assets (Note 16).

Note 12 – Intangible assets

The changes in this caption are detailed as follows:

	Gross amount				Balance as at 31-12-2022	Accumulated amortizations				Balance as at 31-12-2022	Accumulated impairment losses		Net amount	
	Balance as at 31-12-2021	Acquisitions	Disposals/Write-offs	Transfers		Balance as at 31-12-2021	Amortization for the period	Acquisitions	Disposals/Write-offs		Balance as at 31-12-2021	Balance as at 31-12-2022	31-12-2021	31-12-2022
Automatic data processing systems	33,513,867	2,058,911	(1,597,532)	-	33,975,246	(18,725,453)	(4,460,706)	(147,893)	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)	(54,039)	(1,335)	5,627	(2,241,698)	-	-	688,237	691,896
	87,743,640	2,112,317	(1,597,532)	-	88,258,425	(20,917,404)	(4,514,745)	(149,228)	1,694,637	(23,886,740)	(51,349,585)	(51,349,585)	15,476,651	13,022,100

	Gross amount				Balance as at 31-12-2021 (Restated)	Accumulated amortizations				Balance as at 31-12-2021 (Restated)	Accumulated impairment losses		Net amount	
	Balance as at 31-12-2020 (Restated)	Acquisitions	Disposals/Write-offs	Transfers		Balance as at 31-12-2020 (Restated)	Amortization for the period	Acquisitions	Disposals/Write-offs		Balance as at 31-12-2020 (Restated)	Balance as at 31-12-2021 (Restated)	31-12-2020 (Restated)	31-12-2021
Automatic data processing systems	27,633,530	6,389,730	(763,247)	253,854	33,513,867	(13,846,398)	(4,290,393)	(671,173)	82,511	(18,725,453)	-	-	13,787,132	14,788,414
Goodwill	51,349,585	-	-	-	51,349,585	-	-	-	-	-	(51,349,585)	(51,349,585)	-	-
Assets under construction	11,780	242,074	-	(253,854)	-	-	-	-	-	-	-	-	11,780	-
Other intangible assets	2,646,629	233,559	-	-	2,880,188	(2,150,014)	(30,683)	(11,254)	-	(2,191,951)	-	-	496,615	688,237
	81,641,524	6,865,363	(763,247)	-	87,743,640	(15,996,412)	(4,321,076)	(682,427)	82,511	(20,917,404)	(51,349,585)	(51,349,585)	14,295,527	15,476,651

As described in Note 2.2, during 2021, the Bank adopted IAS 29 Standard, and proceeded to the monetary updating of the gross amounts and accumulated amortization of intangible assets from their origination date to 1 January 2019. The amount resulting from this monetary revaluation was recorded under the caption Revaluation reserves and other reserves and retained earnings (Note 22).

Goodwill refers to the difference between the fair value of the assets and liabilities and the amount determined within the scope of the valuation made at the time of the merger between Banco Privado Atlântico, S.A. and Banco Millennium Angola, S.A.. According to the accounting policy described in Note 2.9, goodwill is subject to impairment tests in accordance with the model defined, under IAS 36. In this context, and within the scope of the application of IAS 29 and IAS 8, the Bank has reviewed the recoverability analyses of goodwill on restated periods (retrospective effects). In this context, based on the assessment carried out as at 31 December 2017, resulting from the increase in Equity (within the scope of the application of the IAS 29 Standard), it is verified that the estimated recoverable amount is lower than its balance sheet value, which supported the recognition of impairment on the full amount of this asset, on that date.

Note 13 – Investment properties

As described in the accounting policy (Note 2.10), the book value of investment properties corresponds to the fair value of the properties as determined by three independent valuers registered with CMC, whose qualifications and experience in the respective category and location have been duly recognized. For the purposes of determining the fair value of these assets, criteria and methodologies generally accepted for this purpose are used, which include analysis by the income method and the market method, corresponding to level 3 of the fair value hierarchy (Note 40).

During the years ended 31 December 2022, the Group reclassified properties that were recorded under the caption Other assets (Note 16) to the caption Investment properties.

During the year ended 31 December 2021, the Group reclassified properties recorded in the captions Non-current assets held for sale (Note 14) and Property, plant and equipment (Note 11) to the caption “Investment properties”.

As at 31 December 2022 and 2021, the fair value determined at the time of the transfers was recognized against the respective capital gain in Profit/(loss) from the revaluation of investment properties (Note 29).

The changes in this caption are detailed as follows:

	31-12-2022	31-12-2021
Opening balance	256,570,622	191,089,668
Transfers	3,490,812	57,158,828
Changes in fair value (Note 29)	-	8,322,126
Closing balance	260,061,434	256,570,622

The composition of the caption by property typology presents the following detail:

	31-12-2022	31-12-2021
Typology		
Urban land		
Development	152,994,223	150,343,410
Residential buildings		
Rented	8,086,683	8,086,683
Vacant	18,110,075	17,270,075
Commercial buildings		
Rented	10,724,995	10,724,995
Vacant	70,145,458	70,145,459
	260,061,434	256,570,622

Note 14 – Non-current assets held for sale

This caption is analyzed as follows:

	31-12-2022	31-12-2021
Properties	-	2,392,425
Impairment losses	-	(2,392,425)
	-	-

As described in Note 2.2, during 2021, the Bank adopted IAS 29 Standard, and proceeded to the monetary updating of the gross amounts and accumulated impairment of the Other non-current assets held for sale from their origination date to 1 January 2019. The amount resulting from this monetary revaluation was recorded under the caption Revaluation reserves and other reserves and retained earnings (Note 22).

As at 31 December 2021, the amount under the caption Non-current assets held for sale - real estate relates to real estate received as a contribution in kind in the amount of AOA 2,393,425 thousand, available for immediate sale. In accordance with the requirements described in Note 2.11, the Bank has recognized impairment losses on the entire book value of these properties due to circumstances considered beyond the Bank's control, which made it difficult to sell these assets.

As at 31 December 2022, the Bank verified the evolution in the conditions that led to the properties being fully provisioned and proceeded with the sale of the respective properties. On this date the referred contract was reclassified from Other assets to Investment properties (Note 13), with the difference between the book value of the reclassified buildings and their market value being recognized as gains or losses on the revaluation of investment properties under Profit/(loss) from the revaluation of investment properties (Note 29), in accordance with the accounting policy described in Note 2.3.

In the period ended 31 December 2022 and 2021, the caption presents the following changes:

	Balance as at 31-12-2021			Inflows	Disposals	Impairment losses (Note 31)		Balance as at 31-12-2022		
	Gross amount	Impairment losses	Net amount			Increases	Reversals, charge-offs and transfers	Gross amount	Impairment losses	Net amount
Properties received in lieu of payment	2,392,425	(2,392,425)	-	-	(2,392,425)	-	2,392,425	-	-	-
	2,392,425	(2,392,425)	-	-	(2,392,425)	-	2,392,425	-	-	-

	Balance as at 31-12-2020 (Restated)			Inflows	Disposals	Impairment losses (Note 31)		Balance as at 31-12-2021		
	Gross amount	Impairment losses	Net amount			Increases	Reversals, charge-offs and transfers	Gross amount	Impairment losses	Net amount
Properties received in lieu of payment	8,157,099	(547,234)	7,609,865	28,346,005	(34,110,679)	(2,392,425)	547,233	2,392,425	(2,392,426)	-
Other properties	261,034	(74,006)	187,028	-	(261,034)	-	74,006	-	-	-
	8,418,133	(621,240)	7,796,893	28,346,005	(34,371,713)	(2,392,425)	621,239	2,392,425	(2,392,426)	-

Inflows refer to real estate received as payment in kind as part of the recovery of a set of loans granted to customers.

Disposals presented above correspond to disposals of properties through (i) reclassification to the caption “Investment properties” (Note 13), (ii) signing of promissory contracts (Note 16) and (iii) direct sales to third parties.

Gains and losses resulting from the difference between the amount recorded in the balance sheet and the sale value charged on the promissory contracts (Note 15) and direct sales to third parties, were recorded in the income statement, under Profit/(loss) from the sale of other assets (Note 27).

Where the asset is not disposed of within twelve 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 2.11).

Note 15 – Taxes

As at 31 December 2022 and 2021, the caption Current tax assets is presented as follows:

	31-12-2022	31-12-2021
Current tax assets		
Other taxes receivable	2,546,736	2,462,185
	2,546,736	2,462,185

As at 31 December 2022 and 2021, 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.

For the period of 2021, the Bank was exempted, by means of letters from AGT, from the settlement and payment of the provisional Industrial Tax, in accordance with the provisions of Article 66(10) of the Industrial Tax Code, as amended by Law 26/20 of 20 July.

As at 31 December 2022 and 2021, Deferred tax assets and Deferred tax liabilities are analyzed as follows:

	Assets		Liabilities		Net	
	31-12-2022	31-12-2021	31-12-2022	31-12-2021	31-12-2022	31-12-2021
Deferred tax assets/(liabilities)						
Loans and advances to customers (direct and indirect)	1,887,188	1,554,498	-	-	1,887,188	1,554,498
Securities portfolio	152,159	152,159	(152,875)	(30,261)	(716)	121,898
Other provisions for risks and charges	1,710,796	1,710,796	-	-	1,710,796	1,710,796
Potential changes in foreign exchange rates	-	-	(1,872,257)	(21,386,789)	(1,872,257)	(21,386,789)
Impairment not accepted	-	-	1,872,257	18,239,737	1,872,257	18,239,737
Tax losses carried forward	-	-	(3,116,678)	3,147,052	(3,116,678)	3,147,052
Other	-	-	-	(815,235)	-	815,235
	3,750,143	3,417,453	(3,269,553)	(845,496)	480,590	4,202,427

In 2020, Law No. 26/20 of 20 July was published which introduced several amendments to the corporate income tax system provided for in the Industrial Tax Code, namely to Articles No. 13 and 14 (Income or gains/Costs or expenses) and Article No. 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 favorable and unfavorable exchange rate changes will now be considered as income and costs of this nature. Moreover, Article No. 45 of the Industrial Tax Code has been amended, with the introduction of a new number 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 2021 and 2020, considering the changes disclosed in the AGT letter (reference no. 1633/GAGA/GJ/AGT/2021, of 8 April), and the projections of the tax results for the next 5 years.

As at 31 December 2022, it was calculated (i) 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, (ii) deferred tax assets related to impairment losses on loans secured by collaterals in the period in the amount of AOA 1,872,257 thousand.

As at 31 December 2021, it was calculated (i) deferred tax liabilities related to potential exchange rate changes in the amount of AOA 21,386,789 thousand, considering the net effect of this nature of deferred tax, (ii) deferred tax assets related to impairment losses on loans secured by collaterals in the period in the amount of AOA 18,239,737 thousand and (iii) deferred tax assets related to tax losses generated in the period and in previous periods in the amount of AOA 3,147,052 thousand.

The Group 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:

	31-12-2022	31-12-2021
Opening balance	2,571,957	3,031,865
Recorded in profit or loss	(1,968,751)	(541,131)
Recorded in reserves - other comprehensive income	(122,615)	81,223
Closing balance (Assets/ (Liabilities))	480,590	2,571,957

As at 31 December 2022 and 2021, tax recorded in profit or loss and reserves is as follows:

	31-12-2022		31-12-2021	
	Recorded in profit or loss	Recognized in reserves	Recorded in profit or loss	Recognized in reserves
Loans and advances to customers (direct and indirect)	-	-	(22,722)	-
Securities portfolio	-	(122,615)	-	81,222
Other	(1,968,751)	-	(518,409)	
Deferred Tax	(1,968,751)	(122,615)	(541,131)	81,222
Total tax recognized	(1,968,751)	(122,615)	(541,131)	81,222

As at 31 December 2022 and 2021, the estimated industrial tax of the Bank can be analyzed as follows:

	31-12-2022			31-12-2021				
	%	ATLANTICO Amount	Investment Funds Amount	Consolidated Amount	%	ATLANTICO Amount	Valor Fundos de Investimento	Consolidated Amount
Profit/(loss) before tax				3,156,885				4,616,061
Tax rate	35.00		7.50 & 15.00		35.00		7.50 & 15.00	
Tax assessed based on the tax rate	-	1,107,898	-	1,107,898	-	1,207,882	-	1,207,882
Changes to positive equity (Article No. 13) - Adoption of IAS29	-	n.a.	-	n.a.	305.87	10,555,900	-	10,555,900
Excessive amortization (Article No. 40)	0.43	13,717	-	13,717	18.02	621,904	-	621,904
Unforeseen provisions (Article No. 45)	8.81	278,889	-	278,889	81.26	2,804,223	-	2,804,223
Capital Gains Tax and Property Tax (Article No. 18)	13.01	411,717	-	411,717	13.08	451,268	-	451,268
Life and health insurance (Article No.18)	10.06	318,446	-	318,446	26.15	902,352	-	902,352
Adjustments related to prior and extraordinary periods (Article No. 18)	14.81	468,833	-	468,833	8.33	287,427	-	287,427
Currency valuations (Article No. 13/14)	1,156.10	36,595,574	-	36,595,574	233.89	8,071,592	-	8,071,592
Income subject to Capital Gains Tax (Article No. 47)	(279.31)	(8,841,264)	-	(8,841,264)	(241.68)	(8,340,508)	-	(8,340,508)
Unforeseen provisions (Article No. 45)	(650.96)	(20,605,707)	-	(20,605,707)	(8.67)	(299,140)	-	(299,140)
Other	(43.67)	(1,382,496)	-	9,115	(1,373,381)	(32.03)	(1,105,266)	(1,105,266)
Tax losses - Consumer goods	(264.28)	(8,365,607)	-	-	(8,365,607)	(439.21)	(15,157,632)	(15,034,453)
Tax payable - Current tax liability				9,115			2.67	123,179
Other expenses/(income) - Industrial Tax	-	-	-	-	-	-	(25,956)	(25,956)
Income tax				9,115			97,223	97,223

As at 31 December 2022, the Group did not recognized deferred tax assets on the amount of recoverable tax losses, as explained above. Thus, as at 31 December 2022, the Bank has an amount of AOA 308,906 thousand of tax losses carried forward, over which no deferred tax asset is recognized.

In accordance with the applicable legislation, tax losses carried forward can be used for a period of 5 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 No. 259/10, of 18 November and Presidential Decree No. 31/12, 30 of January, is exempted from all taxes.

In addition, Presidential Legislative Decree No. 5/11, of 30 December (revised and republished by Presidential Legislative Decree No. 2/14, of 20 October) 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 No. 47 of the Industrial Tax Code and the Law amending the Industrial Tax Code (Law No. 19/14 of 22 October, in force since 1 January 2015, and Law No. 26/20 of 20 July, 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 31 December 2022 and 2021, such income was deducted from taxable profit.

Likewise, the expenditure calculated with the assessment of Capital Gains Tax is not accepted for tax purposes for the calculation of taxable profit, as provided for in Article No. 18(1)(a) 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 17 May 2016), only those arising from securities issued on or after 1 January 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 1 January 2013, should be subject to Business Tax.

Note 16 – Other assets

This caption is analyzed as follows:

	31-12-2022	31-12-2021
Debtors from promissory contracts	57,152,373	74,753,903
Sundry debtors	33,103,382	25,165,773
Other assets		
Other pending transactions	11,601,077	9,875,019
Deferred expenses	5,555,811	5,167,035
Escrow accounts	3,253,624	3,337,469
Administrative public sector	174,600	375,427
Precious metals, coins, medals and other valuables	2,210	2,210
Other assets	913,540	977,682
	21,500,861	19,734,841
	111,756,616	119,654,516
Impairment losses	(18,813,794)	(26,203,982)
	92,942,822	93,450,534

As at 31 December 2022 and 2021, the caption Debtors from promissory contracts refers to amounts receivable under real estate sale agreements, which are mostly recorded in foreign currency, whose accounting policy is described in Note 2.4. The real estate properties were previously recorded under Non-current assets held for sale (Note 14) and the capital gains and losses arising from their sale were recorded under Profit/(loss) from the sale of other assets (Note 28), whose accounting policy is described in Note 2.11.

During the period ended 31 December 2022, the decrease in the balance of Debtors from promissory contracts is mainly due to the termination and derecognition of a promissory contract (“CPCV”) signed between the Bank and a third party (Note 11). This event was prompted by a letter sent by the third party to the Bank in which it expressed its intention to terminate the existing contract. The parties agreed that the contract would be terminated with immediate effect, that all risks and benefits associated with the properties would be transferred to the Bank with immediate effect and that the Bank would not return the deposit paid by the third party.

During the period ended 31 December 2022, the caption Debtors from promissory contracts was impacted by the appreciation of the Kwana against the US Dollar, 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 Profit/(loss) from foreign exchange differences, as described in Note 27.

As at 31 December 2022 and 2021, 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 acknowledgement 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 increase in the balance of this item is mainly due to the recognition of amounts receivable relating to the execution of the capital component covered by the guarantee provided under the “Angola Invest” Program of loans and advances to customers, previously included in Loans and advances to customers (note 9), for which the Bank has initiated the process of recovery from the competent entities.

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

	31-12-2022	31-12-2021
Opening balance	26,203,982	22,208,616
Increases/ (Reversals) (Note 33)	(4,559,329)	8,876,462
Foreign exchange differences and other (Note 27)	(2,830,859)	(4,881,096)
Closing balance	18,813,794	26,203,982

The methodology for calculating impairment loss is described in Note 2.6.

Note 17 – Deposits from central banks and other credit institutions

This caption is analyzed as follows:

	31-12-2022	31-12-2021
Deposits from credit institutions in Angola		
Interbank market transactions	7,321,923	16,500,000
	7,321,923	16,500,000
Deposits from credit institutions abroad		
Interbank market transactions	-	64,085,091
	-	64,085,091
Other deposits	-	3,054,424
Interest payable	-	75,277
	7,321,923	83,714,792

As at 31 December 2022 and 2021, the caption Deposits from credit institutions in Angola – Interbank market transactions refers to transactions to be cleared in the interbank market (non-remunerated) and short-term liquidity funding, respectively.

As at 31 December 2021, Deposits from credit institutions abroad – Interbank market transactions refers to an overdraft, in foreign currency, resulting from the settlement of payment orders abroad, which was settled in the following month.

As at 31 December 2021, Other deposits refers to the amounts pending interbank clearing.

As at 31 December 2022 and 2021, the transactions are short term with a residual maturity below 3 months.

As at 31 December 2021, transactions in local currency bear interest at the annual average rate of 12.28%.

Note 18 – Deposits from customers and other loans

This caption is analyzed as follows:

	31-12-2022	31-12-2021
Demand deposits from residents		
In national currency		
Corporate	210,714,543	176,400,102
Retail	98,851,873	96,397,157
	309,566,416	272,797,259
In foreign currency		
Corporate	134,785,707	244,876,727
Retail	41,885,161	46,055,367
	176,670,869	290,932,094
	486,237,285	563,729,353
Demand deposits from non-residents		
In national currency		
Corporate	652,505	1,117,468
Retail	11,375,925	4,161,770
	12,028,430	5,279,238
In foreign currency		
Corporate	1,093,209	1,348,377
Retail	2,253,656	1,588,324
	3,346,865	2,936,701
	15,375,295	8,215,939
Total demand deposits	501,612,581	571,945,292
Term deposits in national currency		
From residents		
Corporate	318,257,141	234,484,485
Retail	153,141,567	142,845,092
From non-residents	7,129,516	2,194,284
	478,528,224	379,523,861
Term deposits indexed to the US Dollar		
From residents		
Retail	-	911,396
	-	911,396
Term deposits in foreign currency		
From residents		
Corporate	183,701,370	205,151,225
Retail	156,542,280	207,366,597
From non-residents	5,068,658	1,929,348
	345,312,307	414,447,170
Total term deposits	823,840,531	794,882,427
Total interest payable on term deposits	11,408,179	12,554,332
Total term deposits and interest payable	835,248,711	807,436,759
Other loans in foreign currency		
Principal	19,587,983	27,749,050
Interest payable	558,154	486,528
Total other loans and interest payable	20,146,137	28,235,578
	1,357,007,428	1,407,617,629

As at 31 December 2022 and 2021, Other loans in foreign currency 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 23 May 2019, with the disbursement taking place on 26 February 2021 with the conclusion of the relevant amendment. The financing is due on 15 March 2026, with repayment in half-

yearly instalments starting on 15 March 2022, and is remunerated in accordance with the 6-month Libor plus a spread of 5.75%.

The operation is intended to provide the Bank with financial means to finance micro, small and medium-sized enterprises in previously defined sectors, with specific conditions, namely transactions to be carried out in Kwanzas, with a minimum amount equivalent to USD 10 thousand and a maximum amount equivalent to USD 1,000 thousand, and a minimum maturity of 18 months.

As at 31 December 2022 and 2021, term deposits by residual maturity, excluding interest payable are detailed as follows:

	31-12-2022	31-12-2021
Term deposits in national currency		
Below 3 months	282,080,394	220,662,450
3 to 6 months	94,732,560	63,453,996
6 to 12 months	101,715,270	95,407,415
	478,528,224	379,523,861
Term deposits indexed to the US Dollar		
6 to 12 months	-	911,396
	-	911,396
Term deposits in foreign currency		
Below 3 months	127,747,379	149,532,184
3 to 6 months	101,539,303	137,062,319
6 to 12 months	116,025,625	127,852,667
	345,312,307	414,447,170
	823,840,531	794,882,427

As at 31 December 2022 and 2021, term deposits by currency and average interest rate, excluding interest payable, are detailed as follows:

	31-12-2022		31-12-2021	
	Average interest rate	Amount	Average interest rate	Amount
In AOA	12.06%	478,528,224	15.05%	379,523,861
Indexed to the USD	-	-	3.50%	911,396
In USD	1.17%	312,159,895	1.34%	373,643,038
In EUR	0.05%	33,152,412	0.39%	40,804,132
		823,840,531		794,882,427

Note 19 – Provisions

The changes in this caption are detailed as follows:

	Provisions for guarantees and commitments	Other provisions for risks and charges	Total
Balance as at 31-12-2020 (Restated)	1,017,882	2,914,650	3,932,532
Increases/Reversals (Note 31)	50,083	119,374	169,457
Foreign exchange differences and other (Note 26)	(37,836)	(503,464)	(541,300)
Balance at 31 December 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 at 31 December 2022	943,828	1,983,004	2,926,832

As at 31 December 2022 and 2021, 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 undrawn credit facilities.

As at 31 December 2022 and 2021, 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 31 December 2022 and 2021, the balance of Other provisions for risks and charges includes the amount of AOA 1,613,380 thousand and AOA 1,885,178 thousand, respectively, relating to contributions to be made by the Bank in the Pension Fund.

Note 20 – Other liabilities

This caption is analyzed as follows:

	31-12-2022	31-12-2021
Lease liabilities	5,470,195	8,239,756
Tax charges payable - withheld from third parties	4,193,437	3,777,478
Accrued expenses	3,552,502	3,427,030
Administrative and marketing expenses payable	2,062,852	838,495
Liabilities with employees	1,757,109	1,406,733
Sundry creditors	1,387,894	1,330,919
VAT payable from clearance/captive	1,113,370	542,937
Social Security contribution	164,921	163,624
Other	46,524	2,037,985
	19,748,804	21,764,957

As at 31 December 2022 and 2021, the caption 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 2.12.

As at 31 December 2022 and 2021, the breakdown of lease liabilities by residual maturities is presented as follows:

	31-12-2022	31-12-2021
1 to 5 years	49,406	2,906,387
Above 5 years	5,420,788	5,333,369
	5,470,195	8,239,756

As at 31 December 2022 and 2021, the caption Accrued expenses includes amounts payable to service providers for telecommunications, security, valuables transportation, cleaning and other services.

As at 31 December 2022, the caption Sundry creditors mainly includes (i) costs related to the guarantee corresponding to the financing obtained from the International Finance Corporation, amounting to AOA 965,411 thousand, and (ii) other costs related to other guarantees and commitments undertaken by the Bank, amounting to AOA 488,977 thousand.

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

As at 31 December 2022 and 2021, the balance of Liabilities with employees includes the amount of AOA 1,133,049 thousand and AOA 1,193,090 thousand, respectively, related to holiday allowances.

Note 21 – 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 thousand at the exchange rate in force on 6 and 21 November 2006), represented by 1,000,000 nominal shares of USD 10 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 thousand), 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 thousand). 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 thousand), 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 thousand), 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 13 December 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 thousand, in order to make the Bank's share capital equivalent to USD 200,000,000 thousand, at the exchange rate of 6 September 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 thousand at the exchange rate of 17 December 2013) and cash inflows in the amount of AOA 9,759,400 thousand (equivalent to USD 100,000 thousand at the exchange rate of 17 December 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 thousand at the exchange rate of 17 December 2013. As at 31 December 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 31 December 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 described in Note 41, in 2021, the Bank has retrospectively applied the IAS 29 Standard, accounting for the accumulated impact arising from the monetary revaluation of the Bank's capital, recorded up to 1 January 2019 under Share capital. As at 31 December 2019, the impact of the application of monetary revaluation, amounted to AOA 88 503 144 thousand.

As at 31 December 2022 and 2021, 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 31 December 2022 and 2021, the Shareholder structure is as follows:

	31-12-2022		31-12-2021	
	Number of shares	% of shareholding	Number of shares	% of shareholding
Interlagos Equity Partners, SA	16,023,355	29.77%	16,023,355	29.77%
BCP África, SGPS Lda.	12,124,244	22.53%	12,124,244	22.53%
Sotio Financial Group SA,RL	10,657,874	19.80%	10,657,874	19.80%
Jasper Capital Partners - Investimentos e Participações, SA.	9,753,116	18.12%	9,753,116	18.12%
Quadros - Gestão de Activos, SA	2,220,263	4.13%	2,220,263	4.13%
Fundação ULWAZI (former 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%
Treasury shares (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 premiums

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. As described in Note 41, 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 31 December 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..

As described in Note 2.2, the adoption of IAS 29 on treasury shares resulted in an impact of AOA 349,475 thousand. Accordingly, as at 31 December 2019 and subsequent years, the restated amount of Treasury shares totals AOA 841,657 thousand.

Note 22 – 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)

Fair value reserve represents the potential capital gains and losses relating to the financial assets' portfolio at fair value through other comprehensive income, net of impairment recognized in the income statement in the period and/or in previous periods. The value of this reserve is disclosed net of deferred taxes.

Changes in fair value reserve, net of deferred taxes, can be analyzed as follows:

	31-12-2022	31-12-2021
Opening balance	56,645	207,486
Changes in fair value (net of disposals)	1,081,743	(493,377)
Recognised impairment	(731,416)	261,314
Deferred taxes recognized in reserves	(122,615)	81,222
Closing balance	284,357	56,645

Revaluation reserves, Other reserves and Retained earnings

The changes in this caption are detailed as follows:

	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 31-12-2020 (Restated)	319,209	(111,723)	207,486	19,845,525	(41,758,837)	(21,913,313)	(21,705,827)
Changes in fair value	(232,064)	81,223	(150,841)	-	-	-	(150,841)
Transfer to retained earnings	-	-	-	-	(7,778,900)	(7,778,900)	(7,778,900)
Balance at 31-12-2021	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 31-12-2022	437,472	(153,115)	284,357	20,188,362	(46,452,206)	(26,263,845)	(25,979,488)

By unanimous resolution of the General Meeting held on 27 April 2022, it was decided to apply the amount corresponding to the net profit obtained in the previous period (2021): 90% in free reserves and 10% in legal reserves.

Note 23 – Net interest income

This caption is analyzed as follows:

	31-12-2022	31-12-2021
Interest and similar income		
Interest from financial assets at amortized cost		
Interest from loans and advances to customers	69,737,860	65,735,388
Interest from debt securities	23,775,436	22,962,534
Interest from other loans and advances to credit institutions	688,267	183,576
Interest from financial assets at fair value through other comprehensive income	1,501,794	337,506
Interest from financial assets at fair value through profit or loss	-	1,119,856
	95,703,357	90,338,860
Interest and similar expenses		
Interest from deposits	(57,412,897)	(61,316,053)
Interest from deposits from central banks and other credit institutions	(3,324,101)	(4,815,061)
Lease interest	(1,361,442)	(2,179,867)
	(62,098,440)	(68,310,981)
	33,604,917	22,027,879

As at 31 December 2022 and 2021, the caption Interest from loans and advances to customers includes the amount of AOA 332,691 thousand and AOA 783,389 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 2.16.

As at 31 December 2022 and 2021, the caption Interest from loans and advances to customers also includes the amount of AOA 259,971 thousand and AOA 646,421 thousand, relating to the effect of loans and advances to employees, in accordance with IAS 19.

As at 31 December 2022 and 2021, 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 2.16.

Note 24 – Profit/(loss) from fees and commissions

This caption is analyzed as follows:

	31-12-2022	31-12-2021
Fees and commissions income		
Electronic transactions	10,354,908	7,236,174
Transfers issued/received	4,356,277	3,228,818
VISA	3,155,079	3,829,954
DO account maintenance	1,360,684	1,098,788
Opening of credit facilities/renewals and maintenance	1,277,112	836,653
Custody commissions and market transactions	1,160,415	922,888
Guarantees provided	771,784	1,054,897
Documentary letters of credit	455,316	764,961
Withdrawing	279,967	126,739
Operations structuring and financial advisory	244,145	135,478
Foreign exchange transactions	45,927	64,244
Other	3,189,135	1,458,502
	26,650,749	20,758,096
Fees and commissions expense		
Electronic transactions	(6,079,013)	(4,233,400)
Foreign transactions	(465,337)	(527,039)
Other	(333,472)	(121,602)
	(6,877,822)	(4,882,041)
	19,772,927	15,876,055

As at 31 December 2022 and 2021, the caption Fees 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 31 December 2022 and 2021, the item Fees and commission income - Other essentially corresponds to earnings obtained from commissions on products and offers marketed at the Bank's branches, namely, Private, Women, University, Salary, and other offers.

As at 31 December 2022 and 2021, the increase in Fee and commission expense - Other, is essentially due to the increase in the number of transactions carried out by ATLANTICO customers in ATMs and TPAs belonging to other Banks.

Note 25 – Profit/(loss) from financial assets and liabilities at fair value through profit or loss

This caption is analyzed as follows:

	31-12-2022			31-12-2021		
	Income	Expense	Total	Income	Expense	Total
Other fixed income securities						
Issued by public entities	-	-	-	1,411,955	-	1,411,955
Other variable income securities						
Shares	-	(492,539)	(492,539)	-	(212,158)	(212,158)
Loans and advances to customers	-	(203,276)	(203,276)	-	(805,920)	(805,920)
Derivatives	987,597	-	987,597	-	(16)	(16)
	987,597	(695,815)	291,782	1,411,955	(1,018,094)	393,861

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 2.6.

Note 26 – Profit/(loss) from investments at amortized cost

This caption is analyzed as follows:

	31-12-2022			31-12-2021		
	Income	Expense	Total	Income	Expense	Total
Bonds and other fixed-income securities						
Issued by public entities	134,431	-	134,431	4,254,411	-	4,254,411
	134,431	-	134,431	4,254,411	-	4,254,411

The balance of this caption is mainly related to the disposal of Treasury Bonds indexed to the US Dollar, associated with the exchange rate reset plan (Notes 2.5 and 8).

Note 27 – Profit/(loss) from foreign exchange differences

This caption is analyzed as follows:

	31-12-2022	31-12-2021
Profit/(loss) from currency purchase and sale transactions	14,675,618	15,331,205
Profit/(loss) from revaluation of assets and liabilities	7,738,401	3,495,722
	22,414,019	18,826,927

As at 31 December 2022 and 2021, in accordance with the accounting policy described in Note 2.4, 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.

Additionally, as at 31 December 2021, the caption Profit/(loss) from currency purchase and sale transactions includes the effect of AOA 12,221,016 thousand, related to the activation of a contractual clause of a CPCV classified under Other assets (Note 16).

As at 31 December 2022 and 2021, 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.

Note 28 – Profit/(loss) from the sale of other assets

This caption is analyzed as follows:

	31-12-2022	31-12-2021
Subscription of shares in the Pactual Property Fund	-	-
Promissory contracts	(883,728)	-
	(883,728)	-

As at 31 December 2022, the balance of this caption corresponds mainly to gains obtained from the disposal of non-current assets held for sale (Note 14).

Note 29 – Profit/(loss) from the revaluation of investment properties

This caption is analyzed as follows:

	31-12-2022	31-12-2021
Transfers of properties	-	4,603,592
Revaluation of properties	-	8,322,125
	-	12,925,717

Note 30 – Staff costs

This caption is analyzed as follows:

	31-12-2022	31-12-2021
Wages and salaries	17,435,827	17,774,568
Mandatory social charges	3,474,336	2,992,126
Other staff costs	6,084,116	6,016,903
	26,994,278	26,783,597

As at 31 December 2022 and 2021, the caption Staff costs includes the amount of AOA 4,761 thousand and AOA 426,505 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 contract employees, is detailed by professional category, as follows:

	31-12-2022	31-12-2021
Senior management functions	105	111
Management functions	328	290
Specific functions	516	483
Administrative and other functions	503	619
	1,452	1,503

As at 31 December 2022 and 2021, staff costs relating to members of the Board of Directors and Other Corporate Bodies were as follows:

31-12-2022						
	Board of Directors	Other Corporate Bodies			Total	Total
		Supervisory Board	Welfare Board	General Meeting		
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

31-12-2021						
	Board of Directors	Other Corporate Bodies			Total	Total
		Supervisory Board	Welfare Board	General Meeting		
Remunerations	1,589,526	27,018	118,226	9,885	155,129	1,744,655
Other remuneration	916,179	-	-	-	-	916,179
	2,505,705	27,018	118,226	9,885	155,129	2,660,834

Note 31 – Supplies and services

This caption is analyzed as follows:

	31-12-2022	31-12-2021
Audit and advisory	5,938,030	6,046,780
Communication and shipment	5,540,165	5,573,127
Security and surveillance	1,898,996	1,595,972
Consumables	1,460,867	1,352,833
Maintenance and repair	1,139,814	1,555,314
Travel and representation	998,924	1,021,174
IT services	642,018	208,722
Advertising and publications	303,252	257,507
Water, energy and fuel	225,037	303,169
Rents & Leases	48,214	77,861
Other	1,115,906	799,282
	19,311,221	18,791,741

As at 31 December 2022 and 2021, the balance of Audit and advisory and Security and surveillance includes significant amounts related to the Bank's investments in the development and strengthening of the digital business.

Note 32 – Depreciation and amortization for the period

This caption is analyzed as follows:

	31-12-2022	31-12-2021
Other property, plant and equipment (Note 11)		
Real Estate		
Real Estate	1,268,071	1,161,308
Equipment		
IT equipment	1,675,380	1,616,350
Furniture and material	486,846	588,653
Security equipment	334,016	413,456
Transport equipment	197,372	387,693
Indoor facilities	194,326	272,608
Machinery and tools	79,679	108,971
Other	81,270	171,596
Right-of-use assets		
Real Estate	1,158,112	1,314,470
Other property, plant and equipment	11	277
	5,475,082	6,035,382
Intangible assets (Note 12)		
Automatic data processing systems	4,608,600	4,961,566
Other intangible assets	55,373	41,937
	4,663,973	5,003,503
	10,139,056	11,038,885

Note 33 – Provisions and impairment of other assets

This caption is analyzed as follows:

	31-12-2022	31-12-2021
Increases		
Non-current assets held for sale (Note 13)	-	(2,392,425)
Other assets (Note 15)	(1,060,033)	(8,876,461)
Provisions (Note 18)	(73,827)	(169,457)
Reversals		
Non-current assets held for sale (Note 13)	2,392,425	621,239
Other assets (Note 15)	5,295,146	-
Provisions (Note 18)	277,050	-
	6,830,761	(10,817,104)

As at 31 December 2022 and 2021, the item Provisions includes contributions to the ATLANTICO Pension Fund, as defined in Note 2.15.

As at 31 December 2022, the reversal in the caption Non-current assets held for sale arises from the sale of two properties through promissory contracts (Note 14).

As at 31 December 2022, the reversal of Other assets essentially refers to the termination and derecognition of a promissory contract entered into between the Bank and a third party entity (Note 16).

Note 34 – Impairment of other financial assets

This caption is analyzed as follows:

	31-12-2022	31-12-2021
Charges net of reversals		
Loans and advances to credit institutions repayable on demand (Note 5)	3,838	13,283
	3,838	13,283

As at 31 December 2022 and 2021, the balance of this caption results from the application of the requirements of Directive No. 13/DSB/DRO/2019 on its loans and advances to credit institutions repayable on demand.

Note 35 – Impairment for financial assets at amortized cost

This caption is analyzed as follows:

	31-12-2022	31-12-2021
Charges net of reversals		
Debt securities (Note 8)	(842,752)	(26,458,763)
Loans and advances to customers (Note 9)	12,446,429	15,525,227
Other loans and advances to central banks and credit institutions (Note 10)	(262,377)	(102,504)
	11,341,301	(11,036,040)

As at 31 December 2022 and 2021, the balance of this caption results from the application of the requirements of Directive No. 13/DSB/DRO/2019 on its other loans and advances to credit institutions.

Note 36 – Other operating income

This caption is analyzed as follows:

	31-12-2022	31-12-2021
Rents received	-	804,090
Non-recurrent income on credit operations	224,767	369,247
Asset management and monetization fees	(3,629,157)	(3,735,284)
Direct and indirect taxes	(2,926,726)	(6,395,426)
Deposit guarantee fund	(932,152)	(1,136,447)
Contributions and donations	(278,353)	(197,289)
Other	(2,953,170)	(3,276,990)
	(10,494,791)	(13,568,099)

As at 31 December 2022 and 2021, the caption Direct and indirect taxes includes the amount of AOA 925,912 thousand and AOA 1,212,391 thousand, respectively, referring to Capital Gains Tax.

As at 31 December 2022 and 2021, the caption Deposit Guarantee Fund corresponds to payments of the periodic contribution to the Deposit Guarantee Fund, in accordance with BNA Notice No. 01/19 of 2019 January.

Note 37 – 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 31 December 2022 and 2021, Earnings per share are detailed as follows:

	31-12-2022	31-12-2021
Individual net profit/ (loss) attributable to shareholders of the Bank	3,498,114	3,428,368
Weighted average number of ordinary shares issued	53,821,603	53,821,603
Weighted average number of treasury shares in portfolio	(841,657)	(492,182)
Average number of ordinary shares outstanding	52,979,946	53,329,421
Basic earnings per share attributable to shareholders of the Bank (in AOA)	66.03	64.29
Diluted earnings per share attributable to shareholders of the Bank (in AOA)	66.03	64.29

Note 38 – Off-balance sheet accounts

This caption is analyzed as follows:

	31-12-2022	31-12-2021
Guarantees provided	33,922,097	32,794,696
Commitments to third parties	14,701,868	11,205,264
Liabilities for services rendered	416,464,775	429,186,274
Guarantees received	(1,843,093,705)	(2,019,879,468)
	(1,378,004,964)	(1,546,693,234)

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 31 December 2022 and 2021, the exposure and impairment losses associated with guarantees provided, by stage, are detailed as follows:

	31-12-2022			
	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

	31-12-2021			
	Stage 1	Stage 2	Stage 3	Total
Gross amount	26,773,329	1,518,755	4,502,612	32,794,696
Impairment losses (Note 18)	(84,379)	(59,280)	(886,470)	(1,030,129)
	26,688,950	1,459,475	3,616,142	31,764,567

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 undrawn 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 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 39 – Transactions with related parties

In accordance with IAS 24 – Related party disclosures, the Bank considers the following to be related parties:

1. All entities owning qualified shareholdings that directly or indirectly hold 2% or more 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 supervisory bodies 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 one of the following:
 - a. Spouse or unmarried partner, parents, grandparents, children, grandchildren and household members;
 - b. Entities controlled by the member of the ATLANTICO's administrative and 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 31 December 2022 and 2021, 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 ¹
Daniel Gustavo Carvalho dos Santos
Miguel Nuno André Raposo Alves
Ana Patrícia Pereira Gabriel Tavares
Augusto Costa Ramiro Baptista²
Éder Nuno Vicente Samuel de Sousa
Hermenegilda de Fátima Agostinho Lopes Bengue
Isabel Regina do Espírito Santo
Paulo Fernando Cartaxo Tomás
João da Conceição Ribeiro Mendonça
Elpídio Ferreira Lourenço Neto
José Miguel Bensliman Schorcht da Silva Pessanha
José Carlos Manuel Burity¹
Ana Catarina Nunes de Souza e Sá¹
Mauro André dos Santos Neves¹
Madalena Adriano Domingos de Lemos Neto¹
Vanessa Fernandes de Oliveira Mendonça¹
Miguel Maya Dias Pinheiro²
Diogo Baptista Russo Pereira da Cunha²

Members of the 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 Privado Atlântico Europa, S.A
Atlântico Protecção-FIMF
Atlântico Liquidez - FIMA
Atlântico Property - FIIF
Fortaleza Seguros, S.A
SG Hemera Capital Partners - SGOIC. S.A
Odell Global Investors - SGOIC, S.A
Human Experience Consulting, Lda.
Milos Capital Partners, S.A.
Dual Impact Fund, FCR

¹ Started in 2022

² Terminated in 2022

As at 31 December 2022 and 2021, the balances with related parties are detailed as follows:

	31-12-2022				
	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 amortized cost					
Loans and advances to customers	22,647,228	21,192,189	2,357,258	-	46,196,675
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	44,612,706	21,192,189	2,357,258	14,968,287	83,130,440
Liabilities					
Customer resources	7,972,092	13,800,098	2,646,123	13,592,776	38,011,089
Total Liabilities	7,972,092	13,800,098	2,646,123	13,592,776	38,011,089

	31-12-2021				
	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	1,359,396	-	-	8,746,234	10,105,630
Financial assets at amortized cost					
Loans and advances to customers	11,018,388	3,097,723	2,064,104	286	16,180,501
Other loans and advances to central banks and credit institutions	786,269	-	-	8,327,030	9,113,299
Other assets	6,391,537	-	-	582,047	6,973,584
Total Assets	19,555,590	3,097,723	2,064,104	17,655,597	42,373,014
Liabilities					
Deposits from central banks and other credit institutions	64,085,091	-	-	-	64,085,091
Customer resources	5,525,625	12,079,884	2,912,210	19,592,517	40,110,236
Total Liabilities	69,610,716	12,079,884	2,912,210	19,592,517	104,195,327

As at 31 December 2022 and 2021, the income and expenses recognized in net interest income for the period, arising from the Bank's transactions with related parties were as follows:

	31-12-2022				
	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	-	3,459,779
Interest and similar income	1,102,915	2,183,093	173,771	-	3,459,779
Interest from 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	(889,410)	1,222,766

	31-12-2021				
	Shareholders	Board of Directors	Other key management personnel and family members	Other related parties	Total
Interest from loans and advances to customers	1,282,393	58,843	433,618	-	1,774,854
Interest and similar income	1,282,393	58,843	433,618	-	1,774,854
Interest from deposits	(286,229)	(864,670)	(82,563)	(508,264)	(1,741,725)
Interest and similar expenses	(286,229)	(864,670)	(82,563)	(508,264)	(1,741,725)
Net interest income	996,164	(805,827)	351,055	(508,264)	33,129

The remuneration costs and other benefits granted to the Bank's key management personnel (short- and long-term) are disclosed in Note 30.

All transactions with related parties are carried out at regular market prices, using the principle of fair value.

Note 40 — 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 31 December 2022 and 2021, the fair value of financial instruments is presented as follows:

	31-12-2022				Total book value
	Net book value	Fair value of financial instruments		Total	
		Measured at fair value	Measured at amortized cost		
Assets					
Financial assets at fair value through profit or loss					
Shares	1,840,688	1,840,688	-	1,840,688	1,840,688
Loans and advances to customers	182,149	182,149	-	182,149	182,149
	2,022,837	2,022,837	-	2,022,837	2,022,837
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	306,297,438	-	306,297,438	306,297,438	306,297,438
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
	790,446,046	-	790,446,046	790,446,046	790,446,046
Total Assets	846,705,234	56,259,188	790,446,046	846,705,234	846,705,234
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

31-12-2021					
	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	5,277,606	267,782,882	-	267,782,882	5,277,606
Loans and advances to customers	148,956	148,956	-	148,956	148,956
Derivatives	298,758	298,758	-	298,758	298,758
	5,725,320	268,230,596	-	268,230,596	5,725,320
Financial assets at fair value through other comprehensive income					
Bonds and other fixed-income securities	2,584,778	2,584,778	-	2,584,778	2,584,778
Shares	429,389	429,389	-	429,389	429,389
	3,014,167	3,014,167	-	3,014,167	3,014,167
Financial assets at amortized cost					
Debt securities	369,305,248	-	369,305,248	369,305,248	369,305,248
Loans and advances to customers	440,985,217	-	440,985,217	440,985,217	440,985,217
Other loans and advances to central banks and credit institutions	33,814,994	-	33,814,994	33,814,994	33,814,994
	844,105,459	-	844,105,459	844,105,459	844,105,459
Total Assets	852,844,946	271,244,763	844,105,459	1,115,350,222	852,844,946
Liabilities					
Financial liabilities at fair value through profit or loss					
Derivatives	1,412	1,412	-	1,412	1,412
	1,412	1,412	-	1,412	1,412
Financial liabilities at amortized cost					
Deposits from central banks and other credit institutions					
Deposits from credit institutions	80,660,368	-	80,660,368	80,660,368	80,660,368
Deposits from customers and other loans					
Term deposit	807,436,759	-	807,436,759	807,436,759	807,436,759
Other loans	28,235,578	-	28,235,578	28,235,578	28,235,578
	916,332,705	-	916,332,705	916,332,705	916,332,705
Total Liabilities	916,334,117	1,412	916,332,705	916,334,117	916,334,117

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 judgement, 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 31 December 2022 and 2021, 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 analyzed 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.

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 31 December 2022 and 2021, the credit quality of financial assets, is presented as follows:

31-12-2022					
	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	287,888,426	(44,376,095)	243,512,331
	No rating	Not available	212,014,527	(97,600,432)	114,414,095
Other assets	External rating	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)	16,851,039
		B+ to B-	573,525,791	(4,421,121)	569,104,670
	No rating	Not available	585,889,025	(70,590,498)	515,298,527
			1,815,549,672	(230,640,813)	1,584,278,354
31-12-2021					
	Rating origin	Rating level	Total exposure	Impairment losses	Net exposure
Loans and advances to customers	Internal rating	Low	74,633,829	(24,298,231)	50,335,598
		Medium	75,965,586	(7,926,815)	68,038,771
		High	225,338,747	(26,278,254)	199,060,493
	No rating	Not available	212,380,361	(88,830,006)	123,550,355
Other assets	External rating	A+ to A-	20,217,422	(2,093)	20,215,329
		BBB+ to BBB-	39,039,706	(18,750)	39,020,956
		BB+ to BB-	1,444,189	(607)	1,443,582
		B+ to B-	719,571,772	(5,718,452)	713,853,320
	No rating	Not available	521,647,485	(23,148,341)	498,499,144
			1,890,239,097	(176,221,549)	1,714,017,548

Note 41 – 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 unfavorable changes in the market price.

Operational – Operational risk is the probability of failures or inappropriateness of internal procedures, information systems, human behavior, 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 Committee (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 No. 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. The Bank is currently in the process of implementing the guidelines contained in the regulatory package that came into force in 2022.

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 behavior 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 to:

- Define the provisioning rules/impairment calculations;
- Define the process of risk analysis;
- Analyze 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 2022 and 2021, the information on the Group's exposure to credit risk by type of financial assets, including off-balance sheet exposure, is detailed as follows:

31-12-2022			
	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	2,022,837	-	2,022,837
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	111,756,617	(18,813,794)	92,942,823
	1,379,542,196	(179,494,615)	1,200,047,581
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
	1,413,464,293	(180,438,443)	1,233,025,851

31-12-2021

	Gross carrying amount	Impairment losses	Net book value
Balance sheet items			
Cash and deposits at central banks	344,971,397	-	344,971,397
Loans and advances to credit institutions repayable on demand	51,154,354	(11,006)	51,143,348
Financial assets at fair value through profit or loss	7,536,289	-	7,536,289
Financial assets at fair value through other comprehensive income	3,014,167	-	3,014,167
Financial assets at amortized cost			
Debt securities	374,748,503	(5,443,257)	369,305,246
Loans and advances to customers	588,318,524	(147,333,307)	440,985,217
Other loans and advances to central banks and credit institutions	34,100,634	(285,640)	33,814,994
Other assets	119,654,516	(26,203,981)	93,450,535
	1,523,498,384	(179,277,191)	1,344,221,193
Off-balance sheet items			
Documentary credit	24,623,880	(641,484)	23,982,396
Guarantees provided	8,170,816	(388,645)	7,782,171
	32,794,696	(1,030,129)	31,764,567
	1,556,293,080	(180,307,320)	1,375,985,760

As at 31 December 2022 and 2021, the breakdown by sector of activity of the exposure of loans and advances to customers, including guarantees provided and documentary credit, is as follows:

31-12-2022						
Business sector	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	15,493,595	11,134,817	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%
31-12-2021						
Business sector	Loans and advances to customers		Guarantees provided and documentary credit	Total exposure	Impairment losses	
	Outstanding	Overdue			Amount	%
Real Estate	137,200,408	33,698,684	-	170,899,092	(28,416,094)	17%
Construction	107,706,610	6,019,468	3,763,362	117,489,440	(21,139,726)	18%
Manufacturing Industry	89,017,279	22,144,372	6,824,122	117,985,773	(38,616,595)	33%
Wholesale and Retail Trade	76,718,222	13,813,079	3,040,440	93,571,741	(22,910,501)	24%
Retail	44,802,684	7,926,156	1,217,471	53,946,311	(25,737,535)	48%
Other	36,551,102	12,720,460	17,949,301	67,220,863	(12,644,427)	19%
	491,996,305	96,322,219	32,794,696	621,113,220	(149,464,878)	24%

As at 31 December 2022 and 2021, the geographical concentration of credit risk is presented as follows:

31-12-2022				
	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

31-12-2021				
	Geography			Total
	Angola	Portugal	Other	
Loans and advances to customers	588,235,534	69,237	13,753	588,318,524
Guarantees provided and documentary credit	32,690,751	-	103,945	32,794,696
	620,926,285	69,237	117,698	621,113,220

As at 31 December 2022 and 2021, the exposure to credit risk by financial asset class, rating level and stage, is presented as follows:

31-12-2022				
	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

31-12-2021				
	Stage 1 (12 months)	Stage 2 (instrument duration)	Stage 3 (instrument duration)	Total
Loans and advances to customers				
Low level	4,419,749	40,594,347	29,619,733	74,633,829
Medium level	8,130,955	62,895,078	4,939,553	75,965,586
High level	25,612,247	137,806,090	61,920,411	225,338,748
No rating	14,769,647	42,325,402	155,285,312	212,380,361
Gross carrying amount	52,932,598	283,620,917	251,765,009	588,318,524
Impairment losses	(781,843)	(23,942,303)	(122,609,161)	(147,333,307)
Net book value	52,150,755	259,678,614	129,155,848	440,985,217

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.

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 the 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 31 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 2022 and 2021, 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 54% and 52%, respectively, and in public debt securities (National Treasury Bonds), representing 36% and 44%, 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 behavioral assumptions considered.

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

Following the recommendations of BNA's Instruction No. 22/2021 of 31 March, 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 no. 10/2021 of 7 July.

As at 31 December 2022 and 2021, the financial instruments for interest rate risk are detailed as follows:

31-12-2022					
	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	1,840,688	-	2,022,837
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	-	-	92,942,823	-	92,942,823
	523,458,297	320,976,860	355,612,424	-	1,200,047,581
Liabilities					
Deposits from central banks and other credit institutions	-	-	7,321,923	-	7,321,923
Deposits from customers and other loans	855,394,847	-	501,612,581	-	1,357,007,429
Financial liabilities at fair value through profit or loss	-	-	943,693	1,086,315	2,030,008
Other liabilities	5,470,195	-	14,278,609	-	19,748,804
	860,865,042	-	524,156,806	1,086,315	1,386,108,163
	(337,406,744)	320,976,860	(168,544,383)	(1,086,315)	(186,060,582)
31-12-2021					
	Exposure to		Not subject to interest rate risk	Derivatives	Total
	Fixed rate	Variable rate			
Assets					
Cash and deposits at central banks	-	-	344,971,397	-	344,971,397
Loans and advances to credit institutions repayable on demand	-	-	51,143,348	-	51,143,348
Financial assets at fair value through profit or loss	-	148,956	7,088,575	298,758	7,536,289
Financial assets at fair value through other comprehensive income	2,584,778	-	429,389	-	3,014,167
Financial assets at amortized cost	-	-	-	-	-
Debt securities	369,305,246	-	-	-	369,305,246
Loans and advances to customers	78,648,503	362,336,714	-	-	440,985,217
Other loans and advances to central banks and credit institutions	33,814,994	-	-	-	33,814,994
Other assets	11,801,729	-	81,648,805	-	93,450,534
	496,155,250	362,485,670	485,281,514	298,758	1,344,221,192
Liabilities					
Deposits from central banks and other credit institutions	80,660,368	-	3,054,424	-	83,714,792
Deposits from customers and other loans	835,672,336	-	571,945,293	-	1,407,617,629
Financial liabilities at fair value through profit or loss	-	-	-	1,412	1,412
Other liabilities	8,239,757	-	13,525,200	-	21,764,957
	924,572,461	-	588,524,917	1,412	1,513,098,790
	(428,417,211)	362,485,670	(103,243,403)	297,346	(168,877,598)

As at 31 December 2022 and 2021, the financial instruments with exposure to interest rate risk according to the maturity or resetting date had the following structure:

31-12-2022									
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	-	1,787,000	40,883,226	32,776,315	163,315,973	26,521,857	40,961,300	-	306,245,671
Loans and advances to customers	197,443,499	77,354,612	11,864,967	1,003,679	22,996,291	1,273,800	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	79,828,203	50,999,798	35,839,726	187,245,664	31,278,857	160,272,666	182,149	797,799,181
Liabilities									
Deposits from central banks and other credit institutions	-	-	-	-	-	-	-	-	-
Deposits from customers and other loans	132,230,423	277,597,350	196,618,364	217,394,395	-	-	-	-	823,840,531
Other liabilities	-	-	-	-	-	5,470,195	-	-	5,470,195
	132,230,423	277,597,350	196,618,364	217,394,395	-	5,470,195	-	-	829,310,726
	119,921,696	(197,769,147)	(145,618,566)	(181,554,669)	187,245,664	25,808,662	160,272,666	182,149	(31,511,545)

31-12-2021									
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	-	-	-	-	-	-	-	148,956	148,956
Financial assets at fair value through other comprehensive income	-	341,400	-	269,723	1,802,321	18,516	-	-	2,431,960
Financial assets at amortized cost	-	-	-	-	-	-	-	-	-
Debt securities	-	167,170	1,526,187	107,705,163	165,813,067	72,956,834	24,415,332	-	372,583,753
Loans and advances to customers	174,162,133	76,491,183	35,920,278	42,217,269	1,668,430	6,846,757	47,326,259	-	384,632,309
Other loans and advances to central banks and credit institutions	31,408,693	2,220,020	-	471,919	-	-	-	-	34,100,632
Other assets	-	-	-	-	-	-	-	14,846,614	14,846,614
	205,570,826	79,219,773	37,446,465	150,664,074	169,283,818	79,822,107	71,741,591	14,995,570	808,744,224
Liabilities									
Deposits from central banks and other credit institutions	16,500,000	-	-	-	-	-	-	-	16,500,000
Deposits from customers and other loans	109,529,100	260,665,534	200,516,315	224,171,478	-	-	-	-	794,882,427
Other liabilities	-	-	-	-	-	8,239,756	-	-	8,239,756
	126,029,100	260,665,534	200,516,315	224,171,478	-	8,239,756	-	-	819,622,183
	79,541,726	(181,445,761)	(163,069,850)	(73,507,404)	169,283,818	71,582,351	71,741,591	14,995,570	(10,877,959)

As at 31 December 2022 and 2021, 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:

	31-12-2022			31-12-2021		
	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	41,136,877	-	0.00%	56,999,208	-	0.00%
Financial assets at amortized cost						
Loans and advances to customers	440,644,543	69,808,073	15.84%	456,513,795	65,735,388	14.40%
Debt securities	313,874,521	23,775,436	7.57%	383,085,455	22,962,534	5.98%
Other loans and advances to central banks and credit institutions	34,543,217	688,267	1.99%	108,169,440	183,576	0.22%
Financial assets at fair value through other comprehensive income	11,843,932	1,501,794	12.68%	3,661,751	337,506	9.22%
Financial assets at fair value through profit or loss	266,929,647	-	0.00%	231,902,657	-	0.00%
	1,108,972,738	95,773,570		1,240,332,306	89,219,004	
Financial liabilities						
Deposits from central banks and other credit institutions	1,295,219,162	60,149,023	4.64%	41,259,620	3,077,174	7.46%
Deposits from customers and other loans	19,868,127	1,808,619	9.10%	1,534,813,112	63,937,667	4.17%
Other liabilities						
Lease liabilities	5,470,195	1,361,442	24.89%	8,239,756	2,179,868	26.46%
	1,320,557,484	63,319,084		1,584,312,488	69,194,709	

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 2022 and 2021, the breakdown of assets and liabilities, by currency, net of impairment, is presented as follows:

31-12-2022						
	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	2,022,837	-	-	-	-	2,022,837
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
Investment properties	260,061,434	-	-	-	-	260,061,434
Non-current assets held for sale	-	-	-	-	-	-
Current tax assets	2,546,736	-	-	-	-	2,546,736
Deferred tax assets	3,750,143	-	-	-	-	3,750,143
Other assets	56,112,769	787,229	35,066,934	921,518	54,372	92,942,822
Total Assets	1,017,584,418	43,594,700	447,286,389	72,902,608	1,919,573	1,583,287,688
Liabilities						
Deposits from central banks and other credit institutions	7,318,396	-	3,527	-	-	7,321,923
Deposits from customers and other loans	810,349,859	1,976	483,025,781	62,489,445	1,140,368	1,357,007,429
Financial liabilities at fair value through profit or loss	2,030,008	-	-	-	-	2,030,008
Provisions	724,925	6,430	(0)	2,195,476	-	2,926,832
Deferred tax liabilities	3,258,497	6,339	4,717	-	-	3,269,553
Other liabilities	16,243,583	-	1,694,404	1,810,371	446	19,748,804
Total Liabilities	839,925,268	14,745	484,728,429	66,495,292	1,140,814	1,392,304,548
	177,659,150	43,579,955	(37,442,040)	6,407,316	778,758	190,983,141
31-12-2021						
	Kwanza	Kwanza indexed to the US Dollar	US Dollar	Euro	Other currencies	Total
Assets						
Cash and deposits at central banks	129,097,842	-	213,813,906	1,814,908	244,741	344,971,397
Loans and advances to credit institutions repayable on demand	6,329,540	-	25,853,938	17,224,032	1,735,838	51,143,348
Financial assets at fair value through profit or loss	5,425,471	-	1,812,058	298,760	-	7,536,289
Financial assets at fair value through other comprehensive income	1,306,034	-	1,708,133	-	-	3,014,167
Financial assets at amortized cost						
Debt securities	4,851,445	45,369,396	319,084,405	-	-	369,305,246
Loans and advances to customers	332,294,338	28,304,373	76,300,193	4,086,303	10	440,985,217
Other loans and advances to central banks and credit institutions	4,909,123	-	28,120,183	785,688	-	33,814,994
Other property, plant and equipment	87,882,647	-	-	-	-	87,882,647
Intangible assets	15,476,651	-	-	-	-	15,476,651
Investment properties	256,570,622	-	-	-	-	256,570,622
Non-current assets held for sale	-	-	-	-	-	-
Current tax assets	2,462,185	-	-	-	-	2,462,185
Deferred tax assets	3,417,453	-	-	-	-	3,417,453
Other assets	23,142,376	867,553	68,973,121	403,616	63,868	93,450,534
Total Assets	873,165,727	74,541,322	735,665,937	24,613,307	2,044,457	1,710,030,750
Liabilities						
Deposits from central banks and other credit institutions	19,629,690	-	61,769,424	2,315,678	-	83,714,792
Deposits from customers and other loans	668,043,150	925,872	663,173,019	74,253,983	1,221,605	1,407,617,629
Financial liabilities at fair value through profit or loss	-	-	-	1,412	-	1,412
Provisions	1,119,402	34,112	-	2,407,175	-	3,560,689
Current tax liabilities	123,179	-	-	-	-	123,179
Deferred tax liabilities	845,495	-	-	-	-	845,495
Other liabilities	10,409,122	-	10,404,988	826,363	124,485	21,764,958
Total Liabilities	700,170,038	959,984	735,347,431	79,804,611	1,346,090	1,517,628,154
	172,995,689	73,581,338	318,506	(55,191,304)	698,367	192,402,596

As at 31 December 2022 and 2021, the sensitivity analysis of the book value of financial instruments to changes in exchange rates is presented as follows:

Currency	31-12-2022					
	-20%	-10%	-5%	5%	10%	20%
USDollar	(96,945,686)	(48,472,843)	(24,236,421)	24,236,421	48,472,843	96,945,686
Kwanza indexed to the USDollar	(2,949)	(1,475)	(737)	737	1,475	2,949
Euro	(13,299,058)	(6,649,529)	(3,324,765)	3,324,765	6,649,529	13,299,058
Other currencies	(228,163)	(114,081)	(57,041)	57,041	114,081	228,163
	(110,475,856)	(55,237,928)	(27,618,964)	27,618,964	55,237,928	110,475,856

Currency	31-12-2021					
	-20%	-10%	-5%	5%	10%	20%
USDollar	(150,597,342)	(75,298,671)	(37,649,335)	37,649,335	75,298,671	150,597,342
Kwanza indexed to the USDollar	(15,386,190)	(7,693,095)	(3,846,547)	3,846,547	7,693,095	15,386,190
Euro	(4,922,809)	(2,461,404)	(1,230,702)	1,230,702	2,461,404	4,922,809
Other currencies	(408,891)	(204,446)	(102,224)	102,224	204,446	408,891
	(171,315,232)	(85,657,616)	(42,828,808)	42,828,808	85,657,616	171,315,232

On the date of this report, the Bank's assets and liabilities do not present relevant revaluation impacts, considering that the exchange rate of the Kwanza (AOA) against the United States Dollar (USD) and the Euro (EUR), reference currencies in the foreign exchange market, are close to those published by Banco Nacional de Angola on 31 December 2022.

Liquidity Risk

In addition to regulatory ratios, liquidity risk is assessed using internal metrics defined by the Bank's management, namely exposure limits, intraday 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 daily 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 No. 14/2021 of 27 September (revoked Instruction No. 09/2019 of 27 August).

As at 31 December 2022 and 2021, the total contractual cash flows by residual maturities of the Bank's financial assets and liabilities, are presented as follows:

		31-12-2022						
		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	1,840,688	2,022,837
	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	14,208,809	92,942,823
		289,296,641	107,615,356	78,576,771	322,924,025	325,624,269	76,010,520	1,200,047,581
Liabilities								
	Deposits from central banks and other credit institutions	7,321,923	-	-	-	-	-	7,321,923
	Deposits from customers and other loans	3,316,621	915,973,504	417,571,166	20,146,137	-	-	1,357,007,428
	Financial liabilities at fair value through profit or loss	-	1,086,316	943,693	-	-	-	2,030,009
	Provisions	-	-	-	-	-	2,926,832	2,926,832
	Other liabilities	-	-	-	19,748,804	-	-	19,748,804
		10,638,544	917,059,820	418,514,859	39,894,940	-	2,926,832	1,389,034,995
	Liquidity gap	278,658,097	(809,444,464)	(339,938,088)	283,029,084	325,624,269	73,083,688	(188,987,415)
	Accrued liquidity gap	278,658,097	(530,786,367)	(870,724,456)	(587,695,371)	(262,071,102)	(188,987,415)	
		31-12-2021						
		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	344,971,397	-	-	-	-	-	344,971,397
	Loans and advances to credit institutions repayable on demand	51,143,348	-	-	-	-	-	51,143,348
	Financial assets at fair value through profit or loss	298,760	-	-	-	148,955	7,088,574	7,536,289
	Financial assets at fair value through other comprehensive income	-	362,011	281,736	1,941,031	-	429,389	3,014,167
	Financial assets at amortized cost							
	Debt securities	-	175,946	109,099,019	236,052,277	23,978,004	-	369,305,246
	Loans and advances to customers	11,017	14,579,466	38,617,597	153,042,126	174,997,628	59,737,383	440,985,217
	Other loans and advances to central banks and credit institutions	-	33,343,523	471,471	-	-	-	33,814,994
	Other assets	-	-	-	76,322,209	-	17,128,325	93,450,534
		396,424,522	48,460,946	148,469,823	467,357,643	199,124,587	84,383,671	1,344,221,192
Liabilities								
	Deposits from central banks and other credit institutions	67,139,526	16,575,266	-	-	-	-	83,714,792
	Deposits from customers and other loans	9,045,561	955,967,664	413,435,686	29,168,718	-	-	1,407,617,629
	Financial liabilities at fair value through profit or loss	1,412	-	-	-	-	-	1,412
	Other liabilities	-	-	-	21,764,957	-	-	21,764,957
		76,186,499	972,542,930	413,435,686	50,933,675	-	-	1,513,098,790
	Liquidity gap	320,238,023	(924,081,984)	(264,965,863)	416,423,968	199,124,587	84,383,671	(168,877,598)
	Accrued liquidity gap	320,238,023	(603,843,961)	(868,809,824)	(452,385,856)	(253,261,269)	(168,877,598)	

As at 31 December 2022 and 2021, the liquidity ratio calculated in accordance with Instruction No. 14/2021 of 27 August, amounts to 278% and 237%, respectively.

This Instruction defines as the minimum advisable, a liquidity ratio of 100% for cash flows in national currency and aggregate cash flows in all currencies, and 150% 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 2022 and 2021, the Bank has observation ratios of 1 to 3 months at 260% and 363%, respectively, 3 to 6 months at 365% and 460%, respectively, and 6 to 12 months at 429% and 478%, respectively.

Real Estate Risk

As at 31 December 2022 and 2021, the exposure to real estate (direct and indirect) is as follows:

	31-12-2022	31-12-2021
Investment properties (Note 13)	260,061,434	256,570,622
Loans for real estate development (Note 9)	175,159,354	164,526,372
Promissory Contracts (Note 16)	60,627,552	59,128,950
Properties received in lieu of payment for loan operations (Note 14)	-	2,392,425
	495,848,341	482,618,369

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 by a company that, as a regulatory imperative, is different from the one that audits the Management Company.

The “Análise de Benchmark do Mercado Imobiliário Angolano 2022” 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 evaluations performed in 2022 and the analyses performed so far, the Bank’s conclusion is that the evolution of the real estate market in Angola, during 2022, in Kwanzas, is adequately expressed in the value of assets recorded in the balance sheet as at 31 December 2022.

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 operational 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 No. 08/2021 of 18 June and Instruction No. 19/2021 of 27 October.

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 No. 15/2021), own funds requirements for market risk and credit risk of counterparties in the trading portfolio (Instruction No. 16/2021), regulatory capital requirements for operational risk (Instruction No. 13/2021), regulatory capital requirements for adjustment risk and credit assessment (Instruction No. 18/2021), and regulatory capital requirement for excess to the large exposures limit (Instruction No. 12/2022).

Angolan financial institutions shall maintain a level of own funds compatible with the nature and scale of operations, ensuring at all times a minimum a minimum regulatory Solvency Ratio of 8% (10% as at 31 December 2021).

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 no. 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 no. 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; and
- Deductions to original and additional own funds — comprise:
 - i. Instruments issued or obtained by other financial institutions, of which the Institutions are holders, provided for in Article No. 5(2)(a) and (i) and Article No. 7(2)(a),(d) and (f), both of Notice No. 02/2016. This deduction should consider the book value in the balance sheet, net of provisions, and should met the following conditions:
 - a) If the Institution has a participation above 10% (ten percent) of the investee's share capital, all of the aforementioned instruments shall be deducted, or
 - b) If the Institution has a participation below or equal to 10% (ten percent) of the investee's share capital, and if above ten 10% (ten percent) of the investor's share capital, all of the aforementioned instruments shall be deducted, except 10% (ten percent) of the investor's own funds, determined before this deduction.
 - ii. The surplus against the limits established in Notice 9/2016, on prudential limits on large risks.

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 31 December 2022 and 2021, the summary of the Bank's capital requirement calculations, are as follows:

	<i>(thousands of AOA)</i>	
	31-12-2022	31-12-2021
Regulatory own funds requirements		
Credit and counterparty risk	65 221 050	74 044 680
Operating risk	8 827 594	927 603
Market risk and counterparty credit risk in the trading portfolio	1 226 838	8 715 271
Settlement/Delivery Risk	-	-
Credit Valuation Adjustment (CVA) Risk	-	-
Large risks	-	9 507
	A	
	75 275 482	83 697 061
Regulatory own funds		
Level 1 own funds	176 687 022	170 436 274
Level 2 additional own funds	-	39 216
	B	
	176 687 022	170 465 983
	C=B/A*8%	C=B/A*10%
Regulatory solvency ratio	18,78%	20,37%

Note 42 – Recently issued accounting standards and interpretations

Voluntary policy changes

During the period there were no voluntary changes in accounting policies, compared to those considered in the preparation of the previous year financial information.

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 1 January 2022:

Amendment to IFRS 3

This amendment corresponds to the updated reference to the 2018 conceptual framework; additional requirements for analysis of liabilities under IAS 37 or IFRIC 21 at the acquisition date; and explicit clarification that contingent assets are not recognized in a business combination.

Amendment to IAS 16 – Proceeds before intended use

This amendment corresponds to a change in IAS 16 for the prohibition of deducting from the cost of a tangible asset income related to the sale of products before the asset is available for use.

Amendment to IAS 37 - Onerous Contracts

This amendment corresponds to clarification that costs of compliance with a contract correspond to costs directly related to the contract.

Annual improvements 2018-2020

These essentially correspond to amendments to the following standards:

- IFRS 1 - practical expedient that allows a subsidiary that first adopts IFRS at a later date than its parent to opt to measure cumulative translation differences in respect of all foreign operations at the amount that would be included in the parent's financial statements based on the parent's date of transition to IFRS;
- IFRS 9 - clarifies the fees that should be included in the 10% test for the purpose of derecognition of a financial liability; and
- AS 41 - eliminates the requirement to exclude tax-related cash flows in the measurement at fair value.

There were no significant effects on the Bank's financial statements arising from 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:

IFRS 17 – Insurance Contracts

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 issued by IASB in February 2021 changes the definition of accounting estimate for 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

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.

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 analyzing 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 and defers the effective date to 1 January 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.

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 43 – Ukraine’s Invasion

In February 2022, the Russian Federation invaded Ukraine, which resulted in the enforcement of sanctions, at international level, directed at the Russian Federation and Belarus, as well as certain entities related to these countries.

The Board of Directors believes that given that events are evolving daily, future negative impacts may occur on the world economy and financial system, as well as on the evolution of the Angolan economy and its financial system, in particular.

Consequently, there could be possible future impacts on the main accounting estimates used by the Board of Directors in the preparation of the Bank’s individual financial statements, which are disclosed in Note 3.

In this context, we highlight the estimates made for the valuation of real estate assets, particularly those held by investment funds majority-owned by the Bank, which considered the outlook for the evolution of Angola’s macroeconomic indicators and assumptions made by expert valuers, and which have a high degree of subjectivity.

Therefore, the realization of the Bank’s consolidated assets at their balance sheet amounts as at 31 December 2022 may be influenced by the development of the Angolan economy and the success of its future operations.

Note 44 – Events after the reporting period

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

Note 45 – 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.

INDEPENDENT AUDITOR'S REPORT

(Translation of a report originally issued in Portuguese – see footnote on page 2)

To the Shareholders
of Banco Millennium Atlântico, S.A.

Introduction

1. We have audited the accompanying consolidated financial statements of Banco Millennium Atlântico, S.A., (hereinafter referred to as “the Bank”), which comprise the Consolidated Balance Sheet as of December 31, 2022 that presents a total of 1 583 287 689 thousands of Kwanzas and consolidated equity attributable to the shareholders of the Bank of 189 709 122 thousands of Kwanzas, including a consolidated net profit attributable to the shareholders of the Bank of 3 498 114 thousands of Kwanzas, the consolidated statements of profit and loss, other comprehensive income, changes in equity and cash flows for the year then ended and the corresponding notes.

Board of Directors responsibility for the consolidated Financial Statements

2. Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards (“IFRS”) and for such internal control that it determines necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

3. Our responsibility is to express an independent opinion on the consolidated financial statements based on our audit, which was conducted in accordance with Technical Standards from Angola Institute of Statutory Auditors (“Ordem dos Contabilistas e Peritos Contabilistas de Angola”). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, the consolidated financial statements referred to in paragraph 1 above present fairly, in all material respects, the financial position of Banco Millennium Atlântico, S.A. and of its subsidiaries as of December 31, 2022 and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (“IFRS”).

Emphasis of a Matter

7. As disclosed in Note 43 of the financial statements, in February 2022 the Russian Federation invaded Ukraine which resulted in the imposition of sanctions, at the international level, directed to the Russian Federation and Belarus, as well as to certain entities related to these countries. As indicate in Note 43 of the financial statements, the Board of Directors believes that since events are evolving on a daily basis, there may be negative future impacts on the world economy and financial system, as well on the evolution of the Angolan economy and its financial system, in particular. Consequently, possible future impacts may occur and affect the main accounting estimates considered by the Board of Directors in the preparation of the Bank's consolidated financial statements, which are disclosed in Note 3 of the financial statements. In this context, it is worth mentioning the estimates made on the valuation of real estate assets held by the Bank, which considered the prospects for the evolution of macroeconomic indicators for Angola and assumptions made by valuation experts, and which have a high degree of subjectivity. In this way, the realization of the Bank's assets at balance sheet values as at December 31, 2022 may be influenced by the evolution of the Angolan economy and the success of its future operations.

Our opinion is not modified with respect to this matter.

Luanda, April 14, 2023

Deloitte & Touche – Auditores, Limitada
Represented by José António Mendes Garcia Barata
OCPCA member no. 20130163

EXPLANATION ADDED FOR TRANSLATION

(This report is a translation of a report originally issued in Portuguese. Therefore, according to Deloitte & Touche Auditores, Limitada internal procedures, the report should not be signed. In the event of discrepancies, the Portuguese language version prevails.)

Report of the Supervisory Board

(This report is a free translation to English from the original Portuguese version)

To the Shareholders,

1. The Supervisory Board hereby submits its report and advice on the management report and financial statements in both individual and consolidated basis of Banco Millennium Atlântico, S.A. prepared by the Board of Directors relating to the year of 2022, in fulfilment of the legal provisions contained in articles nr. 441.1. g), nr. 442 and nr. 443 of the Companies Act (“Lei das Sociedades Comerciais”), and in article nr. 30.1 of the company bylaws.
2. The Supervisory Board held meetings with the members of the Board of Directors and the Executive Committee responsible for the financial area as it considered necessary and was promptly and fully informed on the resolutions of the Executive Committee, Board of Directors and decisions and recommendations from the Shareholders.
3. In the performance of its duties, this Board had the opportunity to witness the professionalism, commitment and transparency of the procedures adopted by the Executive Committee as well as by the Board of Directors and other officers of the Bank.
4. The Supervisory Board carried out all checks it deemed useful and necessary. It monitored the preparation of the financial statements and analysed the individual and consolidated reports from the external auditor, taking into account the emphasis of matter and other matters that are hereby reproduced, as well as managed to obtain all clarifications it requested in relation thereto from the Bank, and watched over the compliance of legal and regulatory provisions, bylaws and rules issued by the supervisory authorities and also with the general policies, rules and practices established internally.
5. Moreover, this Supervisory Board did not identify any situation that did not comply with the bylaws and legal provisions, or with the applicable accounting policies, criteria, rules and practices. It is however recommended, in line with what was reported by the External Auditor during the meetings with the Audit Committee also attended by the Supervisory Board, a follow up of the valuation process of the real estate properties held by the Pactual Property Fund.
6. All things considered, including the contents of the financial statements and the report from the external auditor, we are of the opinion that the Annual General Meeting should:

- Approve the report prepared by the Board of Directors and the financial statements in both individual and consolidated basis of Banco Millennium Atlântico, SA. relating to the year ended on the 31st of December 2022;
- Approve the application of results of the fiscal year of 2022 proposed by the Board of Directors, as follows:
 - a) Legal reserve (10%), in the amount of AOA 342,836, 760 thousand; and
 - b) Retained earnings (90%), in the amount of AOA 3,085,530, 830 thousand.
- Propose a motion of praise and recognition for the performance of the Board of Directors.

Luanda, the 14th of April 2023

The Supervisory Board,

SIGNED ON THE ORIGINAL

Nuno Gonçalo de Teodósio e Cruz e Cachado de Oliveira – Chairman of the Supervisory Board

SIGNED ON THE ORIGINAL

António Guilherme Rodrigues Frutuoso de Melo – Member of the Supervisory Board

SIGNED ON THE ORIGINAL

José Pedro Porto Pais Dordio – Member of the Supervisory Board

SIGNED ON THE ORIGINAL

Nélson Luís Vieira Teixeira – Member of the Supervisory Board

SIGNED ON THE ORIGINAL

Maria Cristina Santos Ferreira – Accounting Expert – Supervisory Board