2023
ANNUAL REPORT

BANCO MILLENNIUM ATLANTICO

ATLANTICO

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MESSAGE FROM THE CHAIRMAN AND THE CEO

Joint Message from the Chairman of the Board of Directors and the Chief Executive Officer

Joint Message from the Chairman of the Board of Directors and the Chief Executive Officer

Miguel Raposo Alves

Chief Executive Offcer

António Assis de Almeida

Chairman of the Board of Directors

Dear Stakeholders,

We have completed another financial year in our 17-year history with results in line with our objectives. With each new cycle, we learn lessons that strengthen us and prepare us to continue on our steady path. We remain guided by pragmatism and responsibility towards our Shareholders, Customers, Employees and Society in general.

The year 2023 was also characterized by global instability, which persisted due to the slow recovery of the world economy post-COVID-19. The outbreak of the Russia-Ukraine conflict in 2022 worsened global inflation, prompting central banks to implement restrictive monetary policies in 2023. This led to a decrease in inflation, but also affected global trade, increased financing costs, and put pressure on developing economies.

In Angola, a 64.5% currency depreciation in 2023 and moderate GDP growth of 0.4% have caused public debt to exceed 83.9% of GDP. Moody's, Fitch, and S&P have maintained the debt's risk rating stable due to the prospect of a zero fiscal balance and the reduction in the current account. Inflation has reached 20.0%, driven by currency depreciation and adjustments to gasoline prices, thus surpassing the 13.9% of 2022.

Despite the challenges of the context, in 2023 ATLANTICO strengthened its financial resilience, achieving a net profit of AOA 9.1 billion. This reflects a consistent increase in profitability, and a solvency ratio of 18.4%, demonstrating a solid balance sheet and in a reference position to continue supporting the development and diversification of the Angolan economy and families.

In this sense, 2023 was a key year for achieving several of the objectives set out in our Strategic Plan and consolidating others that had already been achieved in previous years. ATLANTICO's resilience in the challenging context of 2023 demonstrates the success of our strategy and positioning.

With regard to our proximity to our Customers, whom we value as the Bank's most important asset, we achieved significant goals by increasing sustainable sales, and this increased Customer confidence was reflected in their higher levels of engagement with us. We were also able to communicate more, bringing the Bank closer to our Customers and the market. This demonstrated our nonconformity, values, and high ambitions to remain a systemic Bank and a reference in the country.

Like the previous year, ATLANTICO focused on digital transformation and innovation, investing in simplifying processes and automating tasks to reduce bureaucracy and create 100% digital services. In 2023, the *400# Agiliza payment system surpassed the important figure of one million users. This solution not only provides technological resources, but also allows citizens to become bank customers with easy access to financial products and services from their push-button phones or smartphones, without consuming data, or through a network of banking agents. It is a tool for financial inclusion and, consequently, for social transformation.

We have enhanced the technological capacity and availability of our customer service points nationwide by extensively installing advanced equipment. Our ATLANTICO 24 HORAS spaces are available 24/7 and allow for deposits, withdrawals, transfers, and payments. In 2023, we expanded the self-service services available to Customers by installing the first two ATLANTICO Card Issuing Machines in Cidade Financeira, in Talatona, and in Viana, the capital's most populous municipality. This equipment allows, in a first phase, the renewal of multicaixa cards, in self-service and 100% digitally. It represents a pioneering contribution by ATLANTICO to the modernization of the banking sector, taking important steps in its digital transformation and bringing additional levels of efficiency to the entire economy. Our goal is also to improve our customers' experience by offering them a seamless service that gives them greater autonomy, flexibility and convenience. The ATLANTICO Card Issuing Machines are just another example of our commitment, which complements the numerous innovations we have introduced in recent years. On the other hand, the process of issuing cards is paperless. This means that there is no need to use paper to provide the PIN, making the Bank's activities even more sustainable by utilizing technology to protect the environment.

ATLANTICO is committed to providing excellent service to our Customers by investing in modern tools and platforms to increase digitization and automation of processes. We have also reinforced our investment in cybersecurity and compliance to safeguard the data and assets of our nearly three million Customers.

Acting responsibly and sustainably with the environment, society and Stakeholders is now more than a choice, it is part of ATLANTICO's culture. We have successfully integrated ESG principles into our business, joined the UN Global Compact, and reinforced a culture of sustainability in all our banking activities. As a result, Forbes África Lusófona magazine awarded us the 2023 Social Responsibility Award for the financial sector.

The solid results for 2023 are the culmination of a clear strategy and demonstrate the ambition of a team united by a strong culture of resilience, innovation and an enormous desire to create value.

The Board of Directors and the Executive Commission would like to thank all those who contributed to achieving the set objectives. We especially thank the Shareholders for their trust in the management team, our Customers for their trust and esteem, and the Employees for their commitment, motivation, availability, and professional competence.

ATLANTICO, Values for Life

We have successfully integrated **ESG principles** into our business, joined the **UN Global Compact**, and reinforced a culture of sustainability in all our banking activities. As a result, Forbes *África Lusófona* magazine awarded us the **2023 Social Responsibility Award** for the financial sector

1

STRATEGY

1.1.

Mission, Vision and Values

MISSION

To be a **benchmark** institution in Angola, respected in the World, that stands out for **Customer's**, experience, excellence in the **transformation** of Lives, **multiplication** of Customers' Assets, committed to its **Ecosystem**, today and in the future.

PARTNERSHIP'S ECOSYSTEM
Extend our value chain with strong partnerships

ESG
An institution that seeks to generate impact in everything it does

PHIT 2.4 VISION

To leverage **Talent, Innovation, and Information**, to serve Customers with excellence, maximizing the value generated for **Society**.

TALENT
An organisation that recognises and leverages Talent

CUSTOMER'S PRIMACY
Provide an excellent Customer experience

DIGITAL INNOVATION
Efficient use of innovation to better serve Customers and Talents

DATA AND AI
An organisation based on information and extracting its value

SCALABILITY
Serve at scale with a focus on the Customer and profitability

RESILIENCE
A solid financial structure and a risk culture

OUR VALUES FOR LIFE

PEOPLE DEVELOPMENT
"People are ATLANTICO's Greatest Asset"

INNOVATION
"Thinking Different, Simple and Digital, anticipating the future"

CUSTOMER DRIVEN
"Think, Live and Feel the Customer"

AGILITY
"Harmony of skills in delivering value"

EFFICIENCY AND ACCURACY
"With responsibility, we create more value"

1.2.

Foundation, Strategic Pillars and Focus

OUR FOUNDATION

TALENT

An organisation that recognises and leverages Talent

- People as ATLANTICO's main asset
- Talent development model based on the assessment of acquired knowledge and productivity
- Career development model leveraged by a mentoring programme
- Programme of initiatives that enhance the Talent experience

OUR STRATEGIC PILLARS

DIGITAL INNOVATION

Efficient use of innovation to better serve Customers and Talents

- Promote digital innovation in Angola, putting it at the service of Customers and Talents
- Massify the use of digital channels and processes

DATA AND AI

An organisation based on the information and extracting its value

- Development of skills and tools for advanced data analysis
- Constant knowledge of the Customer and his needs

SCALABILITY

Serve at scale with a focus on the Customer and profitability

- Business model based on scalable processes and alternative channels
- Increase the base of Active Customers

RESILIENCE

A solid financial structure and a risk culture

- Balance sheet with liquidity and value generator
- Strengthening a culture of proactive risk management
- Focus on cyber risk mitigation

OUR FOCUS

CUSTOMER'S PRIMACY

Provide an excellent Customer experience

- Obstinate with the Client and the experience we provide, as the ultimate goal of all our activity
- Commitment to Talent development, digital transformation, data analysis and scalable processes to raise Customer satisfaction

1.3.

Main indicators

Talent, our main Asset

- **1,496** Talents
- **93%** Retention of high potential Talents
- **56%** Career development

Customers with value

- **3.1** million Customers
- Digital personalised management **+ 25** thousand Prestige Digital Customers
- **0.2** Complaints per **1,000** Customers

Using innovation to better serve

- **3,854** Customer service centres
- **95** Branches (68% in 24/7)
- **51** Customer management centres
- **3,708** Banking Agents' points of sale
- **32%** digital active Customers
- **1.9** million digital channels users
- **+ 661** thousand mobile account openings
- **1.3** million *400# Agiliza users
- Core processes **62%** digital **53%** self-banking

Resilience

- Net Profit AOA **9.1** billion
- Operating costs on total assets **2.7%**
- Own Funds AOA **212** billion
- Regulatory Solvency Ratio **18,4%**

ESG

- **63%** Core paperless processes
- **+ 52** thousand Impacted lives
- **+ 654** thousand Customers financial inclusion
- **27** Opportunities to improve the internal control report

PHIT 2.4
ATLANTICO

2

MACROECONOMIC FRAMEWORK

2.1. World economy
2.2. Angolan economy
2.3. Financial markets

2.1.

World economy

The world economy grew by 3.1% in 2023, a slowdown compared to the 3.5% estimated for 2022, according to data from the International Monetary Fund. The tightening of monetary policy and the reduction in fiscal stimulus, combined with the continuing conflict in Ukraine, in a scenario of high public indebtedness, have slowed global Gross Domestic Product (GDP) growth.

The Advanced Economies saw their cumulative GDP decelerate from 2.6% to 1.6%, with the Euro Zone economy being penalized the most, falling from 3.4% in 2022 to 0.5% in 2023, with Germany's GDP contracting the most (-0.3%). A similar performance was recorded in the United Kingdom, where GDP fell from 4.3% to 0.5%. On the other hand, the US and Japanese economies recovered with growth of 2.5% and 1.9%, up from 1.9% and 1.0% in 2022, respectively.

Contrary to the deceleration of the Advanced Economies, there was a stagnation in the growth of the Emerging and Developing Economies at 4.1%, led by the recovery of China's GDP, with growth of 5.2%, up from 3.0% in 2022; Russia's at 3.0%, against a contraction of 1.2%; and Brazil's growth at 3.1%, up from the 3.0% recorded in 2022. India, in turn, reported a slowdown in GDP from 7.2% in 2022 to 6.7%, despite remaining one of the most dynamic economies in the world.

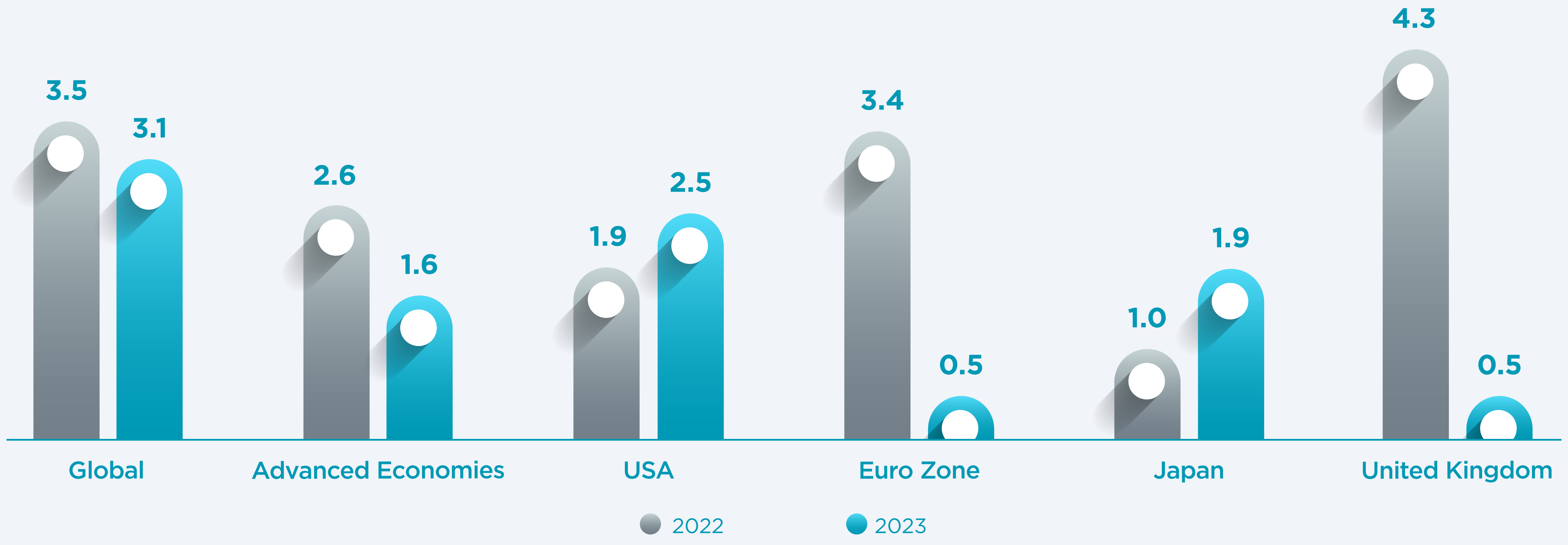
Regarding the global inflation rate, there was a slowdown from 8.7% in 2022 to 6.8% in 2023, with a reduction in inflation in the Advanced Economies from 7.3% to 4.6%, while in the Emerging and Developing Economies inflation slowed from 9.8% to 8.4%.

In order to curb the acceleration in prices, the major central banks had to adjust monetary policy, with the US Federal Reserve, the European Central Bank and the Central Bank of England which, in 2023, raised interest rates by 1.0 p.p., 2.0 p.p., and 1.6 p.p., to 5.5%, 4.5% e 5.3%, respectively.

The slowdown in the world economy and the increase in geopolitical risks in the Middle East put pressure on financial market developments in 2023. For the foreign exchange market, the USD Index fell by 2.1% year-on-year, the euro and the British pound appreciated by 3.1% and 5.4% to EUR/USD 1.1 and GBP/USD 1.3, respectively. In the commodities market, the highlight was the fall in the average price of a barrel of Brent crude oil by 10.3% to 77.0 USD/barrel, with the price of WTI falling by 10.7% to 71.7 USD/barrel.

On the other hand, the moderation of monetary policy and the slowdown in the rate of inflation benefited stock prices in most markets, with MSCI Global and MSCI Emerging Markets recording gains of 21.8% and 7.0%, respectively. In the bond market, the yield curve fell again in most economies, except for Japan, which recorded a rise in 10-year yields from 0.4% to 0.6%, while US debt remained unchanged at 3.9%.

Growth rate of the economy (%)



Source: IMF, World Economic Outlook, January 2024

In order to curb the acceleration in prices, **the major central banks had to adjust monetary policy**, with the US Federal Reserve, the European Central Bank and the Central Bank of England which, in 2023, raised interest rates by 1.0 p.p., 2.0 p.p., and 1.6 p.p., to 5.5%, 4.5% e 5.3%, respectively

2.2.

Angolan economy

The Angolan economy grew by 0.4% in 2023, according to Government figures, after having grown by 3.1% in 2022. The slowdown was marked by the negative performance of the oil and gas sector, which contracted by 4.1% in 2023, after having grown by 0.6% the previous year. During this period, oil production stood at 1.088 million barrels/day, below the 1.1 million barrels/day recorded in 2022. In turn, the non-oil sector grew by 1.8%, below the 3.9% expansion of 2022, having been penalized by the deceleration of the Agriculture sector (1.3%), Mineral Extraction (0.5%) and the contraction of the Fisheries and Derivatives sector (-0.5%).

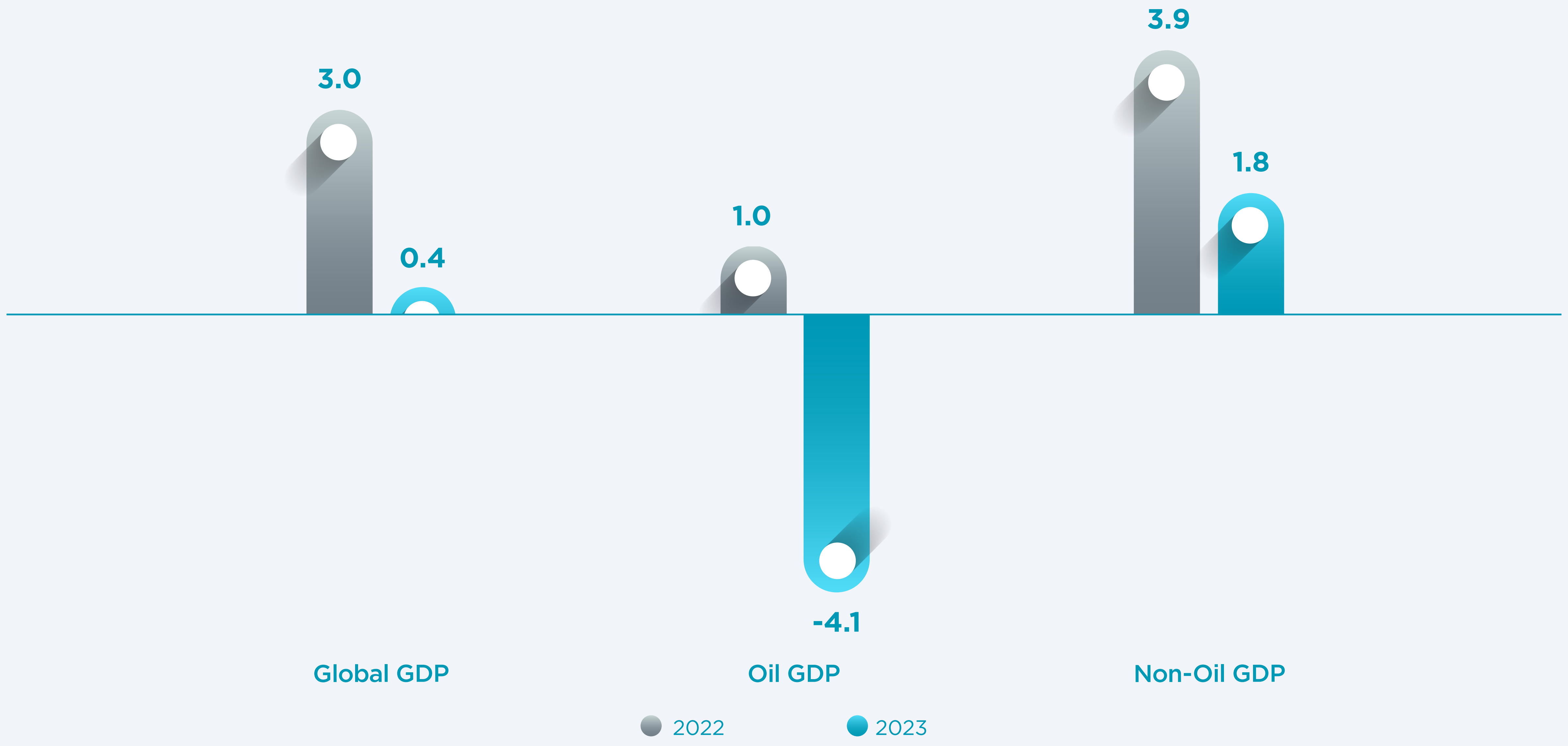
With regard to inflation, data from the National Statistics Institute (INE) points to a 20.0% increase in prices during 2023, up from 13.9% in 2022, driven by exchange rate depreciation, a reduction in the supply of products in the economy, a slowdown in non-oil GDP and adjustments in the price of a liter of petrol, from 160 AOA/liter to 300 AOA/liter, in an effort to reduce State spending on fuel subsidies and improve the business environment.

Public finances once again experienced challenges, with the tax balance on GDP standing at -0.1%, contrary to the surplus for 2021 and 2022 of 4.0% and 1.0%, which reflects the reduction in the average price of a barrel of oil from 102 USD/barrel in 2022 to 75 USD/barrel in 2023 and the slowdown in non-oil GDP, as mentioned above. In fact, the stock of public debt over GDP increased once again, standing at 83.9%, compared to 69.9% in 2022.

Until the third quarter of 2023, the Trade Balance remained in surplus by USD 6,227.4 million, a year-on-year drop of 27.7%, pressured by the decrease in exports (-25.3%), above the reduction in imports (-20.8%). As for the Services Account, the negative balance fell by 47.1% to USD 1,636.9 million, reflecting the 46.9% drop in imports of services, which was greater than the 8.7% drop in exports. In this period, the Current Account fell by 16.3% year-on-year to USD 2,529.7 million.

In turn, International Reserves stood at USD 14,733.4 million in December 2023, a slight annual increase of 0.5%. The performance was largely explained by the 13.1% and 7.9% increase in the Gold Reserve and Securities to USD 1,223.1 million and USD 6,463.8 million, respectively.

Economic growth (%)



Source: 2024 SB Proposal

2.3.

Financial markets

The money supply, measured by the M2 monetary aggregate, increased by 39.1% to AOA 15,791.9 billion, driven by the 50.2% growth in Demand Deposits, the 32.5% rise in Notes and Coins in public ownership and the 29.2% rise in Term Deposits. The increase in the money supply in the economy was largely explained by the depreciation of the exchange rate and the increase in credit to the economy.

Concurrently, the benchmark interest rates of the Banco Nacional de Angola (BNA) showed a divergent trend, with the BNA rate standing at 18.0%, an annual reduction of 1.5 p.p., following the less restrictive stance of monetary policy, despite the acceleration of inflation that began in May 2023. At the November meeting of the BNA's Monetary Policy Committee, the Central Bank once again increased the Coefficient of Reserve Requirements in Nacional Currency from 17.0% to 18.0% and maintained the Coefficient of Reserve Requirements in Foreign Currency.

Following an opposite trend was the interest rate on the permanent liquidity absorption, which increased by 2.5 p.p. to 17.5%. Nevertheless, interest rates on the Interbank Money Market fell by an average of 2.8 p.p., with the Luibor Overnight rate falling by 6.0 p.p. to close the year at 4.0%, the lowest level in the BNA's historical series, which began in 2005.

For its part, the 2023 exchange rate recorded an accumulated depreciation of 39.2%, standing at USD/AOA 828.8, the second highest recorded since the introduction of the free exchange rate regime, largely due to the 37.1% reduction in the supply of foreign currency on the market, from USD 15,664.6 million in 2022 to USD 9,853.9 million until October of 2023.

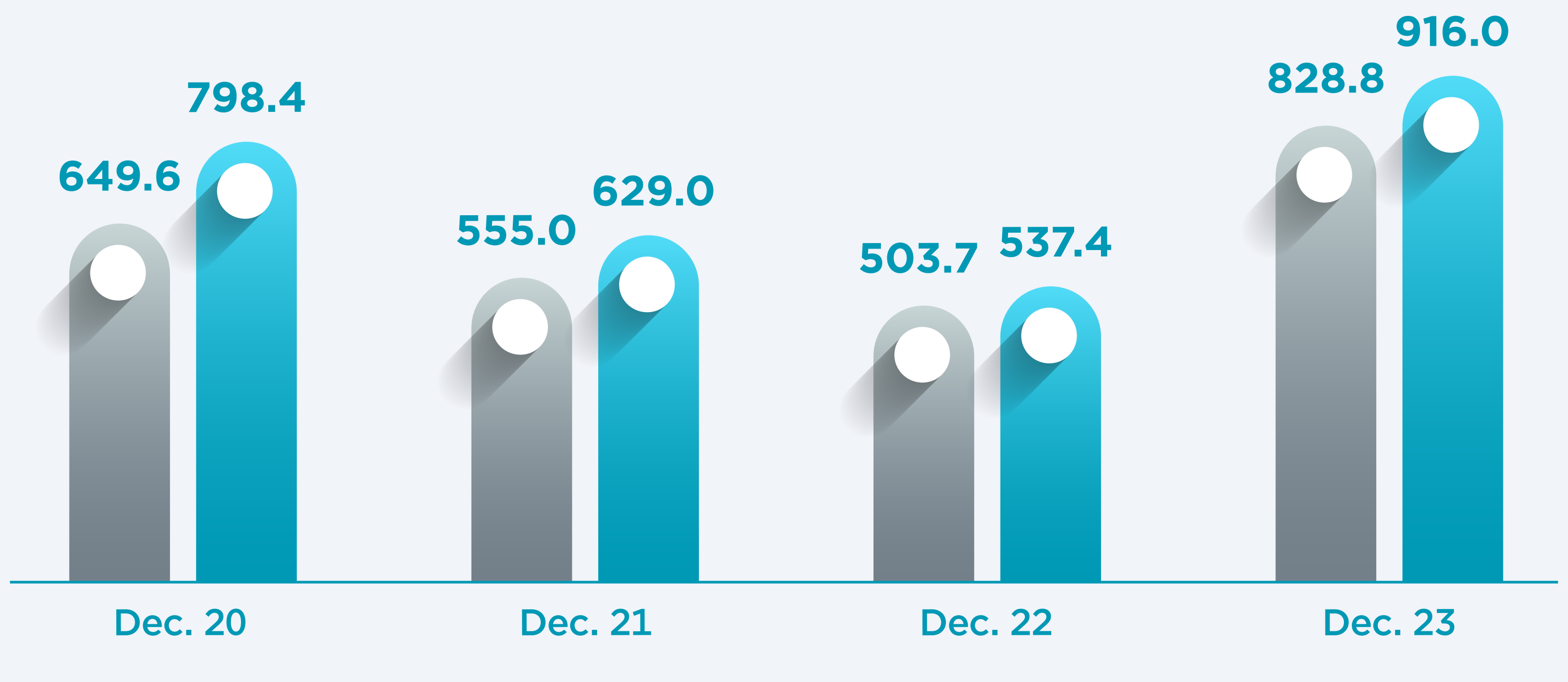
The amount of Treasury Bonds traded on the secondary market in 2023 was AOA 7,671.2 billion, the highest amount in the historical series, compared to AOA 1,095.7 billion in 2022. The 2023 performance essentially reflects the realization of Repos, which during the period under review was an instrument used by the National Treasury for financing. Transactions on the Repo Market (MOR) amounted to AOA 3,742.4 billion, equivalent to 48.9% of the total traded. In fact, the amount traded compared to GDP rose to 12.2%, up from 2.1% the previous year.

In turn, the yields on Eurobonds issued by Angola increased by an average of 0.1 p.p. throughout 2023, particularly the shorter-term yield, 2025, which increased by 2.3 p.p. to 10.6%, driven by the fall in the price of oil on international markets.

Key monetary indicators (%)

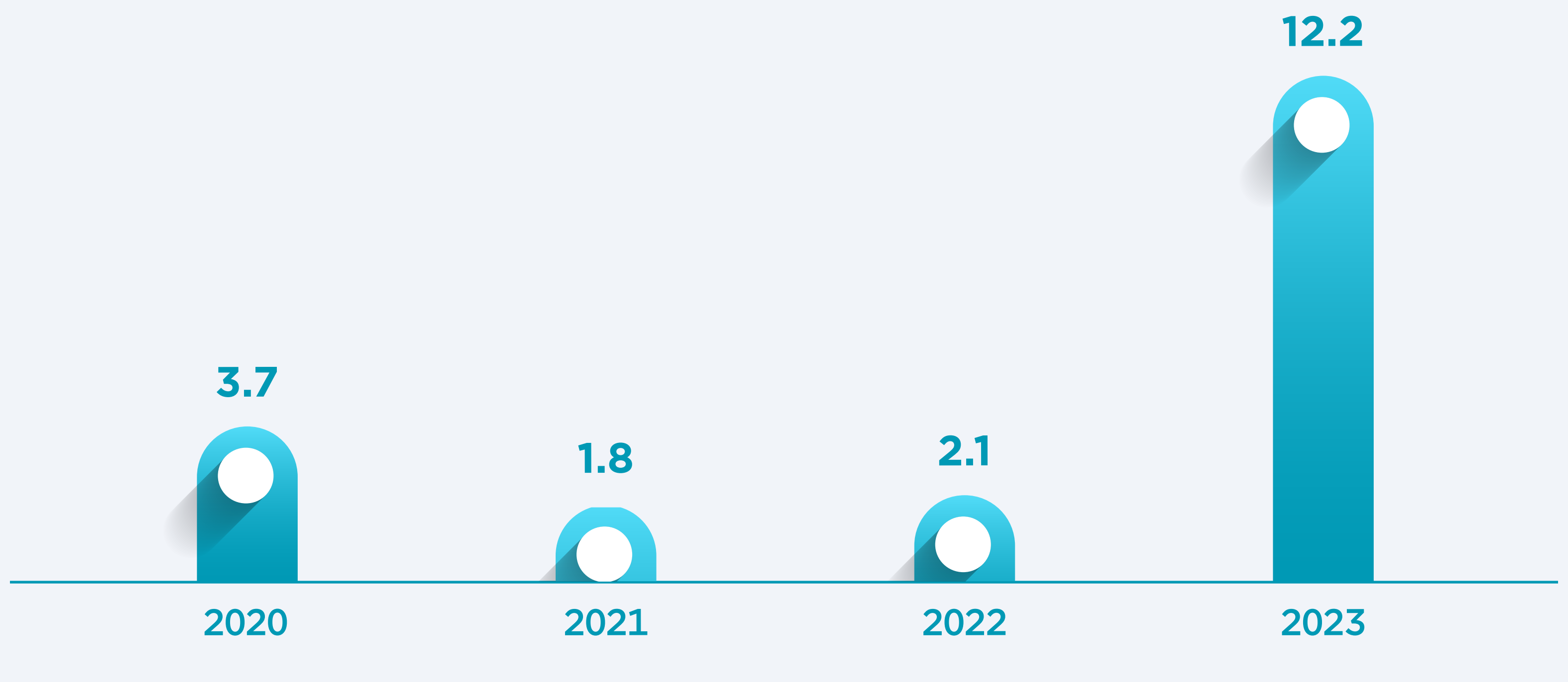
Source: BNA

Exchange rate of the Kwanza against the Dollar and the Euro



Source: BNA

Secondary market transactions in % of GDP



Source: BODIVA

3

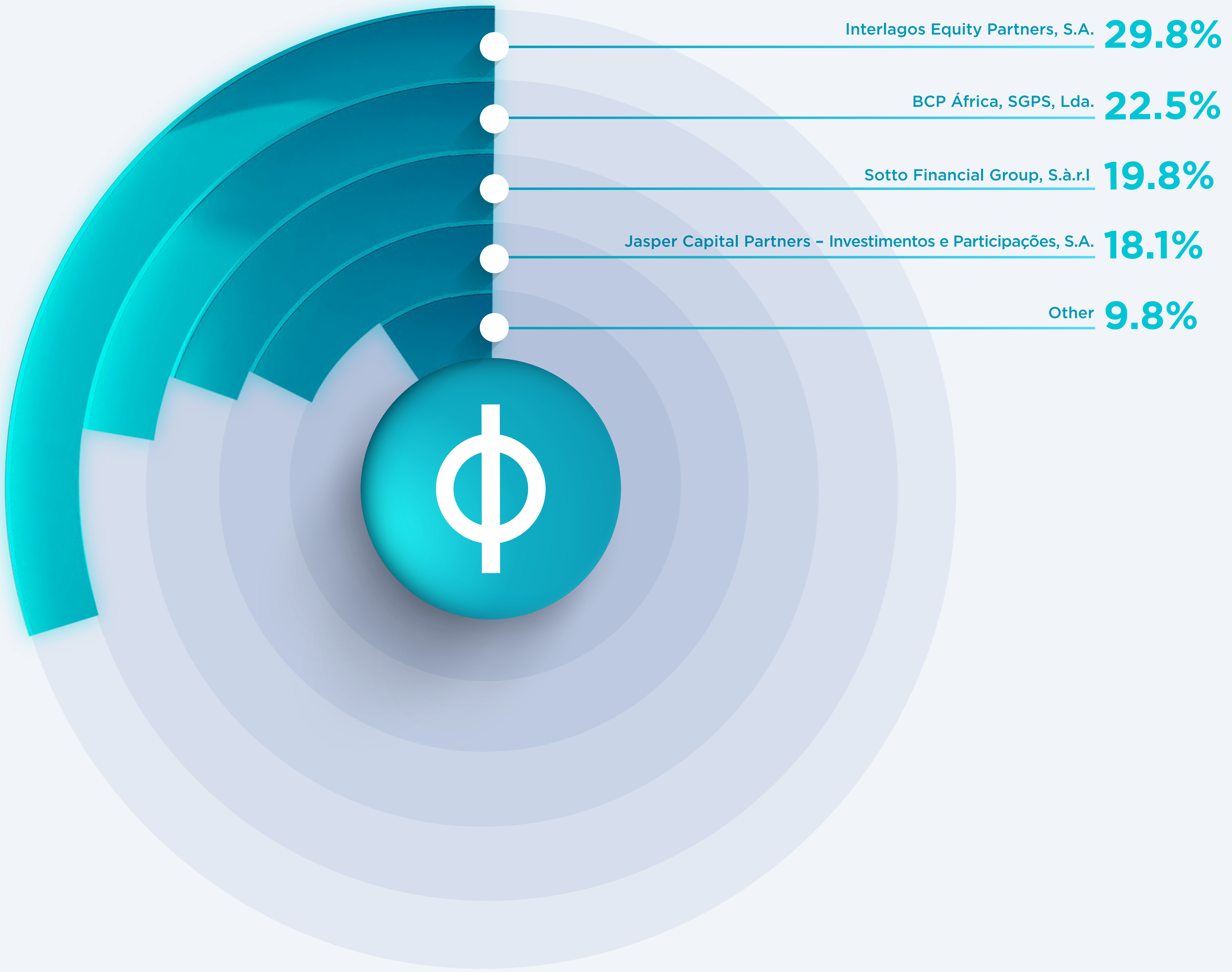
ATLANTICO

3.1. Institutional

ATLANTICO was incorporated on 31 August 2006, and started its activity in November of the same year, as an Angolan banking institution regulated by Angola Central Bank. On 3 May 2016, Banco Millennium Angola was merged into ATLANTICO. This merger enabled the integration of operations of both banking institutions, which together have more than 20 years of experience and have been acting as partners since 2008. As a result of this merger, ATLANTICO consolidated its universal character and strengthened its position in the Angolan banking market, joining the top 5 of Angola's largest banks, as one of the largest private banks in financing Angolan Companies and Households, promoting digital innovation and focused on financial inclusion, creating a partnership's ecosystem, including with international counterparties, and promoting a more sustainable business environment.

Shareholders' Structure

Banco Millennium Atlântico, S.A. is mainly held by private Angolan shareholders. As at 31 December 2023, the shareholders' structure was detailed as follows::



3.2.

An experience of excellence

1,496 Talents | **93%** Retention of high potential Talents | **56%** Career development | **3.1 million** Customers | **4.5** (2017) **0.2** (2023) Complaints per **1,000** Customers

Framework

ATLANTICO acknowledges that providing an excellent customer experience requires a steadfast commitment to Customers and the continuous development and training of its Talents.

By equipping its Talents with hard and soft skills that allow them to explore new frontiers of knowledge, ATLANTICO also ensures that its Talents have the necessary tools to identify, anticipate and meet the needs of Customers, thus building trustworthy, long-term relationships.

With this goal in mind, in 2023, the Bank trained its sales network Talents in techniques and tools that enables them to perform sustainable sales with products that Customers value and that have a positive impact on their financial life and their experience with ATLANTICO.

Alongside the development of the skills of its Talents, ATLANTICO builds the customer experience by focusing on innovation with the aim of:

1. Developing products, services, and channels that correspond to Customers' concerns and objectives;

2. Better understanding our Customers' needs and providing them with the most appropriate financial solutions for their present and future;

3. Responding to their requests promptly and efficiently.

It is this unavoidable commitment to innovation and to People, namely their training and development as human beings and professionals, that sets ATLANTICO apart in providing a differentiated Customer experience from Cabinda to Cunene, 24 hours a day.

Our values for life

PEOPLE DEVELOPMENT

"People are ATLANTICO's Greatest Asset"

People are a priority for ATLANTICO. They embody our culture and deliver our commitment to ATLANTICO's Ecosystem, generating "Attitude with Value" with their skills. ATLANTICO transforms their lives, compromising them as agents of the development of People in this ecosystem.

CUSTOMER DRIVEN

"Think, Live and Feel the Customer"

Anticipate, understand and satisfy the true needs of Customers, adding value and being a Partner in the achievement of their dreams and life projects.

INNOVATION

"Thinking Different, Simple and Digital, anticipating the future"

The ongoing concern, the boldness to go beyond, the ambition to anticipate the future, which leads us to the constant search for disruptive solutions to improve Customer's experience, by simplifying it.

AGILITY

"Harmony of skills in delivering value"

Agility, in ATLANTICO, represents a proper way of being and thinking, detached from status quo. A constant availability and flexibility to work, in a multidisciplinary way, with new variables and methodologies, contributing for the creation of solutions for Customers' equations.

EFFICIENCY AND ACCURACY

"With responsibility, we create more value"

Ability to achieve goals within the agreed deadlines, with the highest quality, optimizing available resources and ensuring careful compliance with the legislation, standards and procedures.

The brand signature **"Values for Life"** talks about personal and financial values, that ATLANTICO shares with its Clients. It talks about the profound commitment with the Client. The better life is achieved with effort and determination and it is here to stay

An organization that recognizes and leverages Talent

The high level of retention of Talents with great potential remains noteworthy, which is in line with the mission of being an organization that recognizes and empowers Talent.

228 High-potential Talents

93% Retention of high-potential Talents

56% Talents with career progression

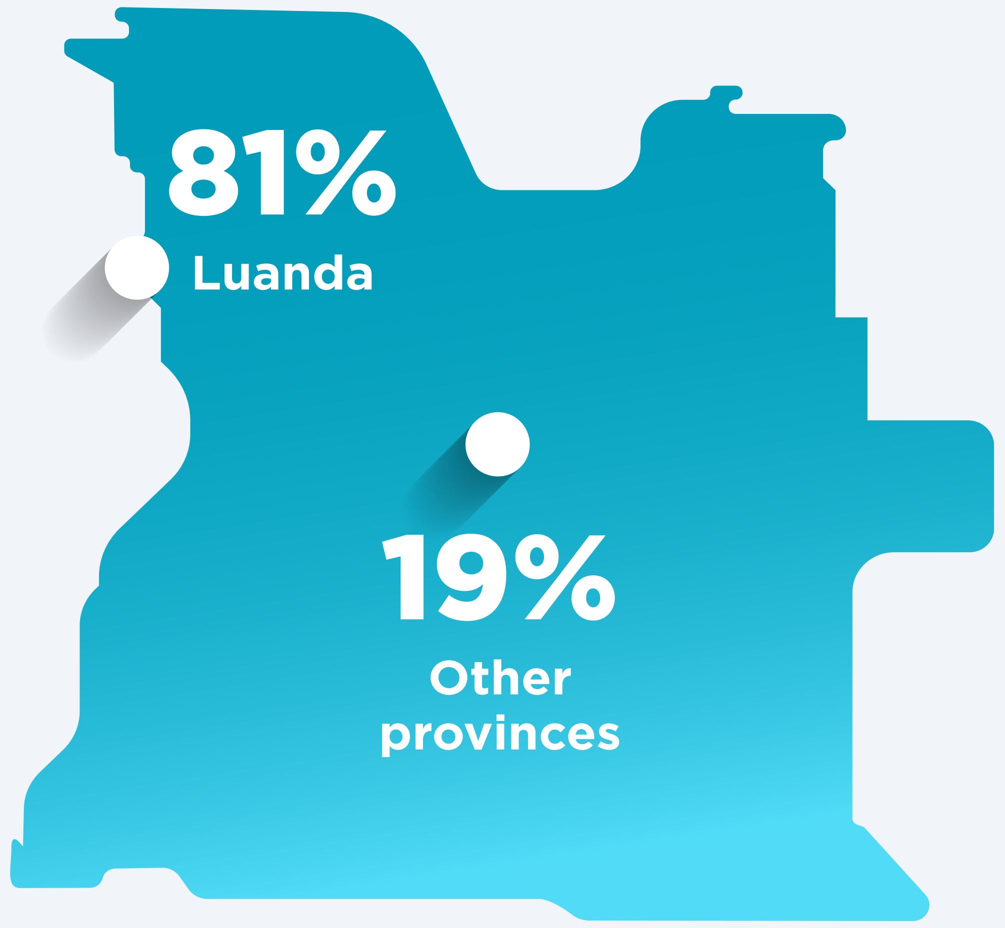
Commitment to People

The way in which the Bank organizes and develops its teams is crucial to achieving its goals. In the period from January to December 14, 2023, the Bank had 1,496 Talents spread across the 18 provinces of Angola.

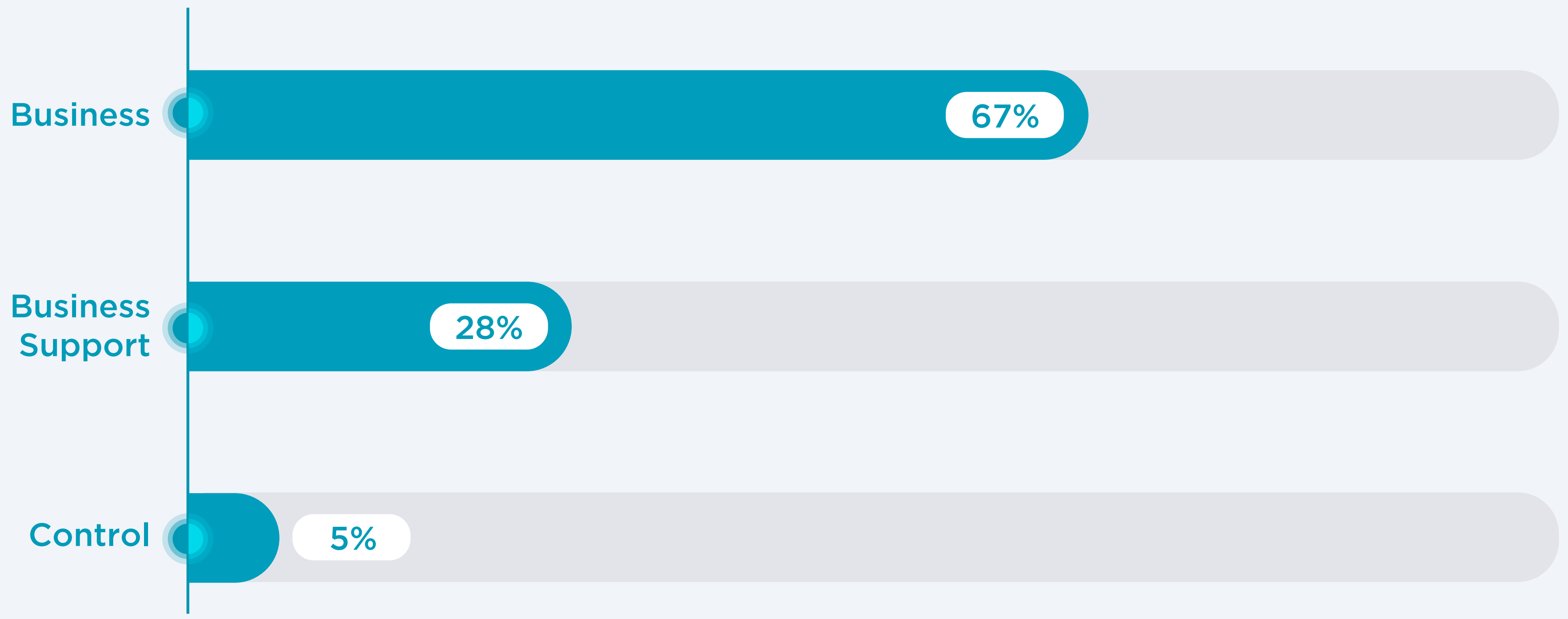
In terms of geographical dispersion, 81% of the Talents are distributed throughout Luanda and the remaining 19% are located in service points outside the capital, ensuring the mission of ATLANTICO.

With regard to the distribution of Talents, the Business areas continue to be larger than the Support and Control areas.

Geographical dispersion

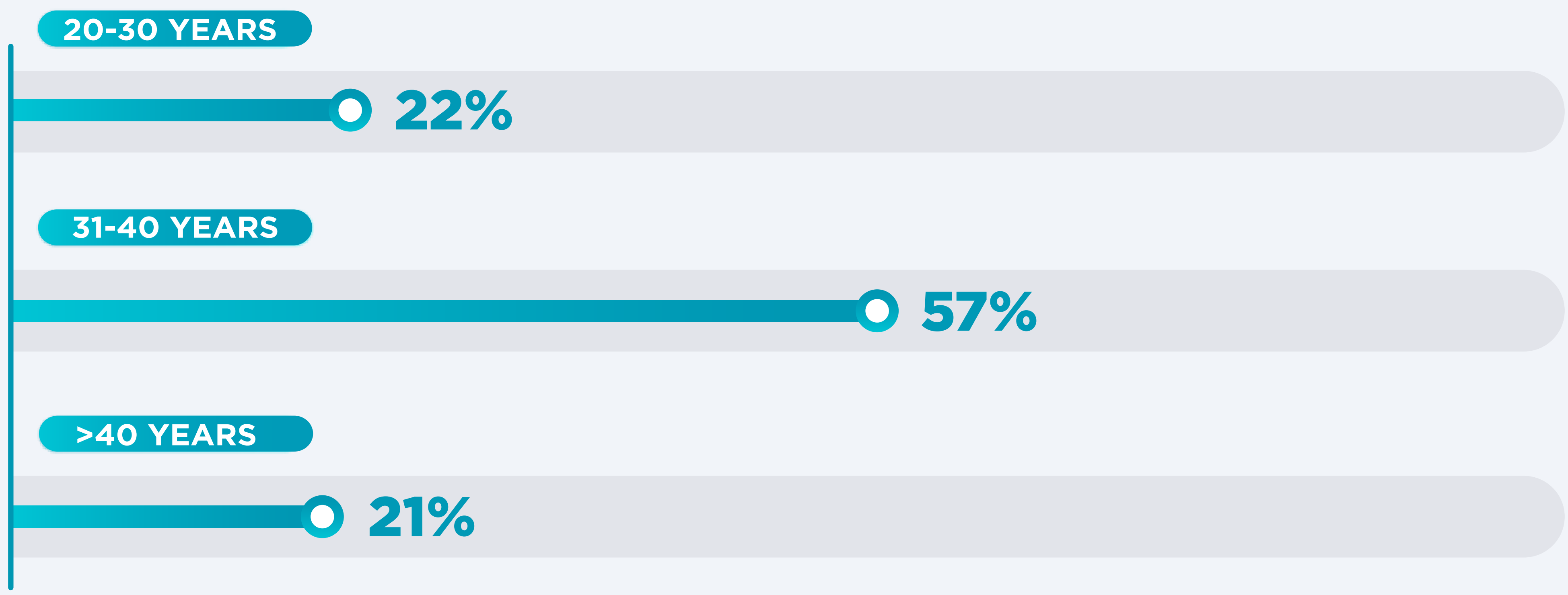


Areas

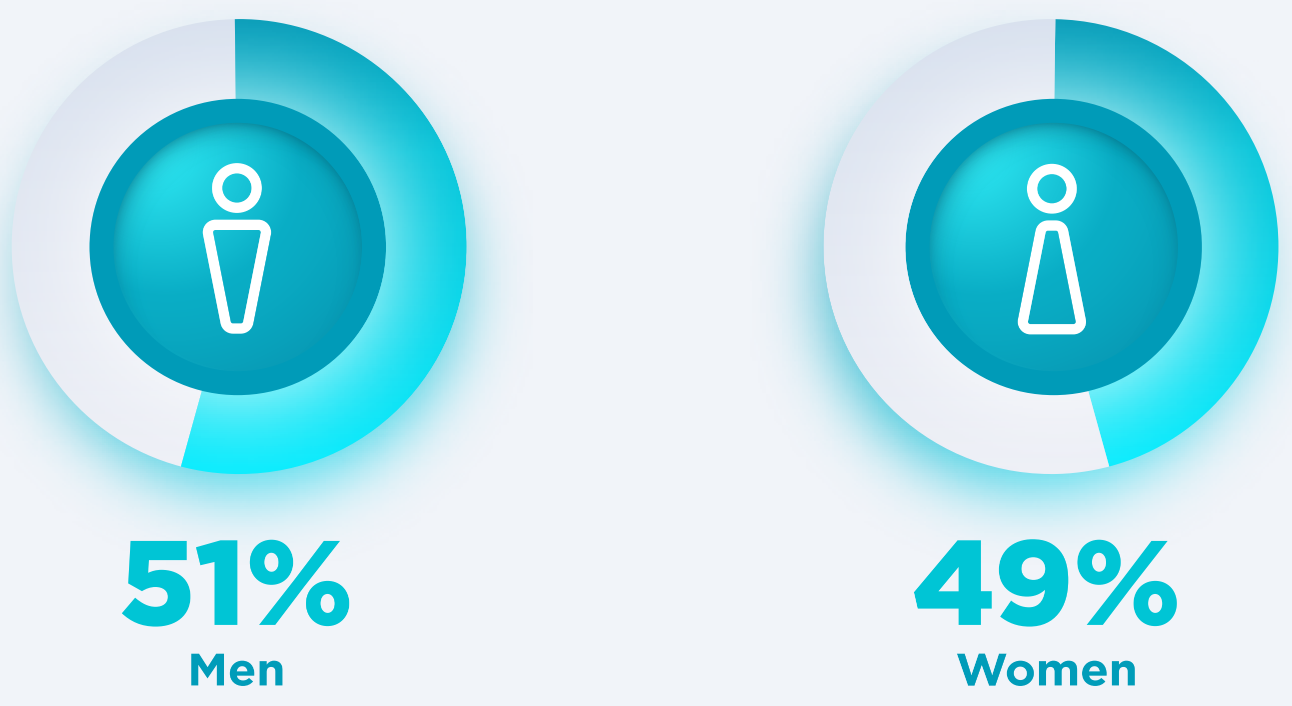


The team is young, gender-balanced and essentially made up of Angolan employees, of whom 69% are of the Y generation. The ATLANTICO Team is therefore characterized by a strong sense of mission, restlessness, innovation, and openness to the digital world..

Age group



Gender



Average age

Nationalities

Attracting Talent

In 2023, 212 new talents were hired from different sources:

Recruitment in 2023

8,631 Applications submitted

213 New admissions

6,231 Website applications

1,500 E-mail applications

900 In person applications

These results are the outcome of a series of initiatives that strengthen ATLANTICO's position and commitment as a Bank that invests in Talent. The most relevant initiatives are highlighted below:

- **Member Get Member:** Through this program, ATLANTICO relies on the support of its Employees and encourages them to actively contribute to the mission of recruiting the best talent, which is the basis of the Bank's success. This initiative resulted in the hiring of 20 staff.

- **Promotion on LinkedIn:** Through this platform dedicated to professional interactions, job vacancies were posted to attract potential Employees.

- **Strengthening our presence in universities:** This activity made it possible to bring ATLANTICO to students and gain access to candidates with high potential, as well as providing first job opportunities for a significant number of candidates.

Commitment to knowledge

Skills are increasingly valued and considered to be the key factor in talent management within organizations. In this sense, ATLANTICO has been analyzing how to strengthen the importance of skills in the people management function and at the level of training policy, consolidating the training strategy according to groups of skills.

In 2023, we continued to expand and adapt our internal skills, while strengthening ATLANTICO's values and culture through training. This commitment will be reflected in our daily results, ensuring delivery with value.

In accordance with the Bank's strategy, we have developed initiatives to enhance and develop skills in various areas, such as leadership, internal control, and customer service. These areas are directly related to the Bank's activities and contribute to improving the lives of our Customers, ensuring long-term relationships, and generating economic value.

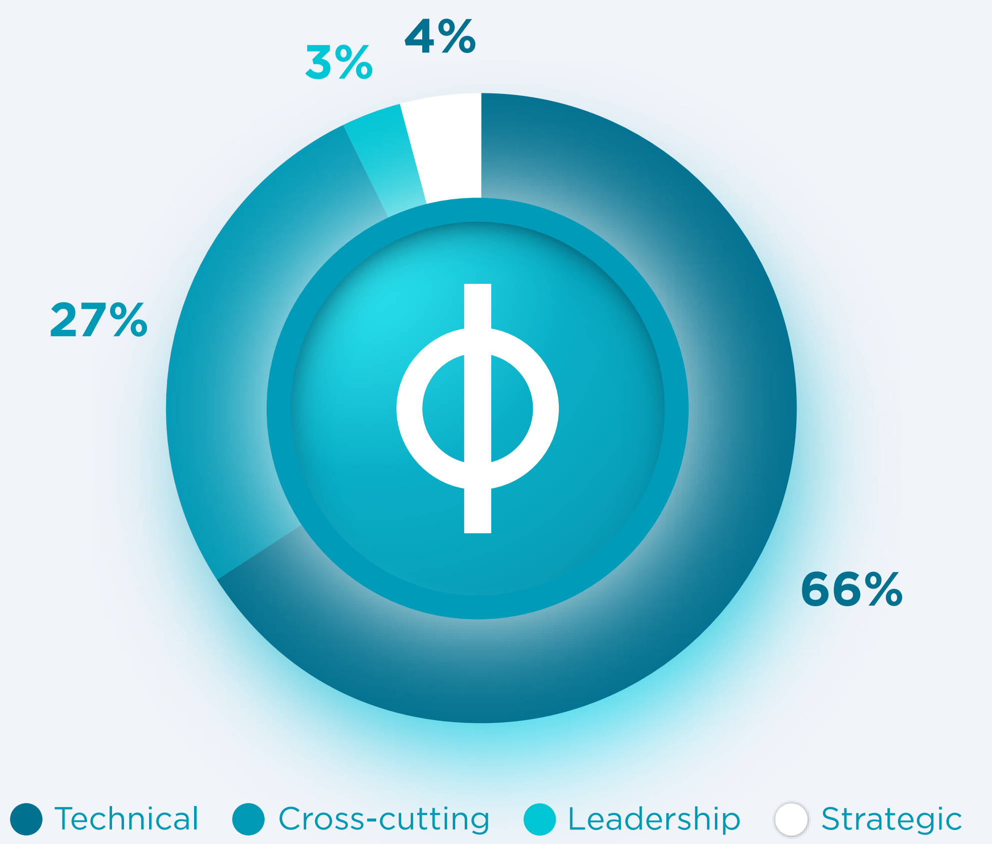
The 'Sintonia ATLANTICO' events provided an opportunity to share news, knowledge, and experiences essential for skill development among Employees and guests. The events were conducted in a relaxed manner, utilizing both digital and face-to-face communication channels.

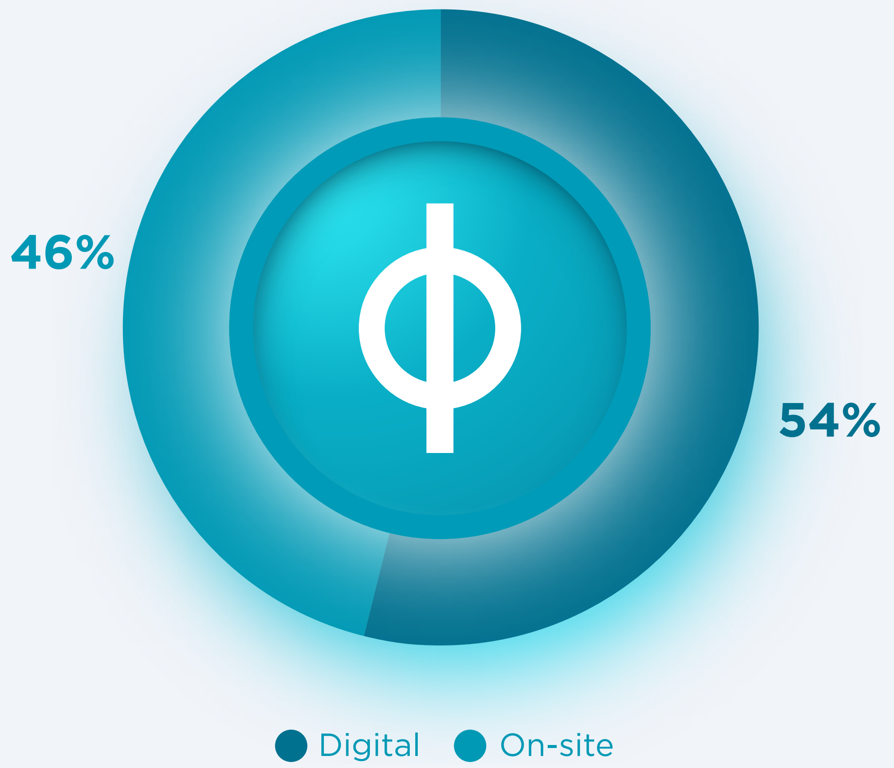
Investment in training

31,827 Hours

10,395 Participations

Type of Training



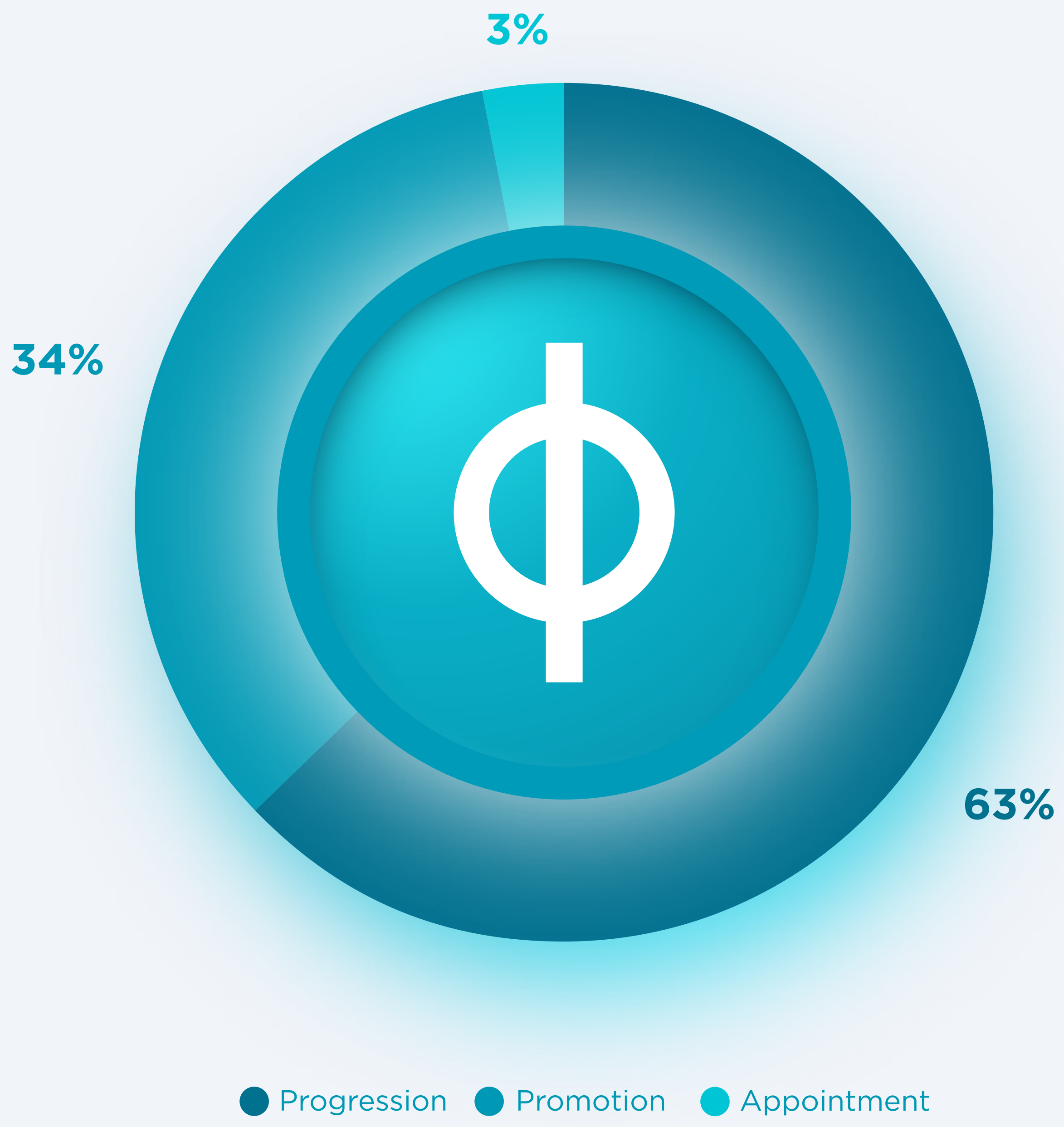


Commitment to the future

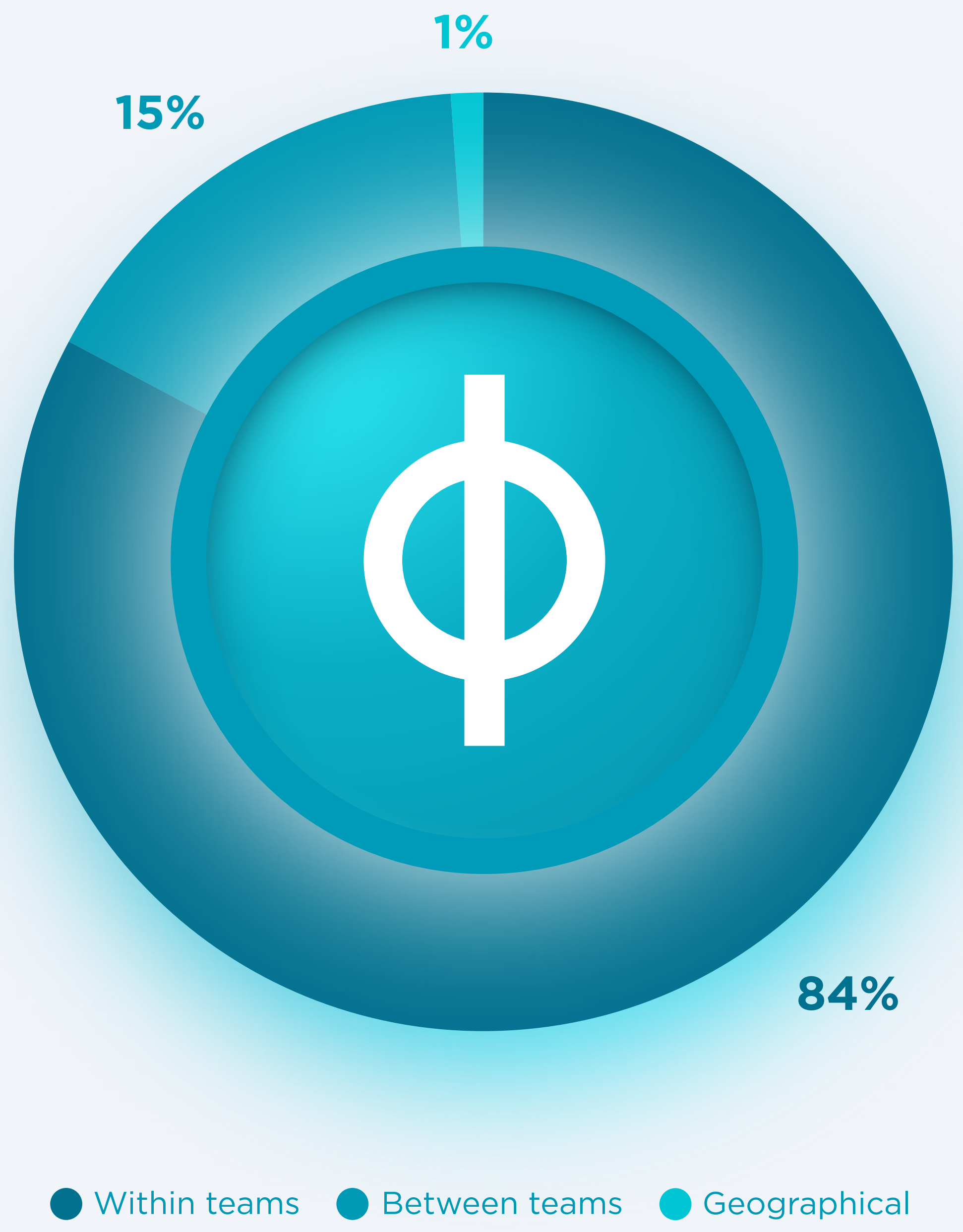
In a culture guided by meritocracy, ATLANTICO continued to recognize the differentiated deliveries of its teams and promoted the career development of 833 Talents.

Talent mobility (between teams and across geographies) is encouraged in order to foster multidirectional career development opportunities, sharing of knowledge, experiences, cultural diversity and the creation of synergies. In the period from January to December 14, 2023, 411 Talents entered mobility processes, of which 84% intra-team, 15% inter-team and 1% geographical.

Career development



Type of Mobility



Talent mobility is encouraged in order to foster multidirectional career development opportunities,, sharing of knowledge, experiences, cultural diversity and the creation of synergies

Commitment to ATLANTICO families

To strengthen corporate identity and foster a sense of belonging, the Bank created the Happiness and Corporate Identity Unit. This involved several initiatives for approximately 800 ATLANTICO Talents, including internal and external tournaments for Futsal, Basketball, Chess, and Volleyball. ATLANTICO also organized cultural activities to celebrate Africa Day, the Bank's 17th anniversary, and Bank Workers' Day. Additionally, it took part in environmental protection activities to mark Environment Day and World Oceans Day.

The Bank has strengthened its commitment to the well-being and quality of life of its Employees by raising awareness and screening for diseases, as well as taking care of their mental and physical health. This is achieved through its monthly CUIDA ("CARE") Lecture Cycle, which covers topics such as hypertension, diabetes, depression, and anxiety.

ATLANTICO´s 17th anniversary

Africa Day

FIT Festival

Futsal tournaments

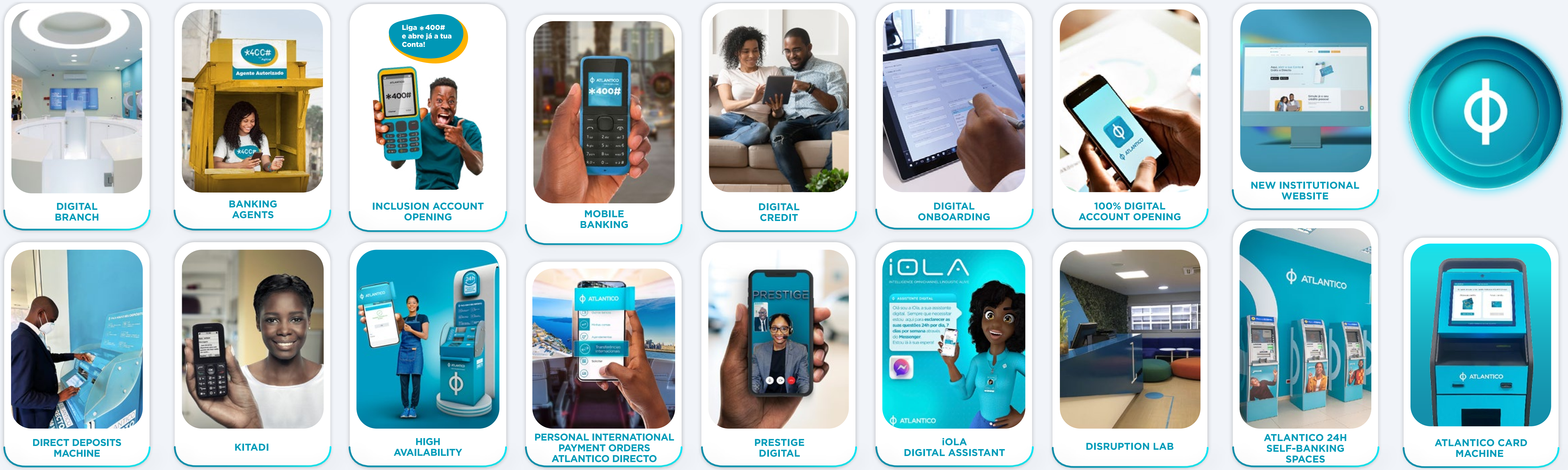
ATLANTICO created the **Happiness and Corporate Identity Unit** to strengthen corporate identity and a sense of belonging. This involved several initiatives for approximately 800 Talents

3.3.

Using innovation to better serve

Innovation is a fundamental principle of ATLANTICO's operations and is present in the organization's day-to-day activities. This ensures that the Company can serve its Customers better.

Customer Experience vs. Digital Innovation



4.5 Complaints/1,000 Customers (Dec. 2017) — Customer Experience — **0.2 Complaints/**1,000 Customers (Dec. 2023)

To accelerate its innovation processes, ATLANTICO has made several changes to its organizational structure. This includes introducing new management practices that promote more agile models in the creation and delivery of new products and services.

To achieve this goal, the Bank has established new units with a focus on: strengthening sustainability principles in its operations; forming strategic partnerships to provide greater value to Customers; creating new models for data and information management to better understand the needs of Customers and partners; and formalizing its innovation and transformation processes.

In 2023, the Bank reaffirmed its commitment to the self-banking model by expanding the 24/7 network with Automatic Cash Deposit Machines and recently launched Automatic Card Issuing Machines. This solution enables ATLANTICO to promote the renewal process of debit cards (Multicaixa) in an innovative and autonomous manner. By doing so, it establishes itself as the first bank in Angola to offer this service, consolidating its position as a customer-focused institution that prioritizes safety, practicality, and speed.

ATLANTICO intends to continue paying special attention to the transformation of processes with the aim of increasing satisfaction, independence, and speed in the main needs of customers and banking offers. In 2023, the focus remained on analyzing and transforming processes in the branch network with efficient and agile operating models. The goal was to ensure faster and more efficient main operations.

ATLANTICO is in the process of being certified to participate in KWiK (Instant Kwanza) as an aggregator of payment service providers, demonstrating its alignment with the latest developments in innovative banking services. ATLANTICO launched this new electronic payment platform in 2023 to promote financial inclusion among the unbanked population, which is in keeping with ATLANTICO's focus.

Within the regulatory scope, the focus should be on certifying the Direct Debit System (DDS), which now includes creditor entities, and responding to SPTR 24/7, Instruction no. 03/2023, and Notice no. 03/2023 (regarding the financial capacity of private Customers) issued by Banco Nacional de Angola.

Regarding technology, it is important to emphasize the evolution of the application portfolio, especially Business Process Management (BPM) and Enterprise Service Bus (ESB), which are necessary as an operational foundation for process transformation and digitalization.

In 2023, the Bank maintained the technological and operational reinforcement and implementation of the Business Continuity Plan (BCP) to effectively anticipate and respond to incidents.

ATLANTICO was the first bank in Angola to offer a completely **autonomous and innovative way to deliver** a debit card (Multicaixa) **renewal journey**

ATLANTICO Card Machine, the new innovative solution for Customers

3.4.

Scalable business model

ATLANTICO is committed to a scalable business model that allows it to provide its Clients with an excellent banking experience. Its business model is based on the following fundamental principles:

ALL

- SERVE ALL CUSTOMER SEGMENTS
- \+ INCREASE BANKING LEVELS
- \+ INCREASE THE QUALITY OF THE CUSTOMER BASE

AS PREFERRED

- CUSTOMER AUTONOMY (SELF-BANKING)
- \+ SIMPLE, FLEXIBLE, AND DIGITAL PROCESSES
- \+ TAILORED AND EXPERIENCED MANAGEMENT

ALWAYS

- FULL AVAILABILITY (24/7)

WHERE

- REMOTE MANAGEMENT AND SALES
- \+ DIGITAL CHANNELS
- \+ BANKING AGENTS
- \+ OMNICHANNEL EXPERIENCE

The transformation operated in the Retail business has been decisive for the consolidation of ATLANTICO as a commercial and digital bank, allowing it to achieve the following milestones with quality:

INITIATIVES	MILESTONES	31 DECEMBER 2023
"5-IN-1" DIGITAL ONBOARDING Simple, flexible and digital experience for opening an account,assigning multicaixa codes and accessing digital channels.	+ Customers > activity > satisfaction	+ 3.1 million Customers 96% new active Customers 0.2 Complaints per thousand active Custom
ATLANTICO 24H Availability of self-banking and high-availability banking services (ATM and cash deposit machines).	> coverage + self-banking processes + autonomy	68% of branches on 24/7 53% of core processes in self-banking 87% of deposits in self-banking
***400# AGILIZA** Scalable digital platform and capillary network of banking agents, providing financial services.	+ digital Customers + service points + mobile onboarding	32% of digital active Customers 3,854 Customer service points + 661 thousand mobile account openings
REMOTE MANAGEMENT AND SALES MODEL Remote tailored management that allows the Bank to serve at scale and with greater proximity.	+ remote management Customers	+ 25 thousand Prestige Digital Customers
DIFFERENTIATING MODEL FOR SME Specific and differentiated approach and value proposition for SME.	+ active SMEs > engagement	~20 thousand active SMEs + 29 billion SME resources
DIGITALISATION OF CORE PROCESSES Automated, paperless and self-banking processes.	+ digital processes	62% of core processes
BANCASSURANCE Universal offer of Fortaleza insurance available through banking channels	> turnover + insurance policies	AOA 3.2 billion in insurance premiums 190 thousand insurance policies

3.4.1. *400# Agiliza

*400# Agiliza platform is geared towards financial inclusion and allows anyone, whether an ATLANTICO Customer or not, to autonomously join or open a bank account in less than two minutes, via a feature phone (push-button/2G phone) or smartphone. To do so, simply dial *400#, no need to install applications or consume voice, data, or SMS balance.

This platform is composed of three channels: USSD (Unstructured Supplementary Service Data), Banking Agents and the *400# Agiliza Payment Terminal, through which customers can carry out their daily banking transactions.

USSD

With *400# Agiliza, the cell phone becomes a customized, safe, and ever--present Bank, where the Customer can, in a simple and accessible way, perform the main banking operations, such as balance and transaction inquiries, transfers, top-ups, service payments, among others.

The USSD channel of *400# Agiliza has been instrumental in growing ATLANTICO's Customer portfolio, increasing the number of Customers carrying out transactions through digital channels and enabling more people to have access to structured financial services, thereby enhancing financial inclusion and economic growth.

In 2023, USSD was the main inbound channel for retail Customers who opened their account remotely, via cell phones without Internet access. This milestone underscores the ease of use and trust that the USSD channel provides and enabled *400# Agiliza to surpass the one million user mark.

+ 6.5 million transactions *400# Agiliza, totalling **+ Kz 46.2 billion**

+ 1.3 million *400# Agiliza subscribers

+ 654 thousand inclusion accounts opened on *400# Agiliza

Banking Agents

The Banking Agents channel has been key in enabling ATLANTICO to reach remote areas, such as the city outskirts and rural areas where access to banking services is limited. Through partnerships with local agents, the Bank brings core financial services such as deposits and withdrawals to a growing number of communities and individuals. This high capillarity approach has allowed ATLANTICO to strengthen its presence in previously unserved areas and conclude the year of 2023 with 3,708 Agiliza Banking Agents *400# service points, with geographical coverage in Angola's 18 provinces and 77 municipalities.

3,708 Service Points (Banking Agents)

18 Provinces | **77** Municipalities

*400# Agiliza Payment Terminal

In order to ease payments between Customers and traders, *400# Agiliza offers the opportunity to activate the *400# Agiliza Payment option, which turns the cell phone into a mobile payment terminal. The platform assigns a numeric code to the trader, who can share it with Customers to receive mobile payments in a fast, secure, and hygienic way. The *400# Agiliza Payment Terminal has currently more than 87,000 retailers, including taxi drivers, neighborhood stores, market vendors, among others.

As a way of strengthening the proximity that distinguishes *400# Agiliza and the network of Banking Agents, the Bank carried out more than 250 actions of iiclusion and financial and digital literacy, through a team of promoters, who are present daily in the markets, neighborhoods, and communities, nationwide.

+ 87,000 Retailers

3.4.2. ATLANTICO Directo

The ATLANTICO Directo platform continues to play a key role in delivering convenient financial services, in particular to private Customers with personalised management and companies, whether through the App available for cell phones with Android or iOS operating system, or through the web version, which continues to be the preference of businesses.

In line with Customers' growing appetite for remote and self-service channels, there was an 8.7% year-on-year growth in the number of active users, where national and international transfers, payroll processing and top-ups have been the Customers' transactional preferences. Also noteworthy was the 42% growth in the number of new Customers who opened their bank account through ATLANTICO Directo compared to the previous year.

+ 1.1 million ATLANTICO Directo subscribers and a total of **AOA 818.1 billion in transactions**

3.4.3. Self-banking

Providing a network of self-banking equipment (ATMs and Cash Deposit Machines) with high availability (24/7) – enabling Clients to carry out the most demanded banking operations in branches, autonomously, conveniently and at any time with a view to scalability and a focus on the Client – has been one of ATLANTICO's main strategic focuses through the development and implementation of the "ATLANTICO 24 horas" concept.

For this purpose, ATLANTICO has been investing in the reinforcement of self-banking equipment, both in its branch network and in partner facilities, thus increasing the capillarity and geographical coverage of its network.

In 2023 the Bank gave another important step towards the development of its self-banking business model, making available the ATLANTICO Card Machine whose purpose is to provide Customers with complete autonomy in the process of replacing/renewing multicaixa debit cards.

With a simple but agile interaction journey, through a friendly interface which includes advanced technology, it has been possible to provide a quick, easy and intuitive experience for Customers. Security is guaranteed in each transaction thanks to the use of a high and assertive level of authentication. The Card Machine is available 24 hours a day, 7 days a week, initially at the Cidade Financeira branches, in Talatona, and in Viana Vila, Luanda's most populous municipality.

In addition, the Bank has been developing and testing, on a pilot basis, a new branch concept: The ATLANTICO 24 Horas Spaces, which focus mainly on providing equipment that allows Clients to carry out their transactions in a self-service logic (self-banking), with the support of commercial assistants. The Bank currently has seven ATLANTICO 24 horas spaces, located in highly transactional areas in the provinces of Luanda, Huambo and Namibe, which allow it to cover the majority of daily operations required by Customers who seek out a bank branch, with greater availability and high level of service.

317 ATM

98 Direct deposit machines

87% Self-banking deposits

67% Branches 24/7 (ATLANTICO 24H)

18 Provinces

Opening of the ATLANTICO Card Machine

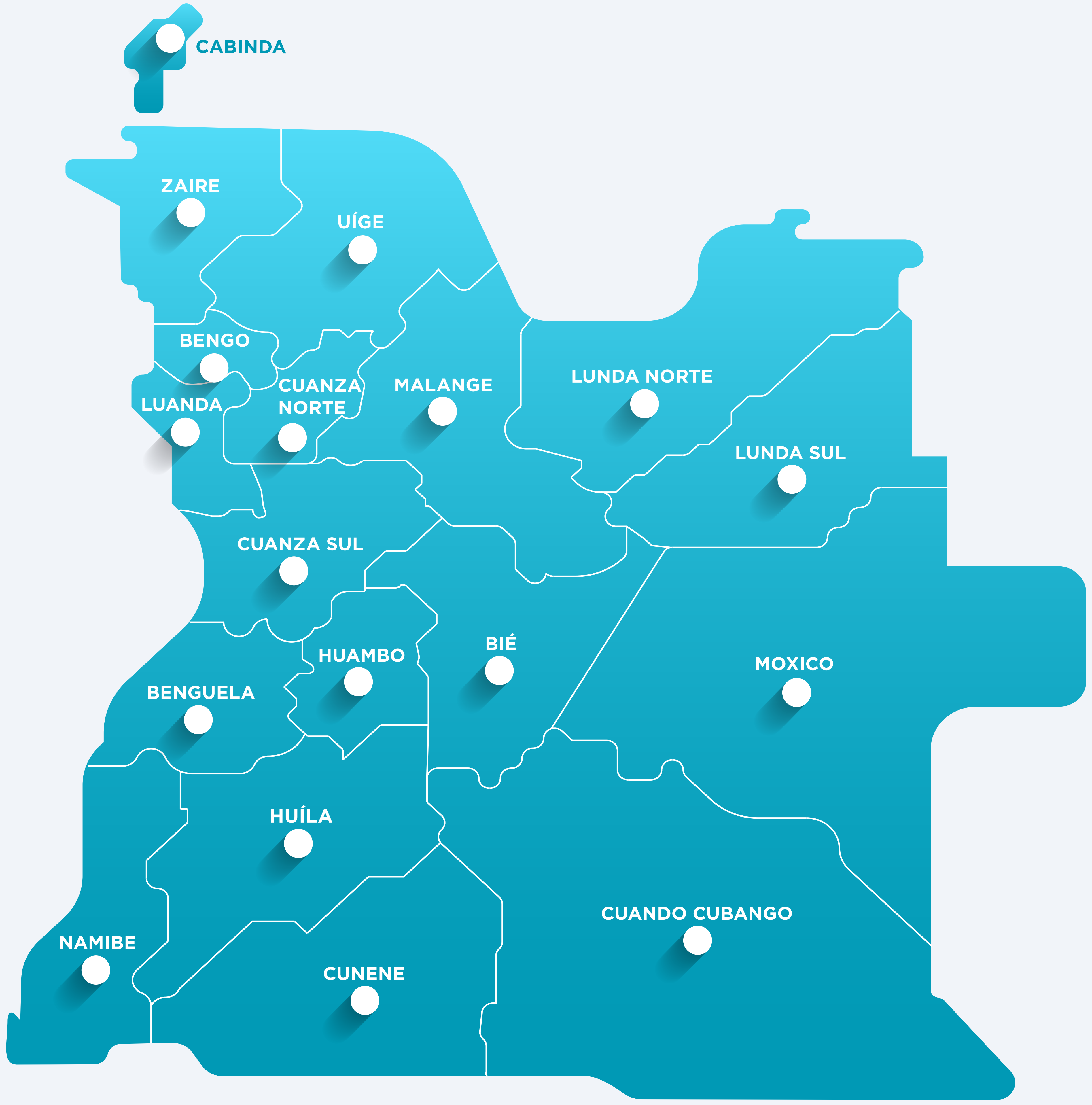
ATLANTICO 24 Horas Space

ATLANTICO 24 Horas Space

ATLANTICO 24 Horas Space

3.4.4. Customer service points

Province	Mass Market Branches	Prestige Centres	Private Banking Centre	SME Centres	Large Corporate Centres	ATLANTICO 24H	ATLANTICO 24H spaces	Banking Agents' Points of Sale
BENGO	2			1		1		22
BENGUELA	5	2		2	1	4		29
BIÉ	1			1		1		18
CABINDA	3	1		1		1		21
CUANDO CUBANGO	1			1		1		9
CUANZA NORTE	1			1		1		35
CUANZA SUL	2			2		1		43
CUNENE	2			1		1		1
HUAMBO	3	1		1		3	1	58
HUÍLA	4	1		1	1	2		38
LUANDA	61	6	1	18	1	41	5	3 296
LUNDA NORTE	1			1		1		16
LUNDA SUL	1			1		1		6
MALANGE	1			1		1		24
MOXICO	1					1		13
NAMIBE	2			1		2	1	10
UÍGE	3			1		1		38
ZAIRE	1			1		1		31



3,708 Banking Agents' Points of Sale

95 Mass Market Branches

24h 65 ATLANTICO 24H

7 ATLANTICO 24H spaces

11 Prestige Centres

1 Private Banking Centre

36 SME Centres

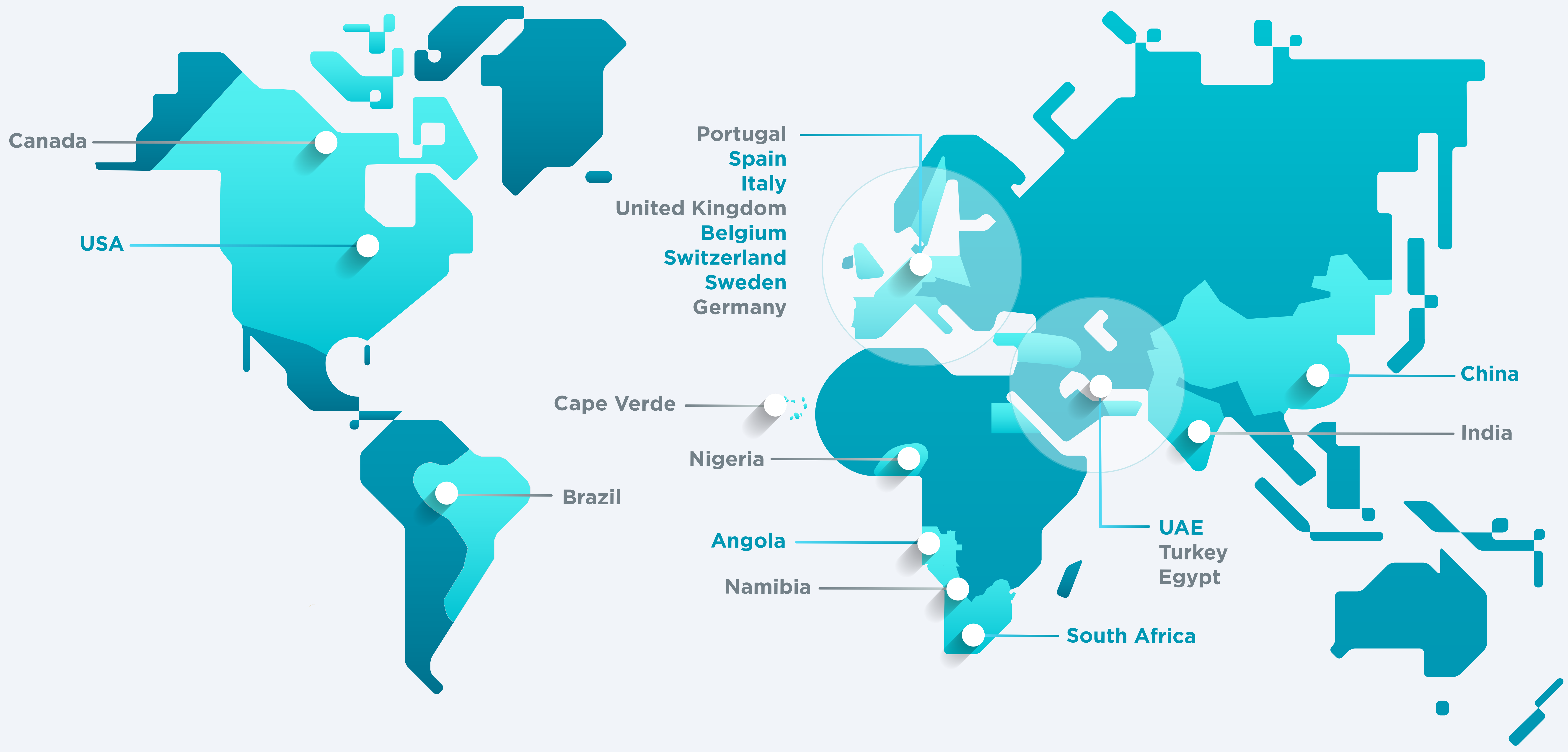
3 Large Corporate Centres

3.5.

Partnership's ecosystem

Worldwide coverage of ATLANTICO Customers' transactions

26 correspondent **banks** in **4 continents**



Correspondent banks

COMMERZBANK
BANK OF CHINA
BYBLOS BANK
UniCredit
Millennium bcp
ATLANTICO EUROPA
novobanco
Santander
mashreq المشرق
Deutsche Bank
aktif bank
RAND MERCHANT BANK
NEDBANK
Standard Bank

Partners

HEMERA CAPITAL PARTNERS
FORTALEZA SEGUROS
ATLAS SECURITIES

Countries with correspondent banks

Countries where ATLANTICO has commercial relations

In 2023, the international macroeconomic context was affected by several changes, including increased inflationary pressures and a more restrictive stance by major Central Banks. These changes had a direct impact on economies, companies, and families, resulting in a loss of purchasing power and increased financing costs.

As part of its PHIT 2.4 strategic plan, ATLANTICO has worked to strengthen its international partnerships concerning external financing lines, such as the AGF Credit Guarantee Facility and IFC Financing Settlement, as well as diversify trade finance and treasury lines, aiming to enhance its positioning in both domestic and international markets with products and services that drive the industrialization process and sustainable development.

Regarding international business, ATLANTICO maintains its focus on its correspondent banking network, which consists of 125 banks (26 of which have active relationships). This network guarantees the consolidation of business through solutions such as the clearing service in various currencies, particularly the US dollar. The service is currently carried out by two correspondent banks.

Regarding trade finance, ATLANTICO maintains its position as a major player in import support instruments, with a 16% market share (MS) in the issuance of Documentary Credits. The MS achieved in 2023 for Documentary Import Collections was over 63%.

Export documentary transactions accounted for 18% of MS trade finance, with particular emphasis on documentary collections, which recorded a MS of 37%.

Commercial payments made by the market decreased by almost 31% compared to the same period last year, with a total of USD 45.5 billion in transactions issued and received. This reduction is associated with the short supply of foreign currency resulting from the negative performance of the oil sector.

During the year, the Bank issued Payment Orders amounting to USD 2.8 billion, maintaining the usual MS of 10% with a 0.7 p.p. reduction compared to the previous period. The amount of Payments Received was USD 2.6 billion, resulting in a MS of 14.4%, which represents a growth of 2.5 p.p. compared to the same period last year, due to a lower reduction than the market.

Financing facilities

Entities	Country	Negotiated amount	Facility
IFC International Finance Corporation World Bank Group	USA	**USD 30,000,000**	Facility for trade finance transactions
COMMERZBANK	Germany	**EUR 30,000,000**	Specific financing facility to support import operations covered by Export Credit Agencies
African Guarantee Fund	Kenya	**USD 5,000,000**	Guarantee facility to cover credit risk for SMEs
AFREXIMBANK	Zimbabwe	**USD 10,000,000**	Trade finance facility for confirming Documentary Credits, Guarantees and Irrevocable Reimbursement Undertaking (IRU)

27.6% Export | **Documentary Transactions** | Import **39.9%**

14.4% Received | **Payment Orders** | Issued **10.0%**

Intermediation, custody, and custodian bank

In the capital market, specifically the intermediation of securities on the secondary market, the volume traded by ATLANTICO amounted to AOA 675 billion over the course of 2023, a year-on-year increase of more than 195%, or a MS of 5%. This performance allowed the Bank to maintain its presence in the top 5 of the largest traders in the market.

Under the terms of Law no. 14/21, of May 19, on the General Regime of Financial Institutions, the rendering of services and the activity of investment in securities and derivative instruments (intermediation in the purchase and sale of securities, as well as the opening of custody accounts) must be carried out by Non-Banking Financial Institutions (NBFIs) linked to the Capital Market and Investment, subject to supervision by the Capital Market Commission (CMC).

ATLANTICO, acting in accordance with the regulations, informed Customers in advance in order to ensure the transfer of securities from Banking Financial Institutions to duly licensed Securities Brokers and Distributors, complying with the stipulated deadlines, namely:

- Until June 30, 2023, securities of a corporate nature (Shares and Bonds);
- Until December 31, 2023, government securities (Treasury Bonds and Treasury Bills).

To ensure the continuity and adjustment of securities and derivatives intermediation services, ATLANTICO has identified a strategic partner with a team that has vast experience in the capital markets, ATLAS SECURITIES SDVM. The total transfer of Government Securities was ensured after express indication by the Customers and the opening of new custody accounts during the second half of the year.

From July 1 to December 31, 2023, ATLANTICO maintained its position as the third largest bank in terms of the number of active individualized registration accounts, with a MS of 6.8%, holding securities instruments worth more than AOA 13 billion, segmented by private and corporate investors.

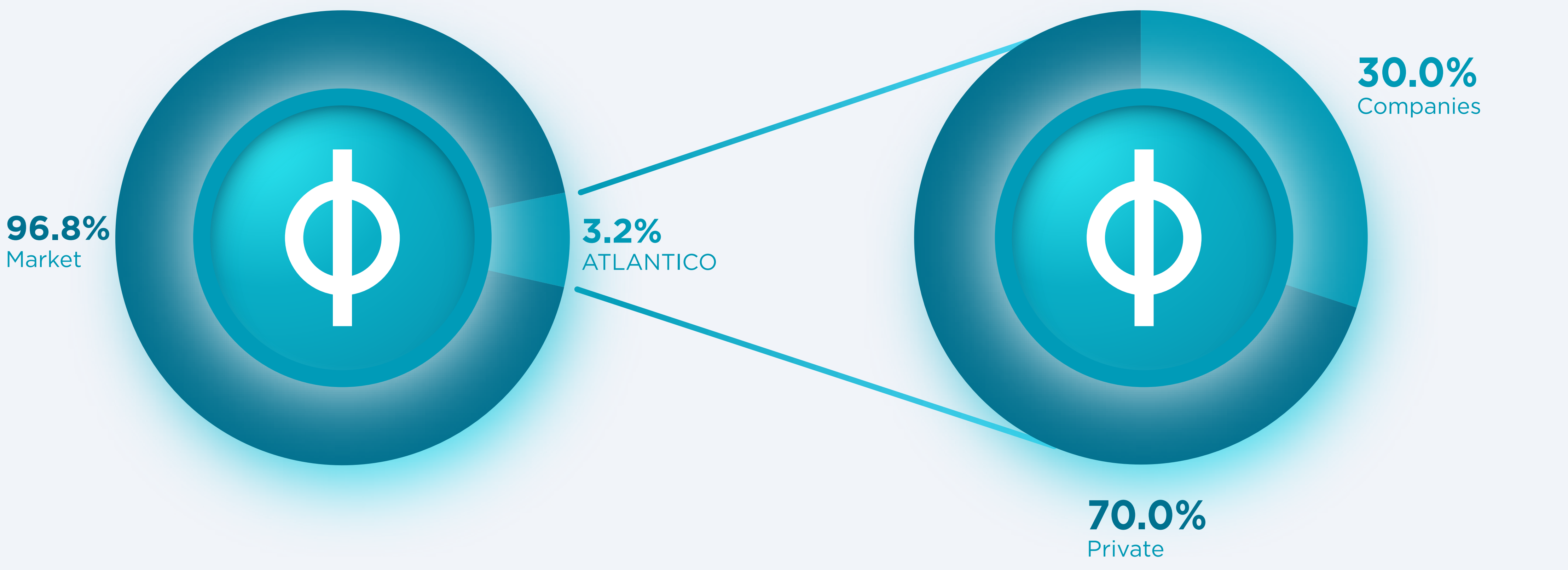
For the next period, ATLANTICO intends to increase the involvement of non-resident Customers in this market, while continuing to advertise and promote the custody service.

With the regular adjustment of the Capital Market, the Bank has implemented rules and procedures associated with the financial settlement service to enable adequate support for duly licensed Brokerage Firms and Distributors. Moreover, it maintains its strategy of boosting the Custodian Bank service, ensuring visibility, information, and the opportunity to diversify the portfolio.

As a depositary bank, ATLANTICO has under its custody the following Collective Investment Undertakings, in the amount of 320 billion kwanzas: an open-ended fund; three closed-end funds; and a closed-end investment company. The Bank also provides custody of a Pension Fund.

Top 5 BODIVA intermediaries (%)

MS custodial accounts – until 30-06-2023



MS custodial accounts – from 01-07 to 31-12-2023

3.6.

ESG (Environmental, Social and Governance)

3.6.1. ATLANTICO's Transformation Journey

Sustainability has been a priority for governments, institutions, and companies worldwide. Today's challenges, which include environmental, social, and economic concerns, prompt concerns and questions around the current development model and society's way of life. ATLANTICO is aware of these challenges and seeks to align its business with best ESG (Environmental, Social and Governance) practices to increase its resilience and ensure more sustainable growth.

At ATLANTICO, we strive to make sustainability part of our daily routine and operations, and to progressively guide the vision and future decisions of the company. For the Bank, sustainability is considered an opportunity and an integral part of its management and success in the short, medium, and long term. Therefore, in recent years, ATLANTICO has implemented several measures and actions to enhance its sustainability performance.

As part of this journey, in 2023, the Bank began to develop its 2030 Sustainability Strategy, aligned with its vision, mission and values, and able to leverage the Organization's unique characteristics to boost resilience in the face of future challenges. The strategy was developed after conducting a thorough analysis of the key drivers and trends in ESG matters, conducting a comprehensive assessment of the Bank's environmental, social, and governance performance, and benchmarking against similar institutions working in these areas.

Commitments, certifications, and recognition in the field of sustainability

The rise in global awareness around sustainability issues has been fueled by various initiatives that have played a crucial role not only in shaping public opinion but also in informing decision-making. The 2030 Agenda for Sustainable Development, consisting of 17 goals and 169 targets, was launched as one of the most significant international initiatives in this area. It was approved and adopted by all Member States of the United Nations. The 2030 Agenda for Sustainable Development is a comprehensive and ambitious plan that tackles different aspects of Sustainable Development – including social, economic, and environmental dimensions – while also promoting peace, justice, and effective institutions.

To ensure a prosperous future for the Organization, it is essential to create a positive impact on society and the Bank's stakeholders. ATLANTICO is committed to contributing to the achievement of the United Nations 2030 Agenda and its SDGs by adopting solutions that extend to its entire value chain. The Bank acknowledges that a sustainable future presents numerous challenges. However, it also offers opportunities for business, innovation, evolution, and resilience. Adopting the 2030 Agenda and its SDGs will contribute to the greater good of the Organization and the Planet.

In addition to its contribution to the SDGs, ATLANTICO has made several other commitments in the area of sustainability, subscribing to national and international initiatives, including the UN Global Compact and the International Finance Corporation's (IFC) Performance Standards on Environmental and Social Sustainability. The approach includes not only the analysis of the environmental and social impact of projects, but also active engagement with Customers. ATLANTICO thus seeks to encourage the adoption of best practices, promoting awareness and providing support for the implementation of sustainable solutions throughout the value chain.

The ATLANTICO's approach includes not only the analysis of the environmental and social impact of projects, but also **active engagement with Customers** by providing support for the implementation of sustainable solutions **throughout the value chain**

United Nations Global Compact

UN Global Compact

A voluntary initiative for businesses to align their strategies and operations with universal principles in the areas of human rights, labor, the environment and anti-corruption, and to develop policies to address societal challenges.

IFC International Finance Corporation WORLD BANK GROUP

IFC Social and Environmental Sustainability Performance Standards

Through ATLANTICO's Environmental and Social Management System, the Bank has promoted alignment with IFC standards in this area. This alignment creates a financing agreement with environmental and social covenants, the performance of which is reported annually to the IFC, with the goal of improving the Bank's development opportunities.

Adherence to and commitment to the Principles of the United Nations Global Compact

Environmental and Social Management System (ESMS) for the credit function – in line with IFC's eight Performance Standards

1. Assessment and Management of Environmental and Social Risks and Impacts
2. Labor and Working Conditions
3. Resource Efficiency and Pollution Prevention
4. Community Health, Safety, and Security
5. Land Acquisition and Involuntary Resettlement
6. Biodiversity Conservation and Sustainable Management of Living Natural Resources
7. Indigenous Peoples
8. Cultural Heritage

3.6.2. Environmental Dimension

Sustainable Financing

ATLANTICO is aware that all human activities have an impact on the environment and recognizes that excellence in environmental performance is a differentiating factor and a fundamental condition for sustainable development. For this reason, it has made efforts to improve the environmental performance of its (direct and indirect) activity.

The activities of the ESMS project were divided into phases, which are summarized as follows:

- **An initial diagnosis was carried out, which identified a series of actions to be taken in order to implement the ESMS;**
- **These actions included training sessions for all the teams involved in the credit process or cycle, as well as senior management, the Executive Commission and the Board of Directors;**
- **The environmental and social roles and responsibilities to be considered for the effective implementation of the ESMS have been defined;**
- **Documentation has been created/designed to support the training of the teams, as well as all the guidance procedures and tools to support the teams' actions;**
- **A pilot/test was conducted, which proved to be an asset, with the participation of the IFC team throughout the process, from the site visit to the environmental and social due diligence and respective action plan.**

Moreover, ATLANTICO wishes to set an example in terms of raising awareness of the importance of environmental management and the decarbonization of the economy. As such, it has sought to invest in innovative and more efficient solutions that optimize resources.

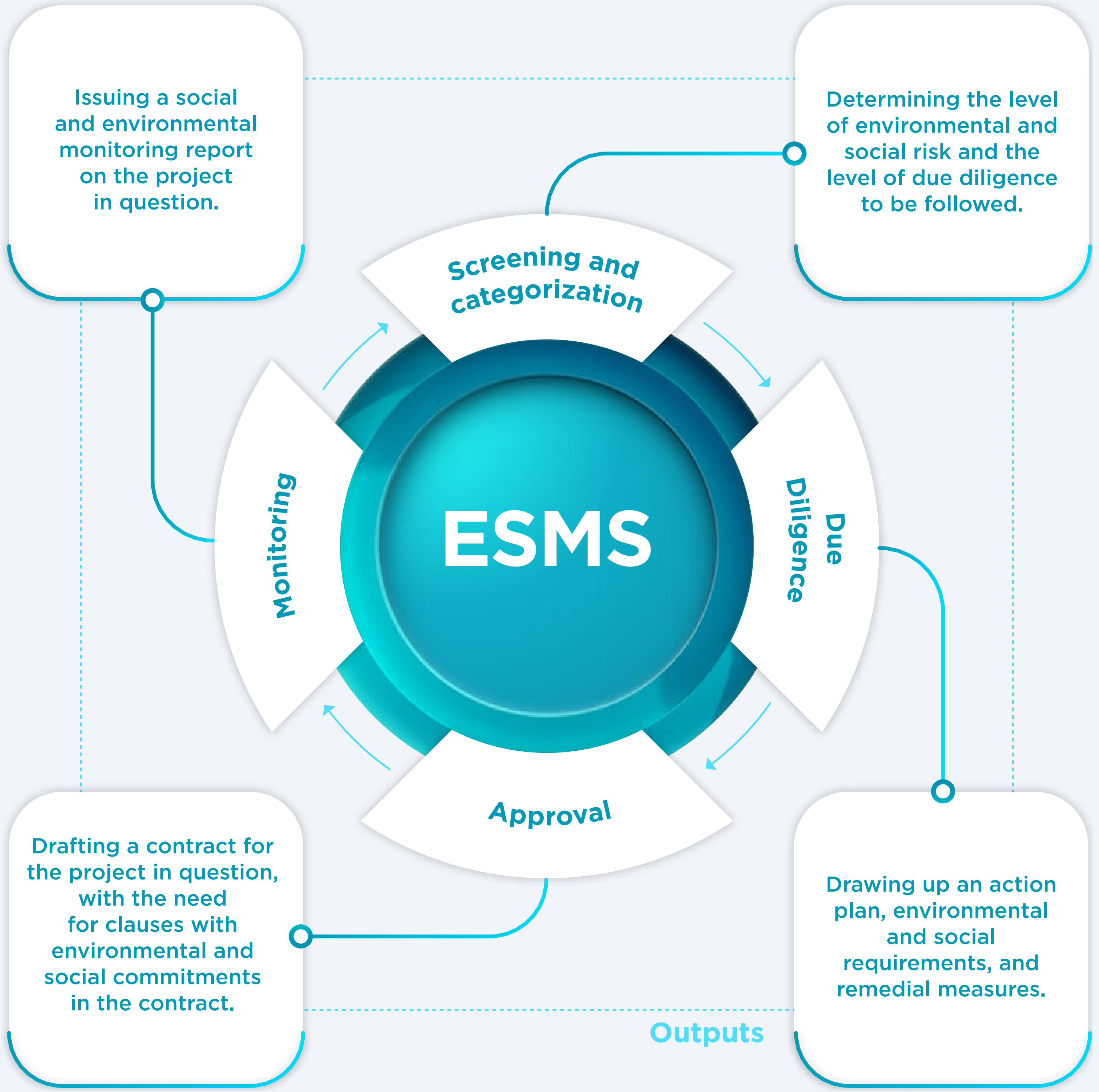
ESMS – Environmental and Social Management System

ATLANTICO acknowledges that environmental concerns play a crucial role in establishing a robust and well-balanced organizational position. Effective management of these concerns can enhance efficiency and resilience. Thus, in line with its commitment to sustainability, the Bank has an Environmental and Social Management System (ESMS) in place to ensure that its activities comply with ESG requirements. As a result, the ESMS not only promotes transparency and awareness of environmental and social best practices, contributing to active engagement with customers, but also enables the implementation of sustainable solutions in relations with stakeholders throughout the value chain.

With the implementation of the ESMS, ATLANTICO seeks to strengthen the management and mitigation of environmental and social risks associated with its loan portfolio. By means of meticulous analysis, the ESMS establishes unambiguous guidelines and rules to select and evaluate projects, updating them as needed. The ultimate goal is to foster the most sustainable and responsible practices.

The ESMS ensures that the Bank's investments and financing adhere to established guidelines and international and national legislation related to the environment, health, safety, and social issues. Thus, by implementing procedures and workflows that consider the impacts and opportunities across all sectors of the Institution, it is possible to enhance the management and mitigation of environmental and social risks associated with ATLANTICO's credit portfolio.

Although the ESMS was developed a few years ago, in 2023 it underwent significant improvements due to the Bank's investment in sustainability. During the year, the Bank received technical support from IFC to implement the ESMS. A team of three specialists, including one of the most renowned environmentalists in Angola, was entirely dedicated to the project. Through this investment, at the end of the year, ATLANTICO's credit processes underwent an environmental and social assessment. The evaluation criteria used were aligned with the IFC's eight Performance Standards.



Social and Environmental Awareness Initiatives

ATLANTICO acknowledges that it still has a long way to go to meet its environmental commitments. However, as a young and innovative institution, it has taken initial steps towards this goal by implementing various environmental initiatives to contribute to a more sustainable Planet. These initiatives comprise the "Unidos Pelo Ambiente" (Together for the Environment) campaign, a beach clean-up aimed at collecting recyclable plastic waste and raising awareness among local communities about protecting the environment and oceans, and Sustainability Research, which aims to increase the environmental literacy of the Bank's stakeholders.

ATLANTICO has taken environmental initiatives to contribute to a more sustainable Planet

"UNIDOS PELO AMBIENTE" | TOGETHER FOR THE ENVIRONMENT CAMPAIGN

PROMOTING CIRCULAR ECONOMY

Objectives

- Separate collection of recyclable plastic waste
- Beach cleaning

Impact

- **6** Partners
- **780 Kg** of plastic collected
- **350** Volunteers

Scope of action

Raising awareness among local communities for the protection of the environment and the oceans




IMPACTO – Research on Sustainability

The *IMPACTO* initiative is a project that started in late 2022. It involves producing and publishing a quarterly Sustainability Research article to enhance literacy and knowledge on sustainability issues. This initiative aims to enhance the Bank's position in society and with its stakeholders regarding sustainability. In 2023, five editions of *IMPACTO* were published, covering topics such as sustainable finance, the circular economy, and the blue economy.

Agenda – 2023	Edition
Sustainability and Sustainable Development	1st Edition
The Role of Sustainable Finance in the Implementation of the SDGs and the 2030 Agenda – ESG Applied in the Context of Banking	2nd Edition
The Circular Economy and its importance	3rd Edition
Blue Economy and Blue Bonds	4th Edition

3.6.3. Social Dimension

“Malembe Malembe” impact loan programme

The “Malembe Malembe” impact loan programme aims to offer favourable conditions, such as affordable interest rates, flexible terms, and specialized technical support to artisanal fishers. This will enable them to enhance their practices, strengthen their operations, and achieve greater financial stability.

The social and economic impacts on the lives of the populations concerned are very positive, in particular through the promotion of formal employability. It should also be noted the increased possibility of these communities to access financing under Notice No. 10/BNA/2022, contributing to the diversification programme of the national economy.

In addition to the objectives to be achieved with the programme, the Bank intends to align it with the Sustainable Development Goals (SDGs) established by the United Nations.

Support for artisanal fishermen

“MALEMBE MALEMBE” IMPACT LOAN PROGRAMME

SUPPORT FOR ARTISANAL FISHERMEN

Objectives

- Boosting local socio-economic development
- Promoting the financial inclusion of artisanal fishermen
- Providing specialized technical support to the populations concerned

Impact

- **+ 19 households and micro-enterprises** included in the financial system
- **Capturing and formalizing** this ecosystem of resources that is still mostly traded informally
- **+ 760** impacted people

Scope of action

- Cooperatives of artisanal fishermen located in the provinces of Zaire and Namibe
- Pipeline for **25 artisanal fishing vessels,** representing **40 fishing households**

Literacy, Financial Inclusion and Innovation – *400# Agiliza

The *400# Agiliza is ATLANTICO's platform for creating value and prosperity through financial literacy and inclusion. With the motto, "Your cell phone is your bank", *400# Agiliza puts financial potential in the hands of the entire population, with particular impact on low-income families living in remote areas and/or where access to structured financial services is non-existent or insufficient.

LITERACY, FINANCIAL INCLUSION AND INNOVATION

2023 Objectives

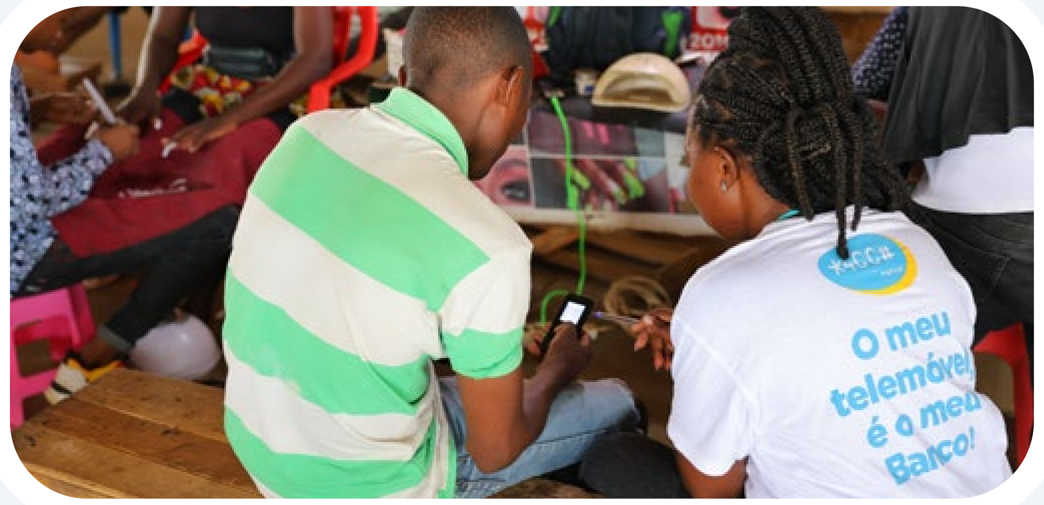
- + 1 million users impacted
- Expand the network of Banking Agents and municipalities covered
- Supporting the reconversion of the economy, with financial and digital literacy actions for informal retailers
- Promote actions that empower the female gender financially, particularly informal retailers
- Boost savings and reduce transaction costs for people who are financially excluded or under-served
- Improve the speed of channels and guarantee their high availability to ensure permanent impact

Impact

- **+ 1.3 million** users with access to *400# Agiliza through the USSD channel
- **+ 3.7 thousand service points** of *400# Agiliza Banking Agents, in the **18 provinces** and in **77 municipalities** of Angola
- **+ 250 actions** of financial and digital inclusion and literacy, with daily permanence in markets, neighborhoods, and communities
- **+ 6.5 million** transactions *400# Agiliza, totalling **+ Kz 46.2 billion**
- **+ 654 thousand** inclusion accounts opened on *400# Agiliza

Scope of action

It operates in the **18 provinces** of Angola, focusing on the low-income population living in remote areas and/or where access to structured financial services is non-existent or insufficient.



3.6.4. Initiatives and Projects for Social Transformation

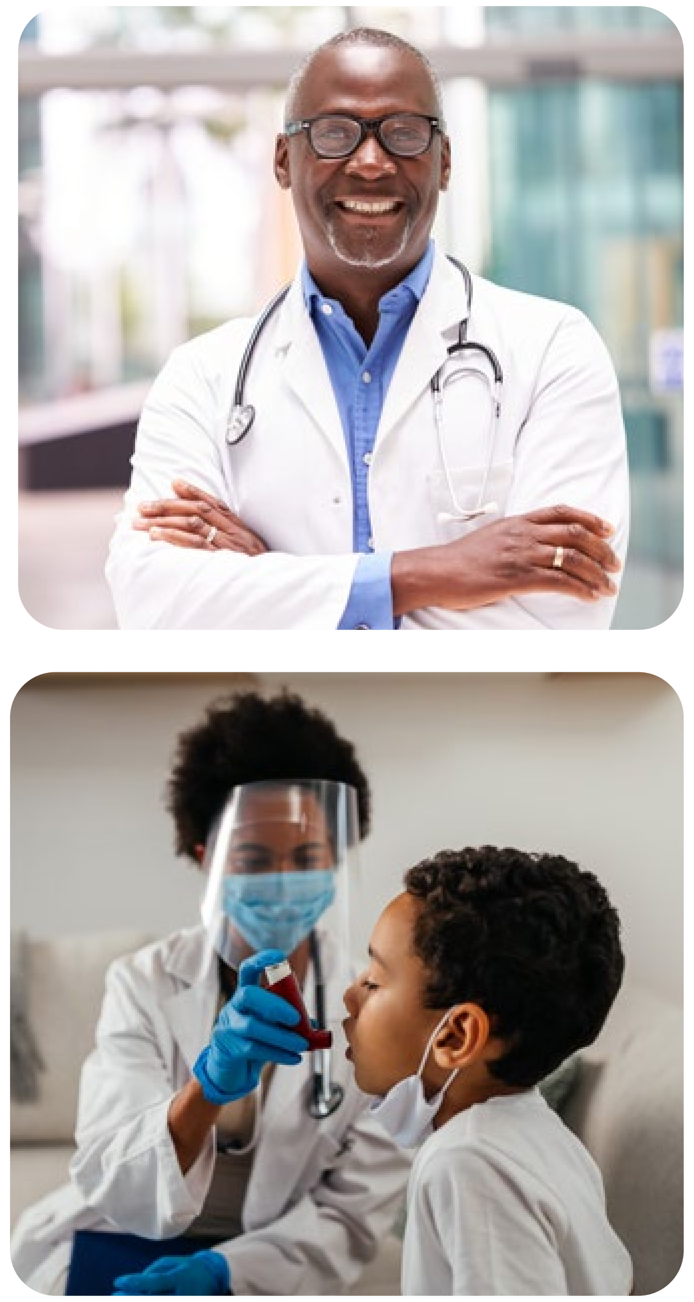
Social transformation is a foundational pillar of ATLANTICO, and it is in its DNA to share the results of its activity with the communities in which it operates, leaving a relevant mark on society. The Founders created an Institution based on creating Values for Life. An institution that generates value for its Customers, Shareholders, People and, above all, for the Communities.

An institution that generates value for its Customers, Shareholders, People and, above all, for the Communities

Atlantico's social transformation strategy

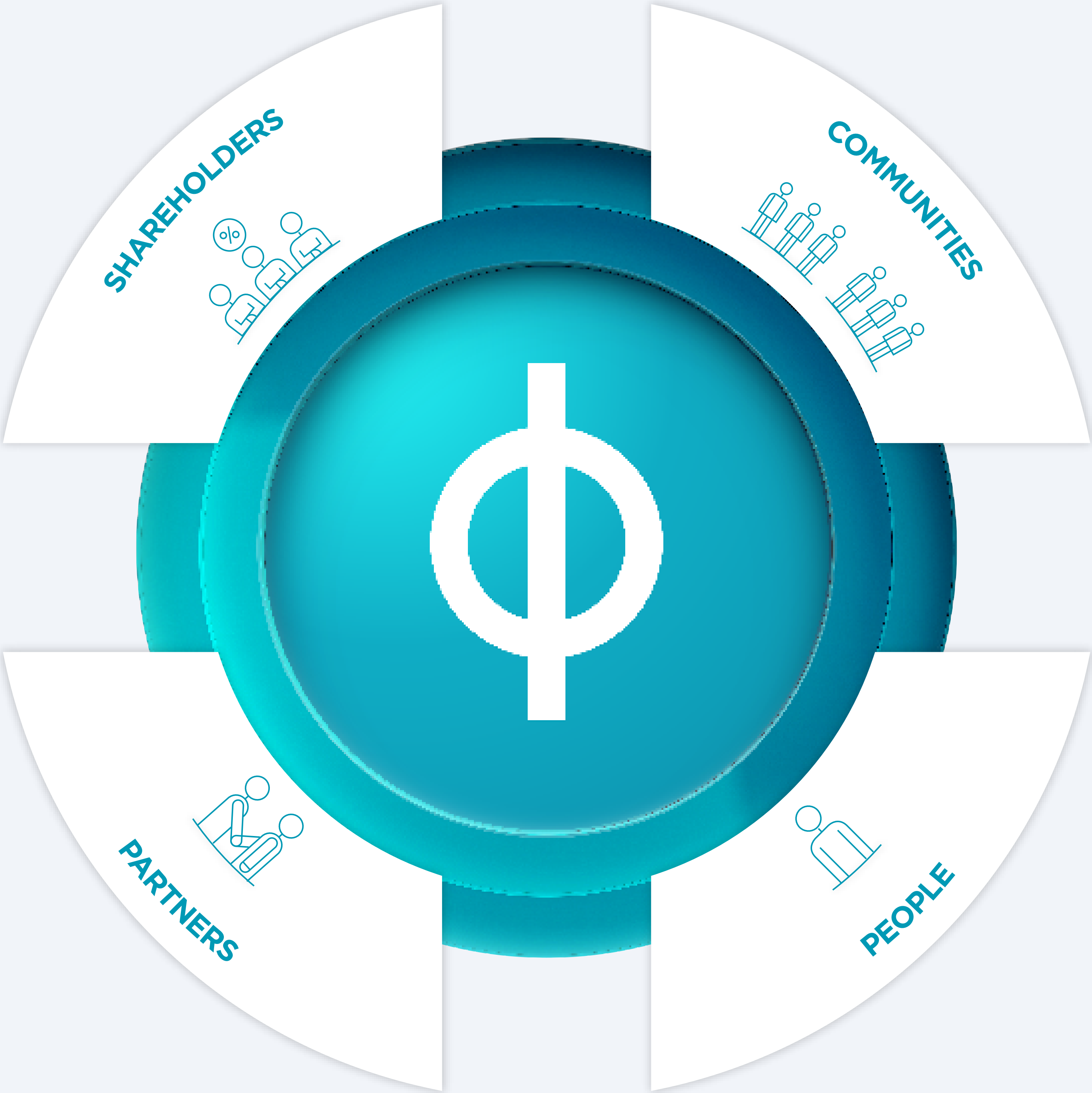
Knowledge

Entrepreneurship



Health and Wellness

ATLANTICO's Social Transformation Ecosystem



ATLANTICO is continuously and increasingly committed to social transformation, impacting the lives of communities. Through the "Partilhamos Valores para a Vida" ("We Share Values for Life") Programme, each Employee, with their gesture of solidarity, commitment, empathy, and love for others, has the opportunity to impact society positively and in a responsible and innovative way, inspiring dreams, helping to achieve goals and sustainable projects.

Against this background, a set of activities were carried out in 2023, which demonstrate and strengthen our strong sense of responsibility towards People. Committed to providing support to charitable institutions, around 993 Employees invested more than 3,848 hours in volunteer actions, impacting more than 1,600 people (children, young people, and the elderly). A Goods Collection Campaign was also held in favour of the institutions the Bank supports.

These figures reflect the strong sense of mission of ATLANTICO volunteers. It is with these integrated, consistent, strong, and continuous actions that the Bank daily honors its commitment to the future and to the transformation of society, with a view to building and strengthening an informed and sustainable society with "Values for Life".

+ 52,000 Impacted lives | **993** Employees | **+ 3,848** Hours

Food
Clothing
Teaching material
Toys


Foster home Consoladora dos Aflitos


Nutrition Centre


Foster home Lar de Nazaré


Foster home Lar do Beiral


Charity of Criança Santa Isabel


El Betel Centre, Benguela


Huambo, SOS Home for Children


Foster home Lar de Nazaré


Christmas Solidarity

Actions have also been developed to support institutions, selected in line with ATLANTICO's social transformation strategy, with a focus on knowledge and entrepreneurship, namely through initiatives to boost agri-business, in partnership with SEIVA, and to support inclusive, equitable and quality education, with the Fundação Ulwazi and the Lar de Nazaré.

Under this strategy, ATLANTICO aims to impact on communities far beyond financial contributions, but equally through knowledge sharing and financial inclusion, targeting high levels of banking and tradability, through *400# Agiliza.

In the pillar of entrepreneurship, ATLANTICO also has a partnership with Hemera Capital Partners, and is an initial investor in the Dual Impact Fund, the first impact fund in Angola. This is a specialized vehicle to support startups and SMEs that focuses on investing in projects that offer potential financial return allied with the resolution of social problems.

Entrepreneurship

SEIVA

MISSION

Fostering the development of families in rural areas through initiatives with economic and social impact, supporting an following the principles of the Sustainable Development Goals (SDGs) as a measurement and barometer of the impact generated.

SCOPE OF ACTION

- **ATER (TECHNICAL ASSISTANCE AND RURAL EXTENSION)** Support for the sustainable development of agricultural production by rural families.
- **CAPACITY BUILDING** Development of technical and institutional skills of local partners.
- **RESEARCH & INNOVATION** Conceptualization, testing and development of local solutions and challenges.
- **LOGISTICS AND FAIRTRADE** Creating agri-food value chain linkages, with a rural focus.

DUAL IMPACT FUND

MISSION

- Contribute to the development of the Angolan business system, supporting companies to incorporate sustainability and impact criteria into their mission
- Be a source of funding for startups and SMEs
- Create impact with financial, social and environmental return

SCOPE OF ACTION

Affordable Housing | Agriculture | Logistics | Financial Services | Industry | Energy & Utilities | Health Care | Education

Knowledge

Ulwazi — AN AFRICAN INITIATIVE FOR EDUCATION

MISSION

Fostering the construction of the Knowledge Society as a criterion and pillar for sustainable social and economic development.

SCOPE OF ACTION

- **THE PURSUIT OF EXCELLENCE** Ulwazi contributes to Angola and Africa being at the frontier of Knowledge in the Education sector.
- **STRUCTURING ACTION** Ulwazi is an active partner in defining and implementing education policies and strategies.
- **A CATALYST FOR INNOVATION** Ulwazi is an accelerator of innovation and new teaching models.
- **A SKILLS FACTORY FOR EDUCATION** Education plays a key role in preparing the future. But we also need to prepare for the future of Educat

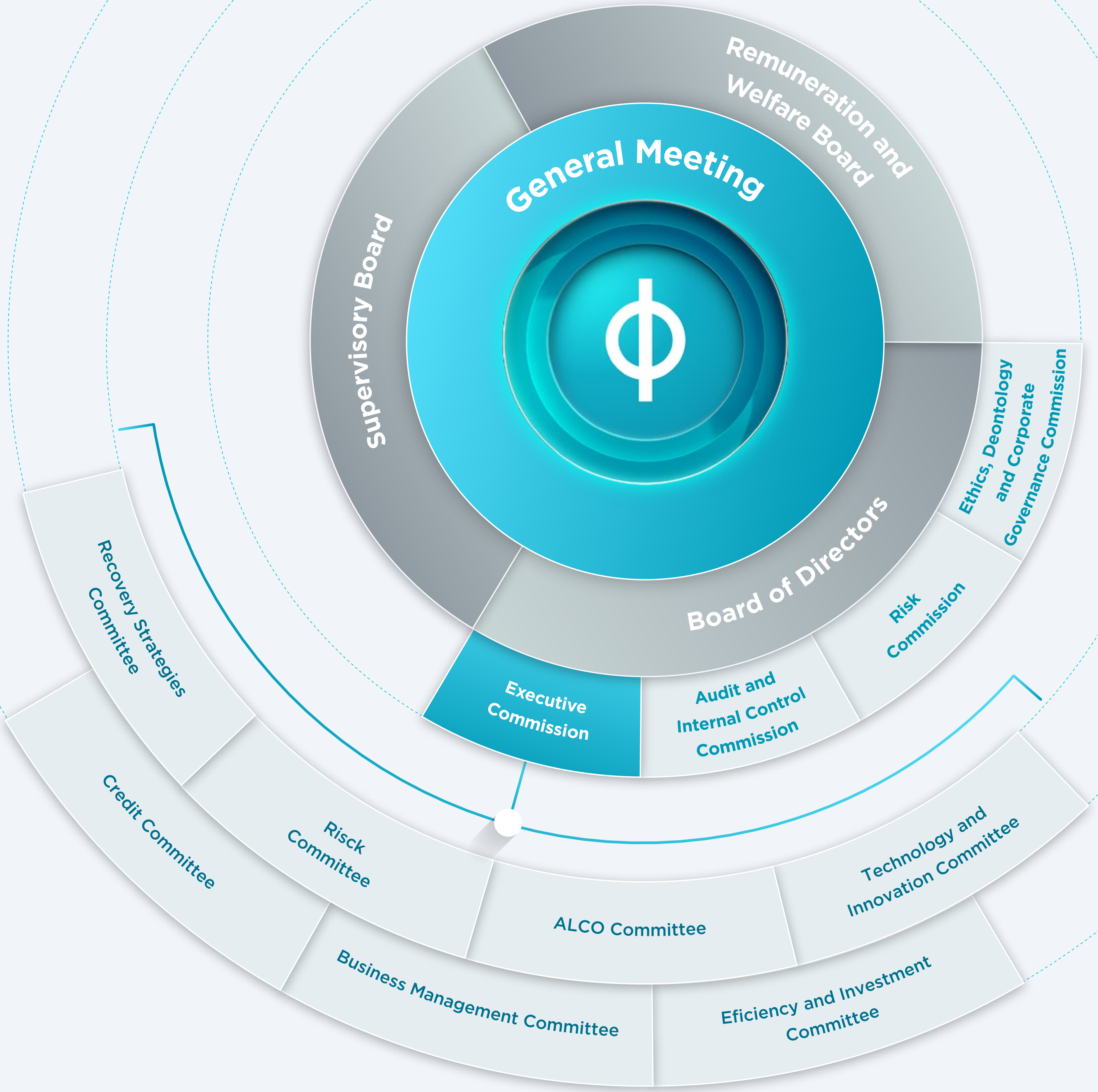
LAR DE NAZARÉ

MISSION

- Helping orphaned children in extreme poverty, aged 3-14 and out of the education system, by providing better living and educational conditions.
- Permanent shelter for girls at risk.

3.6.5. Governance

Governance model

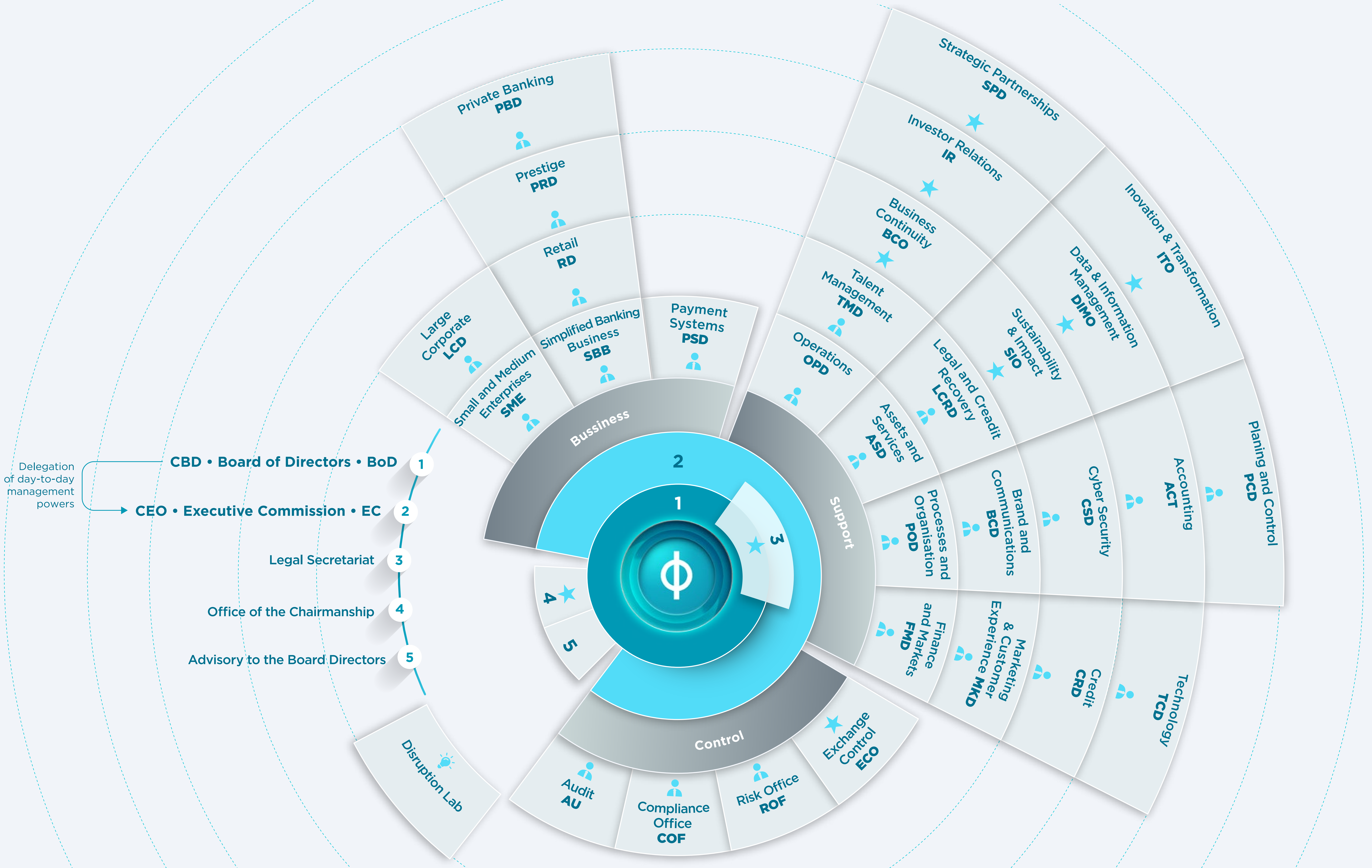


Composition of the governing bodies

	Board of Directors	Executive Commission	Audit and Internal Control Commission	Risk Commission	Ethics, Deontology and Corporate Governance Commission	Supervisory Board	Remuneration and Welfare Board	General Meeting Board
António Assis de Almeida	○							
Daniel Santos	○			○				
Miguel Pessanha	○		○					
Elpídio Neto	○		○		○			
Paulo Tomás	○			○				
José Carlos Burity	○		○		○			
Madalena Neto	○		○					
Vanessa Mendonça	○			○	○			
Miguel Alves	○	○						
Éder Sousa	○	○						
Patrícia Gabriel	○	○						
João Mendonça	○	○						
Isabel Espírito Santo	○	○						
Mauro Neves	○	○						
Catarina Souza	○	○						
António Frutuoso de Melo							○	
José Wanassi							○	
Manuel Aguiar							○	
Nuno Teodósio de Oliveira						○		
Nélson Teixeira						○		
Guilherme Frutuoso de Melo						○		
José Dordio						○		
Cristina Ferreira						○		
João Manuel Pedro								○
Fernando Magarreiro								○
Patrícia Dias								○

Organic struture

Department
Office
Autonomus Unit



Executive Commission

Members and Areas of Responsibility

* The replacement order presented should only be applied in cases where the absent/prevented Board Member has not had the opportunity to directly appoint his replacement, with due caution regarding potential conflict of interest situations.

The CEO and the Deputy Chairman may adjust the appropriate division of areas of responsibility among themselves whenever one of them is absent/prevented from performing duties.

** Hierarchical reporting, with functional reporting to the Chairman of the Audit and Internal Control Commission for Compliance Office and Internal Audit, and to the Chairman of the Risk Committee for Risk Office.

João Mendonça • Member
Chief Marketing Officer **(CMO)**

- Marketing & Customer Experience • DMK
- Brand and Communications • BCD
- Credit • CRD
- Strategic Partnerships • SPO

COO and CBO-R*

Isabel Espírito Santo • Member
Chief Business Officer **(CBO) - Retail**

- Retail • RD
- Prestige • PRD
- Simplified Banking Business • SBB
- Small and Medium Enterprises • SME

CBO-C and CMO

Patrícia Gabriel • Member
Chief Operating Officer **(COO)**

- Assets and Services • ASD
- Cyber Security • CSD
- Operations • OPD
- Technology • TCD
- Business Continuity • BCO

CMO and CBO-C*

Miguel Raposo Alves
Chairman of EC
Chief Executive Officer **(CEO)**

- Talent Management • TMD
- Innovation & Transformation • ITO
- Sustainability & Impact • SIO
- Investor Relations • IR
- Disruption Lab • LAB

CRO and CFO*

Éder Sousa
Deputy Chairman of EC
Chief Financial Officer **(CFO)**

- Legal and Credit Recovery • LCRD
- Accounting • ACT
- Planing and Control • PCD
- Finance and Markets • FMD

CRO and CEO*

Catarina Souza • Member
Chief Risk Officer **(CRO)**

- Compliance Office • COF**
- Audit • AU**
- Risk Office • ROF**
- Processes and Organisation • POD
- Data & Information Management • DIMO
- Exchange Control • ECO

CEO and CFO*

Mauro Neves • Member
Chief Business Officer **(CBO) - Corporate**

- Large Corporate • LCD
- Private Banking • PBD
- Payment Systems • PSD

CBO-R and CMO*

Department Office Autonomus unit Replacement

3.7.

Risk management culture

ATLANTICO sees risk management as a central element of its strategic vision, supporting this area through a structure of collegiate bodies composed of Committees and Commissions independent from the other governance structures. Thus, the area of risk management is independent of the risk-generating areas and provides decision-making and control mechanisms directly dependent on the Bank's Board of Directors.

ATLANTICO's risk management is carried out in accordance with strategies and policies defined by the Board of Directors, with the respective delegation of powers to the Executive Commission and the Risk Office (ROF), which is responsible for implementing the strategies and policies defined.

Risk Office Structure

Unit	No. Employees
Management	2
Credit Risk	4
Market and Liquidity Risk	5
Operating Risk	3
Rating	6
	20

ROF reports functionally to the Risk Commission, appointed by the Board of Directors for Risk management, thus giving greater independence and authority to the risk management function. It is complemented by hierarchical/administrative reporting to the Executive Commission, on operational matters and/or practical relations with other areas, in order to improve the efficiency and effectiveness of the daily management of activities, thereby ensuring that the assignment of other areas to the same executive director, to whom the control functions report, respects the principle of segregation.

In order to strengthen the independence of the control functions, a Risk Committee has also been set up, with powers delegated directly by the Board of Directors and independent from the Executive Commission. This Committee is presented with various information on risk management, and on the planning and results of the main activities carried out. It is responsible for monitoring the general level of risk assumed by ATLANTICO and ontrolling its management process.

Moreover, the Bank's risk management is articulated with the actions of other bodies, namely with the main committees.

Main committees

Risk Management Committee

Responsible for the supervision of financial risks (credit risk, foreign exchange risk, interest rate risk of the banking portfolio and liquidity risk) and non-financial risks (namely strategy risk, operational risk, information systems (IT) risk, compliance risk, reputational risk, and others). Responsible for monitoring, assessing, and proposing measures to correct deviations from financial and non-financial risk policies.

Frequency: quarterly

Assets and Liabilities Committee (ALCO)

Responsible for monitoring and taking decisions to ensure a sustainable evolution of the balance sheet and optimize the Bank's profitability. It also ensures that the objectives relating to the review and monitoring of ALCO's financial reporting are met, with recommendations for the implementation and monitoring of measures to ensure the maintenance of a sustainable capital/funding structure, as well as ensuring that asset and liability management processes are in place to contribute to the appropriate use of the balance sheet.

Frequency: bi-monthly

Credit Committee

Responsible for the monitoring and careful management of the Bank's credit portfolio, by assessing and deciding on proposals for granting credit in accordance with the credit policy in force and monitoring the evolution of the risk associated with customers/ business (portfolio concentration, exposure, default, etc.).

Frequency: weekly

Recovery Strategies Committee

Responsible for monitoring the credit portfolio, the largest exposures and non-performing exposures (NPE), with the aim of determining the recovery strategy for these exposures.

Frequency: monthly

Technology and Innovation Committee

Responsible for monitoring the development and operation of the Bank's IT support systems.

Frequency: monthly

Business Management Committee

Responsible for monitoring the evolution of commercial activity and proposing decisions that guide the business vis-à-vis the strategic guidelines approved by the Board of Directors.

Frequency: monthly

Efficiency and Investment Committee

Responsible for monitoring budget execution in terms of costs and investments, including the monitoring of tenders for the contracting of suppliers.

Frequency: fortnightly

On the organizational side, it is important to stress the relevance of the Risk Management Committee, in which two Directors participate, as well as those responsible for the Departments that manage and control financial (credit, interest rate, exchange rate, liquidity and solvency) and non-financial risks (namely operational risk, compliance risk, reputational risk and information systems risk).

Main Events in 2023

We would like to highlight the main areas of focus in 2023, which consequently mobilized significant resources in their implementation, in line with the activities carried out by the Risk Office:

1. Preparing the response to the SREP 2021 letter and coordinating the definition of the action plan for the recommendations of the Banco Nacional de Angola. Monitoring the implementation of the action plan and reporting to the supervisor;

2. Reporting of the results of the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP) as established in Instruction no. 10/2021 and no. 11/2021:

   a) Quantifying material risks in the ICAAP, in the baseline and adverse scenarios, and reporting to the supervisor on May 2, 2023, incorporating the regulatory changes contained in Notice no. 08/2021, in particular with respect to Instruction no. 03/2022 on Stress Testing and Directive no. 02/2022 on Standardized Stress Testing, in relation to the determination of the credit risk requirement for sovereign debt (forecast of weights for sovereign exposures in Foreign Currency), as well as the incorporation of corrections resulting from the independent assessment of the exercise by the Audit Department;
   b) Quantifying the liquidity risk assessment indicators in the ILAAP and reporting to the supervisor on May 2, 2023, incorporating the regulatory changes set forth in Directive no. 02/2022 on Standardized Stress Testing, specifically with respect to the assumptions for cash flow inflows and outflows in the calculation of the survival period, the redefinition of the discounts to be applied to securities when determining the liquidity buffer (in a stress scenario), as well as the incorporation of the liquidity buffer indicated in the SREP 2021 letter.

3. First draft of the Market Discipline Report 2022, published on May 30, 2023, as part of the public disclosure of prudential information by banking financial institutions under the provisions of Notice no. 08/2021 of July 5 on prudential requirements and Instruction no. 05/2022 of June 13 on Public Disclosure of Prudential Information, provided for in Pillar 3 of the SREP process (Supervisory Review and Evaluation Process);

4. Conducting annual stress tests as at December 31, 2022, including scenario analysis and reverse stress tests, in accordance with Instruction no. 03/2022;

5. Compliance with the guidelines set forth in Letter 757DSB/2023, of February 17, regarding the submission of reports under Instruction no. 08/2021 in a test environment at the SSIF;

6. Monitoring the evolution of the limits approved for the 2023 Risk Profile, in accordance with the governance model in place;

7. Mid-term review of the Risk Profile, in the context of the SREP 2021 letter, and definition of the main risk management guidelines for the period of 2023-2026, in order to adjust the limits of the Core Tier 1 capital ratio, the Tier 1 capital ratio and the Global Regulatory Capital ratio, as well as the new liquidity buffer defined in the strategic planning exercise conducted by the Bank, and review of the business plan for the period in question;

8. Annual review of the impairment model for financial assets with the following activities:

   a) Review of the haircuts applicable to credit guarantees with State risk;
   b) Annual update of the risk parameters of the collective impairment model, including the values of the macroeconomic variables and correlation studies used in the forward-looking approach incorporated in the model;
   c) Review and maintenance of the materiality criteria for individual analyses;

9. Updating and adapting the support tool for individual credit impairment analyses, taking into account the requirements of the regulations in force;

10. Implementing the technical specifications for reports under Notice 08/2021 in the Bank's IT systems, with greater emphasis on redefining the periodicity of reports on capital requirements, as well as the Global Regulatory Capital ratio and reports on standardized stress tests;

11. Monitoring of compliance with Notice no. 10/2020 – Lending to the Real Sector of the Economy and its impact on the reserve requirements to be constituted in national currency, within the scope of liquidity risk management;

12. Monitoring the implementation of Directive no. 01/DSB/2020 on Property Valuation, strengthening the valuation of mortgage guarantees with valuations of more than two years, as well as those with valuations in foreign currency;

13. Monitoring and reporting to BNA on the credits granted to the Holders of Qualified Shareholdings within the scope of the provisions of Directive no. 05/DSB/DRO/2022;

14. Monitoring and reporting to BNA and ATLANTICOS's management on the evolution of the credit exposures of customers intervened by the State or subject to seizure of assets and shareholdings;

15. Monthly monitoring with quarterly reporting to the BNA of the non-performing exposure report;

16. Implementing the actions planned for compliance with Directive 02/DSB/DRO/2020 – Guide on Recommendations for the Management of Non-Productive and Restructured Exposures and Assets in Delivery for Payment and start of periodic regulatory reporting;

17. Regarding the Non-Productive Exposure Management Strategy, the objectives associated with the strategy were revised in April 2023 and communicated to the BNA;

18. Preparing and sharing with the BNA in November 2023 a progress report on the results of the Non-Productive Exposures Strategy, with clarifications on the main deviation observed, which is related to the exchange rate impact due to the devaluation of the domestic currency by around 65% in 2023;

19. Preparing and sharing with the BNA, in December 2023, the Self-Assessment on the Internal Capability to Execute the Non-Productive Exposure Strategy, presenting the actions that support the strategy, focusing on the actions that the Bank has implemented and their results, as well as details on the main constraints and external dependencies, such as those of the courts, in the closure of cases and recovery through litigation, in cases with an average age of five years, with cases lasting more than seven years;

20. Monitoring and review of exposure limits for National and International Counterparties;

21. Continuous monitoring of the recording and revaluation of collaterals in credit operations, supporting and promoting the continuous improvement of the quality of the recording of collaterals and its allocation to operations, with a view to optimizing capital consumption;

22. Continuous improvement processes with a focus on reconciliation and information quality and automation of integrations between critical systems for credit risk, liquidity, solvency and interest rate assessment and automation of the production of critical reports in the month-end closing process, as well as implementation and automation of the changes resulting from the new regulations of Notice no. 08, of June 18, 2021, with a view to continuous improvement of the reporting processes in the area of information quality and reduction of the time to maturity;

23. Calibrating the scoring models developed by the Bank specifically to support automatic credit decisions, considering the transactional profile and financial behavior of the private Customer base;

24. Participating in multilateral bank due diligence processes and management of covenants for facilities already approved, namely through the preparation of periodic reports on credit, liquidity and solvency information and explanations on the quality of assets in line with the risk profile defined for the Bank;

25. Cross monitoring of the Operational Risk management model in all representative processes of the Bank's activity through operationalization of all management instruments (process mapping, risk self-assessment, loss capture and key risk indicators) in the 41 catalogued processes.

26. Developing a project to implement the cybersecurity risk management model and integrate it into the operational risk management model approved by the Bank;

27. Implementing a communication plan within the scope of Operational Risk Management, promoting a risk culture and a more active participation of the first line of defense in the management model.

28. Preparing and holding ordinary and extraordinary working sessions to monitor risk indicators, among which we would like to highlight the following ordinary working sessions:

a) The Risk Management Committee, which held six ordinary working sessions in 2023, including the Financial Risk, Operational Risk and Aggregate Risk Committees, thus fulfilling the minimum number of meetings established for this Committee, with the corresponding documentation of work orders, supporting documents and minutes with the work findings. As part of the continuous improvement process, and with the aim of creating a greater focus on the issues dealt with by this committee, the content of the committee and the list of participants were revised by revising the Risk Management Committee Regulation;

b) The Risk Committee, which held five (5) working meetings in 2023, thus complying with the required minimum of four (4) meetings established for this Committee, with the corresponding documentation of work orders, supporting documents and minutes with the findings of the work;

c) As part of the process of strengthening Credit Risk management, the Recovery Strategies Committee was established in 2023, making it possible to identify and implement recovery strategies for the clients supervised by this body. Since May, the month in which this committee was implemented, eight (8) ordinary working meetings and seventeen (17) extraordinary meetings have been held.

3.7.1. Risk Profile Statement

The definition of Risk Appetite is part of a broader Risk Profile management and allows to translate the risk strategy into operational limits or objectives.

The Risk Office is responsible for monitoring the risk profile, communicating the main results and conclusions, dvising the Executive Commission and the Bank's Board of Directors on the review and periodic updating of the risk profile, and assessing the corrective actions or measures to be taken in the event of non-compliance with the established limits that may condition or adversely affect the Bank's operations.

The limits that make up the Bank's risk profile are established on three levels, deriving from them the responsibilities for communication and the development of corrective measures in accordance with the table below.

The Risk Appetite (green) reflects the level of risk that the Bank is willing to accept. The definition of a tolerance zone (yellow) makes it possible to establish a timely warning system and trigger previous corrective measures before the Bank reaches its maximum risk-taking capacity (pink). The risk tolerance refers to the maximum amount of risk that the Bank is prepared to accept in the course of its business without undermining its stability, positioning and/or solvency.

Risk Appetite

	Limit levels		
Metrics	**Risk Appetite**	**Risk Tolerance**	**Risk Capacity**
Metric status vs. defined risk appetite	Framed within the defined risk appetite	• Framed within defined risk appetite but close to exceeding it	• Risk appetite exceeded
Level of risk appetite metric	Above tolerance limit	• Below tolerance limit	• Below capacity limit
Communication	No reporting required	• ROF communicates to the OUs responsible for managing the metric with the exceeded limit, the respective Directors and the CRO • Reporting to the Risk Commission and the Risk Management Committee	• ROF communicates to the Risk Management Committee and the Executive Commission
Follow-up actions (non-exhaustive)	No actions required	• Definition of action plan by OUs to return to the defined risk appetite level • ROF monitoring reinforcement	• Definition of an action plan by the Executive Commission to return to the defined risk appetite level • Reinforcing the intensive monitoring of the evolution of the metrics and implementation of the action plan

Furthermore, the Risk Appetite Framework (RAF) is the main element of the Bank's risk management system, consisting of an overall approach whereby the risk appetite and strategy are set, communicated and monitored including the necessary policies, processes, controls and systems. The risk limits, which support the risk management strategy and the maintenance of an adequate level of capital and liquidity, are broadly reflected in a Risk Appetite Statement (RAS) whose final approval is the responsibility of the Board of Directors.

Formal reporting to monitor the risk profile is done at least quarterly by the Risk Commission and the Risk Management Committee, with monthly presentation of the results to the Executive Commission and the Board of Directors. Whenever any of the indicators calculated at a lower frequency are outside the established limits, it is duly communicated so that the mitigating actions may be established and implemented in a timely manner.

The ICAAP and ILAAP are key risk management tools and their processes are a consequence of the Bank's business and risk management strategy. Moreover, they have consequences that may lead to the amendment of the strategy defined by the Bank, through the indication of weaknesses, the analysis of impacts in the consideration of various scenarios or the balance and interconnection between risk management processes. Thus, in its business decision-making and risk management process, the Bank takes into account the ICAAP and ILAAP findings.

3.7.2. Key Risks

3.7.2.1. Solvency Risk

The determination of regulatory own funds and the solvency ratio is carried out and reported by the Bank in accordance with the new regulatory package, with emphasis on Notice No. 08/2021, and proceeds with the review of Pillar 1 Requirements, Pillar 2 Requirements and the Agreed Reserve Requirement. As a result, new methods have been adopted to determine regulatory own funds and the global own fund ratio.

The Bank has a preventive approach to solvency risk management, namely:

- The Risk Profile defines minimum limits for the solvency ratio from which the Risk Office performs interim calculations to measure the impact of the evolution, during the month, of the main balance sheet items on the value of the ratio, reconciling it with events detected in the management of other risks, namely credit, foreign exchange rate, liquidity and operational risks.

- Investment or disinvestment operations, as well as credit granting or settlement operations, which have significant volumes are previously assessed by the Risk Office for their impact on the Bank's solvency - through profit or loss and capital consumption.

The final amount and detail of the Regulatory Own Funds and Regulatory Solvency Ratio calculation performed by the Risk Office are reported to the Risk Commission and the Risk Management Committee at least quarterly, as well as in the monthly earnings presentation to the Executive Commission and the Board of Directors.

(i) ICAAP (Internal Capital Adequacy Assessment Process)

The Internal Capital Adequacy Assessment Process aims to review the evolution of the qualitative and quantitative risk assessment practices to which the Bank is exposed in its activity, the measurement of internal controls and effects that mitigate risk exposure and the simulation of adverse situations with impacts on its solvency, as well as the assessment of the adequacy of internal capital. The Bank performs this process on a consolidated basis and in accordance with the provisions of BNA Instruction No.12/2021 of 21 June 2021. This process should be carried out at least annually, or when there is a reason to do so, as indicated by the Board of Directors.

The last ICAAP was carried out by the Bank with reference to 31 December 2022 and reported as at 30 April 2023 at a consolidated level (Bank and investment funds in which it is the majority shareholder) and will have as its main objectives:

- Promote ICAAP as a tool to support strategic decision-making;

- Promote a risk culture that encourages the participation of the entire organization in the management of internal capital (Board of Directors, Executive Commission, Business Areas and Internal Control functions);

- Ensure the adequacy of internal capital in relation to the risk profile and business and risk strategies;

- Ensure the proper identification, quantification, control and mitigation of the material risks to which ATLANTICO is exposed;

- Ensure adequate documentation of demonstrated results by strengthening the integration of risk management processes into ATLANTICO's risk culture and decision-making processes; and,

- Provide for a contingency plan to ensure the management of the business and the adequacy of internal capital in the event of a recession or crisis.

(ii) Strategy and ESG risk

The Strategy Risk measures the probability of a negative impact occurring on income or capital resulting from the inability to fully implement the business strategy and to dynamize and adapt to market changes. Strategic risk includes the Environmental, Social and Governance (ESG) sub-risk arising from climate change and its impact on society, government, regions of the planet and ecosystems.

The ESG risk was identified in ATLANTICO's risk taxonomy in 2020 and recognized as material, being currently quantified in ICAAP under Pillar 2, in a capital buffer, taking into account its growing relevance and economic impact. The Bank considers that ESG is not an isolated risk, being interconnected with other financial risks to which the Institution is exposed, and may be a factor of increased risk, namely in credit risk. Given that there are still no standardized metrics for the identification, measurement and control of ESG risk, the Bank has not yet defined indicators in its risk profile, but as it evolves towards the ESG paradigm (as foreseen in the strategic plan) it will follow this evolution with the definition of metrics and risk appetite.

3.7.2.2. Credit Risk

Credit Risk is the likelihood of negative impacts on profit or loss or capital due to the inability of a Customer or counterparty to meet its financial commitments to the Institution, including possible restrictions on the transfer of payments from abroad. Credit risk exists primarily in exposures to loans (including securitized), credit facilities, guarantees provided, letters of credit and derivatives with underlying assets composed of credit.

Credit risk management is based on a set of policies and guidelines established according to the business strategies and risk profile of the Institution. It is reviewed regularly and whenever necessary.

In addition to the regulations and standards, the granting of credit is supported by the assessment and classification of the Customer's risk with the support of scoring and rating models, and the assessment of the level of collateral coverage of operations. For the most significant exposures, capital consumption and the impact it may have on aggregate exposure limits are also reviewed. It is the responsibility of all those involved in the credit process, and in particular the commercial areas to monitor the credit, ensuring the provision of any information from the Customer that may reflect a change in their solvency conditions.

3.7.2.3. Market Risk

Market risk is the probability of negative impacts on profit or loss or capital as a result of unfavorable movements in the market price of instruments in the investment portfolio, caused by fluctuations in security, commodity, interest rate and exchange rate quotations. This risk is mainly associated with the holding of positions in debt and equity securities in currencies, commodities and derivatives with the above as underlying assets.

The main market risks to which the Bank is exposed arise from changes in interest rates, exchange rates and the market quotations underlying securities.

(i) Interest Rate Risk

The assessment of interest rate risk is carried out through a risk sensitivity analysis process carried out for the operations comprising the Bank's balance sheet. The interest rate risk is calculated by classifying all assets, liabilities and off-balance-sheet items in the banking book which are sensitive to interest rate movements, by marginal maturity bands of interest rate reset. The Bank analyses daily the main reference rates of the national and international markets, namely LUIBOR, EURIBOR and LIBOR, in order to assess the risk inherent to assets and liabilities sensitive to interest rate changes.

(ii) Foreign Exchange Risk

The Bank monitors its exposure to foreign exchange risk by monitoring and revaluing on a daily basis the exposure of the global open positions taken in the various currencies and adopts global hedging strategies to ensure that these positions remain within the limits approved by the Board. The Bank's assessment of exchange rate risk is based on the definition and control of limits established for short- and long-term foreign exchange exposure and its relationship with Own Funds. In addition to monitoring exchange position and exposure and comparing it with the limits established by the Bank, the Risk Office is responsible for preparing stress tests in which it assesses the impact of any exchange rate appreciation or devaluation on the Bank's asset structure, results, and solvency ratio.

3.7.2.4. Liquidity Risk

The main players involved in the daily management of the liquidity risk are the Finance and Markets Department (DFM) and the Risk Office (ROF). The DFM is responsible for selecting and carrying out transactions with the market and for the daily management of liquidity, within the limits defined in the Bank's risk profile. The Risk Office is responsible for identifying, measuring, and monitoring risk, ensuring that the defined limits are followed.

The Risk Management Committee and the ALCO Committee are the bodies responsible for overseeing these risks and are responsible for monitoring, assessing, and proposing measures to correct deviations from management policies and limits set for liquidity risks.

The assessment of liquidity risk is based on the calculation and analysis of indicators that allow the Bank's liquidity position to be identified for short-term horizons. The monitoring of current and structural liquidity levels, according to the amounts and deadlines of commitments and resources in the portfolio, is carried out through the identification of liquidity gaps, for which exposure limits are defined. These indicators are based on the distribution by time bands of the flows of existing liabilities and assets at the date of the analysis, according to pre-established assumptions.

ILAAP (Internal Liquidity Adequacy Assessment Process)

In accordance with Instruction No. 11/2021, published by Banco Nacional de Angola on 21 June 2021, banking financial institutions that carry out credit activities must ensure and be able to demonstrate that they have an internal process that allows them to identify, measure, manage and monitor their liquidity risk.

The purpose of the internal liquidity adequacy assessment process (ILAAP) is to provide a risk management tool for the Bank to ensure that internally defined limits on liquidity risk are met, and that the operational and governance processes for managing and controlling these limits are adequate.

The ILAAP reporting performed on 30 April 2023, with reference to 31 December 2022, demonstrates compliance with the above limits and summarizes the main outcomes of the self-assessment carried out, including the Bank's opinion on its current liquidity positions on an individual basis, and its ability to cover the risk to which it is or may be exposed, as well as the measures to be used to ensure that adequate liquidity levels are maintained or restored.

3.7.2.5. Operational Risk

The operational risk management model is based on a process-based approach, with an end-to-end perspective of the product and service value chain in operational risk management and allows the identification of potential risks and assessment of the impact of improvements.

Aware of the importance of effective monitoring and control of operational risk and in order to achieve the proposed objectives, ATLANTICO has designated persons in charge of operational risk management for each process – the process owners. The profile of these persons in charge includes a strong command of the themes of their area of intervention, namely in terms of knowledge of business processes and capacity to suggest risk mitigation measures and increase efficiency, ensuring the recording and monitoring of all events that may lead to financial losses.

The responsibility of the Organic Units and process owners in the identification and active management of operational risk is key to the methodology.

ATLANTICO's operational risk management model is based on three main instruments:

- Gathering information on losses resulting from operational risk events;
- Risk self-assessment meetings which allow the Bank to take a qualitative approach to identifying potential risks through an analysis of the materialization of losses in the process, considering the worst scenarios in each category of risk and defining the strategy and action plans for reducing the risk inherent in each process to the maximum acceptable level of risk;
- Identification and quantification of Key Risk Indicators (KRI) – metrics that alert to changes in the risk profile or effectiveness of process controls, allowing the preventive launch of corrective measures.

The three operational risk management instruments are developed on the basis of twenty risk categories, defined by the Bank in accordance with the recommendations of the BNA in Instruction no. 28/2016 and the guidelines of the Basel Committee, and grouped into the following categories:

- People risks;
- Information systems risks;
- Process risks;
- External risks;
- Organizational risks.

It is evident from the categories presented that ATLANTICO's operational risk management also covers compliance and information systems risks, including cyber threats. Reputational risk is assessed in the annual self-assessment exercises and is also included in the management model.

3.7.2.6. Cyber Risk

Cybercrime is growing exponentially and, according to Cybersecurity Ventures, is expected to cost USD 10.5 trillion by 2025. In 2023, there was a significant increase iin the number and sophistication of cyber-attacks, including through the use of AI (Artificial Intelligence) technology, posing an increasing threat to the stability and security of the financial sector worldwide. With the continuous advancement of technology and the increasing interconnectedness of financial systems, financial institutions have become increasingly attractive targets for cyber criminals. Cyber-attacks have taken many forms, including theft of confidential data, financial fraud, denial-of-service (DDoS) attacks and compromise of institutions' IT infrastructure.

ATLANTICO has been strengthening its resilience against cyber threats and **ensuring Customer trust** in an increasingly complex digital environment. The efforts made aim to ensure the implementation of adequate and comprehensive security measures embodied in a **"Zero Trust" model**

Cyber risk is a growing concern for financial institutions worldwide. The constant evolution of cyber threats requires a proactive approach from institutions to protect their systems, data and customers. ATLANTICO has been strengthening its resilience against cyber threats and ensuring Customer trust in an increasingly complex digital environment. In this sense, the efforts made aim to ensure the implementation of adequate and comprehensive security measures embodied in a "Zero Trust" model, which includes secure authentication in systems, based on a rigorous process of using multiple factors, context-based access, i.e. based on data such as user location, type of device, access time, in order to guarantee legitimacy in access and continuous monitoring. The Bank has been implementing processes based on security operations centre models, with internal teams and supported by local and international cooperation, to strengthen threat detection processes. Improvements in these processes will contribute to the establishment of a rapid response to security incidents and a proactive approach to the protection of ATLANTICO's resources.

Main results achieved:

+ 1,400	Employees involved in continuous training on cyber threats
+ 585	Hours of training for regular capacity building of the Cyber Security Team
4	E-learning courses on cybersecurity
7	Cyber security workshops
+ 11,000	Phishing and social engineering attack simulation campaigns sent to Employees
91.25%	Average score on Security Scorecard indicators
+ 30,000	Awareness campaigns shared, focusing on behaviour change
1st / 3rd	Cybersecurity rating range, compared to the main Angolan banks

Governance model for cybersecurity risk management

A cyberattack can affect the ability to operate and bring high financial costs and short and long-term consequences, thus affecting the reputation of brands for a long time, even after the breach has been resolved.

Considering the technical specificity of the cybersecurity risks and the control mechanisms assessed, the Risk Office works in collaboration with the Cyber Security Directorate (DCS), subject-matter expert, in assessing and monitoring cybersecurity risks and defining a governance model of the cybersecurity risk management framework that includes:

1. Organisation, roles and responsibilities over the framework, namely considering the involvement of the Risk Office, as owner of the operational risk management system, and of DCS, as Subject Matter Expert;
2. Communication of a cybersecurity risk culture;
3. Risk-based control procedures and mechanisms for periodic review of the Organisation's risk framework and/or assessment.

Implementation of a cyber risk systematisation process in line with the best international practices

+ 33,457 events	**109** systematised control activities	**43 + 15** strategic initiatives of the cybersecurity roadmap
Reinforcement in the event and/or anomaly detection skills	Technical training of an operational team focused on the identification of threats and incident response, defence strategies, systematisation and improvements of the implemented processes	Awareness programme and culture on the indentification of phishing and social engineering

3.7.3. Compliance

The compliance activities focus on the promotion, definition, approval and implementation of policies and processes aimed at ensuring that management bodies, functional structures and all Employees comply with the legislation, rules and regulations (internal and external) that guide the Bank's activities.

These standards make it possible to carry out appropriate compliance risk management at the strategic and operational levels and avoid the risk of the Institution incurring legal or regulatory sanctions and financial or reputational losses arising from failure to comply with laws, codes of conduct and rules of good business practice and duties to which it is subject.

Compliance performs its functions autonomously, independently and permanently, with total and free access to the Bank's internal information.

ATLANTICO's management model is based on the Policy on Prevention and Detection of Money Laundering and the Terrorist Financing and the Proliferation of Weapons of Mass Destruction, the Policy on Identification and Acceptance of Customers and the Policy on Sanctions, which define the activities aimed at carrying out of operations and the identification and acceptance of their players, as well as the control activities carried out by the areas of execution, Compliance and Internal Audit.

The Compliance function is based on two major units that complement each other: AML and Compliance.

AML (Anti Money Laundering): responsible for monitoring all anti-money laundering and terrorist financing activities on a national and international basis with Correspondent Banks.

The key functions in the performance of this activity are:

- Ensure response to AML questionnaires for the purpose of accepting and updating the corresponding banking relationship;
- Ensure interaction with Correspondent Banks regarding Customer and foreign exchange transactions;
- Defining rules, procedures and criteria for action in accordance with the legal standards associated with the processes of opening accounts;
- Strengthening the filtering process of Customers and operations;
- Ensuring an assertive Customer monitoring and acceptance process;
- Comply with the legal requirements associated with the closure of accounts;
- Ensuring the implementation of tools capable of identifying suspicious operations under the terms of the legislation;
- Parameterise a Customer risk matrix that guarantees the respective classification of the Customer risk level;
- Comply with the obligation to report to the relevant authorities; and
- Ensuring compliance and updating of KYC (Know Your Customer), KYT (Know Your Transaction), KYB (Know Your Business) and KYCC (Know Your Customer's Customer) policies and processes within the corresponding banking relationship.

In this context, the AML Unit took due care of 1,720 high-risk Customers, with no true positives or Customers who, due to their complexity, could jeopardise the Bank's reputation.

For the purposes of analysis, assessment and rating of the Customer's risk level, ATLANTICO has robust and automated tools that guarantee the daily rating of the risk, screening of its Customer database against sanction lists and PEP (Politically Exposed Person), namely: OFAC – Office of Foreign Assets Control, BOE (Official State Gazette – Spain), EU (European Union), PEP, UN (United Nations), HM Treasury (Uk's Economic and Finance Ministry). These lists are incorporated in Dow Jones Risk & Compliance, Firco Continuity and Trust.

Taking a 360º view of the process of research, analysis and monitoring of Customers and operations, the Bank has implemented the following tools to prudently mitigate the risk of Money Laundering, Terrorist Financing and the Proliferation of Weapons of Mass Destruction:

- **EAGLE –** it's an AML tool, which has three modules, which provide a 360º view of the Customer profile in terms of KYC, KYT, KYCC and KYB. These modules are: risk matrix, Customer screening and AML rules for transactions. EAGLE also allows us to collect all the documentation we deem important to include in the analysed alert or Customer profile.

- **FIRCO TRUST –** daily screening tool of the Bank's database for existing and pre-existing customers, which includes Accuity's sanctions lists in an online database, such as: OFAC, PEP, HMT, BOE, UN and EU.

- **FIRCO CONTINUITY –** Transaction screening tool, based on the logic of checking the originator of the transaction, the jurisdiction of origin and destination of the transaction and the recipient of the transaction. It includes ACCUITY's listings.

With regard to the collaboration and communication obligation, the Bank reported to the Financial Intelligence Unit during the year of 2023:

7,039 Operations associated with cash transactions, exchange of different currencies, settlement of cheques and securities

41 Operations suspected of crimes underlying money laundering practices

21 Spontaneous communications

0 Sanctioned entities

Compliance: responsible for ensuring legal compliance of the Bank's processes, procedures and policies in line with legal standards, identification of internal and external factors with operational and reputational impact; preparation of the Compliance and AML training programme and management of KYE (Know Your Employee) processes.

In the year 2023, as part of its responsibility to align processes and ensure full compliance with standards, Compliance participated in the updating, drafting and approval of:

62 Processes across the Bank

It has also disseminated and ensured the implementation of the necessary measures in relation to the publication of regulatory and legislative bodies' regulations.

Under the licensing of banking products and services in accordance with the provisions of BNA Circular Letter No. 01/DCF/2020 of 23 April, combined with Notice No. 03/2015, Compliance participated in the preparation and licensing of nine products, carried out the submission of seven subscription forms and nine technical information sheets for financial products and services and four advertisement with the Regulator in the reporting period. It also monitored compliance with regulatory reports and took actions to mitigate the risk of non-compliance with regulatory deadlines.

3.7.4. Internal Audit

Internal Audit maintained a continuous focus on delivering an independent and objective service, aimed at adding value, improving operations and advising the Bank's Management on the achievement of objectives, as determined by Article 37 of Notice no. 01/2022 of January 28, 2022, and ratified in its Internal Regulation, approved by the Board of Directors, which defines its mission, powers and responsibilities.

The definition of the strategic guidelines of the internal audit function is the responsibility of the Board of Directors, under the supervision and monitoring of the Audit and Internal Control Committee (CACI).

The Audit Department (AU) remains attentive to each phase of the Bank's and the market's growth and development, always considering the several economic, political, and global uncertainties and expectations, considering their impact on the daily routines of all the Bank's stakeholders, as well as constantly changing cyber threats and regulatory developments. Although the challenges are increasing, the AU's operating model provides a positive scope in forecasting and diagnostic actions, to which the accelerated learning that has been established in the understanding of current and emerging risks–driven by opportunities for improvement in work methodology, the use of systems and the performance of increasingly remote activities, supported by comprehensive, model-based information analysis.

The work carried out has enabled the AU's role and participation to be highlighted as ATLANTICO's third line of defense and a permanent partner in monitoring and strengthening the Internal Control System.

According to the approved 2023 plan, the AU achieved an overall completion level of 102%, taking into account all planned actions.

The audit reports prepared throughout the year were particularly noteworthy, with a quantitative execution degree of 99% (223 reports), which is 4 percentage points higher than in 2022.

The AU designed and optimized 52 preventive and detective alerts and controls and developed nine (9) projects to support and reinforce its actions. Additionally, it carried out 8,490 continuous monitors (by analyzing alerts).

This was also a year in which we saw greater autonomy in access to the documentation needed to conduct audits (especially in the business units), further increasing remote audits and reducing direct interaction with those being audited.

For the implementation of the plan, the AU kept in mind the perspective of promoting the development of work supported by more skills, held, and reinforced through specific training in technology, compliance, accounting/ /financial, regulatory obligations and information analysis, with a view to strengthening an Audit Department more focused on mitigating the several types of risk.

Based on this operating approach, the AU intends to maximize the value it provides to the Bank, maintaining the focus on the main risk areas and an intervention aligned with the Strategic Plan for the 2021-2024 cycle – called "PHIT 2.4" –, in line with the Bank's ambition to define a vision that is more adapted to the current context and aligned with the ability to transform itself, remaining faithful to its DNA and anticipating the future.

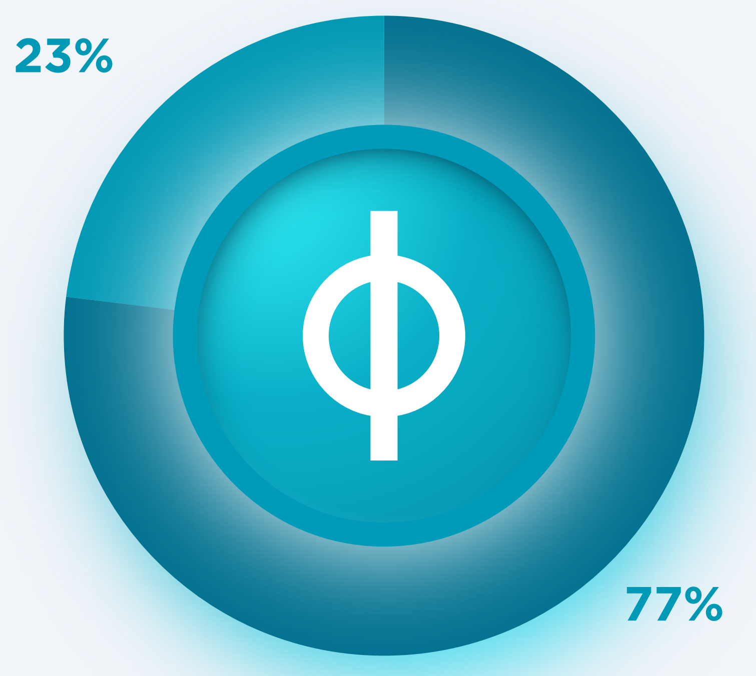
The Bank has not limited itself to viewing the Audit function as a legal requirement, but as **a management ally** and a guarantor of its **fundamental pillars**

The regulations in force, which derive from Notices no. 08/2021 of June 18, no. 01/2022 of January 28 and Directive no. 05 DSB/DRO/2022 of June 2, all from the BNA, continue to guide the Audit Department to ensure the implementation of an Internal Control System appropriate to the nature, dimension and complexity of its activity, with the objectives of efficiency in the execution of operations, risk control, reliability of information and compliance with applicable legal regulations and internal guidelines.

Aware of this importance, the Bank has not limited itself to viewing the Audit function as a legal requirement, but as a management ally and a guarantor of its fundamental pillars, reinforced by the Internal Audit Function Regulation, as well as by its Annual Training Plan with specific actions, with a view to creating greater skills and ensuring greater consistency in the actions carried out.

Type of actions/audits undertaken

Weight distribution of actions/audits undertaken by segmentation



Description of actions undertaken

Description of deliverables	#
1. TRANSVERSAL	
Projects implemented	9
New preventive/detective controls/alerts implemented/created	52
Training provided	20
Opinions issued (products, processes, and projects)	94
Participation in the operational risk self-assessment process	57
Monitoring of external audits and inspections (BNA/External Auditor)	13
2. AUDIT AND CONTINUOUS MONITORING	
Activities undertaken	**223**
Points of responses	1,160
Improvement recommendations/opportunities	137
Implementation/correction (average)	71%
Control actions and continuous monitoring	**8,490**
Operations reviewed	15,859
Analyzed alerts	8,490
Shortcomings identified/operational errors or failures	167
Improvement recommendations/opportunities	4
Prevented situations	30
Deployment/correction	97%
3. FRAUD AND COMPLAINTS	
Cases and/or complaints received with indication of fraud	**361**
Whistleblowing channel (with materiality)	**55**
Closure – cases and/or complaints*	74%
Closure – complaints (received through the Whistleblowing channel)**	89%
Opinions issued	**94**

(*) The organization received 50 complaints/occurrences via the Whistleblowing Channel ("Canal Denúncia") and five complaints/occurrences via other channels.

(**) Out of the (6) open complaints at the time of this report, 2 were forwarded to the Fraud and Complaints Unit ("Unidade de Fraudes e Reclamações"), 2 were in the process of being closed, and 2 were being monitored.

Highlight activities and actions undertaken

Maintenance of actions that allow the design, implementation and optimisation of projects (9) and new controls/alerts (52), with a view to ensuring greater suitability, review and reinforcement of the Internal Audit function, as well as providing greater efficiency and agility in the daily activities and tasks performed.

Differentiated and closer monitoring of high-risk Agencies, as well as holding feedback meetings with Managers and Regional Deputy Directors.

Participation in first dive (20) training courses, in order to share its mission, scope and action with the Bank's new employees, as well as to reinforce the need to safeguard the adequate control environment.

Identification of recommendations/opportunities for improvement with financial impacts, with a view to mitigating loss events so as to contribute to the Bank's profitability.

Conducting of new transversal and comprehensive audit actions, by a multidisciplinary team involving the various internal areas of the AU, in order to add more value in the analyses and results.

Participation in the operational risk self-assessment sessions, in order to strengthen the risk assessment process and provide scenarios based on the experience of audits already carried out.

Monitoring the external audits carried out by the BNA, the Capital Markets Commission (CMC) and the External Auditor, as well as strengthening the follow-up of the recommendations made to the Bank by these bodies.

Maintenance of routines/controls at the operational level, with a view to promoting solutions for monitoring and preventing negative events, whether reported or not by other units, mainly the Fraud Unit.

Focus on monitoring the implementation of internal and external recommendations (External Auditor and Regulator) with reinforcement of the AU's action on the audited departments.

Employee training in COBIT (Control Objectives for Information and Related Technologies), ISO 27001 (Information Security Management), ICAAP (Internal Capital Adequacy Assessment Process) and ILAAP (Internal Liquidity Adequacy Assessment Process), IFRS (International Financial Reporting Standards), ITIL (Information Technology Infrastructure Library), ESMS (Environmental and Social Management System), Impairment Model and reinforcement of Internal Control in Banking (Internal Audit, Compliance and Risk Management), allowing the Internal Audit function to be properly exercised in the face of current challenges and emerging risks.

Maintenance of the implementation of remote verification actions (audit by evidence), on a systematic basis, using selected and processed information, with a view to ensuring the adequacy of the internal control system, as well as mitigating negative events that may jeopardize the image or reputation of the Bank.

Dynamization of an educational activity related to the detection and communication of risk of fraud events for all the Bank's Employees.

3.8.

Financial resilience

3.8.1. Table of indicators

Net profit/(loss)	AOA **9.1** billion	**+ 160.3%** vs. Dec. 22
Return on equity (ROE)	**4.7%**	**+ 2.9 p.p.** vs. Dec. 22
Return on assets (ROA)	**0.5%**	**+ 0.3 p.p.** vs. Dec. 22
Solvency ratio	**18.4%**	**- 0.7 p.p.** vs. Dec. 22
Operating income	AOA **83.6** billion	**+ 30.7%** vs. Dec. 22
Operating costs	AOA **57.2** billion	**+ 2.9%** vs. Dec. 22
Operating costs on total assets	**2.7%**	**- 0.8 p.p.** vs. Dec. 22
Assets	AOA **2,087.7** billion	**+ 31.8%** vs. Dec. 22
Net credit	AOA **479.1** billion	**+ 5.6%** vs. Dec. 22
Credit at risk	**24.6%**	**+ 4.5 p.p.** vs. Dec. 22
Coverage of credit at risk	**114.6%**	**- 12.7 p.p.** vs. Dec. 22
Customer resources	AOA **1,849.0** billion	**+ 35.5%** vs. Dec. 22

3.8.2. Summary of activity performance

3.8.2.1. Framework

The year 2023 presented significant challenges for ATLANTICO, resulting from an economic context marked by accelerating inflation and the depreciation of the national currency against the US dollar, which recorded a variation of 64.5% during the year.

The cancellation of gasoline subsidies and the fall in the value of the national currency have amplified the sector's challenges in several areas, requiring the Bank to respond quickly and effectively with regard to risk management models and the management of Assets and Liabilities.

The financial results recorded in 2023 were in line with the projections and budget targets set by ATLANTICO for this financial year, with net profits higher than those for the same period in the previous year. There was also an increase in the efficiency and profitability indicators.

In 2023, the Bank focused above all on implementing the strategic agenda on the transformation of the Balance Sheet, in order to ensure a mix of assets with greater liquidity and resilience, and on implementing new business models, aiming to improve the efficiency of services and the Customer experience.

The materialization of the PHIT 2.4 Strategic Plan, focused on transforming the Balance Sheet and strengthening the business model, is a term transformational process that will take place over the medium term in which the priority is to build a robust and resilient Balance Sheet, as a response to a context of great volatility and prudential regulation, which are fundamental aspects for guaranteeing the ability to continue serving Customers with excellence and facing the challenges inherent in the macroeconomic context and the financial sector.

3.8.2.2. Net profit/(loss)

The Bank's net profit/(loss) for 2023 amounted to AOA 9,106,196 thousand, which translates into an increase of 160.3% compared to the same period last year, due to:

- Growth in the results of financial assets and liabilities at fair value through profit or loss of AOA 41,597,782 thousand, due to the appreciation of the fund's properties;
- Interest on securities grew by AOA 20,148,478 thousand, due to the increase in the portfolio of securities in national currency;
- Foreign exchange earnings grew by AOA 10,038,765 thousand, due to revaluation of assets and liabilities in foreign currency.

3.8.3. Changes in the financial statements

3.8.3.1 Changes in the balance sheet

Throughout 2023, ATLANTICO's balance sheet recorded a significant growth of 31.8% in its total assets, amounting to AOA 2,087,699,559 thousand. This evolution is attributable to the depreciation of the local currency and the increase in customer funds, which allowed the securities and investments portfolio at central banks and other credit institutions to grow.

AOA thousand

Balance sheet	Dec.-23	Dec.-22	Δ ABS	Δ %
Cash and deposits at central banks	356,926,890	214,230,500	142,696,390	66.6
Loans and advances to credit institutions repayable on demand	94,147,108	46,169,024	47,978,084	103.9
Financial assets at fair value through profit or loss	299,015,502	260,385,874	38,629,628	14.8
Financial assets at fair value through other comprehensive income	53,107,016	54,236,351	(1,129,335)	(2.1)
Debt securities	467,315,333	306,297,438	161,017,895	52.6
Loans and advances to customers (net)	479,108,472	453,601,310	25,507,162	5.6
Other loans and advances to credit institutions	81,193,455	30,547,298	50,646,157	165.8
Other property, plant and equipment	92,372,476	103,859,695	(11,487,219)	(11.1)
Intangible assets	10,658,318	13,022,100	(2,363,782)	(18.2)
Non-current assets held for sale	716,352	-	716,352	
Current tax assets	2,464,674	2,546,736	(82,062)	(3.2)
Deferred tax assets	3,657,438	3,750,143	(92,705)	(2.5)
Other assets	147,016,525	95,631,885	51,384,640	53.7
Total Assets	**2,087,699,559**	**1,584,278,354**	**503,421,205**	**31.8**
Liabilities and Equity				
Deposits from central banks and other credit institutions	1,323,068	7,321,923	(5,998,855)	(81.9)
Deposits from customers and other loans	1,849,007,508	1,364,668,411	484,339,097	35.5
Financial liabilities at fair value through profit or loss	-	2,030,008	(2,030,008)	0.0
Provisions	3,613,319	2,926,832	686,487	23.5
Deferred tax liabilities	7,230,139	152,875	7,077,264	4 629.4
Other liabilities	14,566,717	17,469,183	(2,902,466)	(16.6)
Total Liabilities	**1,875,740,751**	**1,394,569,232**	**481,171,519**	**34.5**
Share capital	142,324,747	142,324,747	-	0.0
Share premiums	70,707,406	70,707,406	-	0.0
Treasury shares	841,657	(841,657)	-	0.0
Other reserves and retained earnings	13,427,848	284,357	13,143,491	4 622.2
Revaluation reserves	22,765,732	(26,263,845)	3,498,113	(13.3)
Net profit/(loss) for the period	9,106,196	3,498,114	5,608,082	160.3
Total Equity	**211,958,808**	**189,709,122**	**22,249,686**	**11.7**
Total Liabilities and Equity	**2,087,699,559**	**1,584,278,354**	**503,421,205**	**31.8**

3.8.3.1.1. Assets

a) Cash and deposits at central banks

The caption "Cash and Deposits at central banks" stood at AOA 356,926,890 thousand, an increase of AOA 142,696,390 thousand compared to 2022. This increase is mainly due to the growth in foreign currency deposits at the central bank as a result of the exchange rate depreciation.

AOA thousand

Cash and deposits at the central bank	Dec. 23	Dec. 22	Δ ABS	Δ %
Cash				
National currency	17,167,938	22,866,722	(5,698,784)	(24.9)
Foreign currency	4,233,371	4,314,340	(80,969)	(1.9)
Total Cash	**21,401,309**	**27,181,062**	**(5,779,753)**	**(21.3)**
Deposits at Central Banks				
National currency	101,740,736	55,350,966	46,389,770	83.8
Foreign currency	233,784,845	131,698,471	102,086,374	77.5
Total demand deposits in BNA	**335,525,581**	**187,049,438**	**148,476,143**	**79.4**
Cash and deposits at BNA	**356,926,890**	**214,230,500**	**142,696,390**	**66.6**
National currency	118,908,674	78,217,689	40,690,985	52.0
Foreign currency translated to AOA	238,018,216	136,012,812	102,005,404	75.0
Foreign currency translated to USD	287,184	270,032	17,152	6.4

Isolating the exchange rate effect, there was an increase of USD 17,152 thousand in deposits in "Cash and Deposits at central banks".

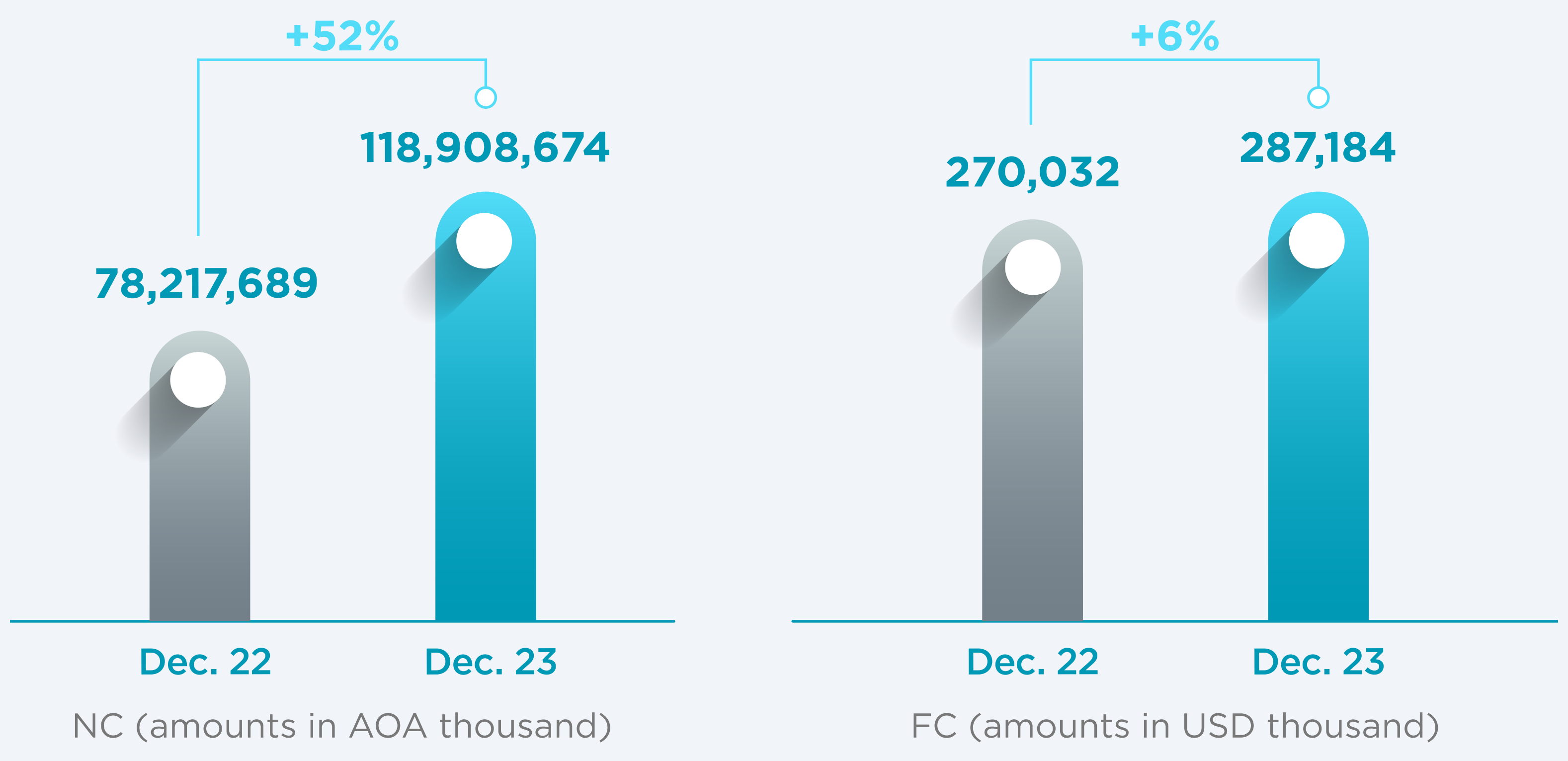
b) Debt securities

In December 2023, debt securities amounted to AOA 467,315,333 thousand, an increase of AOA 161,017,895 thousand (+ 52.6%) compared to December 2022. The evolution of the portfolio was influenced by the acquisition of new units of securities in national currency, within the framework of the defined budgetary strategy. Isolating the exchange rate effect on the foreign currency portfolio, as at December 31, 2023, the mix of currencies has changed, with the result that securities in national currency have grown in their overall representation.

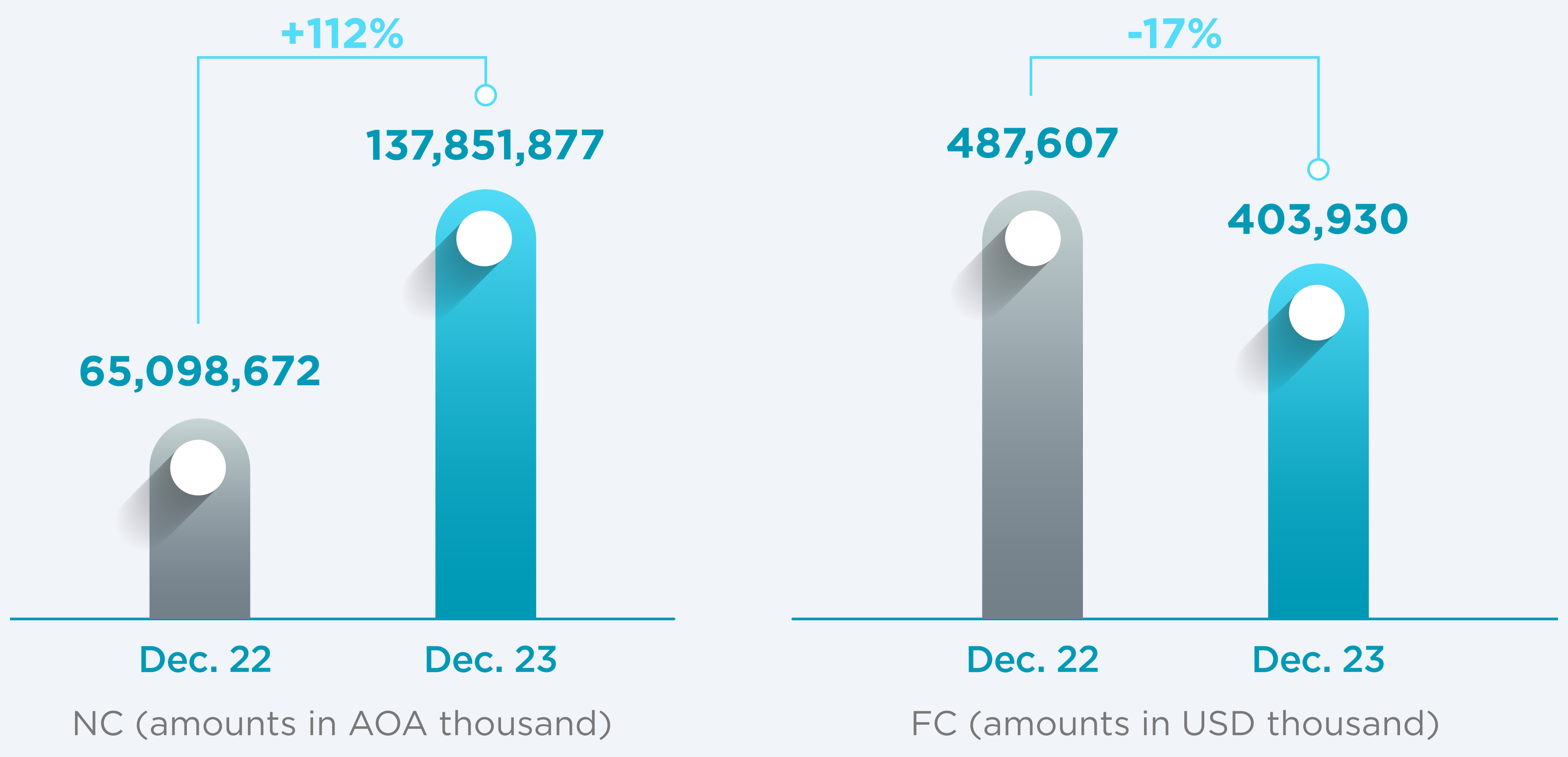
AOA thousand

Debt securities	Dec. 23	Dec. 22	Δ ABS	Δ %
National currency	137,851,877	65,098,672	72,753,205	111.8
Foreign currency	263,587,038	202,194,207	61,392,831	30.4
Indexed	71,139,180	43,409,044	27,730,136	63.9
Total Debt Securities (gross)	**472,578,095**	**310,701,923**	**161,876,172**	**52.1**
Impairment	(5,262,762)	(4,404,485)	(858,277)	19.5
Total Debt Securities	**467,315,333**	**306,297,438**	**161,017,895**	**52.6**

Cash and Deposits at the Central Bank



Debt securities



c) Loans and advances to customers

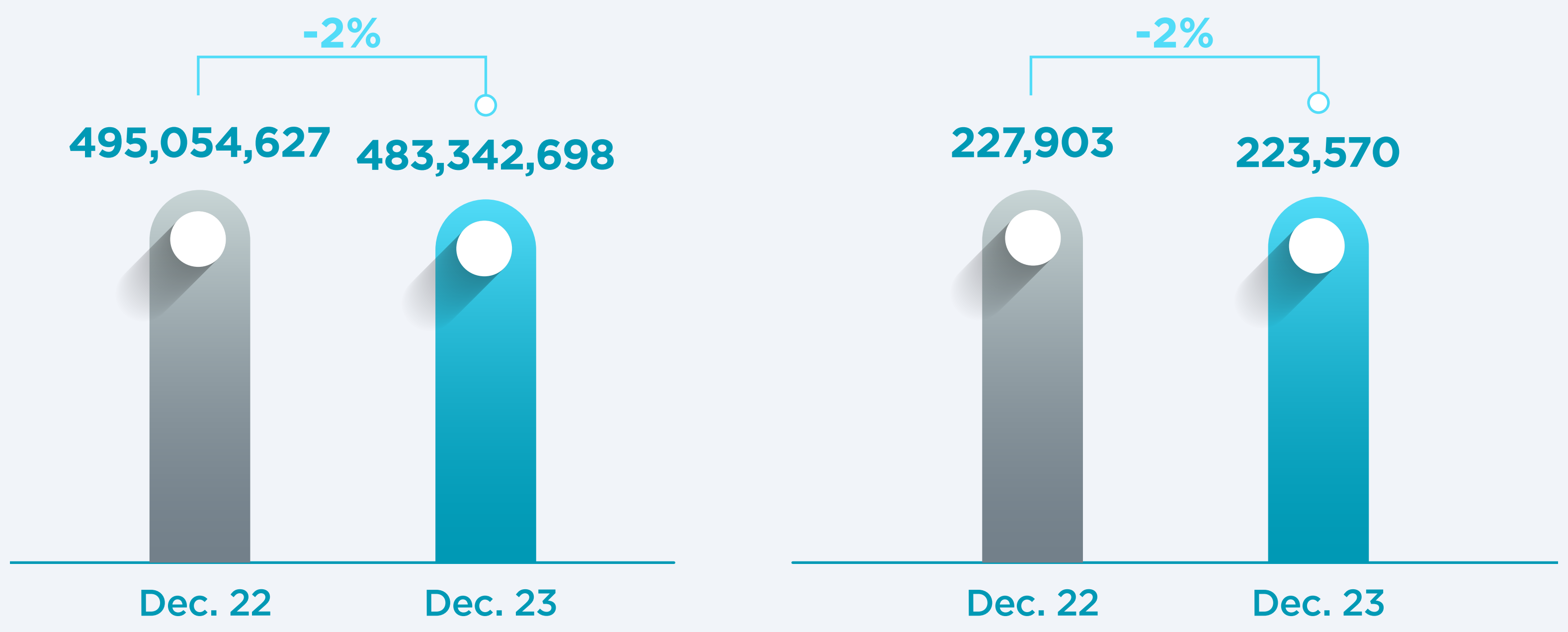
The loan portfolio stood at AOA 668,637,557 thousand (gross amount), representing an absolute increase of AOA 58,790,341 thousand compared to December 2022. This result was influenced by the exchange rate change.

AOA thousand

Loans and advances to customers (gross)	Dec. 23	Dec. 22	Δ ABS	Δ %
National currency	483,342,698	495,054,627	(11,711,929)	(2.4)
Foreign currency	166,166,832	103,644,864	62,521,968	60.3
Indexed	19,128,026	11,147,724	7,980,302	71.6
	668,637,557	**609,847,216**	**58,790,341**	**9.6**

The portfolio of loans granted in national currency fell by 2.4% compared to December 2022. This reduction is explained by the recovery of credits through payment in full and partial payments, highlighting the teams' commitment to recovering overdue loans, as well as the implementation of a credit policy more focused on developing operations in the individual segment, as well as institutional programmes to support housing and the productive sector, in line with the guidelines of the Banco Nacional de Angola and the Angolan Government.

Loans and advances to customers (gross)



NC (amounts in AOA thousand)

FC (amounts in USD thousand)

d) Other loans and advances to credit institutions

In 2023, ATLANTICO's liquidity investments amounted to around AOA 81,193,455 thousand. The increase in investments, of AOA 50,646,157 thousand, compared to the same period last year, is due to national currency and foreign currency as a result of the budgetary strategy defined.

AOA thousand

Other loans and advances to credit institutions	Dec. 23	Dec. 22	Δ ABS	Δ %
National currency	42,954,188	19,109,793	23,844,396	124.8
Foreign currency	38,239,267	11,437,506	26,801,761	234.3
	81,193,455	**30,547,298**	**50,646,157**	**165.8**

e) Property, plant and equipment

Property, plant and equipment fell by 11.1%, influenced by the sale of assets under construction, as a result of the strategic alignment to improve operational efficiency and the mix of more liquid assets.

Furthermore, on 31 December 2023, the Bank changed its accounting policy for valuing the asset class.

AOA thousand

Property, plant and equipment	Dec. 23	Dec. 22	Δ ABS	Δ %
Properties	77,653,932	63,714,689	13,939,243	21.9
Equipment	10,140,612	9,313,320	827,291	8.9
Right of use assets	4,303,992	4,635,158	(331,166)	(7.1)
Assets under construction	273,940	26,196,525	(25,922,585)	(99.0)
Other	-	3	(3)	(100.0)
	92,372,476	**103,859,695**	**(11,487,219)**	**(11.1)**

3.8.3.1.2. Liabilities

In 2023, ATLANTICO's liabilities amounted to AOA 1,875,740,751 thousand, representing an increase of AOA 481,171,519 thousand (+ 34.5%) compared to December 2022. The change is due to the impact of exchange rate depreciation on customer funds in foreign currency.

a) Deposits from customers and other loans

In 2023, the customer funds portfolio reached AOA 1,849,007,508 thousand, compared to AOA 1,364,668,411 thousand on December 31, 2022, corresponding to growth of AOA 484,339,097 thousand (+35.5%).

AOA thousand

Resources	Dec. 23	Dec. 22	Δ ABS	Δ %
National currency	1,032,757,970	818,012,816	214,745,154	26.3
Foreign currency	816,249,538	546,655,594	269,593,944	49.3
	1,849,007,508	**1,364,668,411**	**484,339,097**	**35.5**

The portfolio of deposits in national currency grew by 26.3% year on year, influenced by customer fundraising in the different business segments.

With regard to foreign currency, isolating the exchange rate effect, the portfolio showed a reduction in deposits influenced by institutional Customers with payment needs in foreign currency.

b) Deposits from central banks and other credit institutions

The total resources of central banks and other credit institutions fell by AOA 5,998,855 thousand to a total of AOA 1,323,068 thousand as at December 31, 2023.

3.8.3.2. Changes in the income statement

The Bank recorded a net profit/(loss) of AOA 9,106,196 thousand, which corresponds to an increase of 160.3% compared to December 2022, as a result of the growth in operating income and the control of expenses, despite the rise in impairment costs as a result of the portfolio's loss ratio and the exchange rate effect.

The Bank recorded a **net profit/(loss) of AOA 9,106,196 thousand**, which corresponds to an increase of 160.3% compared to December 2022

AOA thousand

Income statement	Dec. 23	Dec. 22	Δ ABS	Δ %
Interest and similar income	89,341,877	95,773,570	(6,431,693)	(6.7)
Interest and similar expenses	(73,014,331)	(63,319,084)	(9,695,247)	15.3
Net interest income	**16,327,546**	**32,454,486**	**(16,126,940)**	**(49.7)**
Fees and commissions income	28,272,728	27,291,483	981,245	3.6
Fees and commissions expense	(6,814,391)	(6,877,822)	63,431	(0.9)
Profit/(loss) from fees and commissions	**21,458,337**	**20,413,661**	**1,044,676**	**(5.1)**
Profit/(loss) from other financial assets and liabilities at fair value through profit or loss	38,504,385	(3,093,397)	41,597,782	(1 344.7)
Profit/(loss) from investments at amortized cost	417,836	134,431	283,405	210.8
Resultados cambiais	32,490,097	22,451,332	10,038,765	44.7
Profit/(loss) from foreign exchange differences	(16,002,681)	(883,728)	(15,118,953)	1 710.8
Profit/(loss) from the sale of other assets	(9,558,600)	(7,506,367)	(2,052,233)	27.3
Profit/(loss) from financial operations	**45,851,037**	**11,102,271**	**34,748,766**	**313.0**
Operating income	**83,636,920**	**63,970,418**	**19,666,502**	**30.7**
Staff costs	(28,495,834)	(26,994,278)	(1,501,556)	5.6
Supplies and services	(19,109,419)	(18,433,543)	(675,876)	3.7
Depreciation and amortization for the period	(9,580,382)	(10,139,056)	558,674	(5.5)
Provisions and impairment of other assets net of reversals	(7,744,577)	6,830,761	(14,575,338)	(213.4)
Impairment of other financial assets	(6,364)	3,838	(10,202)	(265.8)
Impairment for financial assets at amortized cost	(9,762,011)	(11,341,301)	1,579,290	(13.9)
Impairment of financial assets at fair value through other comprehensive income	260,568	(731,416)	991,984	(135.6)
Profit/(loss) before tax from continuing operations	**9,198,901**	**3,165,423**	**6,033,478**	**190.6**
Income tax	**92,705**	**332,691**	**425,396**	**127.9**
Deferred Tax	(92,705)	332,691	(425,396)	(127.9)
Profit/(loss) after tax from continuing operations	**9,106,196**	**3,498,114**	**5,608,082**	**160.3**
Individual net profit/(loss) for the year	**9,106,196**	**3,498,114**	**5,608,082**	**160.3**

a) Net interest income

Net interest income stood at AOA 16,327,546 thousand, representing a decrease of AOA 16,126,940 thousand, around 49.7% compared to the same period last year, as a result of a 6.7% reduction in interest and similar income and a 15.3% increase in Interest and Similar Expenses.

The reduction in average benchmark interest rates, as well as the worsening of stage 3 Customer defaults, had a strong impact on the decrease in net interest income, with the performance of interest on loans standing out with a decrease of 41.7% compared to the same period in the previous year.

The magnitude of the drop in interest on loans was not offset by the better performance or the upturn in Interest on debt securities, which represented growth of 79.7% compared to the same period last year.

With regard to Interest and Similar Expenses, the 15.3% increase is mainly explained by the increase in the term deposits portfolio.

AOA thousand

Net interest income	Dec. 23	Dec. 22	Δ ABS	Δ %
Interest on debt securities	45,425,708	25,277,230	20,148,478	79.7
Interest on loans and advances to customers	40,683,951	69,808,073	(29,124,122)	(41.7)
Interest on loans and advances to central banks and credit institutions	3,232,218	688,267	2,543,951	369.6
Interest and similar income	**89,341,877**	**95,773,570**	**(6,431,693)**	**(6.7)**
Term deposits	67,265,400	58,633,541	8,631,859	14.7
Funding	4,339,802	3,324,101	1,015,701	30.6
Lease	1,409,129	1,361,442	47,687	3.5
Interest and similar expenses	**73,014,331**	**63,319,084**	**9,695,247**	**15.3**
	16,327,546	**32,454,486**	**(16,126,940)**	**(49.7)**

b) Complementary margin

The complementary margin amounted to AOA 67,309,374 thousand, representing an increase of 113.6%, around AOA 35,793,442 thousand more than in the same period last year. This evolution is supported by the increase in foreign exchange results, as well as the capital gains on real estate transactions and the increase in net commissioning compared to the same period last year.

AOA thousand

Complementary margin	Dec. 23	Dec. 22	Δ ABS	Δ %
Profit/(Loss) from financial assets and liabilities at fair value through profit or loss	38,504,385	(3,093,397)	41,597,782	(1,344.7)
Profit/(Loss) arising from foreign exchange differences	32,490,097	22,451,332	10,038,765	44.7
Profit/(Loss) from Commissions	21,458,337	20,413,661	1,044,676	5.1
Profit/(Loss) from investments at amortised cost	417,836	134,431	283,405	210.8
Profit/(Loss) from the sale of other assets	(16,002,681)	(883,728)	(15,118,953)	1,710.8
Other operating income	**(9,558,600)**	**(7,506,367)**	**(2,052,233)**	**27.3**
	67,309,374	**31,515,932**	**35,793,442**	**113.6**

The complementary margin increased by 113.6%, compared to the same period last year, mainly supported by capital gains on real estate transactions and the increase in net commissioning

In 2023, net commission income grew by a moderate 5.1%, impacted by the strategy of transformation and diversification of revenue sources with a focus on means of payment. There was a slowdown in some lines of commissioning as a result of the economic and regulatory context, such as the trade finance business, financial advisory services, securities custody and account maintenance.

AOA thousand

Net commission	Dec.-23	Dec.-22	Δ	%
Fees and commissions income	**28,272,728**	**27,291,483**	**981,245**	**3.6**
Electronic transactions	11,710,781	10,354,908	1,355,873	13.1
Transfers	6,195,865	4,356,277	1,839,588	42.2
VISA	3,249,728	3,155,079	94,649	3.0
Guarantees provided	1,163,582	1,160,415	3,167	0.3
Credit	906,089	771,784	134,305	17.4
Maintenance of current account	680,863	1,277,112	(596,249)	(46.7)
Custody and market transactions	654,432	279,967	374,465	133.8
Withdrawing	229,431	455,316	(225,885)	(49.6)
Opening documentary credits	73,854	1,360,684	(1,286,830)	(94.6)
Foreign exchange transactions	3,437	45,927	(42,490)	(92.5)
Other commissions	3,404,666	4,074,014	(669,348)	(16.4)
Fees and commissions expenses	**(6,814,391)**	**(6,877,822)**	**63,431**	**(0.9)**
	21,458,337	**20,413,661**	**1,044,676**	**5.1%**

c) Operating costs

In terms of operating costs, there was an increase of 2.9% year-on-year, as a result of the challenges of inflation and currency depreciation. Optimizing costs and investments during this period was fundamental to the strategy of operational efficiency and sustainability, with a focus on prudent financial management. It is important to note that factors related to business growth and exchange rate fluctuations contributed to growth in other cost lines, as shown below.

AOA thousand

Operating costs	Dec.-23	Dec.-22	Δ	%
Wages and salaries	18,272,106	17,435,827	836,279	4.8
Mandatory social charges	3,619,978	3,474,336	145,642	4.2
Other staff costs	6,603,750	6,084,116	519,634	8.5
Staff costs	**28,495,834**	**26,994,278**	**1,501,556**	**5.6**
Communications and shipping	6,767,812	5,540,165	1,227,647	22.2
Audit and advisory	4,718,999	5,938,030	(1,219,031)	(20.6)
Maintenance and repair	2,014,731	1,139,814	874,917	76.8
Security and surveillance	1,870,960	1,898,996	(28,036)	(1.5)
Travel and representation	1,420,036	998,924	421,112	42.2
IT services	1,038,599	642,018	396,581	61.8
Advertising and publications	406,086	303,252	102,834	33.9
Water, energy and fuel	242,132	225,037	17,095	7.6
Consumables	237,526	1,460,867	(1,223,341)	(83.7)
Rents and leases	110,908	48,214	62,694	130.0
Other	281,630	238,228	43,402	(18.2)
Supplies and third-party services	**19,109,419**	**18,433,543**	**675,876**	**3.7**
Depreciation and amortisation for the period	**9,580,382**	**10,139,056**	**(558,674)**	**(5.5)**
Total operating costs	**57,185,635**	**55,566,877**	**1,618,758**	**2.9**

4

FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS

4.1.

Financial statements

Balance sheet

AOA thousand

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

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

Income statement

AOA thousand

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

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

Statement of comprehensive income

AOA thousand

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

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

Statement of changes in equity

AOA thousand

Individual statement of changes in equity for the periods ended December 31, 2023 and December 31, 2022	Share capital	Share premiums	Treasury shares	Revaluation reserves	Other reserves and retained earnings			Individual net profit/ (loss) for the period	Total Equity
					Legal reserve	Other reserves and retained earnings	Total		
Balance as at December 31, 2021	**142,324,747**	**70,707,406**	**(841,657)**	**56,645**	**19,845,525**	**(49,537,737)**	**(29,692,213)**	**3,428,368**	**185,983,296**
Appropriation of net profit for the period									
Transfer to legal reserve	-	-	-	-	342,837	-	342,837	(342,837)	-
Transfer to reserve and retained earnings	-	-	-	-	-	3,085,531	3,085,531	(3,085,531)	-
Changes in fair value, net of tax	-	-	-	227,712	-	-	-	-	227,712
Individual net profit/(loss) for the period	-	-	-	-	-	-	-	3,498,114	3,498,114
Balance as at December 31, 2022	**142,324,747**	**70,707,406**	**(841,657)**	**284,357**	**20,188,362**	**(46,452,206)**	**(26,263,845)**	**3,498,114**	**189,709,122**
Appropriation of net profit for the period									
Transfer to legal reserve	-	-	-	-	349,811	-	349,811	(349,811)	-
Transfer to reserve and retained earnings	-	-	-	-	-	3,148,303	3,148,302	(3,148,303)	-
Changes in fair value, net of tax	-	-	-	13,143,491	-	-	-	-	13,143,491
Individual net profit/(loss) for the period	-	-	-	-	-	-	-	9,106,196	9,106,196
Balance as at December 31, 2023	**142,324,747**	**70,707,406**	**(841,657)**	**13,427,848**	**20,538,173**	**(43,303,903)**	**(22,765,732)**	**9,106,196**	**211,958,808**

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

Cash flow statement

AOA thousand

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

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

4.2.

Notes to the financial statements

CONTENTS

Note 1 – Introduction

Banco Millennium Atlântico, S.A., which also uses the brand ATLANTICO (hereinafter referred to as "Bank" or "ATLANTICO"), was incorporated by Public Deed on August 31, 2006. Through communication of Banco Nacional de Angola (hereinafter also referred to as "BNA") dated November 6, 2006, ATLANTICO was authorized and definitively registered as ATLANTICO, and started its business activity on November 17, 2006. ATLANTICO operates and has its head office in Angola, at Rua do Centro de Convenções de Talatona, Via S8, GU05B, Edifício ATLANTICO, Bloco 7/8, Bairro Talatona, Distrito Urbano da Samba, Luanda.

The Bank is dedicated to obtaining resources from third parties in the form of deposits or other, which applies, together with its own resources, in the granting of loans, in deposits at BNA, in investments in credit institutions, in the acquisition of securities and other assets, for which it is duly authorized. The Bank also provides other bank services and carries out various types of transactions in foreign currency, for which, as at June 30, 2023, it had a network of 95 bank branches.

Regarding the shareholder structure, as detailed in Note 20, the Bank is owned mainly by private Angolan shareholders.

In May 2016, the former Banco Privado Atlântico entered into a merger by incorporation with Banco Millennium Angola, S.A. creating Banco Millennium Atlântico, S.A. For accounting purposes, the merger produces effects on January 1, 2016.

Note 2 – Accounting policies

2.1. Basis of presentation

In accordance with the provisions of Notice 05/2019 of August 30, from Banco Nacional de Angola, the individual financial statements of Banco Millennium Atlântico, S.A., are prepared on a going concern basis and in accordance with the International Financial Reporting Standards (IAS/IFRS). IAS/IFRS include accounting standards issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) and their predecessor bodies.

The financial statements are expressed in thousands of kwanzas (thousands of AOA) rounded to the nearest thousand. These were prepared in accordance with the historical cost principle, except for assets and liabilities recorded at fair value, namely financial assets at fair value through profit or loss (Note 6) and financial assets at fair value through other comprehensive income (Note 7).

The preparation of financial statements in accordance with IAS/IFRS requires the Bank to make judgments and estimates and to use assumptions that affect the application of accounting policies and the amounts of income, expenses, assets, and liabilities. Changes in such assumptions or differences between them and reality may have an impact on current estimates and judgments. Areas that involve a higher level of judgment or complexity, or where assumptions and significant estimates are used in the preparation of the financial statements are described in Note 3.

The financial statements for the period ended December 31, 2023, were approved at the Board of Directors meeting held on March 15, 2024, and it is the Board of Directors' belief that they will be approved at the General Meeting of Shareholders without material changes.

The individual financial statements of Banco Millennium Atlântico, S.A., presented herein relate to the periods ended December 31, 2023 and 2022. In accordance with the legislation in force, the Bank prepares and presents the consolidated financial statements separately.

2.2. Comparability of the information

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

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

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

2.3. Transactions in foreign currency

Transactions in foreign currency are translated into the functional currency (Kwanza) at the exchange rate published on the date of the transaction.

Monetary assets and liabilities expressed in foreign currency are converted into the functional currency at the exchange rate published by the BNA at the balance sheet date. Foreign exchange differences arising on translation are recognized in the income statement under Net gains/(losses) arising from foreign exchange differences (Note 26).

Non-monetary assets and liabilities expressed in foreign currency and recorded at historical cost are converted to the functional currency at the exchange rate published on the date of the transaction. Non-monetary assets and liabilities recorded at fair value are translated into the functional currency at the exchange rate published on the date the fair value is determined and recognized against the income statement, except for those recognized in financial assets at fair value though other comprehensive income, whose difference is recorded against equity.

The reference exchange rates of the Kwanza (AOA) against United States Dollar (USD) and Euro (EUR) were as follows:

Exchange rate	12-31-2023	12-31-2022
AOA/USD	828.800	503.691
AOA/EUR	915.990	537.438

2.4. Loans and advances to customers and account receivables

Loans and advances to customers and account receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market and are not intended to be sold in the short term.

These categories include loans and advances to customers, cash and cash equivalents, other loans and advances to central banks and credit institutions and other receivables that are not traded in an active market. These are recorded by the contracted amounts, when originated by the Bank, or by amounts paid, when purchased from other entities.

Loans and advances to customers and account receivables are initially accounted for at fair value plus transaction costs and are subsequently measured at amortized cost using the effective interest rate method and are presented in the balance sheet net of impairment losses. Interest calculated at the effective interest rate is recognized in net interest income.

Loans and advances to customers and account receivables are derecognized from the balance sheet when (i) the contractual rights of the Bank to their respective cash flows have expired, (ii) the Bank transferred substantially all associated risks and rewards of ownership, or (iii) notwithstanding the fact that the Bank may have retained part, but not substantially all the associated risks and rewards of ownership, control over the assets was transferred.

2.5. Financial instruments

Classification, initial recognition and subsequent measurement

In accordance with IFRS 9 – Financial instruments (IFRS 9), financial assets can be classified into three categories with different measurement criteria:

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through profit or loss; and
- Financial assets measured at fair value through other comprehensive income.

The classification of assets depends on the characteristics of the contractual cash flows and the business model related to them.

With regards to the characteristics of contractual cash flows, the criterion is to assess whether these reflect solely payments of principal and interest (SPPI).

Business model

The standard identifies two relevant business models for the Bank's activity:

- Business model whose purpose is to hold the asset to collect its contractual cash flows (Hold to collect); and,
- Business model whose purpose is both to collect contractual cash flows and to sell the financial assets (Hold to collect and sell).
  - A debt financial instrument that (i) is managed under a business model whose purpose is to held financial assets in the portfolio and receive all of its contractual cash flows and (ii) has contractual cash flows on specific dates corresponding to solely payments of principal and interest on the outstanding principal – should be measured at amortized cost, unless it is designated at fair value through profit or loss under the fair value option – Hold to collect.
  - A debt financial instrument that (i) is managed under a business model whose purpose is both to collect its contractual cash flows and the sale of financial assets and (ii) contains contractual clauses that give rise to cash flows corresponding to solely payments of principal and interest on the outstanding capital – should be measured at fair value through other comprehensive income (FVOCI), unless it is designated at fair value through profit or loss under the fair value option – Hold to collect and sale.
  - All other financial instruments should be measured at fair value through profit or loss (FVTPL).

The Bank assessed its business models based on a wide set of indicators, including its business plan and current risk management policies.

The Bank assessed the business model in which the financial instrument is held, at a portfolio level, as this approach reflects the best way in which assets are managed and how the information is made available to management bodies. The information considered in this assessment includes:

- Policies and goals established for the portfolio and the practical operability of these policies. In particular, how the management strategy focuses on receiving contractual interest, keeping a certain interest rate profile, adjusting the lifetime of financial assets to the lifetime of liabilities that sponsor these assets or generating cash flows through the sale of the assets;
- How the portfolio's performance is assessed and reported to the Bank's management bodies;
- Assessing the risks that affect the performance of the business model (and of the financial assets held under this business model) and how these risks are managed;
- The remuneration of business managers (e.g., the extent to which the compensation depends on the fair value of assets under management or contractual cash flows received); and
- Frequency, volume, and periodicity of sales in previous periods, the reasons for such sales and the expectations about future sales. However, sales information should not be considered separately, but as part of an overall assessment of how the Bank sets goals for managing financial assets and how cash flows are obtained.

Other business models

This model includes all portfolios managed in ways other than Hold to collect or Hold to collect and sale and includes particularly portfolios that:

- Are managed with the objective of generating cash flows through sale;
- Are managed, and whose performance is evaluated, on a fair value basis; or
- Meet the definition of held for negotiation.

The performance of financial assets that fall within these models is assessed on a fair value basis and are measured at fair value through profit or loss as they are neither held to collect contractual cash flows nor held to sell such financial assets.

Assess if contractual cash flows correspond solely to payments of principal and interest (SPPI)

For the purpose of this assessment, "principal" is defined as the fair value of the financial asset at initial recognition. "Interest" is defined as the compensation for the time value of money, the credit risk associated with the outstanding amount over a given period and for other risks and costs associated to the activity (e.g., liquidity risk and administrative costs), as well as a mark-up rate.

In the assessment of financial instruments in which contractual cash flows relate exclusively to the payments of principal and interest, the Bank considered the original contractual terms of the instrument. This assessment included the analysis of existing situations in which the contractual terms can change the periodicity and the amount of cash flows which fail to comply with the SPPI condition. In the assessment process, the Bank considered:

- Contingent events that may change the periodicity and amount of cash flows;
- Leverage characteristics;
- Prepayment and maturity extension terms;
- Provisions that may restrict the Bank's right to claim cash flows relating to specific assets (e.g., non-recourse loans); and
- Characteristics that may change time-value compensation of money (e.g., periodic resetting of interest rates).

As previously mentioned, the Hold to collect business model establishes quantitative thresholds based on past experience in order to evaluate the frequency and materiality of sales. The threshold for frequency is defined according to the number of transactions in a given period. The threshold for materiality is defined according to the weight of the book value of the asset to be disposed over the total portfolio.

The standard provides that sales may occur without it being necessary to change the business model, as long as the thresholds defined by the Bank of frequent and significant sales, close to maturity or due to deterioration of credit risk are not exceeded.

With regards to the other financial instruments, namely equity and derivative instruments, these are by definition classified at fair value through profit or loss. For equity instruments, there is an irrevocable option to designate that all changes in fair value are recognized in other comprehensive income, in which case only dividends are recognized in profit or loss provided that they do not clearly represent a recovery of part of the investment cost as gains and losses are not reclassified to profit or loss even on derecognition/sale.

Reclassification

Financial assets are not reclassified after their initial recognition, except for the period after the Bank changes its business model to the management of financial assets. Financial assets are reclassified to other categories only if the business model used in their management changes. In such case, all affected financial assets are reclassified. The reclassification is applied prospectively from the date of reclassification, and no gains, losses (including impairment losses) or previously recognized interest are restated. Financial assets, at the date of their reclassification, are measured at fair value.

Reclassification of investments in equity instruments measured at fair value through other comprehensive income or financial instruments designated at fair value through profit or loss is not permitted.

Reclassification of financial liabilities are not permitted.

Derecognition

I. The Bank derecognizes a financial asset when, and only when:

- The contractual rights to the cash flows from the financial asset expire; or
- It transfers the financial asset as set out in ii and iii and the transfer qualifies for derecognition in accordance with iv.

II. The Bank transfers a financial asset if, and only if, one of the following situations occurs:

- It transfers the contractual rights to receive the cash flows of the financial asset; or
- Retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets the conditions in iii.

III. When the Bank retains the contractual rights to receive the cash flows of a financial asset (the original asset), but assumes a contractual obligation to pay those cash flows to one or more entities (the eventual recipients), the Bank treats the transaction as a transfer of a financial asset if, and only if, all the following three conditions are met:

- The Bank has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset. Short-term advances by the entity with the right of full recovery of the amount lent plus accrued interest at market rates do not violate this condition;
- The Bank is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows; and
- The Bank has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, it is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

IV. When the Bank transfers a financial asset (see ii. above), it shall evaluate the extent to which it retains the risks and rewards of ownership of the financial asset. In this case:

- If the Bank transfers substantially all the risks and rewards of ownership of the financial asset, it shall derecognize the financial asset and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer;

- If the Bank retains substantially all the risks and rewards of ownership of the financial asset, it shall continue to recognize the financial asset; or

- If the Bank neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it shall determine whether it has retained control of the financial asset. In this case:

  a) If the Bank has not retained control, it shall derecognize the financial asset and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer; and

  b) If the Bank has retained control, it shall continue to recognize the financial asset to the extent of its continuing involvement in the financial asset.

V. The transfer of risks and rewards is evaluated by comparing the Bank's exposure, before and after the transfer, with the variability in the amounts and timing of the net cash flows of the transferred asset.

VI. Whether the Bank has retained control (see iv. above) of the transferred asset depends on the transferee's ability to sell the asset. If the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer, the entity has not retained control. In all other cases, the entity has retained control.

Assets pledged as collateral by the Bank through repurchase agreements and other transactions are not derecognized because the Bank holds substantially all the risks and rewards based on the pre-specified repurchase price and therefore the derecognition criteria are not met.

Financial liabilities are derecognized when the underlying obligation is discharged or cancelled or expires.

Modification of loans

In some circumstances, the Bank renegotiates or modifies the contractual cash flows of loans and advances to customers. In such cases, the Bank assesses whether the new terms of the contract are substantially different from the original terms. The Bank performs this analysis considering, among others, the following factors:

- Whether the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to an amount the borrower is expected to be able to pay;

- Whether any significant new terms have been introduced, such as profit-sharing or equity-based returns, that substantially affect the risk profile of the loan;

- Significant extension of the loan term when the borrower is not in financial difficulty;

- Significant change in the interest rate;

- Change in the currency in which the loan was contracted; and

- Inclusion of collateral, securities or other credit enhancement which significantly affects the credit risk associated with the loan.

If the terms of the contract are substantially different, the Bank derecognizes the original financial asset and recognizes a new asset at fair value and calculates its new effective interest rate. The date of renegotiation is considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Bank also assesses whether the new recognized financial asset is impaired at initial recognition, especially where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are recognized in profit or loss, as a derecognition gain or loss.

If the terms of the contract are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognizes a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or adjusted effective interest rate for impaired, originated or acquired financial assets).

After the modification, the Bank may determine that the credit risk has improved significantly and that the assets have moved from Stage 3 to Stage 2 (lifetime ECL) or from Stage 2 to Stage 1 (12-month ECL). This situation can only occur when the performance of the modified asset is in line with the new terms of the agreement during a period of twelve consecutive months. Additionally, the Bank continues to monitor whether there has been a significant increase in credit risk on these assets, applying specific models for modified assets.

Impaired financial assets

A financial asset is impaired when one or more events that have a negative impact on the estimated future cash flows of the financial asset have occurred. Financial assets impaired are referred to as Stage 3 assets. The Bank has adopted the internal definition of non-performing loans as a criterion for identifying credits under Stage 3. The internal definition of non-performing loans is governed by objective and subjective criteria and is used for the Bank's credit risk management.

Purchased or originated credit impaired (POCI)

Purchased or originated credit-impaired financial assets (POCI) are treated differently as these are "impaired". For these assets, the Bank, upon its initial recognition under Stage 3, records the asset at the net amount of the expected loss.

In subsequent measurement, an ECL with a lifetime PD is always calculated and its changes are recorded in the income statement. The associated interest is calculated by applying the effective interest rate to the net book value of the asset.

Asset write-off policy

The Bank recognizes a loan written off from assets when it has no reasonable expectations of recovering the full amount. This recording occurs after all actions undertaken by the Bank have proved unsuccessful.

Loans written off from assets must be subject to periodic reconciliation to control the amount included in off-balance sheet accounts, where, in accordance with legal requirements, they must remain recorded for a minimum of 10 years and as long as all collection procedures have not been exhausted.

Guarantees provided and irrevocable commitments

Liabilities for guarantees and irrevocable commitments are recorded under off-balance-sheet items at their fair value, with interest, commissions or other income being recorded in the income statement over their maturity period.

Performance guarantees are initially recognized at fair value, which is usually evidenced by the amount of commissions received over the contract period. Upon the breach of contract, the Bank has the right to revert the guarantee, and the amounts are recognized in Loans and advances to customers after the loss compensation is transferred to the collateral taker.

Financial assets measured at amortized cost

The Bank measures a financial asset at amortized cost if it meets, simultaneously, the following requirements and is not recorded at FVTPL (use of the Fair Value Option):

- The financial asset is held in a business model whose main purpose is to hold the asset to collect its contractual cash flows (HTC – Hold to collect); and
- Its contractual cash flows occur on specific dates and correspond solely to payments of principal and interest on the principal amount outstanding (SPPI – Solely Payments of Principal and Interest).

These instruments are initially recorded at fair value and subsequently valued at amortized cost, based on the effective interest rate method and are subject to impairment tests.

Included in this category are debt securities, loans and advances to customers and other loans and advances to central banks and credit institutions and other receivables.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity and debt instruments that are recorded at fair value at the time of their initial recognition. Gains and losses on subsequent changes in fair value are recorded in equity until they are sold, where they are reclassified to profit or loss for the period, except for equity instruments which are reclassified to retained earnings.

Interest is calculated using the effective interest rate method and recorded in the income statement under Interest and similar income.

Income from variable-income securities is recognized in the income statement under Income from equity instruments at the date these are allocated. According to this criteria, prepaid dividends are recorded as income for the period in which its distribution is approved.

Financial assets and liabilities at fair value through profit or loss

All financial assets that are not measured in accordance with the methods described above are measured at fair value through profit or loss. In addition, at initial recognition, the Bank may irrevocably classify a financial asset, which otherwise meets the requirements to be measured at amortized cost or at fair value through other comprehensive income and at fair value through profit or loss, if the classification significantly eliminates the accounting mismatch that would otherwise exist (Fair Value Option).

Debt instruments whose contractual cash flow characteristics do not comply with the SPPI criteria, and that would otherwise be measured at amortized cost or at fair value through other comprehensive income, shall be measured at fair value through profit or loss.

Financial assets and liabilities at fair value through profit or loss and other financial assets at fair value through profit or loss are initially recognized at fair value. Gains and losses arising from the subsequent changes in fair value are recognized in the income statement.

The Bank uses the fair value hierarchy, with three levels in the valuation of financial instruments (assets or liabilities), which reflects the level of judgment, the observability of the data used and the importance of the parameters applied in determining the fair value of the instrument, in accordance with the provisions of IFRS 13 – Fair value measurement (Note 38).

Gains and losses generated by the subsequent valuation are recorded in the income statement, under Gains/ (losses) arising from financial assets and liabilities measured at fair value through profit or loss. Interest is reflected under the caption Interest and similar income.

Financial assets at fair value through profit or loss include variable-income securities acquired with the aim of generating gains from short-term fluctuations in market prices. Trading derivatives with net value receivable (positive fair value) and options purchased are included in "Financial assets at fair value through profit or loss". Trading derivatives with a net value payable (negative fair value) and options sold are included in "Financial liabilities at fair value through profit or loss".

Shares

The Bank classifies under "Financial assets and liabilities at fair value through profit or loss" the shares held in collective investment undertakings (Investment Funds) managed by management companies of collective investment undertakings (Management Company) certified by the Capital Market Commission (CMC), when applicable.

i. Classification and measurement

When an entity prepares separate financial statements, it shall account for investments in subsidiaries, joint ventures, and associates either:

a) At cost;
b) At fair value, in accordance with IFRS 9, where applicable; or
c) Using the equity method as described in IAS 28 – Investments in associates and joint ventures.

The Bank has elected the second option and has applied the same accounting method consistently to all investments in the same category.

On acquisition, the Bank records these assets at their purchase price, determined by the Management Company, based on accepted financial techniques for determining the fair value of the assets in portfolio, in accordance with the type of investment fund.

ii. Subsequent measurement

The Bank determines the fair value of the shares by multiplying the number of shares held in each Fund by the share price/quotation and the closing price/quotation is updated and made available on a daily and monthly basis by the Management Company.

In order to assess and validate the fair value, the Bank uses valuation techniques that consider the specificity and type of each Investment Fund (Property, Real Estate, Venture Capital or other), namely:

- Analysis of the accounting policies and valuation models (determining the fair value) of the investment portfolios held by these investment funds;

- Analysis of the opinions issued by independent auditors on the financial statements of investment funds, checking relevant matters with a potential impact on the price of shares; and

- Analysis of the suitability of the criteria and methodologies used by the Management Company to value the investment portfolio in accordance with the market's regulatory requirements.

The gains and losses arising from changes in the market value or fair value of shares are recorded in the income statement under "Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss" (Note 24).

Other credit-risk assets

The impairment of assets that relate to advances, promissory contracts of purchase and sale and other amounts due is determined based on a similar methodology to that used for Loans and advances to customers. The impairment established for these assets is determined by the credit risk of the counterparty resulting from its financial capacity, the exposure at risk and the contractual features binding the balances, including the term in which they are expected to be received and the applicability of interest rate during the collection period.

When the same borrower has balances simultaneously under loan agreements and under this type of asset, impairment is calculated considering the total exposure, both on an individual or collective basis.

Notwithstanding the discount applicable to those assets through calculation of the current contract value, the balances related to real estate promissory contracts follow a specific impairment calculation methodology based on the following elements:

- Contract seniority;

- Date of the last payment; and

- Percentage of the contract value paid,

Resulting in a maximum 25% impairment rate on the contract value after discounting the adjustment of the present value and the valuation value of the real estate asset underlying the contract after haircuts (the haircuts defined for non-current assets held for sale, in Directive No. 13/DSB/DRO/2019, are applied).

If the rate resulting from this determination process is lower than the impairment rate determined in the loan agreements (should this exposure be applicable to the borrower) the impairment rate of the loan is applied.

Recognition of promissory contracts of purchase and sale (CPCV)

I. Recognition of promissory contracts of purchase and sale

For the recognition of real estate CPCV, the Bank has defined and consistently applies an accounting policy in line with the relevant regulatory and legal framework, based on the following principles:

- CPCV comply with the requirements for recognition of contracts with borrowers; and

- The transfer of control of the property to the promissory purchaser is fulfilled upon completion of the CPCV, which establishes the immediate taking of ownership of the asset by the promissory purchaser, transferring to him/her all the risks and rewards inherent to the asset.

Accordingly, the property is derecognized for recognition of the related contract with the borrower – account receivable – and corresponding capital gains resulting from the sale of the property, when applicable (Note 27).

The capital gains are calculated as the difference between the historical cost and the sale value agreed upon the conclusion of the CPCV.

Considering the principles established by the accounting policy, the Bank only recognizes the value of the contract after the requirements previously mentioned have been fulfilled, therefore recording the gains in accordance with IFRS 15 – Revenue from contracts with customers (IFRS 15).

II. Impairment losses on CPCV

In accordance with the real estate assets profitability policy approved by the Group, it is not expected that in the moment subsequent to a CPCV cancellation event the underlying asset would remain on the Group's balance sheet as a non-current asset held for sale. However, the policy conservatively assumes that this will occur for the purposes of defining the applicable haircut, using that defined by BNA Nacional de Angola to determine what would be a maximum loss associated with a failure to perform the contract in accordance with its terms.

Sale transactions with repurchase agreement

Securities sold under repurchase agreements are held in the portfolio where they were originally recorded. The funds received are recorded as liabilities. The difference between the contracted repurchase value and the respective initial sale value is recognized on a straight-line basis in profit or loss over the life of the operation.

Impairment losses

IFRS 9 determines that the concept of impairment based on expected losses is applied to all financial assets other than financial assets measured at fair value through profit or loss and equity instruments measured at fair value through other comprehensive income. Thus, when determining the ECL, macroeconomic factors are considered, whose changes impact the expected losses.

The Bank applies the concept of expected credit losses of IFRS 9 to financial assets at amortized cost, debt instruments measured at fair value through other comprehensive income, off-balance sheet exposures, finance leases, other account receivables, financial guarantees and loan commitments not recorded at fair value.

There are two methods for calculating impairment losses:

I. Individual analysis; and
II. Collective analysis.

The Bank measures the expected loss on an individual or collective basis for portfolios of financial instruments that share similar risk characteristics. The measurement of impairment losses is based on the present value of the expected cash flows of the asset using the asset's original effective interest rate, whether measured individually or collectively.

The objective of individual analysis is to ensure a more careful analysis of the status of customers with exposures considered individually significant in the Bank. The materiality of the exposures is determined by reference to qualitative and quantitative criteria reflecting the size, complexity and risk associated with the portfolio.

The assessment of impairment losses on an individual basis is determined through an analysis of the total credit exposure on a case-by-case basis. For each loan considered individually significant, the Bank assesses, at each balance sheet date, whether there is objective evidence of impairment.

The analysis of each customer/economic group, as well as the existence of impairment losses, should consider, among others, the following factors:

- Contractual aspects, by assessing potential non-compliance with contractual terms, or the existence of loans restructured due to customers' financial difficulties;
- Financial aspects, by assessing the potential reduction in gross revenues, or net income;
- The evaluation of guarantees received, including their nature, effective formalization, valuation, and degree of coverage; and
- Other aspects, by assessing potential instability in the management/shareholder structure, or the existence of insolvency proceedings.

In order to identify individually significant exposures, the Bank defined the amount of the institution's own funds as the benchmark for the identification of significant exposures. The criteria defined by the Bank for identifying individually significant customers or economic groups comply with the following assumptions:

- Customers/economic groups for which there is evidence of a significant increase in credit risk or objective evidence of impairment: 0.5% of the amount of the institution's own funds; and
- Customers/economic groups for which there is no evidence of a significant increase in credit risk or objective evidence of impairment: 2% of the amount of the institution's own funds.

The materiality criteria adopted by the Bank ensure that portfolio coverage by individual analysis is above 78% of the value of credit exposure recorded in the Bank's assets, for a group of approximately 76 different customers.

The adoption of the materiality criteria recommended in BNA Instruction 08/2019, of August 27, on Impairment losses for the loan portfolio (Instruction 08/2019), would define the need for individual analysis for an additional set of approximately 96 customers obtaining an increase in coverage of less than 14 p.p. ATLANTICO considered that the operational effort involved in the analysis of these customers is disproportionate to the estimated additional impact on the quality of the impairment calculation process and the calculated impairment amount.

The global exposure amount of each customer/economic group does not consider the application of translation factors for off-balance sheet exposures.

For the remaining segments of the loan portfolio, and for the individually significant exposures that do not show signs of impairment, the Bank carries out a collective analysis to determine impairment losses.

The ECL determination to be applied depends on the allocation of the contract to one of three stages. At the time of initial recognition, each contract is allocated to Stage 1 (except for Purchased or originated credit-impaired contracts: Purchased or Originated Credit-Impaired – POCI).

For each of the subsequent reporting dates, it is necessary to perform an analysis to the variation in the default risk from that date to the expected maturity of the contract.

The expected loss for credit risk is an estimate weighted by the probability of the present value of the credit losses. This estimate results from the present value of the difference between the cash flows due to the Bank under the contract and the cash flows that the Bank expects to receive arising from the weighting of several future macroeconomic scenarios discounted at the interest rate of the financial instruments.

Instruments subject to impairment calculation are divided into three stages considering their credit risk level, as follows:

- Stage 1: instruments for which there is no significant increase in credit risk since its initial recognition. In this case, impairment losses will correspond to expected credit losses resulting from default events that may occur within 12 months after the reporting date;

- Stage 2: instruments for which there is a significant increase in credit risk since its initial recognition, however no objective evidence of impairment exists. In this case, the amount of impairment will reflect expected credit losses over the expected residual life of the instrument; and

- Stage 3: instruments for which there is objective evidence of impairment losses as a result of events that resulted in losses. In this case, the amount of impairment will reflect expected credit losses over the expected residual life of the instrument.

Except for purchased or originated with credit-impaired financial assets (POCI), impairment losses must be estimated in accordance with the following criteria and by an amount equal to:

- Expected loss on a 12-month credit risk, *i.e.* estimated total loss resulting from events of default of the financial instrument that may occur within 12 months after the reporting date (referred to as Stage 1); or

- Expected loss for credit risk to maturity, *i.e.*, expected loss that is obtained through the difference between the contractual cash flows and the cash flows the entity expects to receive by the maturity of the contract, resulting from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3). A provision for an expected credit loss to maturity is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition or if the financial instrument is impaired.

IFRS 9 does not define a concept of default. However, the Bank has chosen to update its internal default definition by introducing a set of criteria to reflect a more forward-looking model for the recognition of expected losses on financial assets. For an operation to be classified in default, it is only necessary that one of the criteria is met. A given transaction/customer will cease to be flagged as default if it no longer meets the relevant entry criteria and upon completion of the relevant quarantine period, which varies in accordance with the criteria for flagging the transaction as being at risk of default:

- Transactions overdue for more than 90 days – 12 months (if the materiality criterion is not checked, there is no quarantine period);

- Transactions restructured due to financial difficulties that do not fall within Stage 3 criteria – 24 months (if the transaction has not been delayed by more than 30 days and, the capital exposure after 24 months from the origination date is less than 80% of the initial exposure; otherwise, a further 24-month quarantine is applied); and

- Principal and/or interest written off from assets – 12 months.

Impairment requirements of IFRS 9 are complex and require Management decisions, estimates and assumptions, particularly in the following areas:

- Assessment of whether there has been a significant increase in credit risk since initial recognition; and

- Incorporation of forward-looking information in the ECL calculation.

ECL Calculation

ECL is weighted estimates of credit losses that will be determined as follows:

- Financial assets with no signs of impairment at the reporting date: the present value of the difference of all cash shortfalls (*i.e.*, the difference between the cash flows due to the Bank under the contract and the cash flows the Bank expects to receive);

- Financial assets with impairment signs at the reporting date: the difference between the gross book value and the present value of the estimated cash flows; and

- Guarantees provided and not drawn loan commitments: the present value of the difference between the resulting contractual cash flows that are due to the Bank if the commitment is fulfilled and the cash flows that the Bank expects to receive.

The concept supporting the Bank's approach for the determination of impairment losses on loans subject to collective analysis is the definition of homogeneous segments that consider the quality of its assets and the characteristics of credit/customer risk. The Bank's impairment model considers firstly, non-significant customers or, individually significant customers classified in Stage 1 (after individual analysis), which are included in homogeneous segments with similar credit risk, considering the Bank's management model, and subject to the determination of impairment on a collective basis.

For the purpose of determining impairment losses for loans assessed on a collective basis, as mentioned above, and in accordance with the regulatory requirements set out in paragraph 11 of Instruction No. 08/2019, exposures must be grouped by homogeneous groups considering the quality of their assets/credit risk characteristics. The Bank's impairment model divides corporate customers by sector of economic activity and private customers by credit product.

Accordingly, the Bank ensures that for the purposes of analysing these exposures and determining the risk parameters (PD and LGD), these have similar risk characteristics. Each segment is set up based on assumptions of statistical materiality (in order to estimate its risk profile) and relevance or adequacy to the various processes related to the Bank's credit risk management.

Based on the segmentation defined, the risk parameters that enable the expected loss to be quantified were determined, namely, the probability of the transaction/customer going into default (PD) and the estimated losses for that transaction/customer after default (LGD).

In accordance with IFRS 9, the Bank has developed ECL lifetime for financial assets as the present value of the difference between (1) the cash flows to which the entity is entitled under the agreement, and (2) the cash flows that the entity expects to receive. For assets that are not in default, the same principle applies.

The Bank defined the 12-month ECL as the portion of ECL lifetime that represents the expected credit losses that result from default events that may occur within 12 months after the reporting date. Accordingly, this principle applies to assets that are not in default.

The current methodology in the Bank defines that, for assets in default, the lifetime ECL is obtained through the loss value given the default, depending on the elapsed time since the asset entered in default.

With regard to the balances recorded under “Cash and deposits at central banks” (Note 4), “Loans and advances to credit institutions repayable on demand” (Note 5), “Financial assets at amortized cost – Debt securities” (Note 8) and “Financial assets at amortized cost – Other loans and advances to central banks and credit institutions” (Note 10), an analysis of expected losses is made in accordance with the following assumptions:

- For the balances recorded under "Cash and deposits at central banks" (Note 4) the Loss Given Default (LGD) is considered to be null since there are no risks of recovery, and no impairment is estimated, in accordance with Directive 13/DSB/DRO/2019, of December 27, 2019, of the BNA – Guidelines on the Recommendations for Implementation of the Asset Quality Review (AQA) Methodologies for the 2019 financial year;

- For the balances recorded under "Loans and advances to credit institutions repayable on demand" (Note 5), the entity's rating is verified, or, if not available, the rating of the country where it is headquartered. In accordance with Directive 13/DSB/DRO/2019, a Probability of Default (PD) equivalent to 1/12 (one twelfth) of the twelve-month PD is considered taking into account the counterparty's rating (or the country where the counterparty is headquartered if it has no rating) and an LGD of 60% for all counterparties that have not significantly increased their credit risk;

- For the balances recorded under "Financial assets at amortized cost – Debt securities" (Note 8) relating to Angolan public debt securities in national and foreign currency, the PD for sovereign debt of the rating associated with the Angolan State obtained through the latest available study carried out by Moody's "Sovereign default and recovery rates" and the LGD associated with the sovereign default events occurred, indicated in the same study, in accordance with Directive 13/DSB/DRO/2019, is considered; and

- For the balances recorded under "Financial assets at amortized cost – Other loans and advances to central banks and credit institutions" (Note 10), the entity's rating is verified, or, if not available, the rating of the country where it is headquartered. In accordance with Directive 13/DSB/DRO/2019, a 12-month PD is considered taking into account the counterparty's rating (or the country where the counterparty is headquartered if it has no rating) and an LGD of 60% for all counterparties that have not significantly increased their credit risk.

In addition, and notwithstanding the above, a 0% LGD is considered for the investments made with the BNA, as these are considered to have no credit risk, in accordance with Directive 13/DSB/DRO/2019.

Despite the requirements set out in Directive 13/DSB/DRO/2019 regarding the use of PDs per rating contained in Moody's publication, the Bank considers a minimum PD of 0.03%.

Significant increase in credit risk

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

The Bank's impairment model provides for a significant increase in the level of credit risk for sovereign risks, supranational entities and financial institutions with ratings assigned by international agencies, and it occurs when the following triggers are met:

- When a downgrade of more than two notches is observed in at least two rating agencies in the period elapsed since the origination date of the asset; or

- When there is a default of credit obligations by that counterparty in a period longer than 30 days (activation of the internal rating scale, T1).

Once the significant increase in risk has been determined, the minimum monitoring period is 12 months, irrespective of any rating upgrade during that period, and the impairment rate cannot be reduced during that period.

The remaining borrowers, although classified with internal rating, are not yet considered to have sufficient maturity and amplitude of application of the internal rating models to consider that variable (defined as T1) in determining the significant increase in credit risk, and therefore the objective criteria established for the attribution of stage are applied.

The rating and scoring model defined by the Bank objectively describes the input, materiality and contamination criteria for a given exposure to be classified as having a significant increase in credit risk from the time of its initial recognition, as well as the monitoring period.

Inputs in ECL measurement

The main inputs used to measure ECLs on a collective basis should include the following variables:

- Probability of Default (PD);

- Loss Given Default (LGD);

- Exposure at Default (EAD);

- Discount rate of cash flows corresponding to the effective interest rate of the contract (Discount Rate — DR); and

- These parameters will be achieved through internal statistical models and other relevant historical data, tailored to reflect forward-looking information.

PDs will be estimated based on a certain historical period and will be calculated based on statistical models. These models will be based on internal data comprising both quantitative and qualitative factors. If there is a change in the risk of the counterparty or exposure, the estimate of the associated PD will also change.

The risk levels will be a highly relevant input for determining PDs associated with each exposure. The Bank will collect performance and default indicators on its credit risk exposures with analysis by types of customers and products.

LGD is the extent of the loss that is expected to occur if the exposure goes into default. The Bank estimates LGD parameters based on the historical recovery rates after counterparty defaults. LGD models consider the associated collaterals and the default time.

EAD represents the expected exposure if the exposure and/or the customer enter into default. The Bank will obtain EAD amounts from the counterparty's current exposure and potential changes to the current allowable amount under contractual conditions, including amortizations and prepayments. For commitments and financial guarantees, the EAD amount considers the credit conversion factor (CCF), which measures the proportion of the off-balance sheet exposure that is converted into equity exposure until the effective date, that is, the prospective potential amount that may be used in accordance with the agreement.

The discount rate to use according to the standard would be the effective interest rate of the contract.

As described above, except for financial assets that consider a 12-month PD once they do not present a significant increase in credit risk, the Bank will calculate the ECL amount considering the risk of default during the maximum contractual period of the contract or, in some specific situations, based on behavioural maturity.

The analysis is updated monthly. Impairment losses identified are recorded against the income statement. If, in future periods, there is a reduction of the estimated loss, the impairment initially recorded is also reversed against the income statement.

Forward-looking information

According to this new model recommended by IFRS 9, the measurement of expected losses will also require the provision of forward-looking information, including trends and future scenarios, including macroeconomic data. In this context, estimates of expected credit impairment losses will include several macroeconomic scenarios whose probability will be assessed considering past events, the current status and future macroeconomic trends. In addition, IFRS 9 also proposes the identification of alternative scenarios for impairment calculation.

Under IFRS 9, the Bank conducted several correlation tests to incorporate forward-looking information both in its assessment of the significant risk increase and in the measurement of ECL.

A detailed analysis of available macroeconomic data was conducted to determine statistically significant relationships between them and portfolio default rates. Based on this analysis, prospective scenarios were assumed that include, besides the central scenario, best-case and worst-case scenarios. This analysis and consequent incorporation into the impairment model are carried out regularly by the Bank, including identification and testing of other macroeconomic data.

In this context, the Bank used a linear regression model to capture the impact of macroeconomic factors with a significant influence on the probability of default. This model considered three different scenarios: (i) an economic development best-case scenario; (ii) an economic growth best-case scenario; and (iii) a worst-case scenario that included an increase in inflation rates.

Back-testing

Considering the complexity involved in calculating the risk parameters and determining the estimated impairment loss, in order to ensure the robustness of these elements, the Bank has defined a back-testing process with the aim of ensuring consistency between the estimated parameters (resulting from the calculation process based on historical information) and the observed parameters.

This back-testing process must be carried out at least on an annual basis, in line with the regulatory requirements set out in Instruction No. 08/2019.

The back-testing defined, aims to assess the performance of the different risk factors, namely the base parameters and the calculation assumptions. The proposed methodology consists of the following assumptions:

- Analysis of a sample of transactions comprising the portfolio analysed collectively, on a given reference date;
- The development of the selected sample is monitored for a period of 12 months; and
- Subsequently, the evidence resulting from this development is compared with the assumptions used in the model for calculating impairment losses, namely regarding risk factors.

The PD back-testing methodology aims to assess the difference between the observed PD and the estimated PD (resulting from the calculation process). As the parameter to be applied in the impairment calculation process was estimated based on historical data it is fundamental to ensure that the difference between them is not significant, therefore the observed PD is calculated for each period and based on the estimated PD.

The LGD back-testing methodology aims to assess the difference between the recovery value observed in the last 12 months and the estimated LGD (resulting from the calculation process which used the Chain Ladder algorithm). This comparison is made on an aggregate basis and confidence intervals are used for each estimated value.

With respect to the validation of the model/action plan, it may be required, depending on the back-testing results, to carry out corrective measures such as model redevelopment or calibration.

The Bank has set the frequency for monitoring the model and ensuring the improvement and implementation of corrective measures for the inconsistencies that are identified in the validation process.

Financial liabilities

Financial liabilities are mainly composed of deposits from central banks, other credit institutions and customers' deposits. These liabilities are initially measured at fair value, which normally refers to the consideration received, net of transaction costs, and are subsequently stated at amortized cost, in accordance with the effective interest rate method on a straight-line basis.

Changes in the fair value of financial liabilities arising from changes in the entity's own credit risk are recognized in equity unless this accounting treatment results in an accounting mismatch. Subsequent reclassifications of these changes to profit or loss are not permitted, including on the repurchase of these liabilities.

2.6. Equity instruments

A financial instrument is classified as an equity instrument when there is no contractual obligation at settlement to deliver cash or another financial asset to another entity, regardless from its legal form, showing a residual interest in the assets of an entity after deducting all of its liabilities.

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

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

2.7. Property, plant and equipment

Recognition and measurement

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

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

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

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

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

Subsequent costs

Subsequent costs are recognized as a separate asset only when it is likely that future economic benefits will result for the Bank. All other repairs and maintenance expenses are recognized as costs as they are incurred following the accrual principle.

Depreciation

Land is not depreciated. Depreciation is calculated on a straight-line basis, over the following periods which correspond to their estimated useful life:

	Number of years
Own use properties (buildings)	25 to 50
Equipment	
Furniture and material	8 to 10
Machinery and tools	4 to 10
IT equipment	3 to 6
Indoor facilities	4 to 10
Transport equipment	3 to 4
Security equipment	6 to 15

Whenever there is an indication that an asset may be impaired, IAS 36 – Impairment of Assets (IAS 36) requires that its recoverable amount is estimated, and an impairment loss shall be recognized when the net book value of the asset exceeds its recoverable amount. Impairment losses are recognized in the income statement.

The recoverable amount is determined as the highest between the fair value less costs to sell and its value in use calculated based on the present value of future cash flows estimated to be obtained from the continued use of the asset and its sale at the end of the useful life.

As mentioned in Note 2.11., this caption includes right-of-use assets arising from lease agreements.

2.8. Intangible assets

Recognition and measurement

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

The amount resulting from monetary revaluation must be reflected monthly as a credit to a profit or loss account, against the gross value and accumulated amortization items of property, plant and equipment.

Software

The costs incurred with the acquisition of software from third parties are capitalized as well as additional expenses incurred by the Bank necessary for their implementation. These costs are amortized on a straight-line basis over the estimated useful life, which normally corresponds to five years.

Research and development expenditure

Costs directly related to the development of computer applications, whose use can be expected to generate future economic benefits extending beyond one year, are recognized and recorded as intangible assets.

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

2.9. Investments in subsidiaries and associates

Investments in subsidiaries and associates are accounted in the Bank's financial statements at their historical cost less any impairment losses.

In the specific case of the shares held by the Bank, the Bank has chosen to classify and measure at fair value, in accordance with IFRS 9, using one of the options under IAS 27 (Note 2.5.).

Subsidiaries are entities (including investment funds) controlled by the Bank. The Bank controls an entity when it is exposed, or has rights, to the variability in returns resulting from its involvement with that entity and might set hold of them through the power it holds over its relevant activities (*de facto* control).

Associates are entities over which the Bank has significant influence, but not control over their financial and operating policies. It is assumed that the Bank has significant influence when it holds 20% or more of the voting rights of the investee. If the Bank holds, directly or indirectly less than 20% of the voting rights of the investee, it is presumed that the Bank does not have significant influence, unless such influence can be clearly demonstrated.

The existence of significant influence by the Bank is normally demonstrated in one or more of the following ways:

- Representation on the Board of Directors or equivalent governing body;
- Participation in policy-making processes, including participation in decisions about dividends or other distributions;
- Material transactions between the Bank and the investee;
- Interchange of the management team; and
- Provision of essential technical information.

Dividends are recorded as income in the period in which the decision to distribute them among subsidiaries and associates is taken.

Impairment losses

The recoverable amount of investments in subsidiaries and associates is reviewed whenever there is evidence of impairment. Impairment losses are determined based on the difference between the recoverable value of investments in subsidiaries or associates and their book value. Impairment losses identified are recorded in the income statement being subsequently reversed, if there is a reduction of the estimated impairment loss, in a subsequent period. The recoverable amount is determined as the highest between the value in use of the assets and the fair value less selling costs, and is calculated using valuation methodologies, supported by discounted cash flow techniques, considering market conditions, time value of money and business risks.

2.10. Non-current assets held for sale and discontinued operations

Non-current assets, groups of non-current assets held for sale (groups of assets together and related liabilities that include at least a non-current asset) and discontinued operations are classified as held for sale when there is an intention to sell the referred assets and liabilities and when the referred assets are available for immediate sale and its sale is highly probable.

The Bank also classifies as non-current assets held for sale those non-current assets or groups of assets acquired exclusively with a view to its subsequent disposal, which are available for immediate sale and its sale is highly probable.

Immediately before classification as non-current assets held for sale, measurement is performed in accordance with the applicable IAS/IFRS. After their reclassification, these assets or disposal groups are measured at the lower of their cost and fair value less costs to sell.

The Bank also classifies as non-current assets held for sale, the investments held for credit recovery, which are initially measured at the lower of their fair value net of selling costs and the book value of the loan at the date when the recovery occurs, or the judicial decision is formalized.

Assets recorded under this caption are not depreciated. The fair value of these assets is determined based on periodic valuations performed by independent valuers. Additionally, and in accordance with Directive 13/DSB/DRO/2019, this valuation is adjusted based on specific discount rates according to the seniority of the valuation. Whenever the value resulting from these valuations (net of costs to sell) is lower than the book value, impairment losses are recorded under Provisions and impairment for other assets.

The valuations of this real estate are carried out according to one of the following approaches, applied according to the specific situation of the property:

i. Market Approach
The market method has as reference transaction values of similar and comparable real estate properties to the one studied through market research conducted in the area.

ii. Income Approach
The purpose of this method is to estimate the value of the property from the capitalization of its net income, updated to the present moment, using the discounted cash flow method.

iii. Cost Approach
The cost approach is intended to reflect the amount that would be currently required to replace the asset under current conditions, decomposing the value of the property into its fundamental components.

The valuations carried out are conducted by independent valuers registered with CMC. The valuation reports are analysed internally, to assess the adequacy of assumptions, comparing the historical sales values with the revalued values of the properties, in order to keep updated the parameters and valuation processes to the market evolution.

In addition, as these are assets whose fair value level in the IFRS 13 hierarchy corresponds mainly to level 3, given the subjectivity of some assumptions used in the valuations and the fact that there are external indications with alternative values, the Bank carries out internal analyses on the assumptions used, which may imply additional adjustments to their fair value.

Given that circumstances considered unlikely and beyond the Bank's control may occur, the sale of these assets may not be completed until one year after the date of classification. In such circumstances, the Bank remains committed to the plan to dispose of the assets by making efforts, inter alia, such as the engagement of an expert and intermediary agent, active advertising, review of the sale price according to the context so that it is reasonable compared to its current fair value.

When the legal term of 12 months has elapsed without the assets being sold (extendable with the authorization of the BNA), a new valuation is carried out, aimed at determining the updated market value, with a view to the possible establishment of the corresponding impairment.

2.11. Leases

In accordance with IFRS 16:

- As lessee, the standard defines a single accounting model, with the recognition of right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligations to make lease payments; and

- As lessor, the accounting depends on the financial or operational classification..

The Bank has adopted IFRS 16 using the modified retrospective approach, which has no impact on equity as, with the exception of prior or accrued lease payments related to that lease recognized in the balance sheet immediately before the date of initial application, there are no differences between the right to use the asset and the lease liability at the time of initial recognition (January 1, 2019).

Lease definition

The Bank evaluates whether an agreement is or contains a lease on the basis of the lease definition. In accordance with IFRS 16, an agreement is, or contains, a lease if it transfers the right to use an identified asset (the underlying asset) for a specified period in return for consideration.

On the commencement date or at the revaluation of an agreement containing a leasing component, the Bank allocates the consideration in the agreement for each leasing component and not the leasing on the basis of its individual relative price. However, for leases in which the entity is a lessee, it has been decided not to separate the non-lease components and to account for the lease and non-lease components as a single lease component.

As lessee

From the lessee's point of view, the Bank leases several real estate properties used for the Bank's branches and central services.

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

The Bank records right-of-use assets under Property, plant and equipment, that is, in the same caption as the underlying assets of the same nature that are its property.

The Bank records lease liabilities under "Other liabilities" in the balance sheet.

The Bank recognizes a right-of-use asset and a lease liability at the inception of the lease.

Right-of-use assets

Right-of-use assets are initially measured at cost and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for any re-measurements of lease liabilities. Right-of-use assets are depreciated from the commencement date to the end of the useful life of the underlying asset, or to the end of the lease term if shorter.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments to be paid over the lease term, discounted at the implicit rate of the lease or, if the rate cannot be readily determined, at the Bank's incremental financing rate. The Bank generally uses its incremental financing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by the lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the expected amount to be paid under a residual value guarantee, or, if appropriate, changes in the assessment of whether a call or renewal option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Judgment in determining the term of the lease

The Bank has applied judgment to determine the lease term of some agreements in which it is the lessee, which include renewal and termination options. The Bank determines the lease term as the non-cancellable period during which it has the right to use an underlying asset together with the periods covered by an option to renew the lease if there is reasonable certainty of exercising that option and the periods covered by a termination option if there is reasonable certainty of not exercising that option. The assessment of whether the Bank will exercise such options will have an impact on the lease term, which will significantly affect the amount of lease liabilities and right of use assets recognized.

The Bank has the option, namely in property lease agreements, to lease the assets for additional periods of 1 to 5 years. The Bank applies judgment in assessing whether it is reasonably certain to exercise the renewal option, *i.e.* it considers all relevant factors that create an economic incentive to exercise it or not.

As lessor

When the Bank acts as lessor, at the beginning of the lease it determines whether it should be classified as an operating lease or a finance lease.

In order to classify each lease, the Bank makes an overall assessment of whether the lease transfers substantially all the risks and rewards inherent to ownership of the underlying asset. If the lease transfers substantially all the risks and rewards inherent to ownership of the underlying asset, it is classified as a finance lease, otherwise as an operating lease. As part of this assessment, the Bank considers some indicators such as whether the lease is held for most of the economic life of the asset.

Finance leases

Lease agreements are recorded in the balance sheet as loans granted for the equivalent of the net investment made in the leased assets, together with any estimated unsecured residual value. Interest included in rents charged to customers is recorded as income while capital amortization, also included in rents, is deducted from the value of the loans and advances to customers. Recognition of interest reflects a constant periodical return rate over the remaining net investment of the lessor.

If an agreement contains both lease and non-lease components, the Bank applies IFRS 15 to allocate the contractual amounts.

Operating leases

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

2.12. Taxes

Income taxes

Income tax recognized in profit or loss comprises current and deferred tax effects. Income tax is recognized in the income statement, except when related to items that are moved in equity, a fact that requires its recognition in that caption. Deferred taxes recognized in equity arising from the revaluation of financial assets available at fair value through other comprehensive income, Other property, plant and equipment and cash flow hedging derivatives are subsequently recognized in profit or loss in the moment the results were originated..

Current tax

Current tax is the expected tax payable on the taxable profit for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Following the publication of Law 19/14 of October 22, which came into force on January 1, 2015, recently amended by Law 26/20 of July 20, the Industrial Tax is subject to provisional assessment in a single instalment to be carried out in August, calculated by applying a rate of 2% on the amount resulting from financial intermediation, calculated in the first six months of the previous fiscal year, excluding income subject to Capital Gains Tax, unless a loss was established in the previous year.

According to the legislation in force, industrial and other tax returns may be subject to revision and correction by the tax authorities within five years following the year to which they relate.

Law 26/20 of July 20 has increased the rate of Industrial Tax for activities in the banking sector from 30% to 35%. Moreover, this Law establishes rules with relevant impacts on the determination of taxable profit, such as:

- Costs/income with potential exchange rate changes – In view of the new wording of Articles 13(c) and 14(c) of the Corporate Income Tax Code, as amended by Law 26/20 of July 20, only realized favourable and unfavourable exchange rate changes are considered as income and costs for tax purposes. In view of the above, the Bank must exclude from the net profit for the period the amounts of potential favourable and unfavourable exchange rate changes recorded in the year;

- Costs with impairment losses on collateralized loans – In view of the new wording of Article No. 45 of the Industrial Tax Code, as amended by Law No. 26/20 of 20 July, the provisions set up for collateralized loans are not accepted, except for the part not covered; and

- Costs with Property Tax – According to the new wording of Article 18(a) of the Corporate Tax Code, as amended by Law 26/20 of July 20, Property Tax is not accepted as a cost deductible from taxable profit.

The assumptions for applying the above rules for the purpose of determining taxable profit are described in Note 3.3.

Deferred tax

Deferred tax assets and liabilities are the amounts of income taxes recoverable or payable in future periods as a result of deductible or taxable temporary differences between the value of assets and liabilities in the balance sheet and their tax base, using the tax rates approved or substantially approved on the balance sheet date and which are expected to be applied when the temporary differences are reversed (IAS 12).

Deferred tax liabilities are recognized for all taxable temporary differences except for goodwill, not deductible for tax purposes, differences arising on initial recognition of assets and liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that probably they will not reverse in the foreseeable future.

Deferred taxes assets are recognized to the extent when it is probable that future taxable profits, will be available to absorb deductible temporary differences for taxation purposes (including reportable taxable losses).

The Group offsets, as established in IAS 12 – Income Taxes (IAS 12), paragraph 74, deferred tax assets and liabilities when (i) it has a legally enforceable right to set off current tax assets against current tax liabilities and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Capital Gains Tax (IAC)

Presidential Legislative Decree 2/14 of October 20, in force since November 19, 2014, reviewed and introduced several legislative changes to the IAC Code, following the Tax Reform project.

IAC is applied generally on income from the Bank's financial investments. The rate varies from 5% (in case of interest, amortization premiums or reimbursement and other forms of remuneration of government securities, bonds, equity securities or other similar securities issued by any company, which are admitted to trading on a regulated market and with a maturity equal or greater than three years) and 15%. Notwithstanding the above, regarding income from government debt securities, in accordance with the latest understanding of Tax Authorities addressed to ABANC, only those arising from securities issued on or after January 1, 2012 are subject to this tax. Furthermore, it should be noted that, according to the position of the Tax Authorities also communicated to ABANC, the exchange rate revaluations of public debt securities issued in national currency but indexed to foreign currency, issued since January 1, 2012, should be subject to Industrial Tax.

Furthermore, under the terms of Article 18 of the Industrial Tax Code, the CGT itself is not accepted as a deductible expense for the purposes of determining taxable profit. However, income subject to CGT, as provided for in Article 47 of the Industrial Tax Code, will be deducted from taxable profit.

Property tax

Property tax (IP)

On August 9, 2020, the new Property Tax Code (CIP), which is levied on the ownership of own property, rents and real estate transfer, approved by Law 20/20 of July 9, came into force.

According to the new CIP, three rate brackets are foreseen for urban buildings:

- 0.1%, for properties with an asset value up to AOA 5,000 thousand, including;

- AOA 5,000 thousand, for properties with an asset value between AOA 5,000 thousand and up to AOA 6,000 thousand, including; and

- 0.5%, for properties with an asset value above AOA 6,000 thousand (applicable over the excess of AOA 5,000 thousand).

Specific rates apply to building land (0.6%) and rural buildings (sum of hectares). Additionally, an increase in Property Tax rates is applicable in the case of unoccupied urban buildings.

With regard to properties leased by the Bank, as a lessee, the Bank withholds the tax due, at the effective rate of 15%, on the payment or delivery of rents on leased properties.

SISA and Real Estate Transfer Tax

Pursuant to the CIP, approved by Law 20/20 of July 9, Property Tax on real estate transfer tax is levied at a rate of 2% on the transfer, whether for valuable consideration or not, of the right of ownership or equivalent rights, namely the usufruct, surface right and easement, including acquisitive prescription (usucapion) on real estate.

Value Added Tax

The Bank, as a taxable person registered with the Tax Office of Large Taxpayers, is covered by the general VAT system since the entry into force of this tax on October 1, 2019.

As a taxpayer registered at the Tax Office of Large Taxpayers, the Bank, since the entry into force of VAT, has been included in the General VAT System, and is required to comply with all the rules and reporting obligations laid down in this context.

Under the terms of the VAT Code approved by Law 7/19 of April 24 and the amendments introduced by Law 17/19 of August 13, they are subject to this tax: (I) the transfer of goods and services carried out within national territory, for consideration, by a taxable person acting as such; and (ii) the import of goods. The VAT revoked and replaced the Consumption Tax which until then had been in force in the legal system.

Nevertheless, the VAT Code provides for the exemption of certain transactions, namely financial intermediation transactions, including those described in Annex III to this Code, unless they give rise to the payment of a specific and predetermined fee or consideration for their performance. These exemption transactions do not entitle the taxable person to deduct the VAT incurred on the acquisition of goods and services connected with their performance.

Considering that the Bank is a taxable person that carries out transactions which grant the right to deduct (*i.e.*, transactions subject to VAT) and transactions which do not grant the right to deduct (*i.e.*, transactions which are exempt from this tax under the aforementioned terms), the VAT incurred by the Bank on its purchases of goods and services is only partially deductible using the pro rata method. In the meantime, AGT, through Instruction 000003/DNP/DSIVA/AGT/2020 of February 10, authorized the recovery of VAT through the actual allocation method in certain transactions carried out by financial institutions (e.g., financial leases).

According to the legislation in force, periodic VAT returns may be subject to revision and correction by the tax authorities within five years following the year to which they relate.

Tax replacement

In the course of its business, the Bank acts as a substitute taxpayer, withholding tax from third parties, which is subsequently paid to the State.

Stamp Duty

Stamp Duty is levied, in general, on all acts, contracts, documents, titles, transactions and other facts provided for in the table attached to the Stamp Duty Code, or in special laws, occurring within the national territory.

According to the Stamp Duty Code, approved by Presidential Legislative Decree 3/14 of October 21, the Bank is responsible for the settlement of Stamp Duty due by its customers on most banking operations such as financing and collection of interest on financing, and it pays the tax at the rates set out in the Stamp Duty Table.

Industrial Tax

In accordance with the provisions of Article 67 of Law 19/14 of October 22, amended by Law 26/20 of July 20, the rendering of services of any nature by taxpayers with effective management or permanent establishment in Angola is subject to taxation by withholding at a rate of 6.5%.

Furthermore, in accordance with the provisions of Articles 71 and following of Law 19/14, of October 22, amended by Law 26/20, of July 20, the rendering of services of any nature by taxpayers without head office, effective management or permanent establishment in Angola, are subject to Industrial Tax by withholding at a rate of 15%.

Where payments for services rendered to entities resident in Portugal and the United Arab Emirates, Double Taxation Agreements (ADT) may apply and, accordingly, a lower rate of withholding tax may be applicable, provided the required formalities are fulfilled.

2.13. Employee benefits

Defined contribution plans

For defined-contribution plans, the liabilities related to the benefit attributable to the Bank's employees are recognized as an expense of the period when due. Prepaid contributions are recognized as an asset if a refund or reduction of future payments is available.

Short-term employee benefits

Short-term employee benefits are recorded as a cost once the associated service has been provided. A liability is recognized for the amount expected to be settled if the Bank has a present legal or constructive obligation to pay this amount as a result of a service rendered in the past by the employee and that liability can be estimated reliably.

Holiday allowance

The General Labor Law, Law 7/15, of June 15, establishes that the amount of holiday allowance payable to employees in a given year is a right they acquired in the immediately preceding year. As a result, the Bank records the amounts relating to holiday payable in the following year at the end of the year.

Benefits associated with the termination of functions

Benefits associated with the termination of functions are recognized as cost, whichever is earlier, between the time where the Bank can no longer withdraw the offer of these benefits or when the group recognizes costs associated with a restructuring. If benefits are not expected to be net benefits within 12 months, these are then discounted.

Pension fund liabilities

Law 07/04 of October 15, which revoked Law 18/90, of October 27, which regulates the Angolan Social Security system, foresees the attribution of retirement pensions to all Angolan workers registered at the Social Security. The value of these pensions is calculated based on a table proportional to the number of service years applied to the average monthly gross wages received in the periods immediately preceding the date on which the worker ceases to work. According to Presidential Decree 227/18, of September 27, the contribution rates for this system are 8% for the employer and 3% for the workers.

By resolution of the Board of Directors, ATLANTICO is making contributions under a defined contribution plan, corresponding to a fixed percentage of 2.5% of the monthly pensionable salary of each employee (1.5% is financed by the Bank and 1% voluntarily by the employees, who may raise their contributions to the maximum limit of 5% on a voluntary basis), in order to ensure employees hired locally or their families, the entitlement to cash benefits covering old-age, disability or death pension supplements. The old-age retirement pension is awarded to employees if they are 60 years old and have at least 5 years of continuous service at the Bank. The disability benefit is granted to employees who have 5 years of continuous service and who have been diagnosed with total and permanent disability equal to 100%. In case of death, employees may appoint beneficiaries and respective percentages of the reimbursement's distribution.

In December 2017, the Bank has set up a Pension Fund, called ATLANTICO Pension Fund, to which the amounts of contributions made to date have been transferred. Since its setting-up, the Fund has been managed by Fortaleza Seguros, S.A.

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

Variable remuneration paid to employees and directors

The Bank assigns variable remuneration to its employees and directors as a result of their performance (performance bonus). It is the responsibility of the Board of Directors and the Assessment, Remuneration and Welfare Board of the Governing Bodies to set the relevant allocation criteria for each employee and director, respectively, whenever they are allocated. The variable remuneration paid to employees and directors is recorded against profit or loss in the period to which they relate, although payable in the following year (See Note 28).

2.14. Provisions

Provisions are recognized when (i) the Bank has a present obligation (legal or resulting from past practices or published policies that imply the recognition of certain responsibilities), (ii) it is probable that its payment will be required and (iii) a reliable estimate can be made of the amount of the obligation.

The measurement of provisions for guarantees and other commitments is made in accordance with the impairment model defined by the Bank, as described in Note 2.6.

The measurement of provisions follows the principles defined in IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, regarding the best estimate of the expected cost, the most probable result of the actions in progress and considering the risks and uncertainties inherent to the process.

In cases where the discount effect is material, provisions correspond to actual value of the expected future payments, discounted at a rate that considers the risk associated to the obligation.

Provisions are reviewed at the end of each reporting date and adjusted to reflect the best estimate and are reversed against profit or loss in the proportion of the payments that are not probable.

The provisions are derecognized through their use for the obligations for which they were initially recognized or for the cases that the situations were no longer observed.

2.15. Interest income

Interest income and expense for financial instruments measured at amortized cost are recognized under Interest and similar income or Interest and similar expenses, using the effective interest rate method. Interest on financial assets at fair value through other comprehensive income and financial assets and liabilities at fair value through profit or loss are also recognized in Net interest income.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument (or, when appropriate, for a shorter period), to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument (example: early payment options) but without considering future impairment losses. The calculation includes all fees and commissions paid or received considered as included in the effective interest rate, transaction costs and all other premiums or discounts directly related with the transaction except for assets and liabilities at fair value through profit or loss.

If a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the interest rate used to discount the future cash flows for the purpose of measuring the impairment loss.

Specifically, with regard to the policy for recording interest on overdue loans, the following aspects are considered in accordance with IFRS 9 and IFRS 15:

- Interest income for overdue loans secured by collaterals up to the limit of prudently evaluated coverage is recorded against profit or loss on the assumption that there is a reasonable probability of recoverability; and

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

For financial assets classified under stage 3, interest is recognized in profit or loss, in Net interest income, based on their carrying amount net of impairment.

For derivative financial instruments, except those classified as hedging instruments of interest rate risk, the interest component is not separated from the changes in the fair value and is classified under Net gains/(losses) arising from assets and liabilities at fair value through profit or loss.

2.16. Dividends

Dividends (income from equity instruments) are recognized in the income statement when the right to receive the dividends is attributed. Dividends are recorded under Net gains/(losses) arising from financial operations, Net gains/(losses) arising from other financial instruments at fair value through profit or loss or other income, depending on the classification of the underlying instrument.

2.17. Fees and commissions income/(expense)

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

- Fees and commissions which are earned as services are rendered are recognized in profit or loss in the period to which they relate in accordance with IFRS 15;

- Fees and commissions that are earned from a service rendered, are recognized as income when the service is completed in accordance with IFRS 15; and

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

2.18. Fiduciary activities

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

2.19. Financial guarantees and commitments

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

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

2.20. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances of the captions Cash and deposits at central banks and Loans and advances to credit institutions repayable on demand (Notes 4 and 5), and do not include impairment losses.

2.21. Earnings per share

Basic earnings per share are calculated by dividing net income attributable to the Bank's shareholders by the weighted average number of ordinary shares outstanding, excluding the average number of treasury shares held by the Bank.

Diluted earnings per share are calculated by adjusting the effect of all potential dilutive ordinary shares to the weighted average number of ordinary shares outstanding and to the net profit attributable to the Bank's shareholders.

If the earnings per share are changed as a result of a share premium or discount or other event that changes the potential number of ordinary shares or changes in accounting policies, the calculation of earnings per share for all periods presented is adjusted retrospectively.

Note 3 - Critical accounting estimates and judgments used in the preparation of the financial statements

IAS/IFRS set out a range of accounting treatments and require the Board of Directors to apply judgment and make estimates in deciding which treatment is most appropriate. The main accounting estimates and judgments used in the application of the accounting principles by the Bank are presented in this Note, with the objective of improving the understanding of how their application affects the results reported by the Bank and their disclosure. A broad description of the main accounting policies used by the Bank is presented in Note 2 to the financial statements.

Considering that in some cases there are several alternatives to the accounting treatment chosen by the Board of Directors, the Bank reported results would differ if a different treatment was chosen. The Board of Directors believes that the choices made are appropriate and that the financial statements give a true and fair view, in all material respects, of the Bank's equity and financial position and results.

3.1. Impairment of financial assets at amortized cost and fair value through other comprehensive income

The critical judgments with the greatest impact on the recognized amounts of impairment of financial assets at amortized cost and at fair value through other comprehensive income are as follows:

- Evaluation of the business model: the classification and measurement of financial assets depends on the SPPI test results and on the business model definition. The Bank determines the business model based on how it wants to manage financial assets and business objectives. The Bank monitors whether the classification of the business model is appropriate based on the analysis of the early derecognition of assets at amortized cost or at fair value through other comprehensive income, considering whether a prospective change of the asset is required;

- Significant increase in credit risk: as described in Note 2.5. – Financial instruments, the determination of the transfer of an asset from stage 1 to stage 2 for impairment purposes is carried out based on a significant increase in its credit risk, and IFRS 9 does not objectively define what represents a significant increase in credit risk;

- With specific regard to the significant increase in credit risk for sovereign risks, supranational entities and financial institutions with ratings assigned by international agencies, it is the Board of Directors' understanding that a downgrade of more than two notches by at least two rating agencies in the period since the origination date of the asset is reasonable and in compliance with the requirements of IFRS 9;

- Banks' definition for assets with similar credit risk characteristics: when expected credit losses are measured within a collective model, financial instruments are bundled based on the same risk characteristics. The Bank monitors the suitability of the credit risk characteristics to ensure that appropriate reclassification of assets is carried out in the event of a change in the credit risk characteristics; and

- Models and assumptions used: the Bank uses several models and assumptions when measuring the estimate of expected credit losses. The judgment is applied in the identification of the most suitable model for each type of asset as well as in the determination of assumptions used in these models. In addition, in compliance with the IFRS 9 regulation that explains the need for the impairment result to consider multiple scenarios, a methodology for incorporating scenario analysis into the risk parameters was implemented. Accordingly, the collective impairment calculation considers several scenarios with a specific weighting, based on the internally defined methodology on scenario – definition of multiple perspectives of macroeconomic development, with a relevant probability of occurrence.

These aspects have special emphasis on the impairment of debt securities issued by the Republic of Angola (Note 8), and consequently on the analysis of their recoverability.

Impairment losses on loans and advances to customers and account receivables

The Bank reviews its loan portfolio regularly in order to assess the existence of impairment losses, as described in the accounting policy in Note 2.5.

The process of evaluating the loan portfolio and account receivables to determine whether an impairment loss should be recognized is subject to several estimates and judgments. This process includes factors such as probability of default, credit ratings, the value of the collaterals associated to each operation, recovery rates and cash flow estimates, either from future cash flows or the time of their receipt.

Alternative methodologies and the use of different assumptions and estimates could result in a different level of impairment losses recognized with a consequent impact in the income statement of the Bank.

The calculation of impairment associated to loans and advances to customers and accounts receivable is based, among other factors and when applicable, on the valuations of collateral from loan operations, such as mortgages of real estate. These valuations were performed under the assumption that all conditions of the real estate market will be maintained, during the lifetime of the operations, and reflected the best estimate of the fair value of those collaterals at the balance sheet date.

Property valuations are prepared by independent experts registered with the CMC, which have implied a set of assumptions whose verification is subject to uncertainty in view of the current circumstances of the real estate market. Additionally, the Bank also uses estimates as to the date of recovery and sale of the real estate collateral.

Furthermore, the recovery of loans and advances granted to customers and other account receivables (Notes 9 and 15), which has underlying business plans of the borrowers and evaluation of collateral, may be significantly impacted by the development of macroeconomic indicators in Angola.

3.2. Fair value of other financial assets and liabilities valued at fair value

The fair value of a financial instrument is the price at which an orderly sale transaction of an asset or transfer of a liability would be completed between market players at the balance sheet date.

Fair values are based on listed market prices if available, otherwise fair value is determined either by dealer price quotations (both for that transaction or for similar instruments traded) or by pricing models, based on net present value of estimated future cash flows which considers the market conditions, time value, yield curve and volatility factors. These methodologies may require the use of assumptions or judgments in estimating fair value.

With particular emphasis on the measurement of real estate assets, held directly and indirectly (Notes 6 and 13), whose impairment tests are based on valuations made by independent experts registered with the Capital Market Commission of Angola which takes into account the prospects for the evolution of macroeconomic indicators for Angola and assumptions involving a high degree of subjectivity, and whose verification is subject to uncertainty in view of the current circumstances of the real estate market, as well as the analysis of real estate risk management performed by the Bank (Note 39).

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

3.3. Income taxes

The Bank is subject to Industrial Tax and is considered a Group A taxpayer.

Income taxes (current or deferred) are recognized in profit or loss, except where transactions giving rise to it have been carried in other equity items. In such situations, the corresponding tax is also carried against equity, and does not affect the income statement.

The current tax estimate for the years ended December 31, 2023 and 2022 was calculated in accordance with Law 26/20, of July 20, using the applicable tax rate of 35%.

Tax returns are subject to review and correction by tax authorities for a 5-year period, which may extend to 10 years. This may lead to possible corrections to taxable income for previous years due to different interpretations of tax law. However, no significant correction is to be expected in respect to those years and, if it occurs, no significant impacts on the financial statements are expected.

Taxes losses generated in each year, as provided for in the Industrial Tax Code, may be deducted from taxable profit in the following five years.

In order to determine the overall amount of income tax payable, certain interpretations and estimates were required. There are several transactions and calculations for which the assessment of taxes payable is uncertain during the normal course of business, with emphasis on the aspects set out in Note 2.13, resulting from the new wording of Law 26/20, of July 20, namely, (i) income/expenses with potential/realized foreign exchange valuations, (ii) impairment losses on secured loans and (iii) property tax, as well as assumptions made by the Bank in determining income tax and deferred taxes, which are still subject to ratification by the Angolan Tax Authorities (AGT).

Deferred taxes are calculated using the tax rates expected to be in force when the temporary differences are reversed, which correspond to the rates enacted or substantively enacted at the balance sheet date. Thus, for the years ended December 31, 2023 and 2022, deferred tax was generally calculated based on a 35% rate.

In accordance with the Board of Directors' understanding of the requirements of IAS 12, deferred tax liabilities should be recognized in their entirety, whereas a deferred tax asset should only be recognized if it is certain that future taxable profit will be sufficient to allow the benefit of the loss to be realized.

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

3.4. Measurement of promissory contracts of purchase and sale

The Bank recognizes at the initial moment, when the requirements for derecognition of the asset are met, the value of the contract with a borrower and related capital gains, including exchange rate evaluation, in the case of indexed CPCV.

In contracts with payment plans with a term longer than one year and no agreed interest rate, the Bank records the discount effect associated to the contracted payment plan, adjusting the fair value of the financial asset to its present value.

The calculation of impairment is based on a maximum loss associated with a failure to perform the contract according to its terms. The Bank defined a maximum rate of 25% as a threshold for the classification in Stage 3 of the individually significant exposures (as a result of the credit impairment model), applying this concept in the CPCV, according to the verification of the defined risk criteria (Note 2.5.).

In addition to the evaluation factors described above, the Bank monitors the financial capacity of the borrower and its continuing interest in keeping the promise contracted on a regular basis, reflecting the results of this monitoring in the assessment of impairment.

Alternative methodologies and the use of different assumptions and risk criteria could result in a different level of impairment losses recognized with a consequent impact in the profit or loss of the Bank.

Additionally, the measurements and impairment tests on the CPCV (Notes 15) are based, among other factors, on valuations made by independent experts registered with the Capital Market Commission of Angola, which have implied a set of assumptions whose verification is subject to uncertainty in view of the current circumstances of the real estate market.

Note 4 - Cash and deposits at central banks

This caption is analysed as follows:

AOA thousand

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

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

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

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

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

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

AOA thousand

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

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

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

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

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

This caption is analysed as follows:

AOA thousand

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

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

As at December 31, 2023 and 2022, “Loans and advances to other credit institutions abroad – Demand deposits” includes (i) the amounts of AOA 5,165,351 thousand and AOA 336,615 thousand, respectively, which aim to ensure the provisioning in the corresponding Bank for the daily settlement of the use of VISA cards; and (ii) the amounts of AOA 5,795,840 thousand and AOA 6,087,778 thousand, respectively, which aim to ensure the provisioning in the Bank for the fulfilment of signed agreements related to import documentary credit facilities, for later settlement with the customer.

As at December 31, 2023 and 2022, Loans and advances to credit institutions repayable on demand, in the country and abroad, do not bear interest.

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

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

This caption is analysed as follows:

AOA thousand

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

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

AOA thousand

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

AOA thousand

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

The investment funds Pactual Property – FIIF and Dual Impact Fund are managed by SG Hemera Capital Partners – SGOIC, S.A., while the investment funds Fundo FIPA and Fundo FIPA II are managed by Angola Capital Partners, LLC. These funds are valued according to the share prices published daily by these Management Companies, as disclosed in Note 2.5.

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

The capital increases made by contributions in kind of (I) real estate received as payment in kind of loan obligations, previously recorded under "Non-current assets held for sale" (Note 13), and (ii) own use properties whose use was discontinued, previously recorded under "Property, plant and equipment" (Note 11), were previously valued, and their transfer amount corresponds to the arithmetic average of the value of three valuations, obtained from three independent expert valuers, registered with the CMC. Accordingly, the Bank derecognized the properties against the subscription of shares at their market value, and the difference between the book value of the derecognized properties and their market value is recognized as capital gains or losses on the sale of other assets under "Net gains/(losses) arising from the sale of other assets" (Note 27).

As at December 31, 2023, the increase in the fair value of the units held in the Pactual Property Fund – FIIF is essentially the result of the revaluation process of all the properties held by the Fund, performed in 2023, based on the average of three valuations carried out by independent appraisers registered with the CMC of Angola. The gains inherent in the valuation of the investment units were recognized against the item "Results of financial assets and liabilities at fair value through profit or loss" (Note 24).

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

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

- Initial subscription of 3,075 shares, in February 2022, corresponding to the amount of AOA 3,075,000 thousand, by cash contribution to the Collective Investment Undertaking in the form of a risk capital investment fund called "Dual Impact Fund – Fundo de Capital de Risco de Subscrição Particular".

- Redemption of 66,354 shares, between April and October 2022, corresponding to all the shares held in Fundo Atlântico Liquidez – FIMA, managed by SG Hemera Capital Partners – SGOIC, S.A.; and

- Redemption of 10,103,554 investment units, in July 2023, corresponding to all the investment units held in Atlântico Protecção – FIMF, managed by SG Hemera Capital Partners – SGOIC, S.A., and the consequent liquidation of the Fund, due to its having reached the expiry date defined by the Shareholders' Meeting.

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

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

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

AOA thousand

	12-31-2023			
	Level 1 Quoted prices in active market	Level 2 Observable market inputs	Level 3 Other valuation techniques	Total
Financial assets at fair value through profit or loss				
Other variable income securities				
Shares	-	-	298,890,931	298,890,931
Loans and advances to customers	-	-	124,571	124,571
	-	-	**299,015,502**	**299,015,502**

AOA thousand

	12-31-2022			
	Level 1 Quoted prices in active market	Level 2 Observable market inputs	Level 3 Other valuation techniques	Total
Financial assets at fair value through profit or loss				
Other variable income securities				
Shares	-	-	260,203,725	260,203,725
Loans and advances to customers	-	-	182,149	182,149
	-	**-**	**260,385,874**	**260,385,874**
Financial liabilities at fair value through profit or loss				
Derivatives				
Derivative financial instruments with negative fair value	-	2,030,008	-	2,030,008
	-	**2,030,008**	**-**	**2,030,008**

The main parameters used, during the year ended December 31, 2023 and 2022, in the valuation model, as well as the description of the valuation levels provided for in IFRS 13, are described in Note 38.

As at December 31, 2023 and 2022, the breakdown of financial assets at fair value through profit or loss by maturity is as follows:

AOA thousand

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

AOA thousand

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

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

This caption is analysed as follows:

AOA thousand

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

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

AOA thousand

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

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

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

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

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

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

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

AOA thousand

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

AOA thousand

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

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

AOA thousand

	12-31-2023			
	Level 1 Quoted prices in active market	Level 2 Observable market inputs	Level 3 Other valuation techniques	Total
Bonds and other fixed-income securities				
Issued by public entities	-	51,331,595	-	51,331,595
Shares	-	-	1,775,421	1,775,421
	-	**51,331,595**	**1,775,421**	**53,107,016**

AOA thousand

	12-31-2022			
	Level 1 Quoted prices in active market	Level 2 Observable market inputs	Level 3 Other valuation techniques	Total
Bonds and other fixed-income securities				
Issued by public entities	-	52,475,485	-	52,475,485
Issued by other entities	-	1,331,477	-	1,331,477
Shares	-	-	429,389	429,389
	-	**53,806,962**	**429,389**	**54,236,351**

The main parameters used, during the year ended December 31, 2023 and 2022, in the valuation model, as well as the description of the valuation levels provided for in IFRS 13, are described in Note 38.

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

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

AOA thousand

	12-31-2023					
	Below 3 months	3 to 12 months	1 to 5 years	Above 5 years	Undefined maturity	Total
Bonds and other fixed-income securities						
Issued by public entities	3,045	20,816,236	8,887,267	21,625,047	-	51,331,595
Shares	-	-	-	-	1,775,421	1,775,421
	3,045	**20,816,236**	**8,887,267**	**21,625,047**	**1,775,421**	**53,107,016**

AOA thousand

	12-31-2022					
	Below 3 months	3 to 12 months	1 to 5 years	Above 5 years	Undefined maturity	Total
Bonds and other fixed-income securities						
Issued by public entities	28,354,383	444,590	4,538,658	19,137,854	-	52,475,485
Issued by other entities	-	1,331,477	-	-	-	1,331,477
Shares	-	-	-	-	429,389	429,389
	28,354,383	**1,776,067**	**4,538,658**	**19,137,854**	**429,389**	**54,236,351**

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

Note 8 - Financial assets at amortized cost – Debt securities

This caption is analysed as follows:

AOA thousand

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

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

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

In October 2022, the rating agency Moody's revised the rating of the debt of the Republic of Angola, maintaining the external rating at B3 from stable to positive. According to the note published, reference is made to the positive impacts, on the macroeconomic environment associated with the increase in the price of oil and the stability observed in terms of exchange rates. In December 2023, the rating agency Fitch revised the rating of the debt of the Republic of Angola, maintaining the external rating at B-, seen as a positive outlook for the Angolan economy. According to the published note, this revision reflects forecasts of lower economic growth, higher inflation, and an increase in the ratio of debt to Gross Domestic Product (GDP) as a result of the strong depreciation of the Kwanza.

Directive 13/DSB/DRO/2019, which includes the recommendations for implementing the methodologies of the Asset Quality Assessment (AQA) exercise, states that "In the specific case of impairment losses for national public debt in national and foreign currency (measured at amortized cost), the following criteria should be considered: (i) 12-month probability of default (PD) for Angola's rating published in Moody's study "Sovereign default and recovery rates" applicable to the period concerned; and (ii) loss given default (LGD) associated with the sovereign default events verified, as indicated in the same study. The Bank has adopted this methodology as its accounting policy for this matter.

In accordance with the accounting policy described in Note 2.5., the assessment of the significant increase in credit risk for the determination of the impairment stage should be based on the date of origination of the assets.

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

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

AOA thousand

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

AOA thousand

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

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

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

AOA thousand

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

AOA thousand

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

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

AOA thousand

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

AOA thousand

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

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

AOA thousand

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

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

This caption is analysed as follows:

AOA thousand

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

Notice 10/2022 of the Banco Nacional de Angola requires credit to be granted to the real sector of the economy, as well as the requirements to be met. For loans granted or restructured under this Notice, the total cost of the loan on the borrower, including the interest rate and commissions, cannot exceed 7.5% per annum (all-in-cost). In turn, the Bank can deduct the full amount of the loan in the value of the reserve requirements established. Accordingly, in relation to the new loans granted under Notice 10/2022, which have an interest rate limit of 7.5% and release of reserve requirements that the Bank can apply to other interest-bearing assets, it is the Bank's understanding that the fair value of the loans does not differ from their nominal value.

As at December 31, 2023 and 2022, exposure and impairment established by situation and risk segment is detailed as follows:

AOA thousand

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

AOA thousand

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

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

AOA thousand

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

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

AOA thousand

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

AOA thousand

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

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

AOA thousand

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

AOA thousand

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

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

AOA thousand

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

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

AOA thousand

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

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

AOA thousand

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

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

AOA thousand

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

AOA thousand

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

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

AOA thousand

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

AOA thousand

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

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

AOA thousand

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

AOA thousand

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

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

AOA thousand

Segment	12-31-2023													
	Exposure							Impairment losses						
	Stage 1	Stage 2			Stage 3			Stage 1	Stage 2			Stage 3		
	≤30 days	≤30 days	>30 days	≤90 days	≤30 days	>30 days	≤90 days	≤30 days	≤30 days	>30 days	≤90 days	≤30 days	>30 days	≤90 days
Corporate														
Loans	38,731,857	323,614,437	5,763,261	1,241,120	49,570,137	915,742	116,314,851	(291,690)	(40,806,676)	(1,350,486)	(793,664)	(21,726,451)	(124,410)	(48,265,339)
Current account loans	2,617,390	8,115,425	-	-	727,840	-	7,304,048	(48,571)	(95,354)	-	-	(156,896)	-	(5,579,897)
Overdrafts	42,664	16,419	83,990	49,125	1,911	1,591,463	17,753,815	(74)	(1,757)	(51,290)	(9,736)	(133)	(241)	(6,771,105)
Credit cards	686,539	46,432	-	-	18,447	-	-	(6,190)	(3,039)	-	-	(14,048)	-	-
	42,078,450	**331,792,714**	**5,847,251**	**1,290,245**	**50,318,335**	**2,507,205**	**141,372,714**	**(346,524)**	**(40,906,826)**	**(1,401,776)**	**(803,399)**	**(21,897,529)**	**(124,651)**	**(60,616,342)**
Retail														
Loans	1,050,877	32,988	43,809	-	2,108,437	40,728,796	607,878	(28,737)	(8,991)	(29,520)	-	(1,712,035)	(33,075,014)	(423,754)
Mortgages	1,959,121	355,543	266,137	29,289	456,648	134,200	5,240,817	(45,141)	(129,483)	(156,608)	(12,663)	(445,779)	(128,849)	(4,688,584)
Overdrafts	7,672	1,501	3,237	5,513	839	574	5,281,645	(256)	(105)	(1,449)	(392)	(791)	(545)	(4,013,504)
Consumer Loans	1,997,691	187,643	61,275	162	193,366	14,605,001	11,476,195	(88,109)	(35,183)	(28,919)	(114)	(162,102)	(11,704,993)	(5,824,108)
Employes	3,616,585	62,370	7,155	223	10,279	7,412	76,797	(98,399)	(86,742)	(11,462)	(126)	(30,452)	(19,485)	(154,209)
Credit cards	2,031,081	488,400	-	-	293,490	-	-	(20,686)	(30,847)	-	-	(233,902)	-	-
	10,663,028	**1,128,445**	**381,613**	**35,187**	**3,063,058**	**55,475,982**	**22,683,332**	**(281,328)**	**(291,351)**	**(227,958)**	**(13,296)**	**(2,585,061)**	**(44,928,886)**	**(15,104,159)**
	52,741,477	**332,921,159**	**6,228,864**	**1,325,431**	**53,381,393**	**57,983,187**	**164,056,046**	**(627,852)**	**(41,198,176)**	**(1,629,734)**	**(816,695)**	**(24,482,590)**	**(45,053,537)**	**(75,720,501)**

AOA thousand

Segment	12-31-2022													
	Exposure							Impairment losses						
	Stage 1	Stage 2			Stage 3			Stage 1	Stage 2			Stage 3		
	≤30 days	≤30 days	>30 days	≤90 days	≤30 days	>30 days	≤90 days	≤30 days	≤30 days	>30 days	≤90 days	≤30 days	>30 days	≤90 days
Corporate														
Loans	21,390,653	329,139,598	5,471,288	-	47,861,817	1,346,414	85,476,336	(171,963)	(35,222,858)	(4,318)	-	(21,180,427)	(85,381)	(35,391,747)
Current account loans	7,591,636	1,709,103	-	-	671,379	-	4,740,176	(62,069)	(41,086)	-	-	(144,135)	-	(3,142,787)
Overdrafts	47,715	663,827	80,443	41,518	106	119	16,224,521	(467)	(66,403)	(11,739)	(4,770)	(91)	(102)	(5,371,284)
Credit cards	439,759	31,856	-	-	11,416	-	-	(2,952)	(2,288)	-	-	(9,552)	-	-
	29,469,763	**331,544,385**	**5,551,731**	**41,518**	**48,544,717**	**1,346,533**	**106,441,032**	**(237,451)**	**(35,332,635)**	**(16,056)**	**(4,770)**	**(21,334,205)**	**(85,482)**	**(43,905,817)**
Retail														
Loans	2,874,813	2,396,542	36,769	855	50,342,523	116,074	9,009,178	(113,706)	(160,209)	(22,481)	(648)	(40,794,767)	(107,427)	(3,148,674)
Consumer loans	595,723	231,486	33,361	-	32,474	47,083	1,633,619	(30,382)	(100,567)	(18,172)	-	(31,197)	(43,615)	(1,621,822)
Employees	3,992,058	230,288	16,460	18,758	2,451	43	33,823	(97,957)	(246,275)	(14,622)	(17,616)	(6,150)	(105)	(72,083)
Overdrafts	14,162	10,804	429,825	38,415	3,513	14,166	6,004,446	(380)	595	(182,888)	(2,648)	(1,915)	(13,343)	(4,751,916)
Credit cards	2,483,521	292,961	-	-	171,639	-	-	(40,614)	(13,434)	-	-	(135,316)	-	-
Mortgages	1,504,158	672,040	107,043	-	831,948	84,408	2,600,109	(34,773)	(246,982)	(63,695)	-	(801,334)	(80,621)	(2,311,751)
	11,464,435	**3,834,121**	**623,458**	**58,028**	**51,384,548**	**261,774**	**19,281,174**	**(317,812)**	**(766,871)**	**(301,859)**	**(20,912)**	**(41,770,679)**	**(245,111)**	**(11,906,246)**
	40,934,199	**335,378,505**	**6,175,189**	**99,546**	**99,929,265**	**1,608,307**	**125,722,207**	**(555,263)**	**(36,099,506)**	**(317,915)**	**(25,682)**	**(63,104,883)**	**(330,593)**	**(55,812,063)**

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

AOA thousand

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

AOA thousand

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

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

AOA thousand

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

AOA thousand

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

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

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

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

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

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

AOA thousand

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

AOA thousand

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

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

AOA thousand

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

AOA thousand

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

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

AOA thousand

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

AOA thousand

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

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

AOA thousand

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

AOA thousand

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

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

AOA thousand

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

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

AOA thousand

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

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

AOA thousand

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

AOA thousand

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

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

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

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

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

In order to determine the forward-looking effect in the update of the default probabilities calculation, the Bank only considered the effect of the oil price evolution with a 1-year lag in the default rates projection of the Companies. In the Retail segment, the Bank decided not to carry out the forward-looking effect when calculating the probabilities of default.

As at December 31, 2023 and 2022, finance leases, by residual maturity, is presented as follows:

AOA thousand

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

There are no finance lease agreements with contingent rents.

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

This caption is analysed as follows:

AOA thousand

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

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

AOA thousand

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

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

AOA thousand

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

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

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

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

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

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

As at December 31, 2023 and 2022, exposures relating to loans and advances are classified in Stage 1.

Changes in impairment losses for other loans and advances to central banks and credit institutions measured at amortized cost are as follows:

AOA thousand

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

Note 11 - Property, plant and equipment

The changes in this caption are detailed as follows:

AOA thousand

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

AOA thousand

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

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

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

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

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

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

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

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

Note 12 - Intangible assets

The changes in this caption are detailed as follows:

AOA thousand

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

AOA thousand

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

Note 13 - Non-current assets held for sale

This caption is analysed as follows:

AOA thousand

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

The changes in this caption are detailed as follows:

AOA thousand

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

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

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

Also in the year ended December 31, 2023, the Bank signed a promissory contract (Note 15) for the transfer of the "Projecto Parcela 1" property to a private entity, for the amount of AOA 49,800,000 thousand. Gains and losses resulting from the difference between the amount recorded in the balance sheet and the sale value charged on the promissory contracts of purchase and sale (Note 15) and direct sales to third parties, were recorded in the income statement, under Net gains/(losses) arising from the sale of other assets (Note 27).

Where the asset is not disposed of within 12 months, the Bank assesses whether the requirements continue to be met, namely the sale was not made for reasons beyond the Bank's control. The Bank shall ensure that all necessary actions have been taken to enable the sale and that the asset continues to be actively marketed and at reasonable selling prices given the market circumstances (Note 2.10.).

Note 14 - Taxes

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

AOA thousand

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

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

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

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

AOA thousand

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

In 2020, Law 26/20 of July 20 was published which introduced several amendments to the corporate income tax system provided for in the Industrial Tax Code, namely, to Articles 13 and 14 (Income or gains/Costs or expenses) and Article 45 (Provisions).

In particular, a rewording of the rules on income and gains of a financial nature has been carried out, as provided for in Articles 13(c) and 14(c) of the Industrial Tax Code, so that only realized favourable and unfavourable exchange rate changes will now be considered as income and costs of this nature. Moreover, Article 45 of the Industrial Tax Code has been amended, with the introduction of a new paragraph 4 to the list of articles, which now states that “Provisions set up for collateralized loans are not accepted, except for the part not covered”.

Accordingly, for the purposes of calculating current and deferred tax, the Bank considered the effects arising from the changes in the Industrial Tax Code, namely those related to (i) costs and income with unrealized exchange rate valuations and devaluations and (ii) costs with impairment losses on amounts of loans secured by collaterals.

It should be noted that these tax changes are under review and discussion between Associação Angolana de Bancos (ABANC) and the Angolan Tax Authority (AGT), with some uncertainties persisting as to (i) the procedures for calculating these adjustments, (ii) the type of deferred tax assets and liabilities to be considered on the effects of unrealized exchange rate changes and (iii) the type and valuation of collaterals for purposes of determining impairment losses not accepted for tax purposes.

In view of the above and in accordance with the provisions of IAS 12, deferred tax liabilities should be recognized in their entirety, whereas a deferred tax asset should only be recognized if it is certain that future taxable profit will be sufficient to allow its recoverability to be evidenced within the period laid down in the tax law. Accordingly, the Bank, using the best possible estimate, calculated the Industrial Tax for 2023 and 2022, considering the changes disclosed in the AGT letter (reference no. 1633/GAGA/GJ/AGT/2021, of April 8), and the projections of the tax results for the next 5 years.

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

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

The Bank records deferred tax assets and deferred tax liabilities on an offsetting basis, since they relate to income taxes levied by the same tax authority and considering that the taxable temporary differences are expected to reverse in the same period.

As these deferred tax assets and liabilities are offset, their impact on the income statement is null, and no materially relevant future financial impacts are anticipated, resulting from the aforementioned Law and further clarifications to be made by the AGT.

Changes in “Deferred tax assets” and “Deferred tax liabilities” are presented as follows:

AOA thousand

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

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

AOA thousand

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

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

AOA thousand

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

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

In accordance with the applicable legislation, tax losses carried forward can be used for a period of five years.

Income from public debt securities resulting from Treasury Bonds and Treasury Bills issued by the Angolan Government, whose issue is regulated by Presidential Decree 259/10, of November 18 and Presidential Decree 31/12, of January 30, is exempted from all taxes.

In addition, Presidential Legislative Decree 5/11, of December 30 (revised and republished by Presidential Legislative Decree 2/14, of October 20) implemented a rule subjecting income from public debt securities resulting from Treasury Bonds and Treasury Bills issued by the Angolan State to Capital Gains Tax.

Nevertheless, in accordance with the provisions of Article 47 of the Industrial Tax Code and the Law amending the Industrial Tax Code (Law 19/14 of October 22, in force since January 1, 2015, and Law 26/20 of July 20, respectively), income subject to Capital Gains Tax will be deducted in the determination of the taxable amount.

Thus, to determine taxable profit for the periods ended on December 31, 2023 and 2022, such income was deducted from taxable profit.

Likewise, the expenditure calculated with the settlement of Capital Gains Tax is not accepted for tax purposes for the calculation of taxable profit, as set out in paragraph 1-a), Article 18, of the Industrial Tax Code.

Notwithstanding the above, regarding income from public debt securities, in accordance with the latest understanding of Tax Authorities addressed to ABANC (letter with reference no. 196/DGC/AGT/2016 of May 17, 2016), only those arising from securities issued on or after January 1, 2013 are subject to this tax.

It should also be noted that, according to AGT's position, the exchange revaluations of public debt securities issued in national currency but indexed to foreign currency, issued since January 1, 2013, should be subject to Business Tax.

Note 15 - Other assets

This caption is analysed as follows:

AOA thousand

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

As at December 31, 2023 and 2022, the caption Debtors from promissory contracts refers to amounts receivable under real estate sale agreements, most of which are recorded in domestic currency, with the remainder recorded in foreign currency, whose accounting policy is described in Note 2.5. The real estate properties were previously recorded under "Non-current assets held for sale" (Note 13) and the capital gains and losses arising from their sale were recorded under "Profit/(loss) from the sale of other assets" (Note 27), whose accounting policy is described in Note 2.10.

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

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

During the period ended December 31, 2022, the caption Debtors from promissory contracts was impacted by the appreciation of the Kwanza against the US Dollar, the signing of two new CPCV agreements, partial settlements of CPCV contracts and the triggering of a contractual clause of a CPCV contracts resulting in the increase of the outstanding price against the caption Net gains/(losses) arising from foreign exchange differences, as described in Note 26.

As at December 31, 2023 and 2022, the caption Other assets – Sundry debtors refers to other assets with credit risk, namely: (i) amounts receivable under the "Angola Invest" Program of the Ministry of Economy and Planning, (ii) debt acknowledgment agreements through the assignment of the contractual position in loan agreements with customers; (iii) agreements for the assignment of surface rights; and (iv) mandate agreements, which are contracts entered into by the Bank with third parties, accounted for in accordance with the accounting policy described in Note 2.6. The reduction in the balance of this caption is essentially due to the full settlement of outstanding amounts relating to the execution of guarantees provided under the "Angola Invest" Program.

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

AOA thousand

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

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

Note 16 - Deposits from central banks and other credit institutions

This caption is analysed as follows:

AOA thousand

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

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

Note 17 - Deposits from customers and other loans

This caption is analysed as follows:

AOA thousand

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

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

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

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

AOA thousand

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

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

AOA thousand

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

Note 18 - Provisions

The changes in this caption are detailed as follows:

AOA thousand

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

As at December 31, 2023 and 2022, the caption Provisions for guarantees and commitments records provisions for estimated impairment losses for off-balance sheet balances that show the possibility and conversion into loans and advances to Customers, namely guarantees provided, documentary credits and not drawn credit facilities.

As at December 31, 2023 and 2022, Other provisions for risks and charges is intended to cover certain contingencies arising from the Bank's activity and is reviewed at each reporting date with the purpose of reflecting the best estimate of the amount and associated probability of payment.

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

Note 19 - Other liabilities

This caption is analysed as follows:

AOA thousand

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

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

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

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

AOA thousand

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

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

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

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

Note 20 - Share capital, share premiums and treasury shares

Ordinary shares

The Bank was incorporated with a share capital of AOA 801,728 thousand (equivalent to USD 10,000 at the exchange rate in force on November 6 and 21, 2006), represented by 1,000,000 nominal shares of 10 US dollars (USD) each, fully subscribed and paid up in cash.

In June 2009, a capital increase in the amount of AOA 6,510,772 thousand (equivalent to USD 55,000), represented by 5,500,000 new shares with a nominal value of USD 10 each, was fully subscribed and paid up by the incorporation of retained earnings (AOA 268,346 thousand), conversion of a subordinated loan (AOA 300,886 thousand), cash inflows (AOA 3,504,040 thousand) and through the issue of preferred shares without voting rights, non-redeemable in the amount of AOA 2,437,500 thousand (equivalent to USD 32,500). Preferred shares were issued for USD 25.14 each, which included a share premium of USD 15.14 per share.

In June 2011, a capital increase in the amount of AOA 4,949,243 thousand (equivalent to USD 52,500), represented by 5,250,000 new shares with a nominal value of USD 10 each, was fully subscribed and paid up by the incorporation of retained earnings (AOA 3,764,524 thousand) and cash inflows (AOA 1,184,719 thousand).

In November 2011, a new capital increase was carried out in the amount of AOA 4,763,650 thousand (equivalent to USD 50,000), represented by 5,000,000 new shares with a nominal value of USD 10 each, was fully subscribed and paid up through cash inflows. As part of this new capital increase, additional cash inflows in the amount of AOA 2,029,207 thousand were made with a view to maintaining the equivalent in kwanzas of all the USD shares incorporated to the share capital, based on the exchange rate of December 13, 2011.

In September 2013, ATLANTICO incorporated in its share capital, share premiums of preferred shares, issued in June 2009, in the amount of AOA 1,467,930 thousand, through the issue of 1,144,740 new ordinary shares, with a nominal value of AOA 1,000 each, in the amount of AOA 1,144,740 thousand and the adjustment of the nominal value of 1,292,760 preferred shares to AOA 1,000, in the amount of AOA 323,190 thousand. Additionally, and on the same date, ATLANTICO carried out a capital increase by incorporation of retained earnings, in the amount of AOA 205,400, in order to make the Bank's share capital equivalent to USD 200,000,000, at the exchange rate of September 6, 2013.

In December 2013, the Bank converted preferred shares without voting rights, non-redeemable, in the amount of AOA 1,292,760 thousand into ordinary shares in equal number and nominal value. Also in December 2013, a capital increase in the amount of AOA 14,897,900 thousand, represented by 14,897,900 new shares with a nominal value of AOA 1,000, was fully subscribed, through the incorporation of retained earnings in the amount of AOA 4,879,700 thousand (equivalent to USD 50,000 at the exchange rate of December 17, 2013) and cash inflows in the amount of AOA 9,759,400 thousand (equivalent to USD 100,000 at the exchange rate of December 17, 2013). As part of this new capital increase, retained earnings in the amount of AOA 258,800 thousand were also incorporated in order to maintain the equivalent in kwanzas of the Bank's share capital, corresponding to USD 350,000 at the exchange rate of December 17, 2013. As at December 31, 2013, this capital increase was not yet fully paid up, with cash inflows in the amount of AOA 975,940 thousand still to be undertaken. In 2014, cash inflows in the amount of AOA 975,940 thousand were made and the above-mentioned capital increase was fully paid up.

As a result of the operations described above, as at December 31, 2015, the Bank's share capital amounted to AOA 34,157,900 thousand, represented by 34,157,900 ordinary shares with a nominal value of AOA 1,000.

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

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

As at 31 December 2023 and 2022, the Bank's share capital in the amount of AOA 142,324,747 thousand was represented by 53,821,603 ordinary shares, with a nominal value of AOA 1,000, fully subscribed and paid up by different shareholders and by the monetary revaluation effect described above.

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

	12-31-2023		12-31-2022	
	Number of shares	% of shareholding	Number of shares	% of shareholding
Interlagos Equity Partners, S.A.	16,023,355	29.77%	16,023,355	29.77%
BCP África, SGPS, Lda.	12,124,244	22.53%	12,124,244	22.53%
Sotto Financial Group S.A.R.L	10,657,874	19.80%	10,657,874	19.80%
Jasper Capital Partners – Investimentos e Participações, S.A.	9,753,116	18.12%	9,753,116	18.12%
Quadros – Gestão de Activos, S.A.	2,220,263	4.13%	2,220,263	4.13%
Fundação ULWAZI (ex-Fundação Atlântico)	1,247,223	2.32%	1,247,223	2.32%
Gemcorp Fund I LP	1,024,737	1.90%	1,024,737	1.90%
Acções Próprias (ATLANTICO)	492,182	0.91%	492,182	0.91%
Other entities	278,609	0.52%	278,609	0.52%
	53,821,603	**100.00%**	**53,821,603**	**100.00%**

Share premium

The capital increase made in 2016 under the merger by incorporation led to a share premium of AOA 40,782,829 thousand. The balance of share premiums was reduced in the amount of AOA 4,589,246 thousand as a result of the dividends distributed in 2016 related to 2015 from Banco Millennium Angola, S.A. and in the amount of AOA 1,361,574 thousand, under the acquisition of treasury shares. Additionally, the amount related to costs with capital increases amounts to AOA 21,940 thousand. The adoption of IAS 29 on the share premium arising from the merger resulted in an impact of AOA 35,897,337 thousand. Accordingly, as at December 31, 2019 and subsequent years the restated amount of Share premiums totals AOA 70,707,406 thousand.

Treasury shares

During 2016, the Bank acquired treasury shares in the amount of AOA 492,182 thousand with a corresponding share premium of AOA 1,361,574 thousand under a settlement of an amount receivable by a shareholder. The share price calculation within this operation was based on the same market multiple adopted in the merger process of Banco Privado Atlântico S.A. and Banco Millennium Angola, S.A. The adoption of IAS 29 on treasury shares resulted in an impact of AOA 349,475 thousand. Accordingly, as at December 31, 2019 and subsequent years, the restated amount of Treasury shares totals AOA 841,657 thousand.

Note 21 - Reserves and retained earnings

Legal reserve

This caption consists entirely of Legal reserve, which can only be used to cover previous year losses or to increase share capital.

Angolan legislation applicable to the banking sector requires that 10% of the profit for the year must be transferred to the legal reserve until it is equal to the share capital.

Revaluation reserve (fair value reserves)

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

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

AOA thousand

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

Revaluation reserves, other reserves and retained earnings

Changes occurred in these captions are analysed as follows:

AOA thousand

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

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

Note 22 - Net interest income

This caption is analysed as follows:

AOA thousand

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

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

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

As at December 31, 2023 and 2022, loans at fair value through profit or loss, described in Note 6, are in default for more than 90 days (Stage 3), and for this reason the Bank no longer recognizes interest on these operations, in accordance with the accounting policy described in Note 2.15.

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

This caption is analysed as follows:

AOA thousand

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

As at December 31, 2023 and 2022, the caption “Fee and commission income – Electronic transactions”, is essentially related to gains obtained with commissions from transactions carried out in the Bank's own Automated Teller Machines (ATM) and Point-of-Sale (POS), which recorded a significant growth justified by the increase in the number of transactions carried out in these payment subsystems.

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

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

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

This caption is analysed as follows:

AOA thousand

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

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

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

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

This caption is analysed as follows:

AOA thousand

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

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

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

This caption is analysed as follows:

AOA thousand

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

As at December 31, 2023 and 2022, the caption Profit/(loss) from revaluation of assets and liabilities includes the foreign exchange gains and losses obtained on the revaluation of the foreign exchange position of monetary assets and liabilities denominated in, or indexed to, foreign currency, in accordance with the accounting policy described in Note 2.3. As at December 31, 2023 and 2022, there was a significant depreciation of the Kwanza currency against the main reference currencies, namely 65% and 71% against the US Dollar and Euro, respectively.

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

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

This caption is analysed as follows:

AOA thousand

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

As at December 31, 2023 and 2022, the balance of this caption corresponds mainly to gains obtained from the disposal of non-current assets held for sale (Note 13) and property, plant and equipment (Note 11).

Note 28 - Staff costs

This caption is analysed as follows:

AOA thousand

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

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

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

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

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

AOA thousand

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

AOA thousand

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

Note 29 - Supplies and services

This caption is analysed as follows:

AOA thousand

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

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

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

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

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

Note 30 - Depreciation and amortization for the period

This caption is analysed as follows:

AOA thousand

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

Note 31 - Provisions and impairment of other assets

This caption is analysed as follows:

AOA thousand

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

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

Note 32 - Impairment of other financial assets

This caption is analysed as follows:

AOA thousand

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

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

Note 33 - Impairment for financial assets at amortized cost

This caption is analysed as follows:

AOA thousand

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

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

Note 34 - Other operating income

This caption is analysed as follows:

AOA thousand

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

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

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

Note 35 - Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing net income attributable to the Bank's shareholders by the weighted average number of ordinary shares outstanding, excluding the average number of treasury shares held by the Bank.

Diluted earnings per share

Diluted earnings per share are calculated by adjusting the effect of all potential dilutive ordinary shares to the weighted average number of ordinary shares outstanding and to the net profit attributable to the Bank's shareholders.

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

AOA thousand

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

Note 36 - Off-balance sheet accounts

This caption is analysed as follows:

AOA thousand

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

Guarantees provided and commitments to third parties include exposures that are subject to ECL calculation according to the impairment model defined by the Bank and in accordance with the requirements of IFRS 9.

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

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

AOA thousand

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

AOA thousand

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

Documentary credits correspond to commitments by the Bank, on behalf of its customers, which ensure the payment of a specified amount to the supplier of a given good or service, within a fixed term, against the presentation of the documentation confirming the shipment of goods or the rendering of services. The irrevocable condition arises from the fact that the commitment is non-cancellable or amended without the agreement of all parties involved.

Revocable and irrevocable commitments represent contractual agreements to extend credit to the Bank's customers (for example not drawn credit facilities). These agreements are generally, contracted for fixed periods of time or with other expiring requirements, and usually require the payment of a commission. Substantially, all credit commitments require that customers maintain certain conditions verified at the time the credit was granted.

Notwithstanding the particular characteristics of these commitments, the analysis of these operations follows the same basic principles of any commercial operation, namely the solvency of the customer and of the underlying business, and the Bank requires that these operations be duly covered by collaterals when necessary. Considering that is expected that the majority of these commitments expire without having been used, the indicated amounts do not represent necessarily future cash flow needs.

Financial instruments recorded as Guarantees and other commitments are subject to the same approval and control procedures applied to the credit portfolio, namely regarding the analysis of objective evidence of impairment, as described in Note 2.6. The maximum credit exposure is represented by the nominal value that could be lost related to guarantees and commitments undertaken by the Bank in the event of default by the respective counterparties, without considering potential recoveries or collaterals.

The Bank provides custody services, asset management, investment management and advisory services that involve taking decisions of buying and selling several types of financial instruments. For certain services rendered, targets and profitability levels are set out for assets under management.

In the context of fiduciary activities, the Bank provides custody services to its customers.

Note 37 - Transactions with related parties

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

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

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

3. All entities in which ATLANTICO owns, directly or indirectly, at least 10% of the share capital or voting rights of the subsidiary company or that, for any reason, allows for the exercise of the control and/or significant influence in the management of the subsidiary company;

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

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

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

6. Members of the management and/or supervisory bodies of ATLANTICO as well as any person or entity, irrespective of its legal form, that has a relationship with a member of the management and/or supervisory bodies of ATLANTICO, of one of the following:

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

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

8. Key management personnel of ATLANTICO and their family members: first-line Directors, their spouses, descending and ascending relatives, in direct line up to the second degree; and

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

As at December 31, 2023 and 2022, the members of the Board of Directors, the Supervisory Board and the General Meeting, the shareholders, subsidiaries and other shareholdings, as well as other entities under the Bank's control with which balances and/or transactions are recorded, are as follows:

Shareholders
Interlagos Equity Partners, S.A.
BCP África SGPS, Lda.
Sotto Financial Group, SARL
Jasper Capital Partners – Investimentos e Participações S.A.
Quadros – Gestão de Activos, S.A.
Fundação ULWAZI

Members of the Board of Directors
António João Assis de Almeida
Daniel Gustavo Carvalho dos Santos
Miguel Nuno André Raposo Alves
Ana Patrícia Pereira Gabriel Tavares
Éder Nuno Vicente Samuel de Sousa
Isabel Regina do Espírito Santo
Paulo Fernando Cartaxo Tomás
João da Conceição Ribeiro Mendonça
Elpidio Ferreira Lourenço Neto
José Miguel Bensliman Schorcht da Silva Pessanha
José Carlos Manuel Burity
Ana Catarina Nunes de Souza e Sá
Mauro André dos Santos Neves
Madalena Adriano Domingos de Lemos Neto
Vanessa Fernandes de Oliveira Mendonça

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

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

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

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

AOA thousand

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

AOA thousand

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

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

AOA thousand

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

AOA thousand

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

The remuneration costs and other benefits granted to the Bank's key management personnel (short- and long-term) are disclosed in Note 28.

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

Note 38 - Fair value of financial assets and liabilities

Fair value is based on quoted market prices, whenever available. Otherwise, fair value is determined based on cash-flow discounting techniques. Cash flows for the different instruments are calculated according with its financial characteristics and discount rates used include both the market interest rate curve and the current risk levels of the respective issuer.

Therefore, the fair value obtained is influenced by parameters used in the evaluation model, that necessarily have some degree of subjectivity and exclusively reflect the value attributed to different financial instruments.

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

AOA thousand

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

AOA thousand

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

The Bank uses the following hierarchy for fair value, with 3 levels in the valuation of financial instruments (assets and liabilities), which reflects the level of judgment, the observability of the data used, and the importance of the parameters used in determining the fair value of the instrument, in accordance with the provisions of IFRS 13:

- Level 1: Fair value is determined based on unadjusted quoted prices, captured in transactions in active markets involving identical instruments to the ones being valued. If there is more than one active market for the same financial instrument, the relevant price is the one prevailing in the main market of the instrument, or the most advantageous market for which there is access;

- Level 2: Fair value is determined using valuation techniques based on observable inputs in active markets, whether direct data (prices, rates, spreads, etc.) or indirect data (derivatives), and valuation assumptions similar to those that an unrelated party would use in estimating the fair value of the same financial instrument. It also includes instruments whose valuation is obtained through quotations disclosed by independent entities but whose markets have the lowest liquidity; and

- Level 3: Fair value is determined based on unobservable inputs in active markets using techniques and assumptions that market participants would use to value the same instruments, including assumptions about inherent risks, the valuation technique used, and the inputs used and review processes to test the accuracy of the values obtained.

The Bank considers an active market for a given financial instrument at the measurement date, depending on the turnover and liquidity of the transactions carried out, the relative volatility of quoted prices and the readiness and availability of the information, and the following conditions should apply:

- Existence of frequent daily prices trading in the last year;

- The above quotations change regularly; and

- There are executable quotes from more than one entity. A parameter used in a valuation technique is considered observable in the market, if the following conditions are met:

- If its value is determined in an active market;

- If there is an OTC market and it is reasonable to assume that the conditions of an active market are met, with the exception of the condition of trading volumes; and

- The parameter value can be obtained by the inverse calculation of prices of financial instruments or derivatives where the remaining parameters required for initial assessment are observable in a liquid market or an OTC market that comply with the preceding paragraphs.

As at December 31, 2023 and 2022, all financial assets recorded at fair value were classified in levels 2 and 3, despite the fact that, in some situations, these were prices verified on the Angolan capital market (BODIVA). Because this market started its activity at the end of 2016, given the low liquidity and depth of the capital market and the early stage it is now, they were not considered to have the necessary conditions to be classified at level 1.

The main methodologies and assumptions used in estimating the fair value of financial assets and liabilities recorded in the balance sheet at amortized cost are analysed as follows:

Cash and deposits at central banks, Loans and advances to credit institutions repayable on demand and Other loans and advances to central banks and credit institutions

Considering the short maturity of these financial instruments, the amount in the balance sheet is a reasonable estimate of its fair value.

Financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income

These financial instruments are accounted at fair value for Angolan public debt securities. The fair value is based on market quotations available at BODIVA, whenever these are available. Otherwise, fair value is estimated through numerical models based on discounted cash-flow techniques, using the interest rate curve adjusted for factors associated, predominantly the credit risk and liquidity risk, determined in accordance with the market conditions and respective maturities.

Interest rates are determined based on information disseminated by financial content providers and BNA. Interest rates for specific periods of the cash flows are determined by appropriate interpolation methods. The same interest rate curves are also used in the projection of the non-deterministic cash flows, such as indexes.

For investment funds, the best fair value estimate considered is the financial statements of these bodies at the Bank's balance sheet date and, where possible, with the Auditor's Report.

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

Financial assets at amortized cost – Debt securities

The fair value of these instruments is based on market prices, whenever these are available. Otherwise, fair value is estimated through the update of expected cash-flows of future capital and interest for these instruments.

For disclosure purposes, it is presumed that Treasury Bills (where applicable) have short-term residual maturities and that Treasury Bonds in foreign currency bear interest rates in line with the comparable market rates in force, therefore their book value substantially represents the fair value of these assets.

Loans and advances to customers

The fair value of loans and advances to customers is calculated based on the update of expected principal and interest future cash flows, considering that the payments of the instalments occur in the contractually defined dates. The expected future cash flows of homogeneous credit portfolios, such as mortgage loans, are estimated on a portfolio basis. The discount rates used are the current rates charged for loans with similar characteristics.

Other assets

Other assets classified at fair value through profit or loss were valued in accordance with the assumptions defined in the internal model for the valuation of assets at fair value in the level 3 hierarchy. The model estimates the fair value of these assets by the sum of the discounted cash flows at a valuation benchmark rate defined based on the assumptions made in the internal model. The fair value of other assets at amortized cost is presumed to be their carrying amount.

Deposits from central banks and other credit institutions

The fair value of loans and advances to customers is calculated based on the update of expected principal and interest future cash flows, considering that the payments of the instalments occur in the contractually defined dates.

Deposits from customers and other loans

The fair value of these financial instruments is calculated based on the expected principal and interest future cash flows. The discount rate used reflects the rates charged for deposits with similar characteristics at the balance sheet date. Considering that the applicable interest rates are renewed for periods of less than one year, there are no material differences in their fair value.

Concerning the exchange rates, the Bank uses in its valuation models the spot rate observed in the market at the time of the valuation.

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

AOA thousand

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

AOA thousand

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

Note 39 - Risk management

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

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

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

Main risk categories

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

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

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

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

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

Internal organization

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

The Board of Directors is responsible for defining, approving, and implementing a risk management system that identifies, assesses, controls, and monitors all the material risks to which the Bank is exposed, in order to ensure that they remain at the previously defined level and that they will not significantly affect the Bank's financial position.

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

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

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

The risk management system is documented through policies, internal rules (processes) and procedure manuals.

During 2021, the BNA issued Notice 08/2021, which establishes a new regulatory and prudential framework for the Angolan financial system arising from the supervisory equivalence program under implementation. The regulatory package consisting of the aforementioned Notice and supplementary Instructions revokes the regulations published in 2016, which guided risk management and regulatory limits until this date. In accordance with the new regulatory framework, the Bank made its first report in May 2022, with reference to the period ended March 31, 2022. On this date, the new regulatory package has been fully implemented by the Bank, in accordance with the guidelines of the Banco Nacional de Angola.

Risk Assessment

Credit Risk

Credit risk models play a key role in the credit decision process. Therefore, the loan portfolio's decision-making process is based on a set of policies, through scoring models for Retail and Corporate customers' portfolios and rating for the corporate segment.

Credit decisions depend on risk classifications and compliance with several rules on the financial standing and behaviour of the proposers. There are relative scoring models for the main consumer credit portfolios, namely mortgages and individual loans, including the necessary segmentation between customers and non-customers (or recent customers).

The main goals of credit risk management are:

- Define the provisioning rules/impairment calculations;
- Define the process of risk analysis;
- Analyse concentration/individual, sector and geographic risks;
- Define and monitor the internal boundaries for counter parties; and
- Monitor the implementation of risks cutback plans, through a follow-up of the overdue credit portfolio.

In order to mitigate the credit risk, the portfolio analysis includes the following criteria:

- Customer's background, to seek the existence of credit defaults, pledges or debts;
- Exposure limits to credit risk, where, in accordance with the counterparties' credit capacity, it is established an internal rating, as well as the definition of maximum limits to counterparties;
- Default risk where customers with high probability of default rating are rejected; and
- Personal or real guarantees at the credit conception, in order to mitigate the Bank's exposure to the respective counterparty.

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

AOA thousand

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

AOA thousand

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

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

AOA thousand

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

AOA thousand

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

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

AOA thousand

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

AOA thousand

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

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

AOA thousand

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

AOA thousand

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

With regard to the quality of credit risk of the financial assets, the Bank, based on internal rating levels, is developing the necessary tools to disclose information along these lines.

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

- Real estate guarantees and financial collaterals, which allow a direct reduction in the position value, are important for credit risk mitigation. Personal protection guarantees, with a substitution effect in the position at risk, are also considered;

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

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

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

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

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

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

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

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

- The amount of impairment for customers subject to individual analysis is calculated using the discounted cash flow method and macroeconomic scenarios with impacts on the recovery strategy, *i.e.*, the amount of impairment corresponds to the difference between the value of the loan and the sum of the expected cash flows related to the various operations of the customer, adjusted to the macroeconomic scenarios, and updated according to the effective interest rate of each operation.

Market Risk

Market Risk is controlled, in a short- and long-term vision, for the banking portfolio.

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

The Financial and Markets Department is responsible for the selection and performance of market operations and for liquidity management, considering the limits defined in the Bank's risk profile.

The Risk Office is responsible for the identification, measurement, and monitoring of risks, always ensuring that the defined limits are met.

The Bank is subject to reporting under Notice 08/2021 of June 18 and Instruction 22/2021 of March 27, regarding the Interest Rate Risk in the banking portfolio (financial instruments not held in the portfolio of financial assets at fair value through profit or loss).

As at December 31, 2023 and 2022, the total portfolios of financial assets at fair value through other comprehensive income and at amortized cost are mainly concentrated in loans and advances to customers, representing 44% and 46%, respectively, and in public debt securities (National Treasury Bonds), representing 48% and 31%, respectively.

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

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

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

Following the recommendations of BNA's Instruction 22/2021 of October 27, the Bank calculates its exposure to the balance sheet interest rate risk based on the methodology defined in the Instruction. It also carries out the quantification of the economic capital requirements for the interest rate risk of the banking portfolio, based on the simulation of a 260-day historical value at risk (VaR) with a 99% confidence interval (considering all the institution's positions, sensitive to interest rate fluctuations and related to currencies representing more than 5% of total assets or liabilities), in accordance with Instruction 10/2021 of July 7.

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

AOA thousand

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

AOA thousand

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

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

AOA thousand

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

AOA thousand

	12-31-2022								
	Resetting dates/Maturity dates								
	Below 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	Above 5 years	Undetermined	Total
Assets									
Financial assets at fair value through profit or loss	-	-	-	-	-	-	-	182,149	182,149
Financial assets at fair value through other comprehensive income	28,160,300	182,900	-	1,656,655	933,400	3,483,400	19,554,800	-	53,971,455
Financial assets at amortized cost									
Debt securities	-	1,786,726	35,389,765	32,776,590	167,295,476	27,419,194	41,577,920	-	306,245,672
Loans and advances to customers	197,443,499	77,354,612	11,864,967	1,003,679	22,996,291	1,273,600	99,756,563	-	411,693,211
Other loans and advances to central banks and credit institutions	26,548,320	503,691	3,000,000	403,079	-	-	-	-	30,455,089
	252,152,119	**79,827,929**	**50,254,731**	**35,840,002**	**191,225,168**	**32,176,194**	**160,889,283**	**182,149**	**802,547,576**
Liabilities									
Deposits from customers and other loans	132,230,423	277,597,350	196,271,863	217,740,896	-	-	-	-	823,840,531
Other liabilities	-	-	-	-	-	5,470,195	-	-	5,470,195
	132,230,423	**277,597,350**	**196,271,863**	**217,740,896**	**-**	**5,470,195**	**-**	**-**	**829,310,726**
	119,921,696	**(197,769,420)**	**(146,017,131)**	**(181,900,894)**	**191,225,168**	**26,706,000**	**160,889,283**	**182,149**	**(26,763,150)**

As at December 31, 2023 and 2022, the average interest rates for the main categories of financial assets and liabilities, as well as the related average balances and income and expenses for the period, are as follows:

AOA thousand

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

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

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

AOA thousand

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

AOA thousand

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

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

AOA thousand

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

AOA thousand

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

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

Liquidity Risk

In addition to regulatory ratios, liquidity risk is assessed using internal metrics defined by the Bank's management, namely exposure limits, intra-day liquidity risk, Net Stable Funding Required (NSFR), and the weight of liquid assets in total assets. This control is reinforced with the monthly execution of sensitivity analysis, in order to characterize the Bank's risk profile and ensure that fulfils its obligations in a liquidity crisis scenario.

The purpose of liquidity management is to maintain adequate liquidity levels to meet short, medium- and long-term funding needs. Liquidity risk is monitored on a daily basis and several reports are prepared for control, monitor and support to the decision-making process of the Risk Committee.

The evolution of the liquidity situation is performed based particularly on future cash flows estimated for various time horizons, considering the Bank's balance sheet. To the calculated values is added the analysis day's liquidity position and the amount of assets considered highly liquid in the portfolio of uncommitted assets, determining the cumulative liquidity gap for different time horizons. Additionally, monitoring of liquidity positions from a prudential standpoint is also performed, calculated according to the rules required by BNA's Instruction 14/2021 of September 27 (revoked Instruction 09/2019 of August 27).

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

AOA thousand

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

AOA thousand

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

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

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

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

Real Estate Risk

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

AOA thousand

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

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

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

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

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

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

Operational Risk

The Bank's Risk Office performs the corporate operational risk management function of the Bank, which is supported by the existence of counterparts in different organizational units that ensure the adequate implementation of operational risk management in the Bank.

The Bank has initiated a set of guidelines and actions aimed at better alignment of systems, human resources and processes in order to allow an effective continuous mitigation of operational risk, making a continuous investment to be in line with the best international practices.

The management of ATLANTICO's operational risk is based on an organizational model by processes, which allows the Bank to adopt an end-to-end perspective of the value chain of products and services in Operational Risk management, involving the entire organization and enhancing transversal responsibility.

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

Operational Risk management is performed using three instruments:

- Identification of events of losses resulting from Operating Risks and respective mitigation actions performed by Departments;
- Risk self-assessment meetings organized by those responsible for each process and which allow the Bank to take a qualitative approach to identifying potential risks through a structured analysis from a procedural perspective; and
- Identification and quantification of Key Risk Indicators (KRI), that is, metrics that identify changes in the risk profile or in the effectiveness of process controls, allowing the preventive implementation of corrective actions.

Capital management and solvency ratio

The Bank's own funds are calculated in accordance with the applicable regulatory standards, namely with Notice 08/2021 of June 18 and Instruction 19/2021 of October 27.

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

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

Regulatory own funds comprise:

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

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

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

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

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

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

- Tier 1 and Tier 2 own funds deductions – include

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

- Prudential Limits for Major Risks

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

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

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

AOA thousand

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

Note 40 - Recently issued accounting standards and interpretations

New standards and interpretations applicable to the period

The following standards, interpretations, amendments, and revisions have mandatory application for the first time in annual periods beginning on January 1, 2023:

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

This standard establishes, for insurance contracts within its scope, the principles for their recognition, measurement, presentation, and disclosure. This standard replaces IFRS 4 – Insurance Contracts.

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

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

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

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

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

This amendment issued by IASB in May 2021 clarifies that the exemption of initial recognition of deferred taxes does not apply in transactions that produce equal amounts of taxable and deductible temporary differences.

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

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

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

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

The Bank does not foresee significant effects on its financial statements with the adoption of these new standards, interpretations, amendments, and revisions referred to above.

New standards and interpretations already issued, which will come into force in future periods

The following standards, interpretations, amendments and revisions have mandatory application in future periods:

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

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

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

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

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

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

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

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

The Bank does not foresee significant effects on its financial statements with the adoption of these new standards, interpretations, amendments and revisions referred to above.

Note 41 - Events after the reporting period

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

Note 42 – Note added for translation

These financial statements are a free translation of the financial statements originally issued in Portuguese. In the event of discrepancies, the Portuguese version prevails.

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CERTIFICATES

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INDEPENDENT AUDITOR'S REPORT

(Free translation of a report originally issued in Portuguese language: In case of doubt the Portuguese version will always prevail)

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

REPORT ON THE AUDIT OF THE INDIVIDUAL FINANCIAL STATEMENTS

Opinion

We have audited the accompanying individual financial statements of Banco Millennium Atlântico, S.A. ("the Bank"), which comprise the Balance sheet as at December 31, 2023 showing a total of 2 087 699 559 thousand of kwanzas and equity of 211 958 808 thousand of kwanzas, including a net profit of 9 106 196 thousand of kwanzas, the individual Statements of income, of comprehensive income, of changes in equity and of cash flows for the year then ended, and the accompanying notes to the individual financial statements, including material informations about accounting policy.

In our opinion, the accompanying individual financial statements give a fair view, in all material respects, of the financial position of Banco Millennium Atlântico, S.A. as at December 31, 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Contabilistas e Peritos Contabilistas de Angola (the Angolan Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the individual financial statements" section below. We are independent from the Bank in accordance with the law and we have fulfilled other ethical requirements in accordance with Ordem dos Contabilistas e Peritos Contabilistas de Angola code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of a matter

As disclosed in Note 39 of the financial statements, the Board of Directors believes that the current uncertainty in the main indicators of the Angolan economy may result in possible future impacts on the accounting estimates made on the valuations of real estate assets considered in the preparation of the Bank's individual financial statements, namely: (i) a real estate investment fund majority owned by the Bank; (ii) properties for own use recorded under "Other property, plant and equipment"; and (iii) collateral from credit operations granted to customers and amounts receivable from promissory contracts for the purchase and sale of real estate. These valuations incorporate a certain degree of subjectivity and include assumptions made by real estate market experts which may be strongly influenced by the evolution of the country's macroeconomic factors, particularly in terms of sales prices, sales periods and construction costs. Therefore, although the Board of Directors believes that the forecasts for Angola's macroeconomic indicators, as well as the valuation reports prepared by real estate market experts, are adequate and support the fair value determined for the real estate assets, the realization of these assets at their Balance sheet values as at December 31, 2023 may be affected by the evolution of the Angolan economy and the success of its future operations.

Our opinion is not modified with respect to this matter.

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Other matters

The attached individual financial statements refer to the individual activity of the Bank and were prepared by the Board of Directors for approval by the General Meeting of Shareholders and to comply with the legal requirements and those of Banco Nacional de Angola for the presentation of individual financial statements. As disclosed in Note 6 of the financial statements, the item "Financial assets at fair value through profit or loss" includes participation units in real estate investment funds ("Funds") mainly held by the Bank, measured at fair value in the amount of 295 169 847 thousand kwanzas. The attached financial statements do not include the effect of the full consolidation of this Funds, which will be done in consolidated financial statements to be approved and published separately.

Responsibilities of management and supervisory body for the individual financial statements

Management is responsible for:

- the preparation of individual financial statements that give a true and fair view of the Bank's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS);
- the preparation of the management report in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of individual financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Bank's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Bank's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Bank's individual financial reporting process.

Auditor's responsibilities for the audit of the individual financial statements

Our responsibility is to obtain reasonable assurance on whether the individual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these individual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the individual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit 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 Bank's internal control;
- evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by management;

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– conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Bank to cease to continue as a going concern;

– evaluate the overall presentation, structure and content of the individual financial statements, including the disclosures, and whether the individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

– communicate with those charged with governance regarding, including the supervisory body, among other matters, the planned scope and timing of the audit and the significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Luanda, April 3, 2024

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Deloitte Auditores, Lda.
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 Auditores, Limitada internal procedures, the report should not be signed. In the event of discrepancies, the Portuguese language version prevails.)

ATLANTICO
BANCO MILLENNIUM ATLANTICO

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 2023, 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.

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, S.A. relating to the year ended on the 31st of December 2023;

ATLANTICO
BANCO MILLENNIUM ATLANTICO

   - Approve the application of results of the fiscal year of 2023 proposed by the Board of Directors, as follows:
     a) Legal reserve (10%), in the amount of AOA 910 618 654,77; and
     b) Retained earnings (90%), in the amount of AOA 8 195 567 892,95.

   - Propose a motion of praise and recognition for the performance of the Board of Directors.

Luanda, the 9th of April 2024

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

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Nº Licença:0055 Nº Mat. Registo Comercial: 970-06 Nº Contribuinte Fiscal: 5401152540

ESG

ANNEX – SUSTAINABILITY BOOKLET

CONTENTS

Message from the Board of Directors

Miguel Raposo Alves
Chief Executive Offcer

António Assis de Almeida
Chairman of the Board of Directors

Dear Stakeholders,

Over the past year, we have continued our transformative journey towards sustainability, confident that the challenges we face each year strengthen us and enable us to move forward with resilience. It is therefore with great satisfaction that we share the results achieved, as well as the insights and guidelines that guide us in transforming lives towards a more sustainable future for all.

In a global context marked by persistent post-COVID-19 economic instability and geopolitical challenges, ATLANTICO remains steadfast in its goal of consolidating its business model based on the paradigm of sustainability. We recognize that combining economic goals with social and environmental impact goals is not only compatible, but also allows us to leverage mechanisms for generating value that have so far been less explored, while also building a more resilient risk matrix and a stronger organization. To this end, it is vital that we act within the framework of a broad Stakeholder network, which includes Shareholders, Customers, Employees and Society in general. Our aim is to be an institution that takes impact criteria into account in all management decisions and that consistently manages to measure and report on the achievement of its goals.

In this regard, as part of our actions last year, we carried out a comprehensive survey of all Stakeholders to help us define the ESG (Environmental, Social and Governance) materiality matrix and choose the Sustainable Development Goals (SDGs) whose integration into ATLANTICO's activities, operations, products and services we will prioritize. This initiative is part of our commitment to listening to and involving all Stakeholders in the decision-making process, ensuring that our actions are aligned with Stakeholders' expectations and needs.

In addition, and with the valuable advice of the IFC (International Finance Corporation), a renowned institution in the field of sustainable development, we have completed the implementation of the Environmental and Social Management System (ESMS) policy. This partnership not only strengthened our understanding of environmental and social best practices, but also enabled us to integrate them into the credit function, thereby ensuring that our activities have a positive impact on communities and the environment.

We have therefore started to incorporate environmental and social risk assessment criteria into our credit processes and projects to be financed, based on the IFC's Environmental and Social Performance Standards. We are committed to valuing the positive impacts of our operations, as well as identifying and mitigating adverse impacts, promoting sustainable development and social inclusion.

Another key initiative in our journey towards 2023 was joining the United Nations Global Compact, as part of a pioneering group of entities in Angola. The Global Compact brings together companies from all over the world around fundamental principles in the areas of Human Rights, Labor and Decent Work, Protection of the Environment and Anti-Corruption. By committing to the 10 Principles of the UN Global Compact, we are strengthening our commitment to business ethics and human rights and contributing to the achievement of the UN Sustainable Development Goals and Agenda 2030. This adherence not only expands our network of partners, but also inspires us to seek innovative solutions to global challenges.

We have also launched the publication of a research article (a quarterly newsletter) on topics related to sustainability, such as sustainable development, the circular economy, climate change, the carbon market and financial inclusion, among others. This initiative aims to promote dialogue and awareness of environmental and social issues, sharing valuable knowledge and insights with our Stakeholders and Society in general.

We also highlight other important milestones in our transformation journey towards sustainability with great pride:

Financial inclusion and digitalization: We continued to invest in financial inclusion initiatives, such as the **400# Agiliza* payment system, which surpassed the one million user mark in 2023. In addition to the significant role of facilitating access to banking services, this solution promotes financial inclusion and social transformation.

Digital transformation and sustainability: We expanded our digital services and automated processes to reduce red tape and improve the Customer experience. The installation of ATLANTICO Card Machines, together with the expansion of ATM machines and automatic deposit machines based on paperless processes, illustrates our commitment to sustainable innovation and environmental protection.

Funding program aimed at empowerment and financial inclusion: In 2023, we continued to promote impact credit programs such as "Malembe Malembe", designed with favorable financing conditions, including affordable interest rates and flexible terms for artisanal fishermen's cooperatives in the provinces of Zaire and Namibe, allowing them to promote their activities, strengthen their operations and achieve greater financial stability.

Culture of sustainability: We were awarded the 2023 Social Responsibility Prize by *Forbes África Lusófona* magazine.

These achievements are the result of our commitment to being agents of positive change, driving sustainable development and creating value for all our Stakeholders.

The Board of Directors of ATLANTICO is deeply grateful to all those who have contributed to these important milestones, reaffirming its commitment to working with all institutions and its Stakeholder network to build the global sustainability journey.

Together, we will continue to strengthen ATLANTICO's position as a benchmark bank that generates impact and fulfills its purpose of "Transforming Lives".

ATLANTICO, Values for Life

By committing to the ten Principles of the UN Global Compact, we are strengthening our commitment to business ethics and human rights, and contributing to the achievement of the UN Sustainable Development Goals and Agenda 2030

1

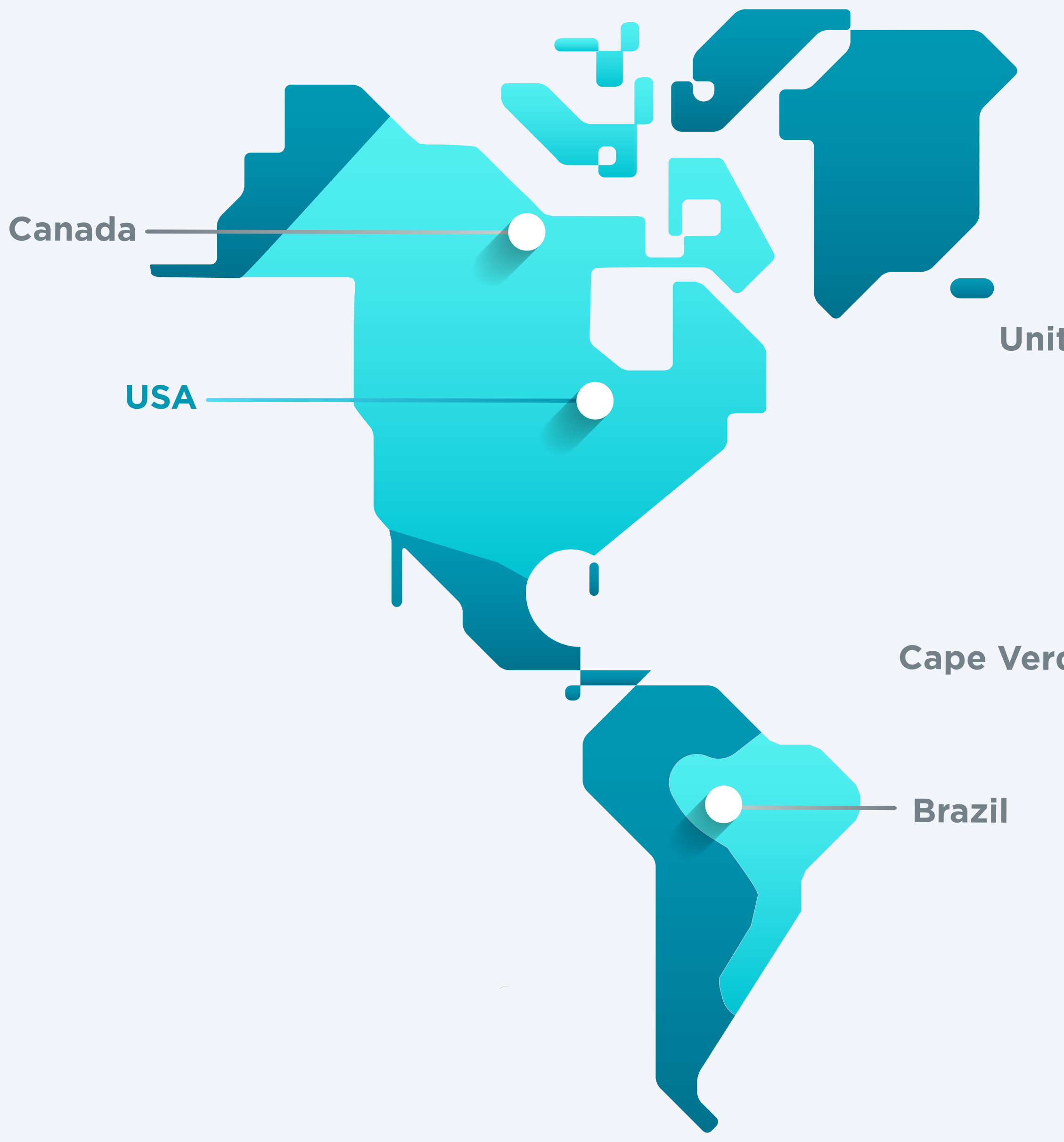
ATLANTICO

1.1. The Bank's Profile

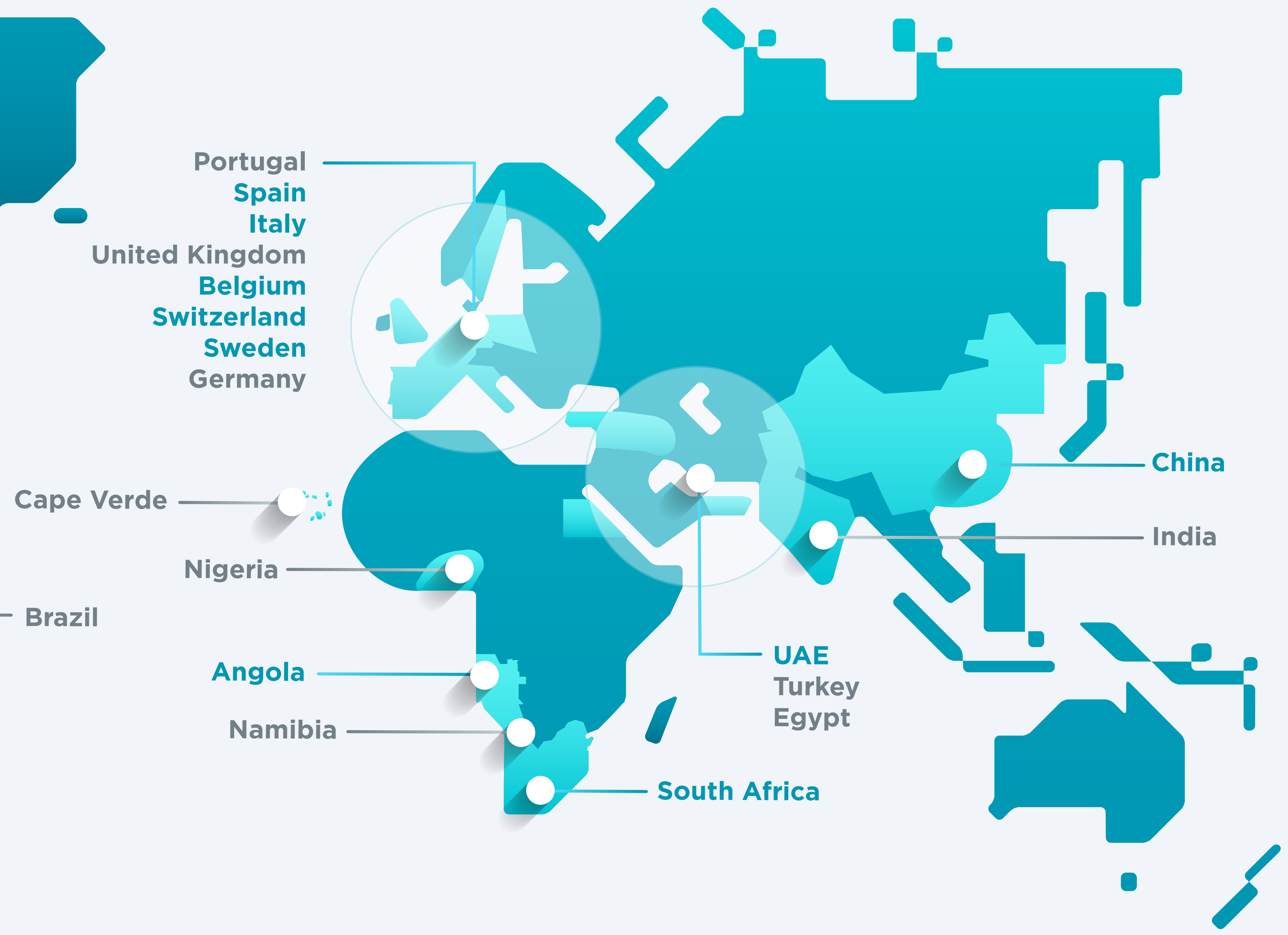
ATLANTICO was incorporated on August 31, 2006, and began operating as Banco Privado Atlântico in November of the same year, as a banking institution under Angolan law regulated by Banco Nacional de Angola. In 2016, Banco Millennium Angola was incorporated into ATLANTICO following a merger process. This operation made it possible to integrate the operations of both banking institutions, which had more than 20 years' experience and had been acting as partners since 2008, as a result of the crossing of shareholdings between the two banks. As a result of the merger process, ATLANTICO reinforced its universal nature and strengthened its position in the Angolan banking market, becoming one of the top 5 largest banks, assuming its position as one of the main private banks in financing Angolan companies and families, a promoter of digital innovation and focused on financial inclusion, creating an ecosystem of partnerships, including with international counterparties, and promoting a more sustainable business environment.

With the desire to become a global brand, ATLANTICO has begun to develop several international partnerships, based on direct commercial relations, particularly with South Africa, China and Portugal, and partnerships with correspondent banks in other countries. With 125 correspondent banks (26 of which have active relationships) on 4 continents and in 20 countries, ATLANTICO wants to be closer to its Customers anywhere in the world.

Worldwide coverage of ATLANTICO Customers' transactions



26 correspondent **banks** in **4 continents**



Correspondent banks

COMMERZBANK
中国银行 BANK OF CHINA
BYBLOS BANK
UniCredit
Millennium bcp
ATLANTICO EUROPA
novobanco
Santander
mashreq المشرق
Deutsche Bank
aktif bank
RAND MERCHANT BANK
NEDBANK
Standard Bank

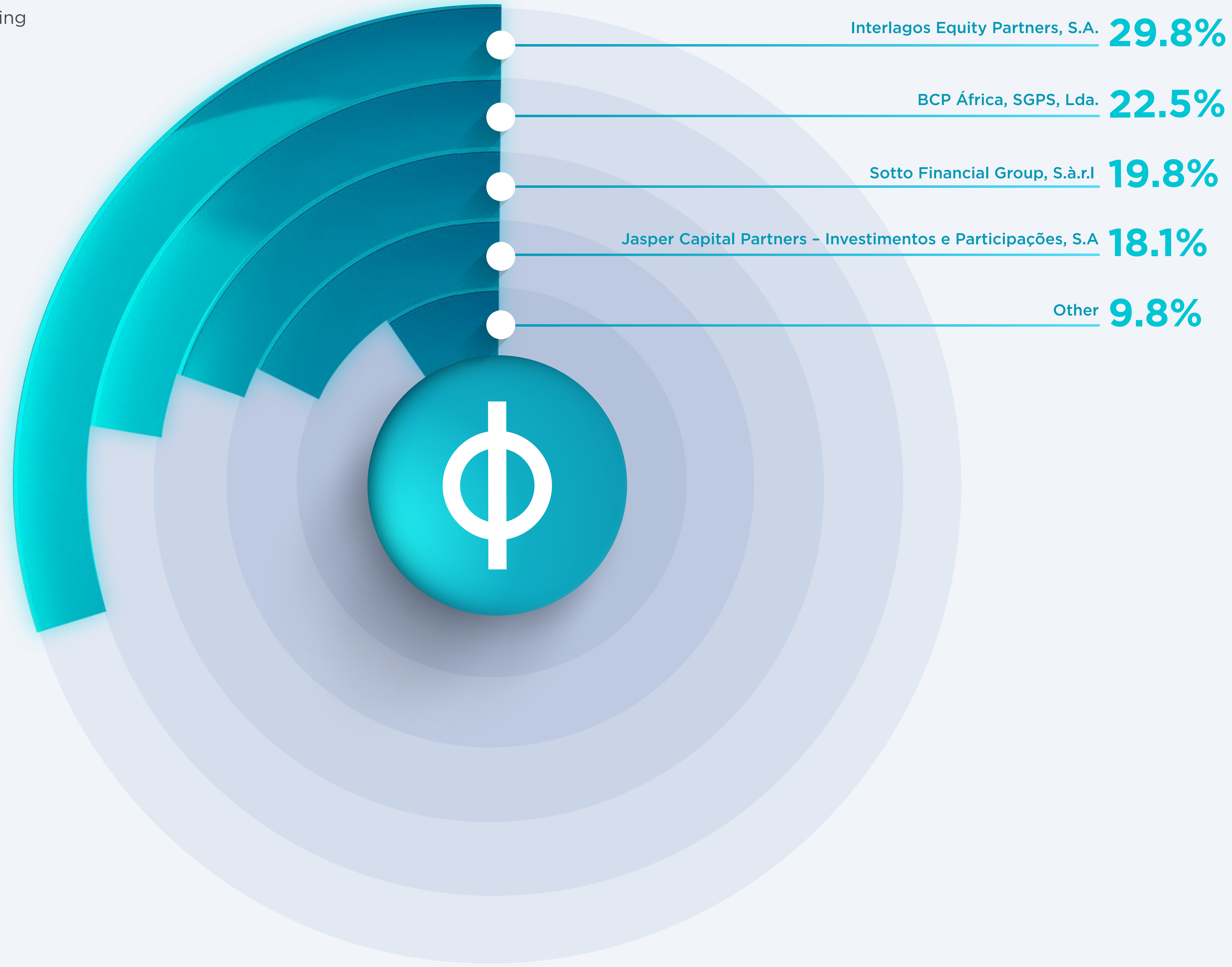
Partners

HEMERA CAPITAL PARTNERS
FORTALEZA SEGUROS
ATLAS SECURITIES

Countries with correspondent banks

Countries where ATLANTICO has commercial relations

As for its shareholder structure, Banco Millennium Atlântico, S.A. is majority-owned by private Angolan Shareholders. As at December 31, 2023, ATLANTICO had the following shareholder structure:



1.2. Mission, Vision, Values and Purpose

With the focus always on People – Employees, Customers and Communities – each of ATLANTICO's Talents reflects, individually and as a representative of the institution, the convictions and conduct that underpin the Bank's values.

Customer service excellence is a priority, as is the desire to positively impact people's lives by valuing their needs and aspirations. Talent efficiency enables us to provide an agile, digital, and universal service, always aligned with innovation.

Agility, teamwork, simplification, rigor, transparency, informed decision making, the restlessness of innovation, are traits that are always present in ATLANTICO's daily actions with its Customers, materializing the Bank's founding values and pillars.

The Bank's actions are based on a set of cornerstones that focus on the development, training and enhancement of each of its professionals, to ensure they become agents of transformation – in the Bank and in their Communities – and assert themselves as people prepared for an increasingly demanding and constantly changing world. Our Talent is ATLANTICO's most valuable asset, embodying and living its Culture every day in every action. It is the key differentiating factor in generating value.

This is ATLANTICO's purpose: "Transforming Lives", creating impact and generating value in communities.

MISSION

To be a **benchmark** institution in Angola, respected in the World, that stands out for **Customer's**, experience, excellence in the **transformation** of Lives, **multiplication** of Customers' Assets, committed to its **Ecosystem**, today and in the future.

PARTNERSHIP'S ECOSYSTEM
Extend our value chain with strong partnerships

ESG
An institution that seeks to generate impact in everything it does

VISION

To leverage **Talent, Innovation, and Information**, to serve Customers with excellence, maximizing the value generated for **Society**.

TALENT
An organisation that recognises and leverages Talent

CUSTOMER'S PRIMACY
Provide an excellent Customer experience

DIGITAL INNOVATION
Efficient use of Innovation to better serve Customers and Talents

DATA AND AI
An organisation based on information and extracting its value

SCALABILITY
Serve at scale with a focus on the Customer and profitability

RESILIENCE
A solid financial structure and a risk culture

OUR VALUES FOR LIFE

PEOPLE DEVELOPMENT
"People are ATLANTICO's Greatest Asset"

INNOVATION
"Thinking different, simple and digital, anticipating the future"

CUSTOMER DRIVEN
"Think, live and feel the Customer"

AGILITY
"Harmony of skills in delivering value"

EFFICIENCY AND ACCURACY
"With responsibility, we create more value"

1.3. PHIT 2.4 strategy

ATLANTICO is aware that sustainable business growth is only possible with proper planning. The Bank has therefore developed a strategic plan for the 2021-2024 period (PHIT 2.4), which sets out the priorities for a concrete action plan to transform ATLANTICO and its business model, promoting a closer relationship with its Customers.

The PHIT 2.4 strategy is driven by six essential pillars that allow the Bank to fulfil its vision of leveraging talent, innovation, and information to serve Customers with excellence, maximizing the value generated for Society. These pillars are in line with the main trends in the sector and beyond, and a set of targets has been defined for each pillar to be achieved by 2024.

A set of strategic initiatives was also defined for the Business Model and Enablers, with the aim of achieving the targets set for each of the pillars.

TALENT
An organisation that recognises and leverages Talent

DIGITAL INNOVATION
Efficient use of innovation to better serve Customers and Talents

SCALABILITY
Serve at scale with a focus on the Customer and profitability

CUSTOMER'S PRIMACY
Provide an excellent Customer experience

DATA AND AI
An organisation based on the information and extracting its value

RESILIENCE
A solid financial structure and a risk culture

Business Continuity Plan

To operationalize ATLANTICO's strategy regarding its resilience to potential disruptive incidents, the Bank developed the Business Continuity Management System (BCMS). This management system has been established, implemented, and maintained so that it can be continuously improved in line with the evolution of the commitments made to Stakeholders.

Main goals:

- Ensure ATLANTICO's organizational resilience in the event of disruptive incidents, promoting the return to normal mode of its services without violating the service requirements assumed;
- Ensure the implementation of responses to such disruptive incidents, which are duly tested and kept in a state of readiness to guarantee their effectiveness;
- Adopt and implement security controls selected through a careful analysis of risk and the impact of inactivity on the services provided;
- Provide its Employees with technical skills and training to ensure that they are ready to deal with disruptive incidents;
- Adopt the best practices for business continuity management, through the implementation of a management system, managed as a strategic tool for Leadership, and ensuring ATLANTICO's continuous improvement in security matters.

This system was developed as part of the protection of the Bank's service catalogue, which is defined according to its criticality, and is supported by the results of a risk and business impact analysis performed on this catalogue. This risk analysis includes multiple sources of threats, particularly those associated with the cybersecurity of the applications that support ATLANTICO's critical services.

Being part of a financial market that is demanding in terms of information security, ATLANTICO believes that this system is an important tool for managing potential disruptive incidents.

1.4. The Journey towards Sustainability

Sustainability is already an unavoidable element on the global agenda of several governments, institutions, and companies. The challenges facing the planet today, both environmentally, socially, and economically, raise concerns and questions about the current development model and the way society lives today. ATLANTICO is aware of these challenges and, as such, seeks to ensure that its business is increasingly aligned with best ESG (Environmental, Social and Governance) practices to increase its resilience and ensure more sustainable growth.

At ATLANTICO, the ambition is for sustainability to be evident in the daily routine and in its operations, and to progressively guide the vision and future decisions of the business. For the Bank, sustainability is seen as a source of opportunity and an integral part of its management and success in the short, medium, and long term. As such, in recent years ATLANTICO has developed a series of measures and actions that reinforce its commitment to increasing its sustainability performance.

As part of this Journey, ATLANTICO began to develop its 2030 Sustainability Strategy, aligned with its Vision, Mission and Values, capable of leveraging all our unique characteristics, enabling it to be more resilient in the face of future challenges. The process of drawing up this strategy was based on a robust analysis of the main drivers and trends in ESG matters, a holistic and transversal assessment of the Bank and its environmental, social and governance performance, and the development of a benchmarking process with similar institutions working in these areas.

At the same time, ATLANTICO performed a consultation process with all Stakeholders (Employees, Customers, Suppliers, Shareholders, and Partners) to analyse the Materiality of Impact, with the aim of identifying the most relevant issues that should be addressed in the context of the sustainability strategy. The identification of material issues was based on an analysis of the three ESG dimensions and the Sustainable Development Goals (SDG), with the aim of prioritizing the most relevant issues for the Bank in terms of sustainability, as well as highlighting the most critical issues for Stakeholders, so that they have a relevant impact on the business model.

Additionally, to the Sustainability Strategy and the Materiality Analysis, ATLANTICO also reviewed and drafted several internal policies and regulations to integrate sustainability and the ESG pillars into its operational structure. These include, for example, the Cryptography and Key Management Policy, the Vulnerability Management Policy, and the Business Continuity Management Policy, as shown in the table below. Alongside these actions, ATLANTICO continued its active role in society through its social transformation initiatives, with a direct impact on the lives of local communities.

#	Description	Status
1	ICAAP and ILAAP Policy	New
2	ILAAP Policy	New
3	Allocation Policy for Service Vehicles and Vehicles with Reservations for Personal Use	Updated
4	Cryptography and Key Management Policy	New
5	Information Security Event Management Policy	New
6	Vulnerability Management Policy	Updated
7	Information Security Incident Response Policy	New
8	Business Continuity Management Policy	Updated
9	Policy Context and Strategy for Setting Up a Business Continuity Management System	Updated

Sustainability Policy

In 2023, ATLANTICO began developing its Sustainability Policy to establishing guidelines for commitments and principles to be applied in the business, with a focus on incorporating environmental, social, governance and financial aspects into sustainable practices. This policy will apply to all ATLANTICO Employees, without exception, regardless of the nature of their relationship with the Bank, as well as to Customers, Suppliers, and Service Providers, whether permanent or temporary.

Commitments, certifications, and recognitions in the area of sustainability

The increase in awareness of global sustainability issues has been driven by several initiatives that have played a key role in both public opinion and decision-making. One of the most prominent international initiatives in this area was the launch of the 2030 Agenda for Sustainable Development, made up of 17 Goals, broken down into 169 targets, approved and adopted by all Member States of the United Nations. The 2030 Agenda for Sustainable Development is comprehensive and ambitious, encompassing several dimensions of sustainable development (social, economic, environmental) and promoting peace, justice, and effective institutions.

Creating a positive impact on society and the Bank's several Stakeholders is essential to ensuring a prosperous future for the Organization and its ecosystem. As such, ATLANTICO is committed to actively contributing to the achievement of the United Nations 2030 Agenda and its SDG by adopting solutions that extend to its entire value chain. The Bank recognizes that a sustainable future brings many challenges, but also many opportunities for business, innovation, evolution, and resilience, and that the adoption of the 2030 Agenda and its respective SDG will contribute to the greater good of the Organization, People and Planet.

United Nations Global Compact

In addition to its contribution to the SDG, ATLANTICO has made several other commitments in sustainability, signing up to national and international initiatives, including the UN Global Compact. This pact is a voluntary initiative aimed at companies, so that they align their strategies and operations with the universal principles of human rights, labour, the environment, and anti-corruption, and develop actions to meet society's challenges.

In this context, we were invited to represent Angola at the Leadeship Summit and the Private Sector Forum organised by the UN as part of its annual meetings in New York City. It was a meeting with the Secretary General of the United Nations and was attended by world leaders from the government sector and the private sector.

IFC International Finance Corporation WORLD BANK GROUP

Also noteworthy is the Bank's alignment with the IFC's Social and Environmental Sustainability Performance Standards, through ATLANTICO's Environmental and Social Management System (ESMS) (see page 208). With the support of the IFC (International Finance Corporation), in 2023, ATLANTICO completed the implementation of its ESMS Policy, seeking to strengthen the management and mitigation of environmental and social risks associated with its credit portfolio. Through careful analysis, the Bank establishes clear guidelines and rules for selecting and evaluating projects, with the aim of promoting sustainable and responsible practices.

The activities of the ESMS project were divided into several phases, which are summarized as follows:

An initial diagnosis was carried out, which identified a series of actions to be taken in order to implement the ESMS;

These actions included training sessions for all the teams involved in the credit process or cycle, as well as senior management, the Executive Commission and the Board of Directors;

The environmental and social roles and responsibilities to be considered for the effective implementation of the ESMS have been defined;

Documentation has been created to support the teams, as well as all the guidance procedures and tools to support the teams' actions;

A pilot/test was conducted, which proved to be an asset, with the participation of the IFC team throughout the process, from the site visit to the environmental and social due diligence and respective action plan.

In terms of recognition for its work, ATLANTICO was awarded the "FORBES Social Responsibility Award 2023", promoted by *Forbes África Lusófona*. The aim of this award is to recognize business leaders, public figures, and members of civil society and to praise projects that make a positive contribution to the well-being of the community. Also, the Bank received TIER III certification for its data centre from the Uptime Institute, demonstrating its high level of data protection and its efficiency in making information available.

Forbes África Lusófona

Future prospects

2023 was marked by the development of important sustainability initiatives, which are crucial in the path that ATLANTICO wants to take to differentiate itself in the market and project itself as a Bank of the future. Although these were the first steps, the aim is to align the Bank's ESG practices with international guidelines and national legislation, guaranteeing environmental integrity, social well-being, and effective corporate governance. In this sense, ATLANTICO seeks to promote a holistic approach that considers the impacts and opportunities in all sectors of the Institution.

With this in mind, the Bank intends to officially launch its first Sustainability Strategy for the period 2024 to 2028. As an integral part of this strategy, ATLANTICO will also publish its first Sustainability Report in 2025, referring to the year 2024, in line with the best international reporting practices. ATLANTICO will thus continue to communicate its progress on this journey in a transparent and measurable way, setting targets and indicators that will help monitor and report on its performance in the future.

2

2.Governance Dimension

2.1. Governance model

ATLANTICO believes that a robust and multidisciplinary governance model is essential to face the main challenges to which it is exposed, now or in the future, whether environmental, social, or economic. ATLANTICO has therefore been consolidating its organic structure and basing its actions and operations on a set of ethics and conduct policies and regulations, as well as on management systems that underpin its approach to governance.

ATLANTICO's governance structure is based on current legislation and international recommendations and best practices, and it has a Board of Directors (BoD) and an Executive Commission (EC). The purpose of the BoD is to ensure that the Bank acts in a way that is compatible with its objectives and those of its Stakeholders, establishing appropriate policies for the best management of banking risk. The EC is the body responsible for the day-to-day management of the company. Its members are delegated by the Board of Directors, which is also responsible for supervising and monitoring the EC's performance.

The organizational structure adopted is designed to ensure management transparency, achieve strategic objectives, and generate value for Shareholders. In this sense, at the end of 2023, the Board of Directors was made up of 15 members, 8 of whom were non-executive directors and 7 executive directors, belonging to the Board of Directors, namely 3 women (43%) and 4 men (57%).

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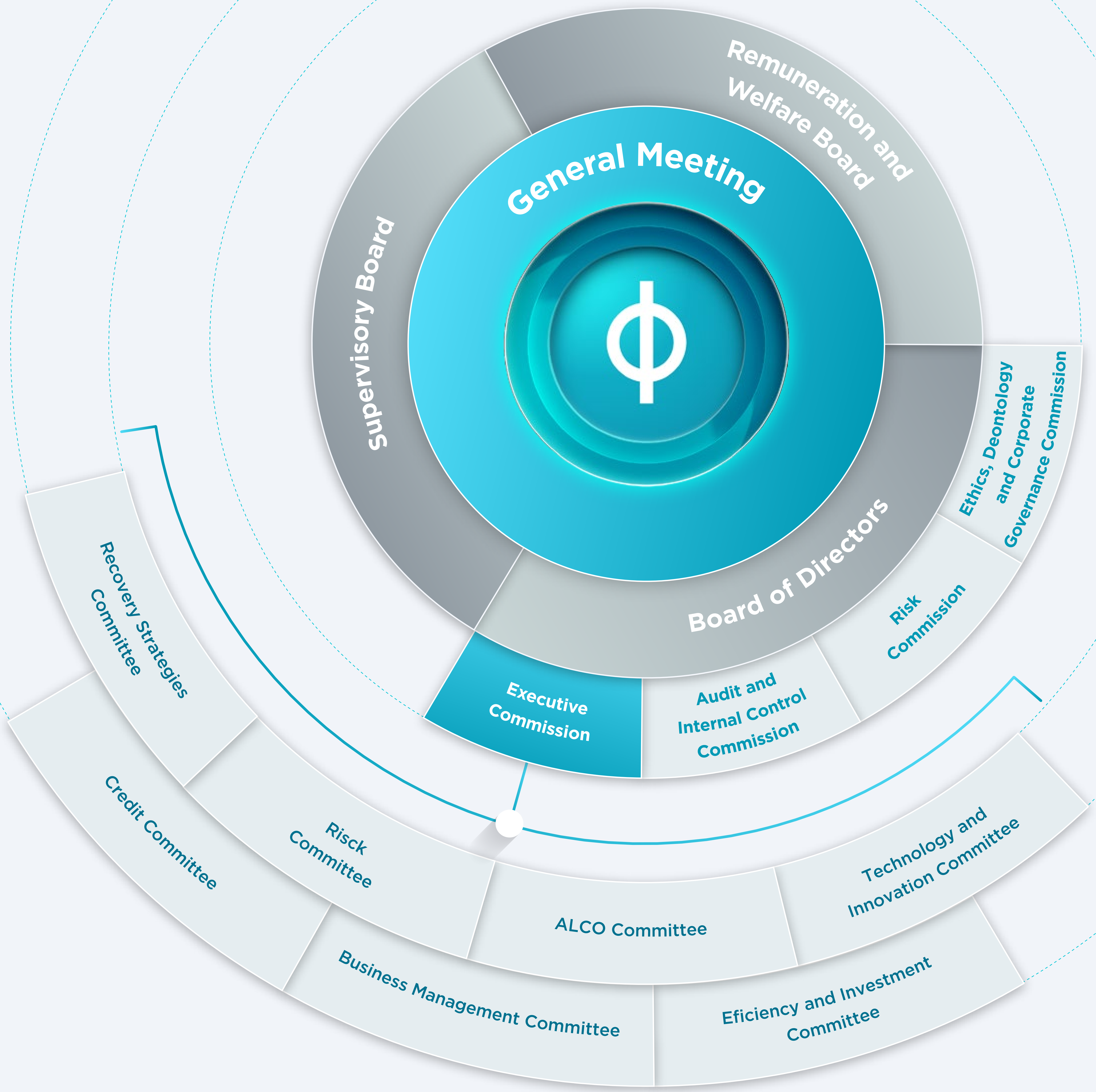
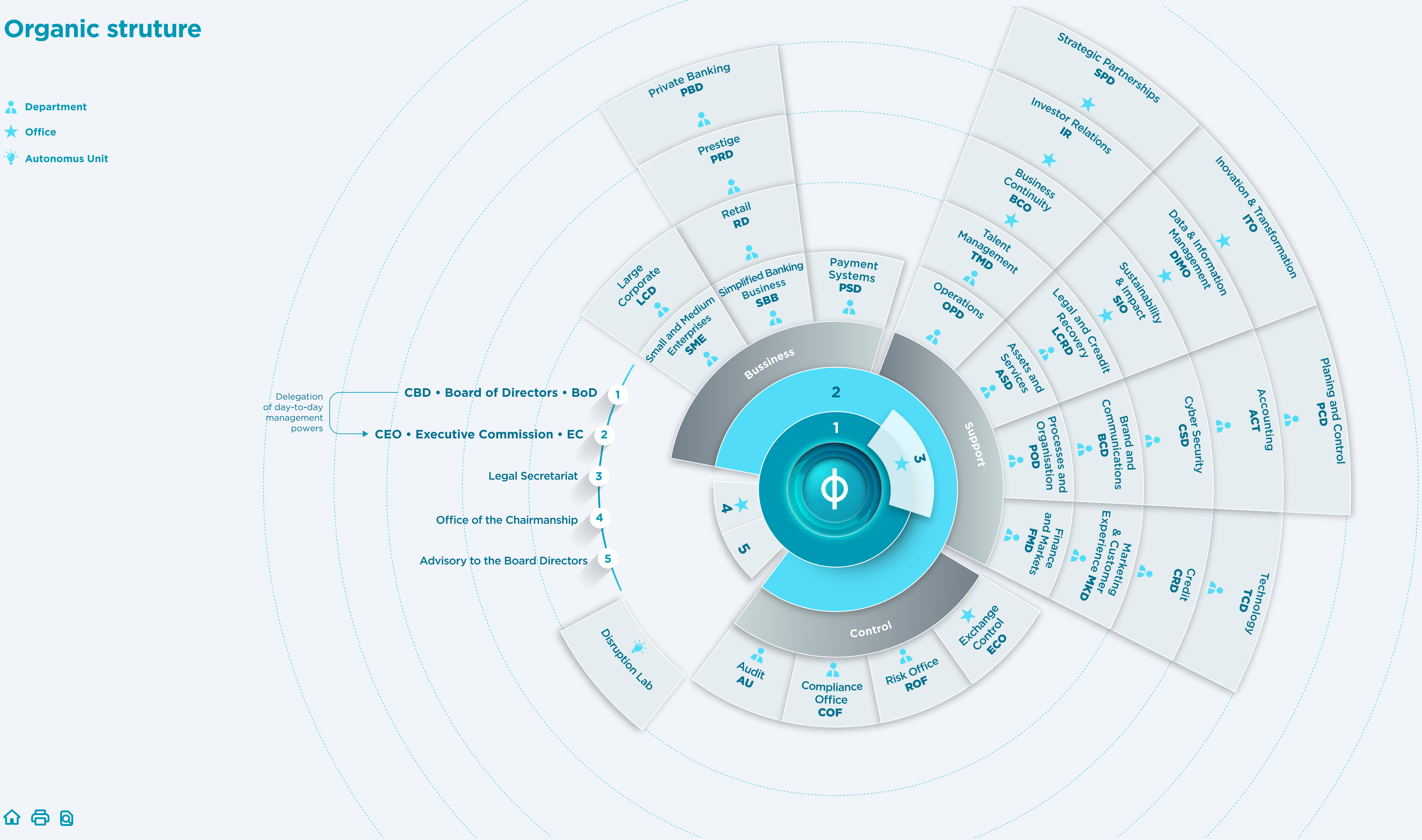


	Board of Directors	Executive Commission	Audit and Internal Control Commission	Risk Commission	Ethics, Deontology and Corporate Governance Commission	Supervisory Board	Remuneration and Welfare Board	General Meeting Board
António Assis de Almeida	○							
Daniel Santos	○			○				
Miguel Pessanha	○		○					
Elpídio Neto	○		○		○			
Paulo Tomás	○			○				
José Carlos Burity	○		○		○			
Madalena Neto	○		○					
Vanessa Mendonça	○			○	○			
Miguel Raposo Alves	○	○						
Éder Sousa	○	○						
Patrícia Gabriel	○	○						
João Mendonça	○	○						
Isabel Espírito Santo	○	○						
Mauro Neves	○	○						
Catarina Souza	○	○						
António Frutuoso de Melo							○	
José Wanassi							○	
Manuel Aguiar							○	
Nuno Teodósio de Oliveira						○		
Nélson Teixeira						○		
Guilherme Frutuoso de Melo						○		
José Dordio						○		
Cristina Ferreira						○		
João Manuel Pedro								○
Fernando Magarreiro								○
Patrícia Dias								○

In addition to the Board of Directors and the Executive Commission, the organic structure is also made up of the Legal Secretary, the Office of the President, and the Board of Directors' Advisory Office. This structure is supported by several departments, offices, and autonomous units, which are organized into three distinct areas according to their role in the Bank: business, support, and control. The sustainability area is dealt with at operational level by the Sustainability and Impact Office (SIO), a body reporting to the Chief Executive Officer (CEO), responsible for assessing, following up and monitoring the implementation of the Sustainability Strategy in its economic, social, and environmental dimensions. The SIO is also responsible for coordinating ATLANTICO's ESG transformation process, in a transversal and global manner, as well as the Bank's Environmental and Social Management System.

In 2024, with the launch of its Sustainability Strategy for the period 2024-2028, the Bank plans to review and improve its governance model in order to strengthen its position in the market with regard to ESG matters.

Organic struture



2.2. Ethics and Responsible Business

Respect for people and institutions, security and confidentiality, rigor, ethics and responsibility, innovation and Customer focus are fundamental principles that guide ATLANTICO in all aspects of its activity. As such, throughout its almost 20 years of existence, the Bank has sought to act with proximity and responsibility towards its Employees, Customers, Suppliers, and other partners, based on a culture of ethics and compliance that promotes environmental protection, respect for human rights and workers' rights, as well as improving the social conditions of the communities where ATLANTICO operates.

To this end, the Bank has been developing a set of mechanisms and instruments that guarantee not only the transparency and integrity of the Organization's practices, but also the internalization of the values of business ethics by all its Employees, at all levels. The Code of Conduct and Ethics is ATLANTICO's main document, which establishes the fundamental principles and rules to be observed in the exercise of professional activity by members of the Bank's Governing Bodies and Employees:

1. to establish high standards of action in accordance with ethical, regulatory, and deontological principles, promoting transparency in relations involving members of the Governing Bodies and Employees;

2. to inhibit participation in illegal activities and excessive risk-taking;

3. to contribute to the transparency of contractual relations between the Institution and its counterparties.

Other examples of documents include the Policy for the Prevention, Identification and Management of Conflicts of Interest, the Policy on Money Laundering (ML) and Combating the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction, the Compliance Policy and the Transparency and Disclosure of Information Policy.

Additionally, to these documents, the Bank also has a whistleblowing channel with the aim of investigating potential irregularities. Furthermore, it always seeks to ensure that its operations and activities comply with nationally and internationally recognized legislation, standards, and corporate responsibility practices.

The Bank has been developing a set of mechanisms and instruments that guarantee not only the transparency and integrity of the Organization's practices, but also the internalization of the values of business ethics

Whistleblowing channel

ATLANTICO has implemented its whistleblowing channel with the aim of collecting information on misconduct in its processes and improving its risk management and accountability, representing an effort to continuously improve its operations. This channel consists of an anonymous reporting tool for non-compliant facts/events, in line with the best international auditing and inspection practices. Occurrences can include violations of legal, contractual, ethical, or professional rules, such as violations of the Code of Ethics and Conduct.

The possibility of anonymity in the whistleblowing channel is important so that it is perceived as a safe means of expressing concerns and makes it possible to increase trust and eliminate the risk of retaliation. The whistleblowing management process is carried out in accordance with the Whistleblowing Policy and operates as follows:

WHISTLEBLOWING

The participant reports the incident by:

- **Phone call**; or
- Filling in the **Whistleblowing Form**.

RECEPTION

The Bank receives the complaint and sends an **acknowledgement of receipt.**

ANALYSIS

The Audit Department **analyzes** the report, identifies whether there are sufficient **evidence** to initiate the investigation, and draws up a **report** with the conclusions, appropriate opinions and validations.

REMEDY

The appropriate measures to remediate the **incident** are taken and the **possible sanction** is applied.

The whistleblowing channel is available on the Bank's corporate website and at the following link: https://www.atlantico.ao/pt/canal-de-denuncias.

Respect for Human Rights

For ATLANTICO, concern for Human Rights is fundamental, not only from an ethical point of view but also from a strategic point of view. The Bank sees respect for Human Rights as universal rules of conduct that must be applied to all companies operating in the market, regardless of the geographies in which they operate, in order to guarantee a better quality of life for all people and thus contribute to a fairer and more dignified society at all levels. At ATLANTICO, discrimination of any kind is rejected and respect for the rights of all workers in different cultural, socio-economic, and geographical contexts is promoted. Furthermore, in line with its strategy of creating value for society, the Bank seeks to influence its value chain and its partners on this issue.

As a reflection of its concern about this issue, ATLANTICO has signed up to the UN Global Compact, where it undertakes to incorporate its ten principles, of which principles 1 and 2, directly related to human rights, stand out: companies must support and respect the protection of internationally recognized human rights; guarantee their non-participation in human rights violations. In addition, the Bank has been developing a set of procedures and commitments in this area and intends, in the future, to subscribe to and participate in international initiatives in this field.

Remuneration of Governing Bodies members

Fair, satisfactory, and equitable remuneration is increasingly valued by society in general and makes it possible to attract, retain and motivate human resources in the face of their responsibilities. For this reason, it is crucial to establish working relationships based on trust and respect, promoting an ethical and responsible assessment of corporate management practices, to strengthen institutions' position in the market and contribute to building a more reliable and sustainable financial system.

In order to foster meritocracy, transparency, sound corporate governance and appropriate risk management in the disclosure of the remuneration practices of the governing bodies, as well as to strengthen the trust of its Stakeholders, ATLANTICO has implemented the Remuneration Policy for the members of the Governing Bodies. The purpose of this document is to determine the several components of remuneration, as well as any benefits or supplements, depending on the governing bodies to which it is addressed, namely the Members of the General Meeting, the Supervisory Board, and the Members of the Board of Directors.

The Policy is adjusted to the Bank's particularities, resulting from the application of criteria of adequacy and proportionality in relation to the size, internal organization, nature, scope, and complexity of the activity pursued by ATLANTICO. The different components of remuneration are established with the aim of achieving a level of balance in the remuneration package that incorporates not only the requirements of the functions performed, but also the Bank's own activity and market practices. This policy thus fosters the sustainability and alignment of the Bank's remuneration practices with the pursuit of its values, interests, and long-term solvency, within a framework of rigor and transparency.

Data Privacy and Information Security

Technological development has significantly influenced new business trends, and, in recent decades, its growth has been exponential. Technology allows for greater efficiency in processes and a reduction in the consumption of resources, however, organizations' exposure to the risks associated with this technological development has been increasing. These risks include cyber-attacks, which consist of unauthorized access, destruction, alteration, or disclosure of information that can compromise the safeguarding of privacy and protection of personal data entrusted to organizations by their Customers, Employees, and other Stakeholders. In this way, cybersecurity has increasingly become a pillar in the integrity and ethics of corporate operations and business continuity at a global level.

In order to respond to current and future challenges regarding cyber risks and ethical procedures, ATLANTICO has developed its information systems security strategy, which includes a set of key principles: Confidentiality, Integrity and Availability.

CONFIDENTIALITY
Ensure that only those authorized can access the information

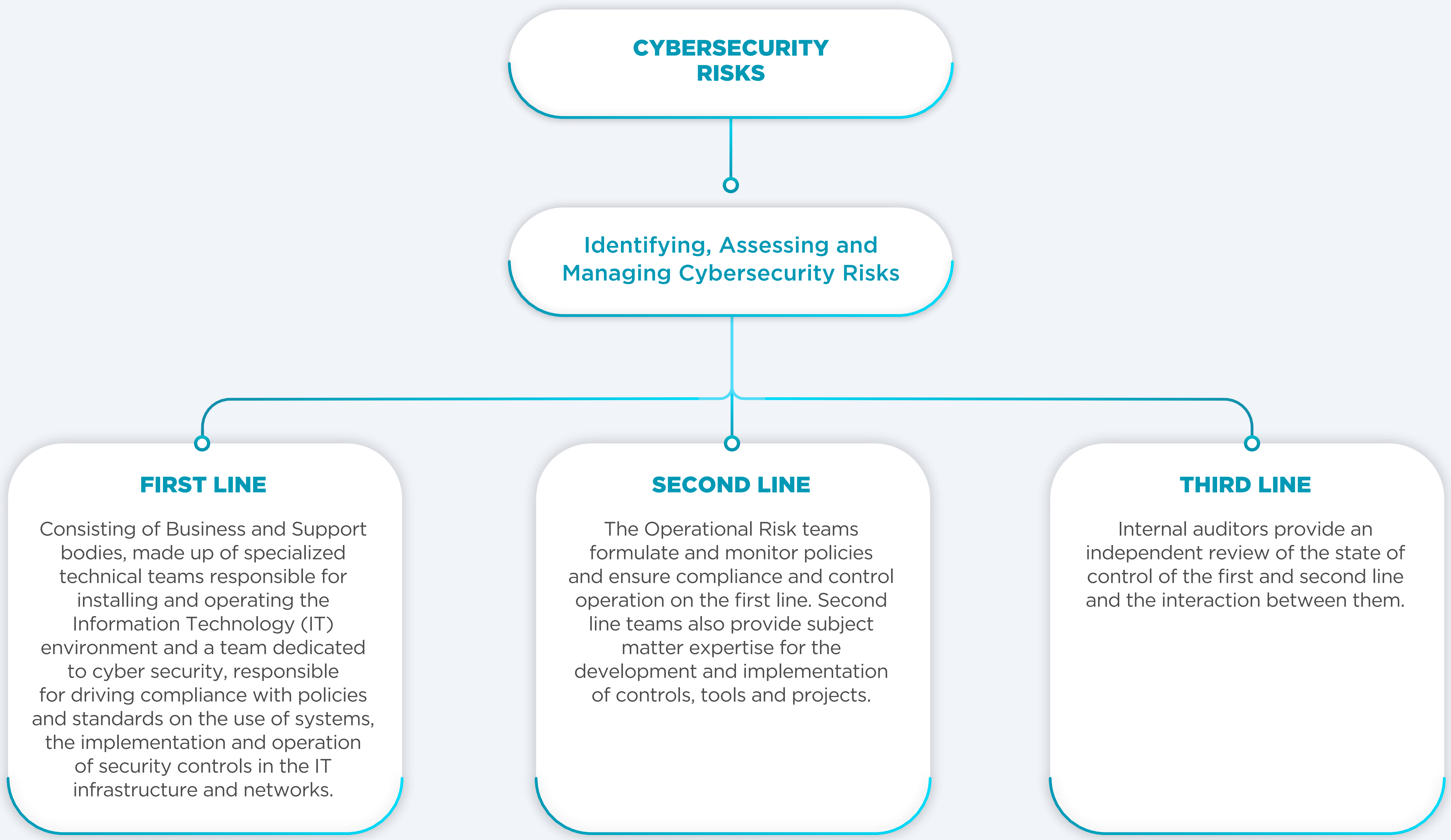
INTEGRITY
Ensure that the information and its processing methods are accurate and complete

AVAILABILITY
Ensure that authorized users have access to the information strictly necessary for their functions and the associated assets when they request it

To operationalize ATLANTICO's information systems security strategy and comply with applicable legal, regulatory, and contractual obligations in this area, the Bank adopted the Cybersecurity Policy in 2021. This Policy defines the requirements and mechanisms for preventing, detecting, and responding to cybersecurity risks and threats in ATLANTICO's Information Systems (IS), and is applicable to all the Bank's Employees, trainees, partners, consultants, and service providers. This document is reviewed or updated at least once a year or whenever deemed necessary, based on changes inherent in new services, new threats, and changes to ATLANTICO's Internal Policy.

To detect events that could compromise ATLANTICO's assets in a timely, continuous and permanent manner, the Cybersecurity Policy establishes the "Three lines of defence" model, which guarantees the identification, assessment and management of the broad spectrum of cybersecurity risks to which the Bank is subject, as shown on the right.

The Cybersecurity Policy provides a process for effective and efficient response in the event of information security incidents and contributes to maintaining the confidence of Stakeholders (such as Customers, Employees, Shareholders and Regulators) in ATLANTICO's ability to protect the assets under its responsibility against threats to the correct and normal functioning of information systems, which may compromise their confidentiality, integrity, and availability.



3

Environmental Dimension

3.1. ATLANTICO's Environmental Performance

ATLANTICO is aware that all human activities have an impact on the environment and recognizes that excellent environmental performance is a distinguishing factor and a fundamental condition for sustainable development. For this reason, the Bank has made efforts to improve the environmental performance of its activity (direct and indirect), consistently aligning itself with commitments at national and international level, thus contributing to a greener society. These commitments include the National Strategy for Climate Change and the Paris Agreement, which reflect the Bank's commitment to actively contribute to mitigating the effects of climate change in line with globally recognized guidelines.

Also, ATLANTICO aims to be an example in terms of raising awareness of the importance of environmental management and decarbonizing the economy. As such, it has sought to invest in innovative and more efficient solutions that make it possible to optimize available resources, namely energy (efficiency/renewable energy) and water, as well as continuously improving the incorporation of ethical and environmental concerns into its operations. Examples of this are the installation of sensors in the taps at ATLANTICO's facilities in Luanda (headquarters) and the regulation of the lighting and air conditioning schedules at the same facilities.

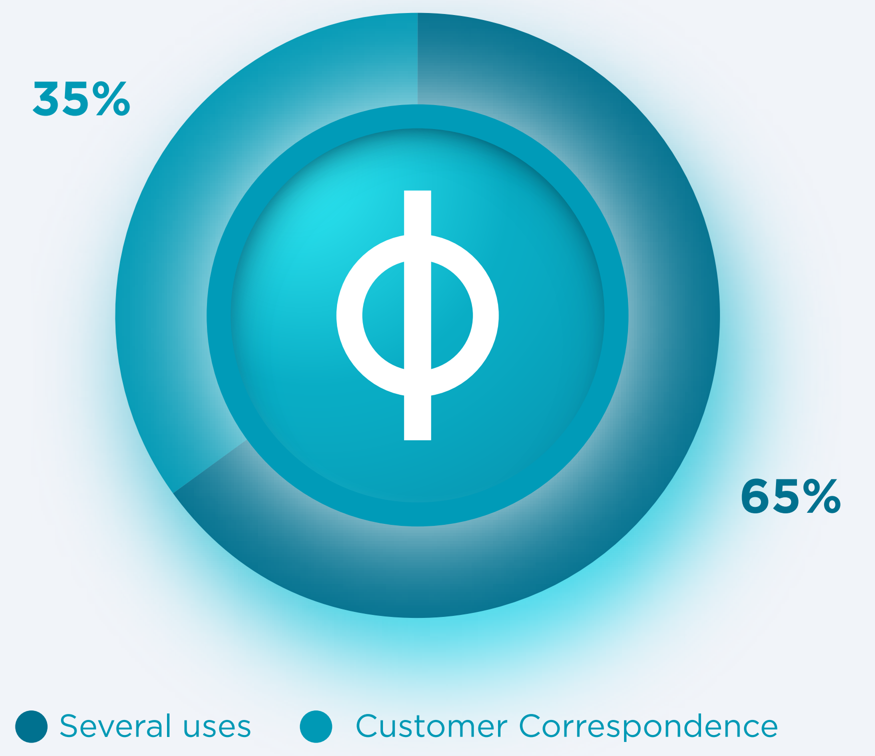
At the same time, the Bank strives to ensure effective Environmental and Social Management practices in all its activities, products, and services, to manage risks and embrace sustainable opportunities. To this end, it continuously monitors several Key Performance Indicators (KPIs) in order to measure its impact on the environment and society and intends to broaden the range of performance indicators in the future in order to strengthen its environmental performance.

Water and Materials

In 2023, water consumption from the public network amounted to a total of 13,610.8 m^3 at the Bank's several facilities. This figure represents an average consumption of 9,000 litres per employee per year.

As part of the PHIT 2.4 Strategic Plan, ATLANTICO has been investing in the digitalization of processes, both in its operations and with its Customers. However, it recognizes that this is a long and complex process that requires time. For this reason, paper is still a material consumed on the Bank's premises. In 2023, 43,700 reams of paper were used to print documents (the equivalent of 14.1 million sheets), 35% of which was used for Customer correspondence (15,500 reams).

Paper Consumption



Energy and Emissions

ATLANTICO's energy consumption in 2023 amounted to 54,416.13 GJ, corresponding to the consumption of all the Bank's activities, namely the electricity consumed at its several facilities (headquarters, branches, and others) in Angola, and the fuel (diesel) consumed by stationary equipment (generators). Electricity accounts for 68% of the total energy consumed, coming from the national grid. Diesel, which is also used to produce electricity in generators, accounts for the remaining 32%. Energy consumption per employee, i.e. ATLANTICO's energy intensity, was 36.4 GJ/employee.

Greenhouse gas (GHG) emissions are directly related to energy consumption. As part of its commitment to improving its environmental performance, ATLANTICO intends to start accounting for and disclosing its GHG emissions and, therefore, has carried out an introductory and indicative exercise to calculate its Carbon Footprint for 2023, based on its energy consumption of electricity and diesel. Accordingly, in this first emissions reporting exercise, the following areas were considered:

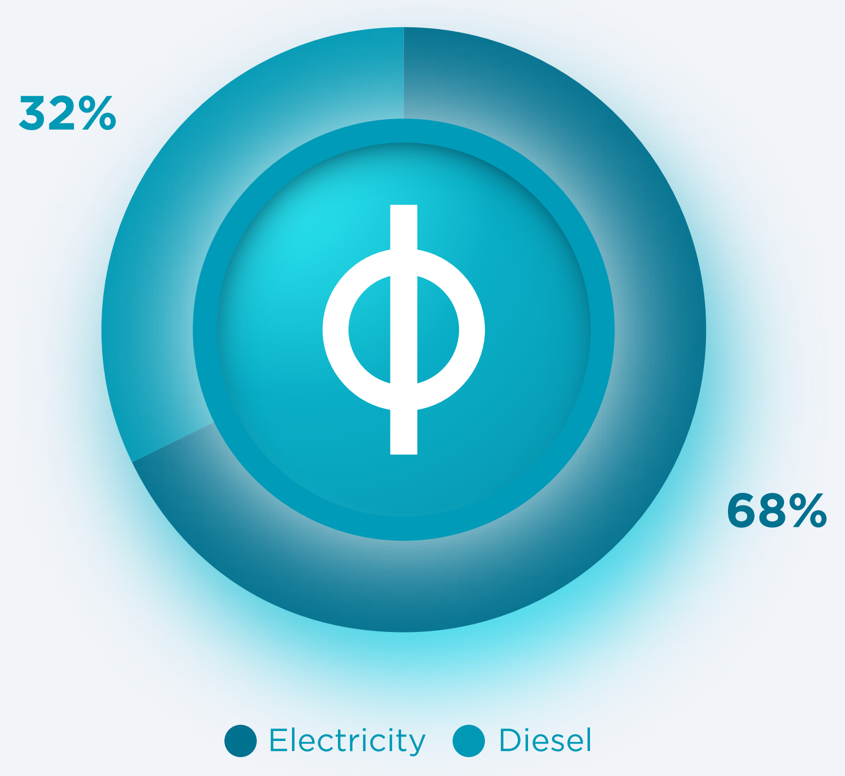
Scope 1: Direct emissions from the Bank's activity, originating in fuel consumption in generators;

Scope 2: Indirect emissions from the purchase of electricity for consumption on the Bank's premises.

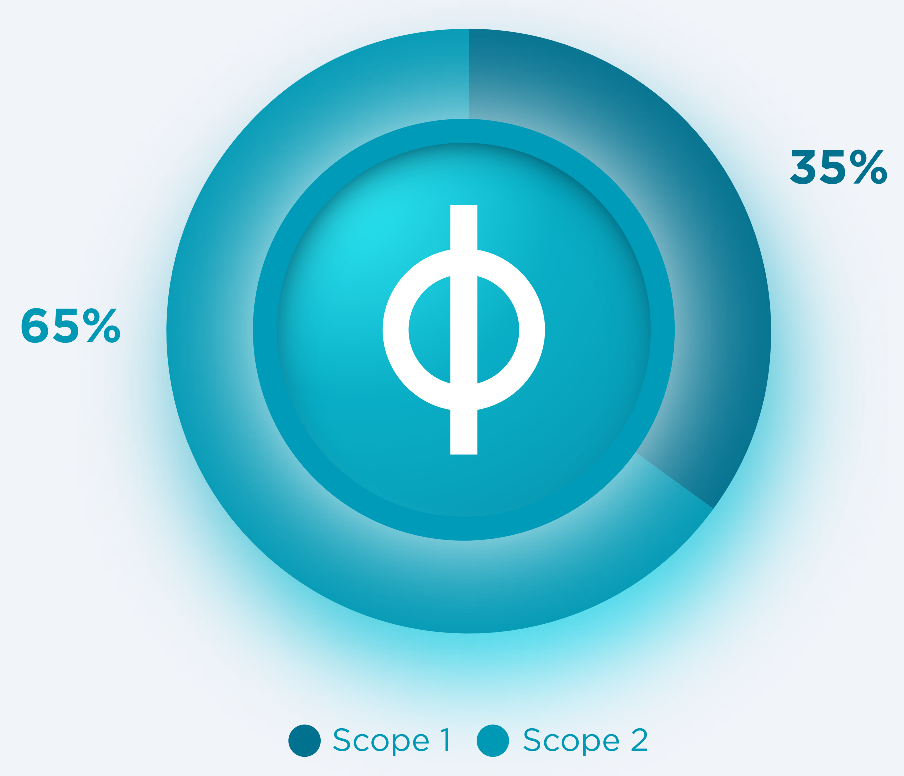
Considering the energy consumption mentioned above, in 2023, approximately 3,764 tons of CO_2e were emitted, of which 35% (1,299.123 tCO_2e) correspond to diesel consumption in generators for electricity production and the remaining 65% (2,465.088 tCO_2e) are related to the purchase and consumption of electricity. ATLANTICO's emissions intensity, i.e., the amount of emissions per employee, was 2.51 tCO_2e/employee.

As part of its commitment to improving its environmental performance, ATLANTICO intends to start accounting for and publicising its GHG emissions. In 2023, it carried out a first indicative exercise to calculate its Carbon Footprint

Energy Consumption (GJ)



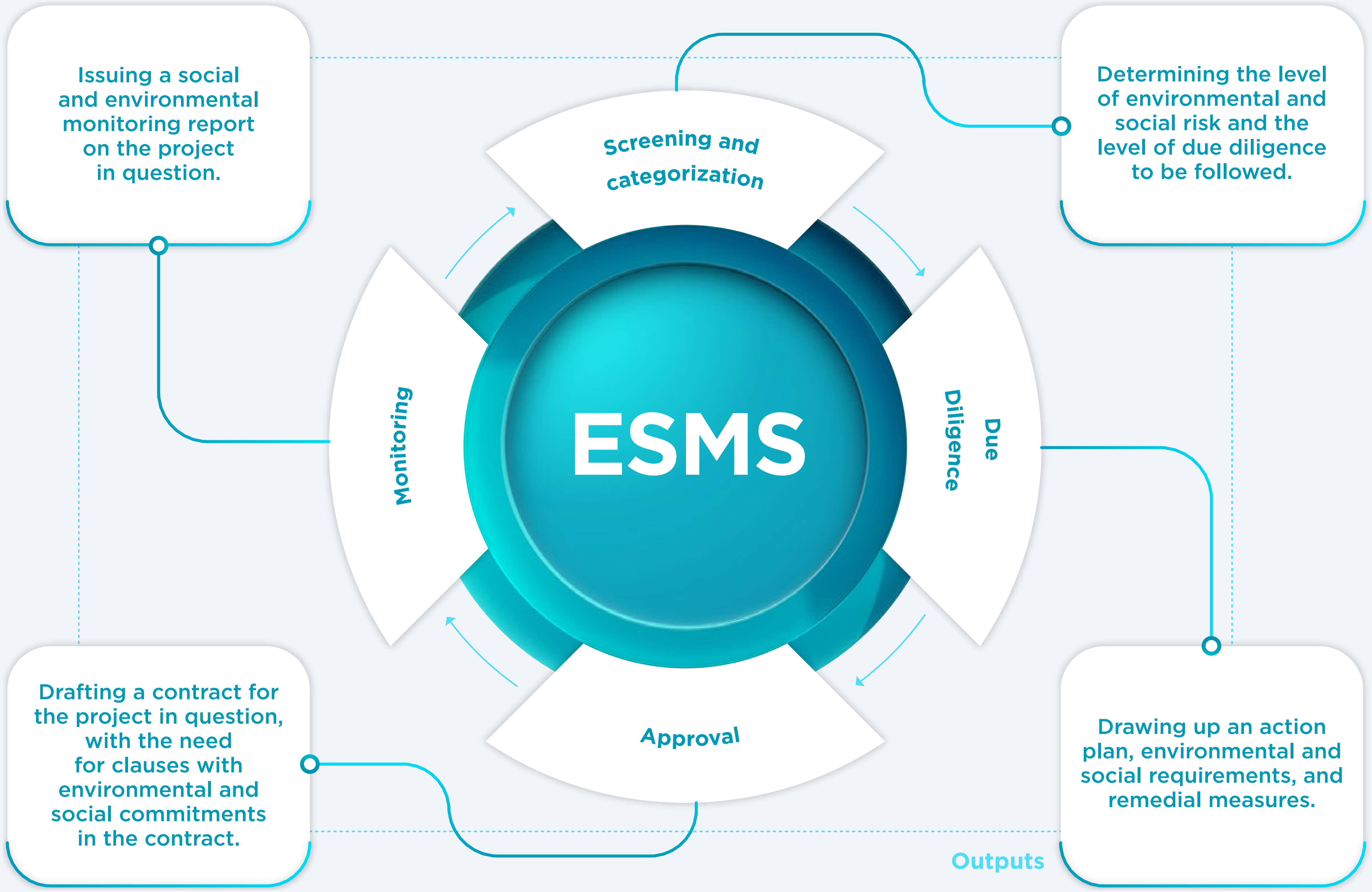
CO_2e emissions (t)



3.2. Environmental and Social Management System (ESMS)

ATLANTICO recognizes that environmental issues contribute to a stronger and more balanced position for organizations, ensuring that their management makes them more efficient and resilient. With this in mind, and in line with its sustainability commitments, the Bank has an Environmental and Social Management System (ESMS) to ensure that its activities comply with environmental and social requirements. In this way, the ESMS makes it possible not only to foster transparency and awareness of best environmental and social practices, contributing to active involvement/commitment with Customers, but also to implement sustainable solutions in relations with Stakeholders throughout the value chain.

With the implementation of the ESMS, ATLANTICO seeks to strengthen the management and mitigation of environmental and social risks associated with its loan portfolio. Through careful analysis, the Bank establishes clear guidelines and rules which it incorporates into the ESMS to assess projects (updating them whenever necessary), with the aim of promoting the best sustainable and responsible practices.



The ESMS makes it possible to guarantee that the investments and financing performed by the Bank, which meet the required criteria, are in line with the international guidelines and national legislation in force regarding the environment, health, safety, and social issues. Thus, through procedures and workflows that consider the impacts and opportunities in all sectors of the Institution, it is possible to strengthen the management and mitigation of environmental and social risks associated with ATLANTICO's credit portfolio.

Although the ESMS was implemented for the first time in 2019, it underwent significant improvements in 2023 due to the Bank's investment in sustainability. As such, during the 12 months of 2023, the Bank relied on IFC's technical support in implementing the ESMS, having at its disposal a team of three specialists 100% dedicated to the project, including one of the most renowned environmentalists in Angola. As a result of this investment, at the end of the year ATLANTICO's credit processes were subject to an environmental and social assessment, in line with the IFC's eight Performance Standards: Assessment and Management of Social and Environmental Risks and Impacts; Employment and Working Conditions; Resource Efficiency and Pollution Prevention; Community Health and Safety; Land Acquisition and Involuntary Resettlement; Biodiversity Conservation and Sustainable Management of Living Natural Resources; Indigenous Peoples; and Cultural Heritage.

ATLANTICO's exposure to the mining and oil sector

The Mining and Oil & Gas sector is of great importance to the global economy and has played a crucial role in Angola's socio-economic development in recent decades. However, activities involving the exploration and use of mining and oil resources involve very significant environmental impacts.

As part of its Environmental and Social Management System (ESMS) policy, and through its sustainable financing tools, ATLANTICO has been committed to mitigating the environmental and social risks associated with its credit portfolio. As such, the total percentage of the Bank's exposure to the Mining and Oil & Gas sector corresponds to just 0.02%, of which approximately 47% corresponds to overdrafts, and the remaining 53% to credit cards, CCC and guarantees

Exposure to the sector distributed by type of product	Exposure Sum	%
Credit cards	48,206,452.82	26%
CCC	4,771,541.01	3%
Overdrafts	86,163,465.94	47%
Guarantees	43,512,000.00	24%
Total exposure to the sector	**182,653,459.77**	

Environmental and Social Management System (ESMS) for the credit function – in line with IFC's eight Performance Standards

1. Assessment and management of environmental and social risks and impacts
2. Labor and working conditions
3. Resource efficiency and pollution prevention
4. Community health, safety, and security
5. Land acquisition and involuntary resettlement
6. Biodiversity conservation and sustainable management of living natural resources
7. Indigenous peoples
8. Cultural heritage

3.3. Environmental Initiatives

The Bank believes that it has a long way to go in fulfilling the commitments it has made in terms of its environmental performance. However, as a young and innovative institution, it has been taking its first steps in this area and developing some environmental initiatives with the aim of contributing to a more sustainable planet. These initiatives include the "Unidos pelo Ambiente" ("Together for the Environment") campaign, a beach clean-up aimed at collecting recyclable plastic waste and raising awareness among local communities about protecting the environment and the oceans, and the Sustainability Research, which aims to increase the environmental literacy of the Bank's Stakeholders.

Enquanto instituição jovem e inovadora, o Banco tem vindo a dar os primeiros passos em matéria ambiental e a desenvolver algumas iniciativas com o objectivo de contribuir para um planeta mais sustentável

Unidos pelo Ambiente | Together for the Environment

The main objective of the "Unidos pelo Ambiente" ("Together for the Environment") initiative is to contribute to the Circular Economy through the selective collection of recyclable plastic waste as part of a beach cleaning activity, in partnership with other important market players. Through this citizenship initiative, ATLANTICO mobilized 350 volunteers and this action resulted in the collection of 780 kg of plastic which was delivered to an institution specializing in recycling, to be later reintegrated into the market through the production of moulds which will be sold to give rise to new products.

"IMPACTO" – Sustainability Research

The "IMPACTO" initiative is a project that began at the end of 2022 and consists of producing and publishing a quarterly Sustainability Research article. The initiative aims to promote literacy and knowledge on the main sustainability issues. "IMPACTO" also aims to boost the position the Bank wishes to adopt towards society and its Stakeholders regarding sustainability. During 2023, four editions of "IMPACTO" were published, covering several topics, namely Sustainable Finance, Circular Economy, and Blue Economy.

Agenda – 2023	Edition
Sustainability and Sustainable Development	1st Edition
The Role of Sustainable Finance in the Implementation of the SDGs and the 2030 Agenda – ESG Applied in the Context of Banking	2nd Edition
The Circular Economy and its importance	3rd Edition
Blue Economy and Blue Bonds	4th Edition

4

Social Dimension

ATLANTICO is aware of the impact of its business on the daily lives of many people and how this influences their lives. As a partner, employer, and active participant in society, ATLANTICO has an added responsibility and is therefore committed to ensuring a better quality of life and adequate working conditions for all those who deal with the Bank daily.

For ATLANTICO, looking at the social dimension is not just about developing projects with the community and helping people to lead more dignified lives. It's about contributing to a more informed society, promoting fair access to opportunities, strengthening diversity, and respecting human rights, both inside and outside ATLANTICO. It's about leaving a mark and a legacy and developing close relationships and partnerships with the communities in the countries where it operates, as well as offering all its Employees lifelong learning opportunities and an attractive and healthy working environment where everyone can grow and evolve fairly. It's about making a difference, contributing to the transformation of the lives of all those who are part of the ATLANTICO universe.

4.1. Human Capital

People are ATLANTICO's greatest asset. They are the ones who materialize the culture and delivery of the commitment to ATLANTICO's Ecosystem of partnerships, generating "Attitude with Value" with their high skills. With the increase in people's skills and, consequently, competitiveness in the job market, it is necessary to guarantee the satisfaction of all the people who are part of ATLANTICO. To this end, the Bank actively works on the personal and professional growth of its Employees, creating opportunities for them to grow and progress in their careers.

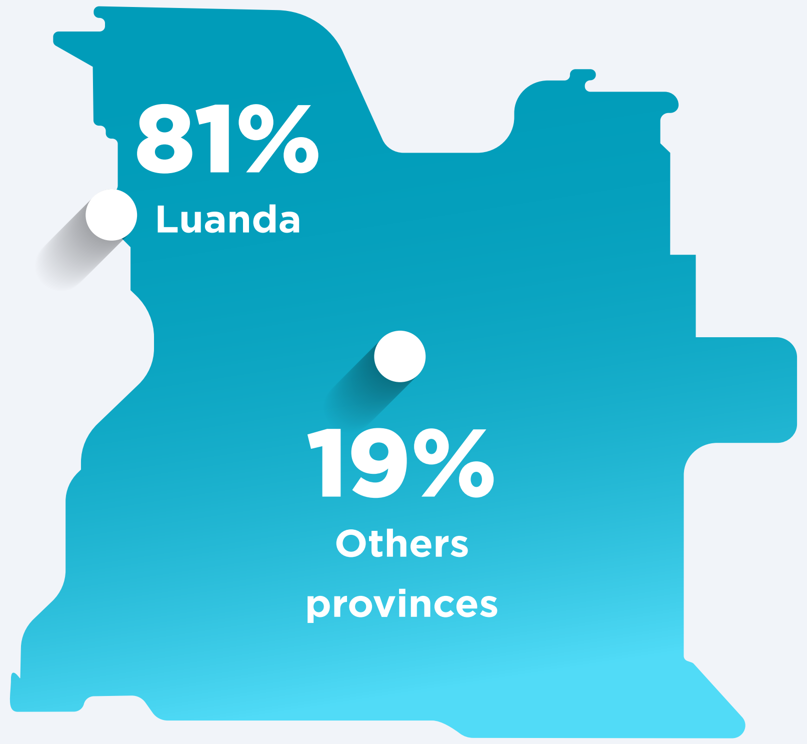
By December 2023, ATLANTICO had 1,496 Employees spread across all 18 provinces of Angola, of which 81% of the Talents were in Luanda and the remaining 19% located in service points outside the capital, thus guaranteeing the Bank's mission. The team is young, gender-balanced and essentially made up of Angolan Employees, 69% of whom belong to generation Y, characterized by a strong sense of mission, restlessness, innovation, and openness to the digital world. Regarding the distribution of the team by area, it is the Business area that prevails, with 67% of the team allocated, followed by the Support and Control areas, with 28% and 5% respectively.

ATLANTICO's commitment to people development is a fundamental pillar and the Bank is aware that skills are increasingly valued and considered to be the key factor in talent management in an organization. To this end, ATLANTICO has been studying the best way to strengthen the weight of skills in the people management function and at the level of training policy, consolidating the training strategy according to skill families.

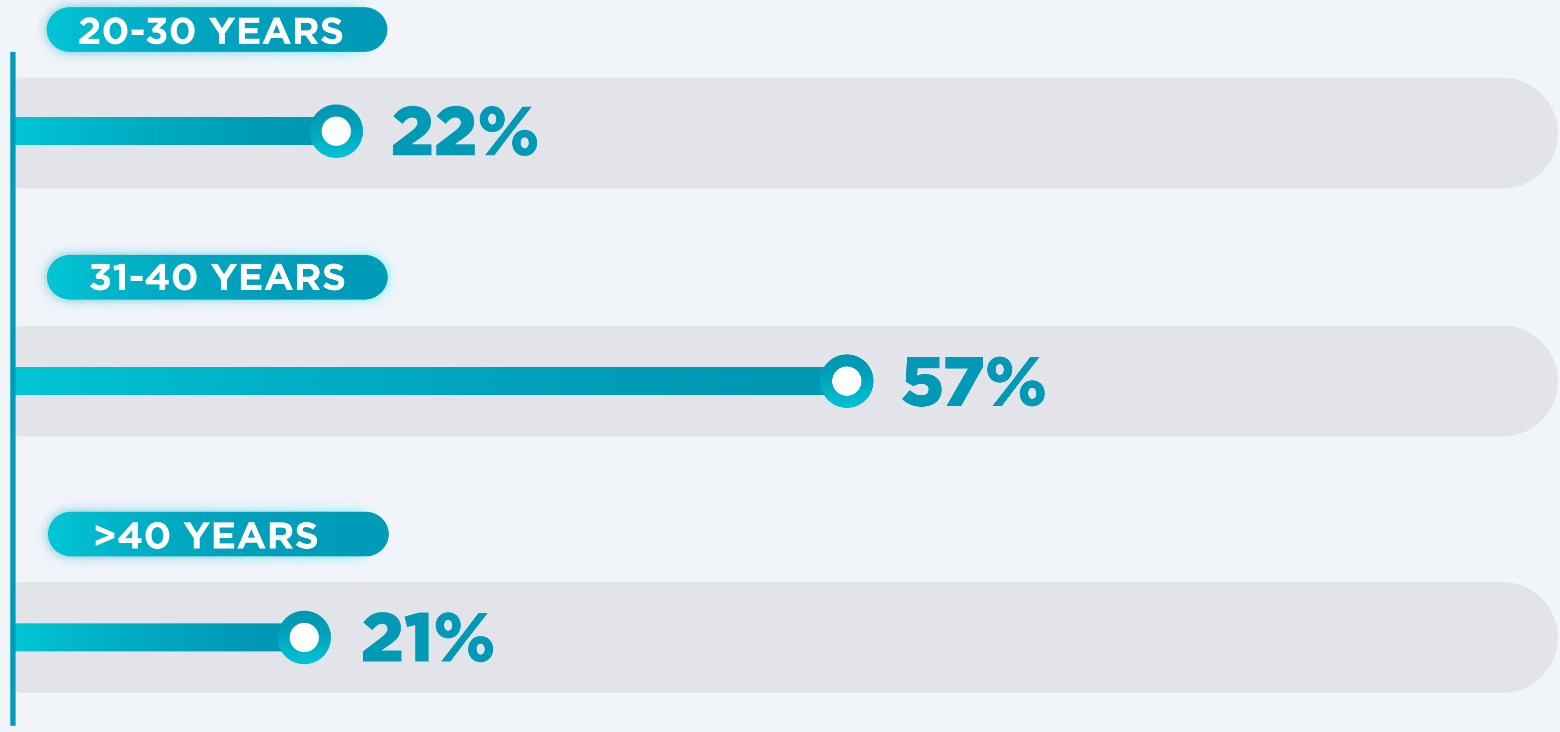
As such, 2023 was marked by a continuous commitment to expanding and adapting internal skills, reinforcing ATLANTICO's values and culture through training, the impact of which will be revealed in the daily results in terms of Value Delivery. In line with the Bank's strategy, initiatives were developed to strengthen and develop skills in several areas, including Leadership, Internal Control, Customer Service, and other areas related to the Bank's activity, which contribute to transforming the life of the Customer, guaranteeing the continuity of their relationship with ATLANTICO, as well as creating economic value.

As well as fostering growth and developing the skills of its Employees, the Bank also wants to attract new specialized talent with the right technical knowledge for the business

Geographical dispersion

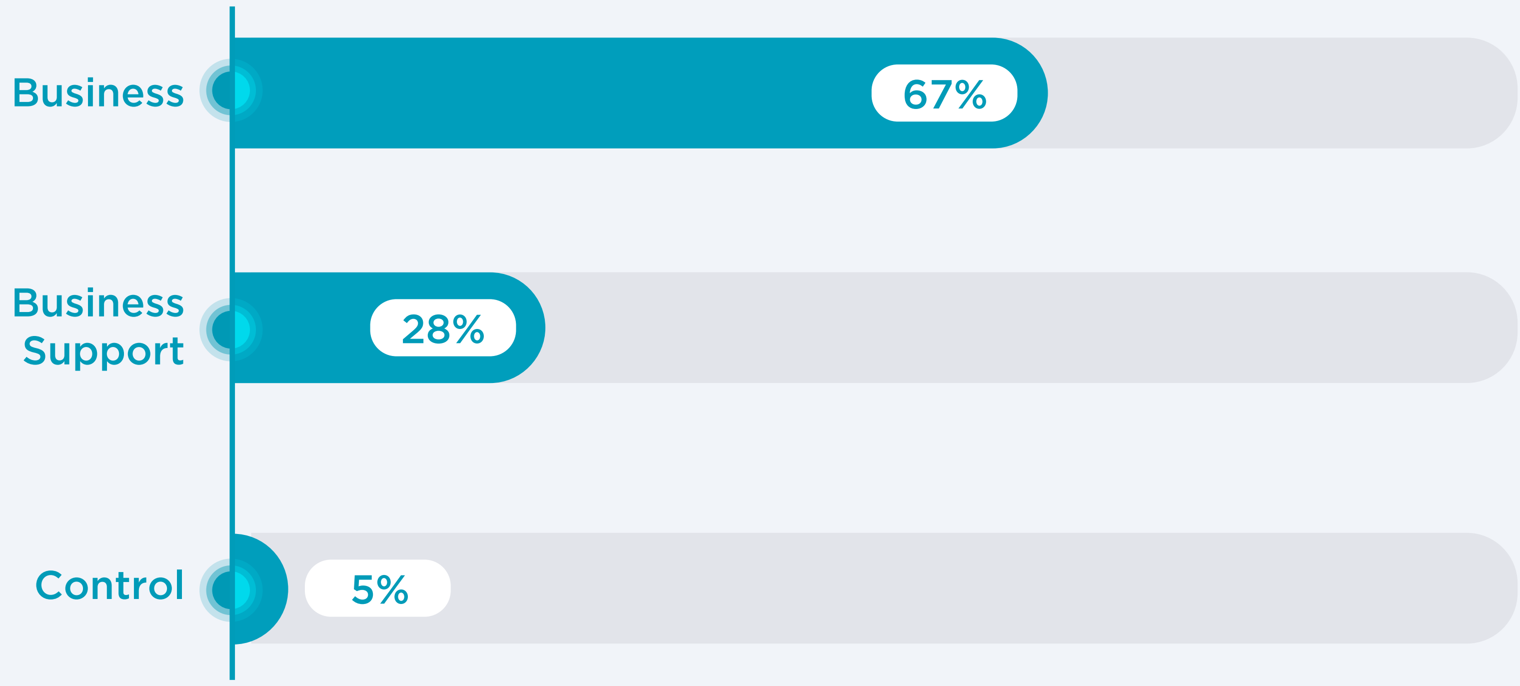


Age group



Gender

Areas



Average age

Nationalities

Through events such as "Sintonia ATLANTICO" in 2023, the Bank presented a range of news in a relaxed manner and shared knowledge and experiences that are fundamental to the development of skills, through Employees and guests, taking advantage of the benefits offered by the digital and face-to-face media available.

As well as fostering growth and developing the skills of its Employees, the Bank also wants to attract new specialized talent with the right technical knowledge for the business. To this end, in 2023, 213 new talent hires were registered, coming from different sources. In addition, ATLANTICO continues to stand out for its high level of retention of Talent with great potential, underlining its mission as an organization committed to people that recognizes and enhances Talent.

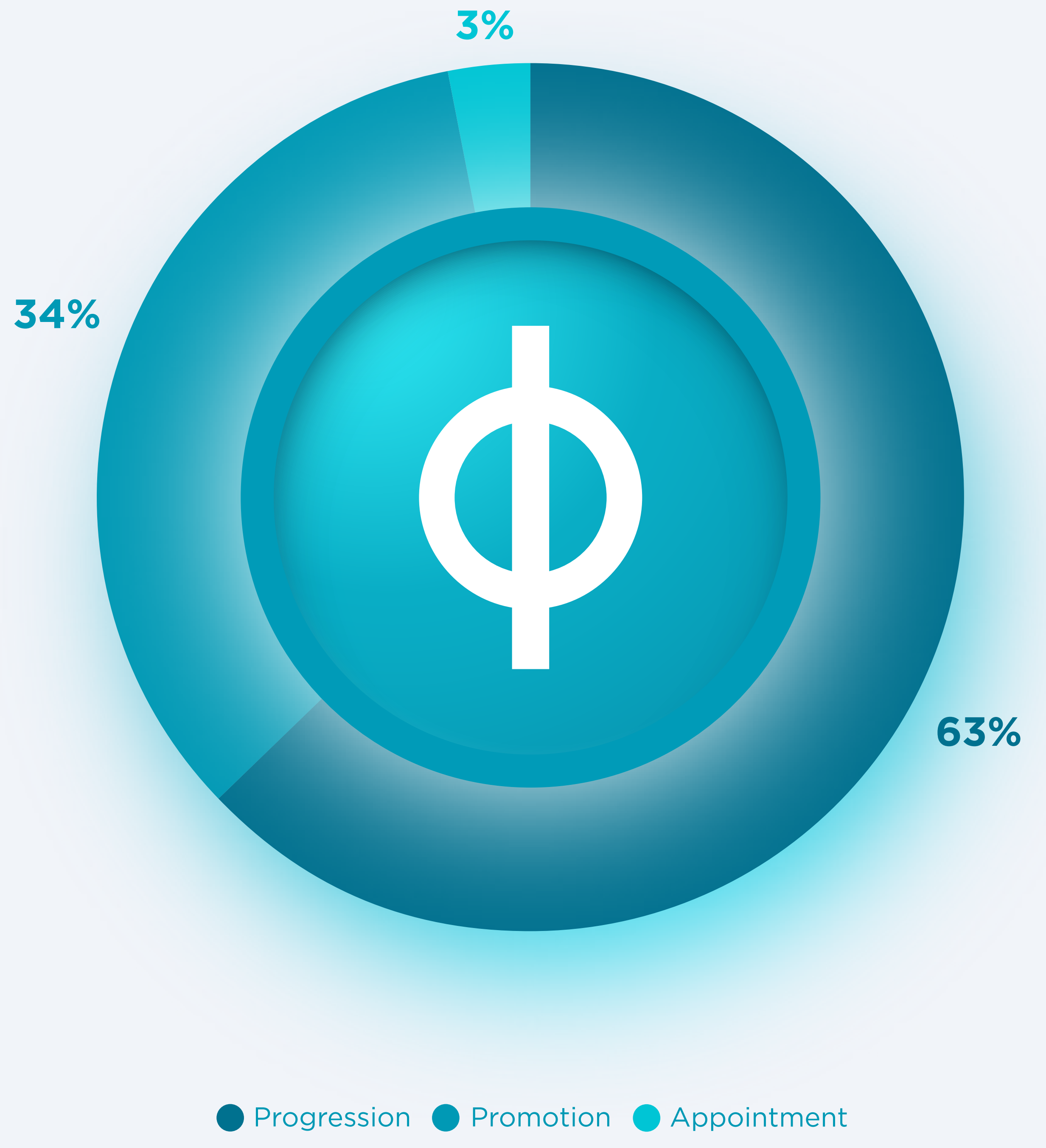
As far as career development is concerned, ATLANTICO continued to recognize the differentiated deliveries of its teams and promoted the career development of 833 Talents.

228 Talents with high potential

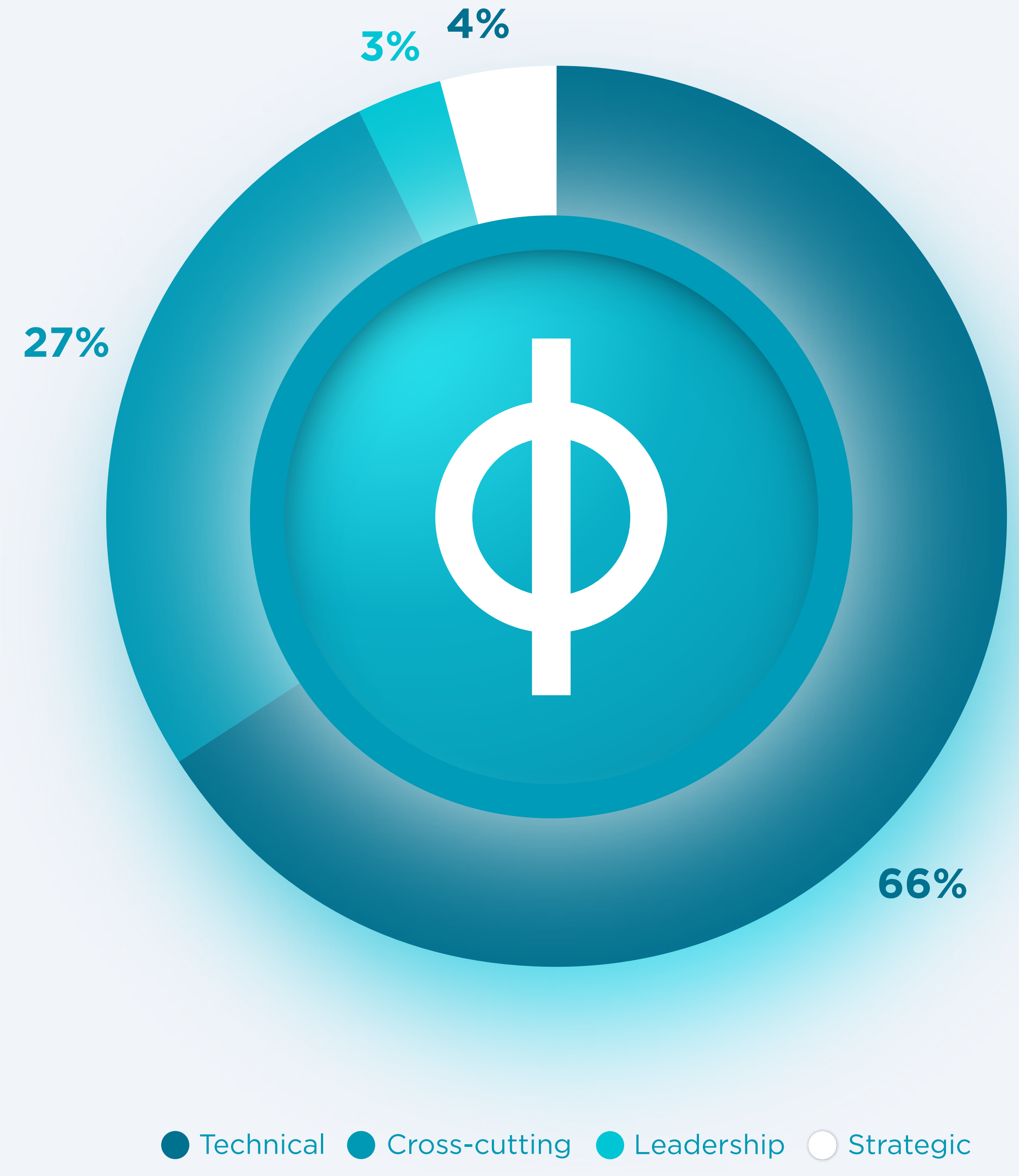
93% Retention rate of high-potential talent

56% Talents with career progression

Career development



Type of Training



Well-being, Health, and Safety at Work

The nature of ATLANTICO's operations is not prone to generating accidents at work with the frequency or severity that happens in other sectors of activity, such as Industry or Construction. However, the Bank is aware of the risks that exist for its Employees and the implications and impacts of these risks for the business.

Managing the health and well-being of Employees is crucial to the Bank's competitiveness and reputation. The occurrence of accidents at work and, above all, occupational illnesses can have consequences for the lives of the people who work at ATLANTICO, as well as for their families. The lack of balance between personal and professional life is one of the major causes of tension and psychological illness and one of the greatest risks that can lead to indefinite sick leave, which has a negative impact on both the Employee and the Organization.

For this reason, the Bank has a Safety, Health, and Hygiene at Work Policy, with the aim of establishing the guidelines and responsibilities in relation to the Safety and Health model, to provide the conditions for a healthy, safe, and sustainable working environment, aligned with ATLANTICO's strategy, with the applicable legal requirements and with the commitment to continuous improvement of the working environment.

For ATLANTICO, it is crucial to prevent occupational risks and promote the health and safety of Employees to increase their motivation, efficiency, and productivity and, consequently, the working environment in the Organization.

Commitment to ATLANTICO families

To strengthen the corporate identity and sense of belonging, ATLANTICO created the Happiness and Corporate Identity Unit, with the aim of developing and implementing programs and initiatives that contribute to the happiness and well-being of Employees. To this end, in 2023, several initiatives were performed involving approximately 800 ATLANTICO Talents, namely internal and external tournaments in the sports of Futsal, Basketball, Chess, Volleyball, cultural activities to commemorate Africa Day, the Bank's 17th anniversary, Bank Workers' Day, as well as environmental protection activities as part of Environment Day and World Oceans Day.

Through the monthly CUIDA (“CARE”) Lecture Series, the Bank reinforced its commitment to Employee well-being and quality of life by raising awareness of disease screening and mental and physical health care, such as high blood pressure, diabetes, depression, and anxiety.

These figures reflect the Bank's strong commitment to promoting a sense of belonging among its Employees and encouraging bonds between the several members of the ATLANTICO team. Through these activities, it is possible to increase communication and team spirit between people, contributing to their well-being.

Diversity and Inclusion

The subject of Diversity and Inclusion has been gaining prominence in several institutions and companies in recent years. With the internationalization of markets, a consequence of globalization, and the increased availability and ease of access to information, these issues have become increasingly topical and relevant in the workplace. ATLANTICO is not indifferent to this issue and is committed to promoting a diverse and inclusive culture for all its Employees in the workplace, ensuring that undue discrimination is not tolerated.

As an economic agent with a strong social responsibility, ATLANTICO embraces Diversity and Inclusion as an ethical imperative, based on the basic and guiding principle of its internal and external actions, forming part of its values and institutional identity. Present in its mutualist, transgenerational and multicultural DNA, the Bank rejects any form of discrimination based on ethnicity, nationality, sexuality, gender, physical condition, age, or religion and adopts all practicable measures to prevent any form of discrimination in the workplace with Employees, Customers and/or other Stakeholders.

The Bank prioritizes and values a culture of diversity and inclusion in all areas of activity and recognizes that the focus should be on recruitment, training, career development, employment conditions, facilities, services, and employee relations. Through this culture, the Bank aims to contribute to the personal and professional development and improvement of the social and economic conditions of its Employees.

ATLANTICO is deeply committed to eliminating all forms of unlawful and unfair discrimination and recognizes the positive impact that individual differences have on the Organization.

4.2. Social Transformation

Social Transformation is a founding pillar of ATLANTICO and sharing the results of its activity with the local community is part of its DNA. For ATLANTICO, it's not enough to talk about society's problems, it's necessary to build a close relationship with all those around it and respond to their needs to contribute to the development of the communities in which it operates.

The Bank's aim is to generate social value and make a significant impact on people's lives, while at the same time generating value and well-being in local communities. For this reason, and as part of the Bank's Corporate Social Responsibility, several initiatives and partnerships have been carried out to support the local community, with the aim of promoting its development in the medium and long term, by promoting knowledge, investing in entrepreneurship, and ensuring the health and well-being of the population.

ATLANTICO is therefore proud to be an institution based on creating Values for Life, generating values for its Customers, Shareholders, People and, above all, for the Communities.

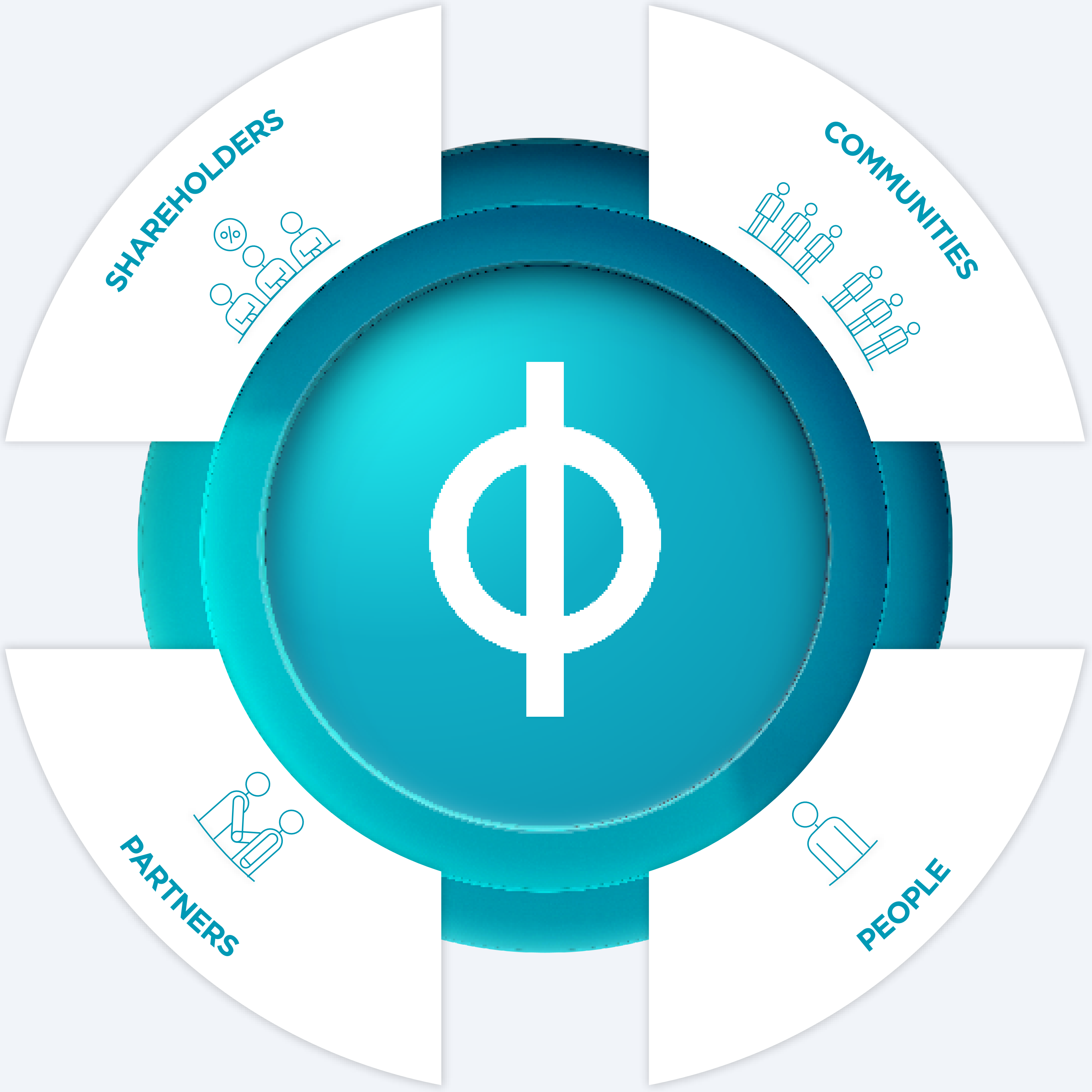
Atlantico's Social Transformation Strategy

Knowledge

Entrepreneurship

Health and Wellness

ATLANTICO's Social Transformation Ecosystem



Social Responsibility Initiatives

In 2023, ATLANTICO continued the work it has been doing in terms of Social Responsibility and Transformation and developed several actions and partnerships that fulfil the Bank's desire to continue “Transforming Lives”, creating impact and generating value in local communities.

In this context, as part of the “Partilhamos Valores para a Vida” ("We share values for life") programme, several activities were performed with charities, including volunteer work by the Bank's Employees, as well as campaigns to collect goods – food, teaching materials, clothing, and toys. In total, in 2023, approximately 3,848 hours of volunteering were carried out, in which 993 of the Bank's Employees took part, impacting more than 1,600 people, including children, young people and the elderly.

In addition to volunteering activities, there have also been initiatives to support institutions, selected in line with ATLANTICO's Social Transformation strategy, with a focus on knowledge and entrepreneurship. These actions include initiatives to boost agribusiness, in partnership with SEIVA, and to support inclusive, equitable and quality education, with the Ulwazi Foundation and Lar de Nazaré. As part of this strategy, ATLANTICO aims to create an impact on communities far beyond financial contributions.

Entrepreneurship

SEIVA

MISSION

Fostering the development of families in rural areas through initiatives with economic and social impact, supporting an following the principles of the Sustainable Development Goals (SDGs) as a measurement and barometer of the impact generated.

SCOPE OF ACTION

- **ATER (TECHNICAL ASSISTANCE AND RURAL EXTENSION)** Support for the sustainable development of agricultural production by rural families.
- **CAPACITY BUILDING** Development of technical and institutional skills of local partners.
- **RESEARCH & INNOVATION** Conceptualization, testing and development of local solutions and challenges.
- **LOGISTICS AND FAIRTRADE** Creating agri-food value chain linkages, with a rural focus.

DUAL IMPACT FUND

MISSION

- Contribute to the development of the Angolan business system, supporting companies to incorporate sustainability and impact criteria into their mission
- Be a source of funding for startups and SMEs
- Create impact with financial, social and environmental return

SCOPE OF ACTION

Affordable Housing | Agriculture | Logistics | Financial Services | Industry | Energy & Utilities | Health Care | Education

Knowledge

Ulwazi

AN AFRICAN INITIATIVE FOR EDUCATION

MISSION

Fostering the construction of the Knowledge Society as a criterion and pillar for sustainable social and economic development.

SCOPE OF ACTION

- **THE PURSUIT OF EXCELLENCE** Ulwazi contributes to Angola and Africa being at the frontier of Knowledge in the Education sector.
- **STRUCTURING ACTION** Ulwazi is an active partner in defining and implementing education policies and strategies.
- **A CATALYST FOR INNOVATION** Ulwazi is an accelerator of innovation and new teaching models.
- **A SKILLS FACTORY FOR EDUCATION** Education plays a key role in preparing the future. But we also need to prepare for the future of Educat

LAR DE NAZARÉ

MISSION

- Helping orphaned children in extreme poverty, aged 3-14 and out of the education system, by providing better living and educational conditions.
- Permanent shelter for girls at risk.

Focused on financial inclusion through a specific business model

The Bank advocates knowledge sharing and financial inclusion, aiming for high levels of banking and transactionality, through projects such as *400# Agiliza, an ATLANTICO platform for creating value and prosperity. With the motto "Your cell phone is your bank", *400# Agiliza puts financial potential in the hands of the entire population, with particular impact on low-income families living in remote areas and/or where access to structured financial services is non-existent or insufficient.

*400# Agiliza – Literacy, Financial Inclusion, and Innovation

This platform's main objectives are: to expand the network of banking agents and the municipalities covered; to support the reconversion of the economy, with financial and digital literacy actions among informal traders; to boost actions that empower women financially, particularly informal traders; to boost savings and reduce the transaction costs faced by people who are financially excluded or under-served; and to improve the speed of the channels and guarantee their high availability to ensure a permanent impact.

With more than 3,700 Agiliza Banking Agent service points (present in Angola's 18 provinces and 77 municipalities), this platform has already exceeded 1.3 million active subscriptions and more than 46.2 billion transactions have been performed on it. In the context of this platform, more than 250 financial and digital inclusion and literacy initiatives have been carried out daily in markets, neighbourhoods, and communities nationwide.

Funding solution designed to support artisanal fishermen

Alongside these actions, the Bank has a credit support impact programme – "Malembe Malembe" credit – which aims to provide favourable conditions for artisanal fishermen. This programme has a positive impact on the lives of the populations concerned, both socially and economically, by promoting the formal employability of these communities.

"Malembe Malembe" loan

The "Malembe Malembe" impact loan programme is designed to provide favourable conditions, including affordable interest rates and flexible terms, enabling them to promote their activities, strengthen their operations and achieve greater financial stability.

This programme also promotes increased possibilities for these communities to access funding under Notice 10/BNA/2022, contributing to the programme to diversify the national economy.

Since its launch, approximately AOA 79 million in loans have been made available to small and medium-sized businesses, which has had an impact on more than 760 people, including more than 19 families and micro-businesses included in the financial system.

This programme covers artisanal fishermen's cooperatives, located in the provinces of Zaire and Namibe, as well as the pipeline for 25 artisanal fishing boats, representing 40 fishermen's households.

In all the Social Responsibility projects and initiatives, the Bank has donated around AOA 4.8 million, which has made it possible to create impact and change in society. All the initiatives performed over the last few years reflect the strong sense of mission of ATLANTICO's volunteers, as well as proving and reinforcing the Bank's strong sense of responsibility towards the local community. It is through these integrated, consistent and continuous actions that the Bank daily honours its commitment to the future and to the transformation of society, with a view to building and strengthening a more informed, more sustainable community with "Values for Life".

KWENDA PROGRAMME – Partnership with the Social Support Fund (SSF)

The KWENDA Programme is an Angolan government programme aimed at creating policies to support the poorest and most vulnerable families in the country.

Valued at USD 420 million, the programme is financed to the tune of USD 320 million by the World Bank, with the remaining USD 100 million coming from the National Treasury.

KWENDA is operated by the Social Support Fund (SSF), a government agency with legal personality and financial and administrative autonomy which, in coordination with other anti-poverty programmes, contributes to promoting the sustainable development of communities.

In addition to social cash transfers, the Programme also has three other lines of action, namely Productive Inclusion, Municipalization of Social Action through the creation of Integrated Social Action Centres (CASI) and Strengthening the Single Social Registry.

KWENDA aims to lift citizens out of extreme poverty by integrating them into income-generating activities, with the allocation of a minimum social income by direct monetary transfer to poor families with children under the age of five.

ATLANTICO supports the programme by making it possible to deliver the amounts, as well as the financial inclusion of the beneficiary families through the automatic opening of a bank account made through the Programme.

Under this programme, in 2023, ATLANTICO was able to support a total of 236,585 needy families in 21 Angolan municipalities, with an investment of approximately AOA 14,406,798,000.

Appendix

List of ESG Indicators – 2023

Commitment	Topic	Indicator	Unit	2023 (FY)
Inclusion and entrepreneurship	Agiliza (inclusion account)	Number of Customers	# Quantity	561.9 thousand
		% Women	%	25%
		% Men	%	75%
	Online platform *400#	Number of active subscriptions	# Quantity	1.1 million
		Volume of transactions	AOA	13 billion
	Banking agents	Number of agents	# Quantity	1.8 thousand
		Volume of transactions	AOA	3.8 billion
	"Malembe Malembe" project	Number of Customers (families) benefiting	# Quantity	19
		% Women	%	37%
		% Men	%	63%
		Estimated number of people impacted	# Quantity	760
		Volume of credit granted to small and medium-sized enterprises	AOA	79 million
Responsible management	Energy	Total consumption of the public network	MWh	10.2 million
		Renewable energy consumption	%	0%
		Total number of generators	# Quantity	76
		Total fuel consumption for generators	litres	490 thousand
	Water	Consumption	m^3	13.6 thousand
	Paper	Total volume of printed documents	# Sheets	14.1 million
		Correspondence to Customers – A4	# Sheets	7.7 million
Inclusive management	Employee profile and diversity	Applications received	# Quantity	8.6 thousand
		New hires	# Quantity	213
		Total number of Employees	# Quantity	1,496

(To be continued)

(Continued)

Commitment	Topic	Indicator	Unit	2023 (FY)
Inclusive management	By gender	Women	# Quantity	739
		Men	# Quantity	757
		% woman	%	49.4%
		% men	%	50.6%
	By age group	Employees up to 30 years old	# Quantity	327
		Employees aged 30 to 40	# Quantity	856
		Employees over 40	# Quantity	313
		% Employees up to 30 years old	%	22.0%
		% Employees aged 30 to 40	%	57.0%
		% Employees over 40	%	21.0%
	Development training	Total participation in training (face-to-face and digital)	# Quantity	10.4 thousand
		% digital participation	%	54%
		% face-to-face participation	%	46%
		Total training hours	# Quantity	31.8 thousand
		Average training hours for women	Number of hours - Average	21
		Average training hours for men	Number of hours - Average	21
		Average amount spent per Employee on training and development	AOA	73.5 thousand
		Scholarships	# Quantity	6
Private social investment	Total investments	Total social investment	AOA	9.5 million
	Donations to projects	Miscellaneous donations	AOA	4.8 million
	Volunteering	Total number of Employees in volunteer work	# Quantity	993
		Total number of volunteer hours donated	# Quantity	3.8 thousand hours

2023 ANNUAL REPORT

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