Growing together.

Annual Report 2023

BancoBIC
Crescemos Juntos

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Annual Report
2023

BancoBIC
Crescemos Juntos

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Message from the Chair of the Executive Committee

Message from the Chair of the Executive Committee

The expectation of growth of the national economy for 2024 is conditional on increased tax revenues, the raising of state funding, balance in the foreign exchange market and growth of domestic production, with a consequent reduction in imports and fight against inflation, which stood at 20% in 2023. These conditions are determinant for the normality of corporate life, improvement of the business environment and job creation.

Angola's withdrawal from the Organization of the Petroleum Exporting Countries (OPEC) has given the country more freedom in the exploration and export of crude oil. The International Energy Agency (IEA) forecasts a global increase of production for this year, estimated at 1,5 million barrels/day.

Banco BIC continues to be the main funder of the real economy. Small, medium-sized, and large companies find that BIC is the right partner for their business ventures. Loans granted (fundamental for domestic investment) recorded 26% growth in 2023, amounting to 762,3 billion kwanzas. We are market leaders for the fourth consecutive year.

BIC has in-depth knowledge of the market and is committed to Angola's economic growth.

Agriculture and livestock comprise the sector that most boosts the national economy, contributing to the diversification of the food value chain. For this reason, Banco BIC is strongly focused on it.

For 2024, there are small positive signs of growth of domestic production in sectors of the non-oil economy. Increased fiscal revenues, driven by measures to increase the efficiency of tax collection and enforcement, such as the fight against tax evasion and the cutting of fuel subsidies, may favour the State's capacity and resources for projects and programmes to improve the living conditions of low-income households and reduce poverty.

We are a sustainable bank. We are ambitious. We have a heart.

BIC promotes civic participation towards community inclusion, through partnerships with non-profit making organizations, which foster access to education, healthcare and social well-being among those most in need, in a networked manner with other partners that have joined the **Crescer Juntos** [Growing Together] programme. We invest in the Bank's growth, in human resources and in the community social sector.

We do not work only with profit in mind. We also work with a concern for the social protection of people.

The net income for 2023, presented in this report, reflect the BIC's culture as a safe and trustworthy financial institution, based on standards of good governance, reputed in the market among the best and with a social standing that is prestigious to the Bank, founded 19 years ago under the motto **Growing Together.**

The net income for 2023, reflect the BIC's culture as a safe and trustworthy financial institution.

Hugo da Silva Teles
Chair of the Executive Committee

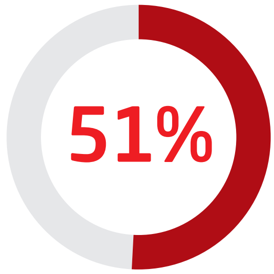
2. Main Activity Indicators

Main Activity Indicators

TOTAL NET ASSETS | 2 291 512

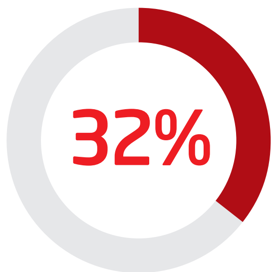
EQUITY | 466 693

EMPLOYEES | 2 155

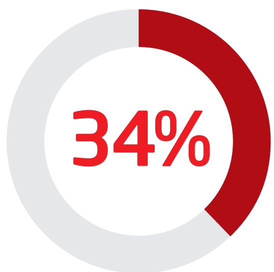


COST–TO–INCOME

LEVERAGE RATIO



REGULATORY SOLVENCY RATIO

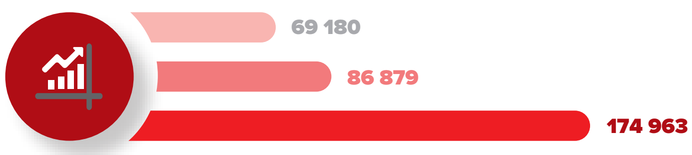


NET LOANS OVER ASSETS

Net Income for the Year
(millions Kz)

Turnover
(millions Kz)

Operating Income
(millions Kz)



■ 2021 ■ 2022 ■ 2023

Million AOA

	Dec. 2023	Dec. 2022	Variation % 2023/2022	Variation % 2023/2022
Total net assets	**2 291 512**	1 920 321	371 191	19%
Turnover	**3 185 142**	2 458 741	726 401	30%
Lending to the Economy	**1 739 637**	1 225 653	513 984	42%
Loans to Customers	**1 115 767**	834 116	281 651	34%
Loans to the State	**564 386**	351 881	212 505	60%
Off-balance Sheet	**59 484**	39 656	19 828	50%
Customer resources	**1 445 504**	1 233 088	212 416	17%
Turnover per Employee	**1 478**	1 158	320	28%
Financial intermediation result (operating income)	**174 963**	86 879	88 084	101%
Financial intermediations result per Employee	**81,19**	40,90	40	98%
Administrative and marketing costs/Financial intermediation result (less net monetary position)	**51,0%**	55,8%	-	-
Staff costs/Financial intermediation result (less net monetary position)	**32,1%**	36,2%	-	-
Net income for the year	**58 547**	41 662	16 885	41%
Net position	**466 693**	429 987	36 706	9%
Pre-tax result/Average net assets	**2,8%**	2,2%	-	-
Financial intermediation result/Average net assets	**8,3%**	4,4%	-	-
Pre-tax result/Average equity	**13,1%**	9,9%	-	-
Regulatory solvency ratio	**31,5%**	29,9%	-	-
Number of branches	**232**	236	(4)	-2%
Number of Employees	**2 155**	2 124	31	1%
Number of Customers	**1 919**	1 910	9	0%

[1] Following a review in the 3rd quarter, the figures exclude the Sagrada Família, Marginal II, Multiparques Filda, Alameda and Capelongo branches due to being closed, and include the new Angomart branch, opened in 2023.

Million USD

	Dec. 2023	Dec. 2022	Variation % 2023/2022	Variation % 2023/2022
Total net assets	**2 765**	3 812	(1 047)	-27%
Turnover	**3 843**	4 882	(1 039)	-21%
Lending to the Economy	**2 099**	2 434	(335)	-14%
Loans to Customers	**1 346**	1 656	(310)	-19%
Loans to the State	**681**	699	(18)	-3%
Off-balance Sheet	**72**	79	(7)	-9%
Customer resources	**1 744**	2 448	(704)	-29%
Turnover per Employee	**2,0**	2,0	-	0%
Financial intermediation result (operating income)	**211**	172	39	23%
Financial intermediations result per Employee	**0,10**	0,08	0	21%
Administrative and marketing costs/Financial intermediation result (less net monetary position)	**51,2%**	56,0%	-	-
Staff costs/Financial intermediation result (less net monetary position)	**32,2%**	36,3%	-	-
Net income for the year	**71**	83	(12)	-14%
Net position	**563**	854	(291)	-34%
Pre-tax result/Average net assets	**2,2%**	2,3%	-	-
Financial intermediation result/Average net assets	**6,4%**	4,6%	-	-
Pre-tax result/Average equity	**10,0%**	10,4%	-	-
Regulatory solvency ratio	**31,5%**	29,9%	-	-
Number of branches	**232**	236	(4)	-2%
Number of Employees	**2 155**	2 124	31	1%
Number of Customers	**1 919**	1 910	9	0%

[1] Following a review in the 3rd quarter, the figures exclude the Sagrada Família, Marginal II, Multiparques Filda, Alameda and Capelongo branches due to being closed, and include the new Angomart branch, opened in 2023.

3. Organizational Structure

Organizational Structure

3.1. Governance Model

The Bank's governance model is established in its By-Laws and complies with the requirements of the Financial Institutions Act (Law No. 14/21 of 19 May). The Statutory Bodies are the Governing Bodies comprising the Board of the General Meeting and its Chair, the Board of Directors, the Executive Committee, the Fiscal Board and the External Auditor.

Banco BIC, with headquarters in Edifício Banco BIC, located in Bairro de Talatona, Municipality of Talatona, in Luanda, was incorporated by public deed on 22 April 2005, following the following a communication from Banco Nacional de Angola of 19 April 2005, authorizing its incorporation.

The Bank's core business is obtaining resources from third parties in the form of deposits or others, which it uses, together with its own resources, to grant loans, make deposits at Banco Nacional de Angola, investments at credit institutions, acquire securities and other assets, for which it is duly authorized. It also provides other banking services and performs several types of foreign currency operations.

Banco BIC's share capital is broken down as follows:

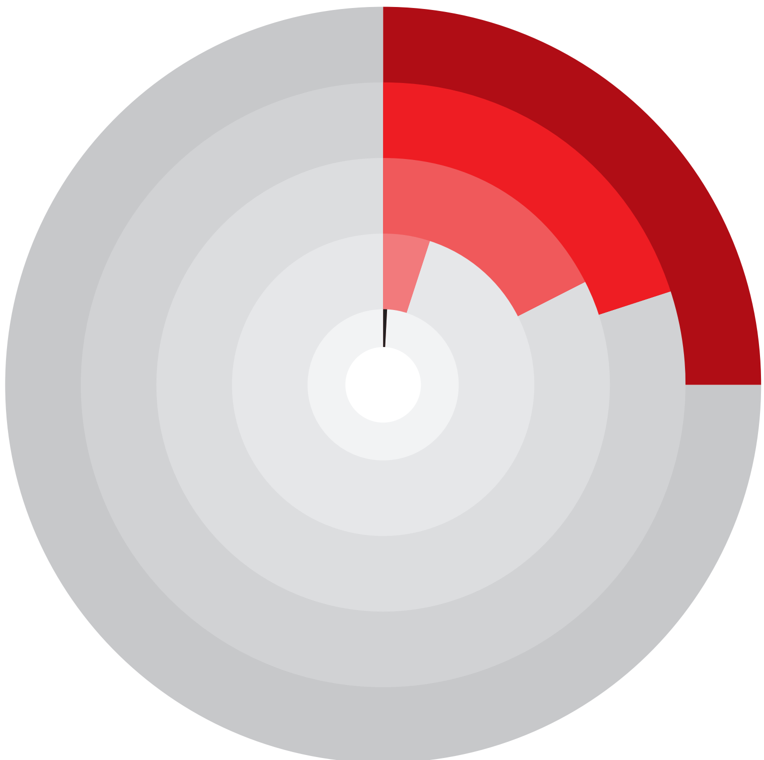
25%
Sociedade de Participações Financeiras, Lda.

20%
Fernando Leonídio Mendes Teles

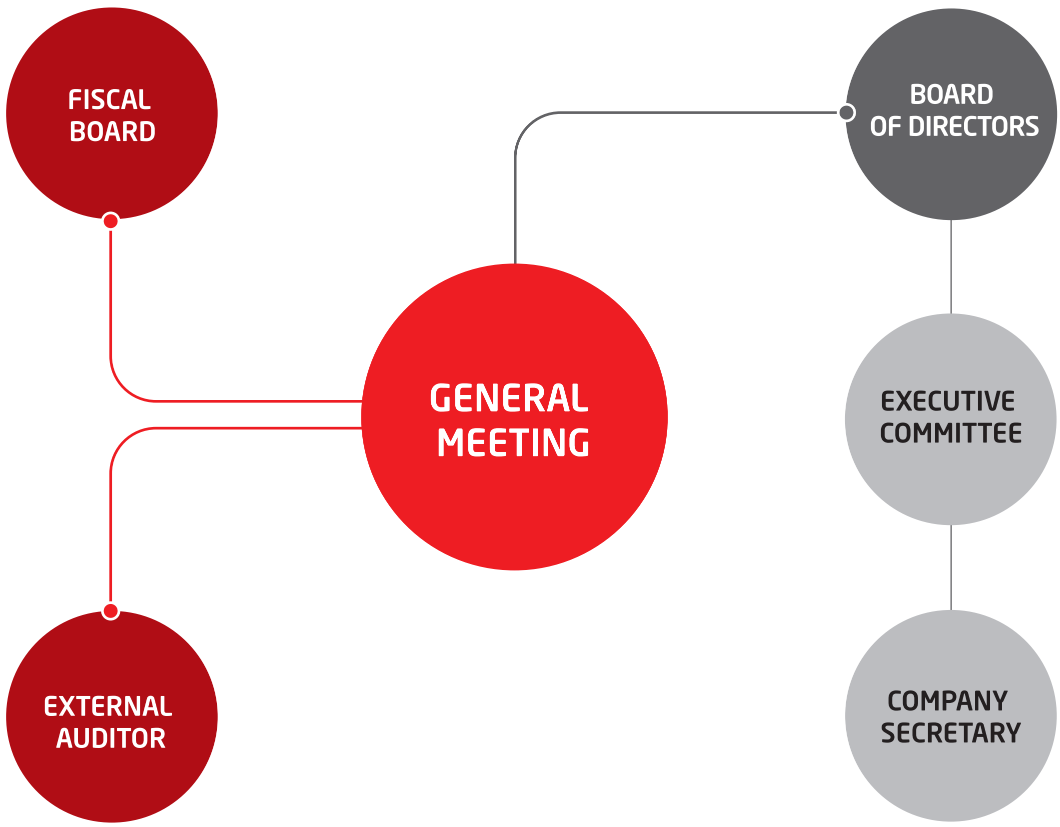
17,5%
Finisantoro Holding Limited
Telesgest B.V.

5%
Luís Manuel Cortez dos Santos
Manuel Pinheiro Fernandes
Sebastião Bastos Lavrador

1%
Diogo Ramos Barrote
Fernando Aleixo Duarte
Graça Santos Pereira
Graziela Rodrigues Esteves
José Correia Teles



The members of the Governing Bodies were elected for the three-year term 2021/2024 at the General Meeting of 7 June 2021. On that date, the Board of Directors appointed, under the terms of the By-Laws, the composition of the Executive Committee and its Chair.



General Meeting

The General Meeting is the corporate body comprising all of the Bank's shareholders. Its operation is regulated by the by-laws. Its main competencies are:

- Election of the members of the Board of Directors, the Fiscal Board, the Chair, the Vice-Chair and the Secretaries of the General Meeting Board, as well as the appointment of the External Auditor;
- Appraisal of the Board of Directors' annual report, discussion and voting on the Bank's balance sheet and accounts, taking into consideration the opinion of the Fiscal Board and External Auditor;
- Approval of the fixed and/or variable remuneration of members of the statutory bodies;
- Resolution on the distribution of the net income, as proposed by the Board of Directors;
- Resolution on changes to the By-Laws.

Board of Directors

Meetings of the Board of Directors are held at least monthly and whenever called by the Chair of the Board of Directors or by half of the Directors.

In order to ensure the Bank's executive management, the Board of Directors delegated this to Executive Committee, composed of four members.

Executive Committee

The Executive Committee, composed of a Vice-Chair and five members is, within the scope of its competencies, subordinated to the action plans and the annual budget, as well as to other measures and guidelines approved by the Board of Directors. It has broad management powers to conduct the Bank's day-to-day business, with its performance being permanently monitored by the Board of Directors, the Fiscal Board and the External Auditor.

All members of the Executive Committee play an active role in the day-to-day management of the Bank's business, with responsibility for one or more specific business areas in accordance with their individual profiles and specializations.

The Executive Committee holds meetings called by its Chair at least once a month.

Company Secretary

The Company Secretary is appointed by the Board of Directors and his/her term of office coincides with that of the members of the governing bodies.

Fiscal Board

The composition of the Fiscal Board is governed by the provisions of the By-Laws, and consists of a Chair, two permanent members and one alternate. The Fiscal Board holds quarterly meetings and whenever called by the Chair, the Board of Directors or by the Chair of the Board of the General Meeting.

External Auditor

The external audit is conducted by CROWE – Auditores e Consultores, S.A. The rules for provision of services by the External Auditor are defined in Banco Nacional de Angola Notice No. 09/2021. The Bank considers that the current External Auditors meet the requirements of availability, knowledge, experience and suitability to fully perform their functions.

Composition of the Governing Bodies

GENERAL MEETING

Manuel Pinheiro Fernandes
Chair

Luís Manuel Cortez dos Santos
Secretary

BOARD OF DIRECTORS

Sebastião Bastos Lavrador
Chair of the Boards Directors

Hugo Miguel Silva Teles
Chair of the Executive Committee

Jaime Pedro Galhoz Pereira
Vice-Chair of the Executive Committee

José Manuel Cândido
Member

Jorge Manuel Gomes Veiga
Member

Ricardo Jorge Godinho Cortez dos Santos
Member

Francisco Paulo Lourenço
Member

Aleixo Santana Arlindo Afonso
Member

Amadeu de Jesus Castelhano Maurício (*)
Member

José Agostinho Rodrigues (*);
Member

Gianni Policarpo Gaspar Martins (*)
Member

EXECUTIVE COMMITTEE

Hugo Miguel Silva Teles
Chair

Jaime Pedro Galhoz Pereira
Vice-Chair

José Manuel Cândido
Member

Jorge Manuel Gomes Veiga
Member

Ricardo Jorge Godinho Cortez dos Santos
Member

Francisco Paulo Lourenço
Member

Aleixo Santana Arlindo Afonso
Member

FISCAL BOARD

Sérgio Henrique Borges Serra
Chair

José Nelson Rodrigues Carmelino
Member

Yolanda Vicência Fernandes dos Santos Ceita
Member

Hélder Jorge Araújo Nunes Varanda
Alternate Member

Rodrigo Piriquito Barros Ribas
Alternate Member

EXTERNAL AUDITOR

Crowe - Auditores e Consultores, S.A.

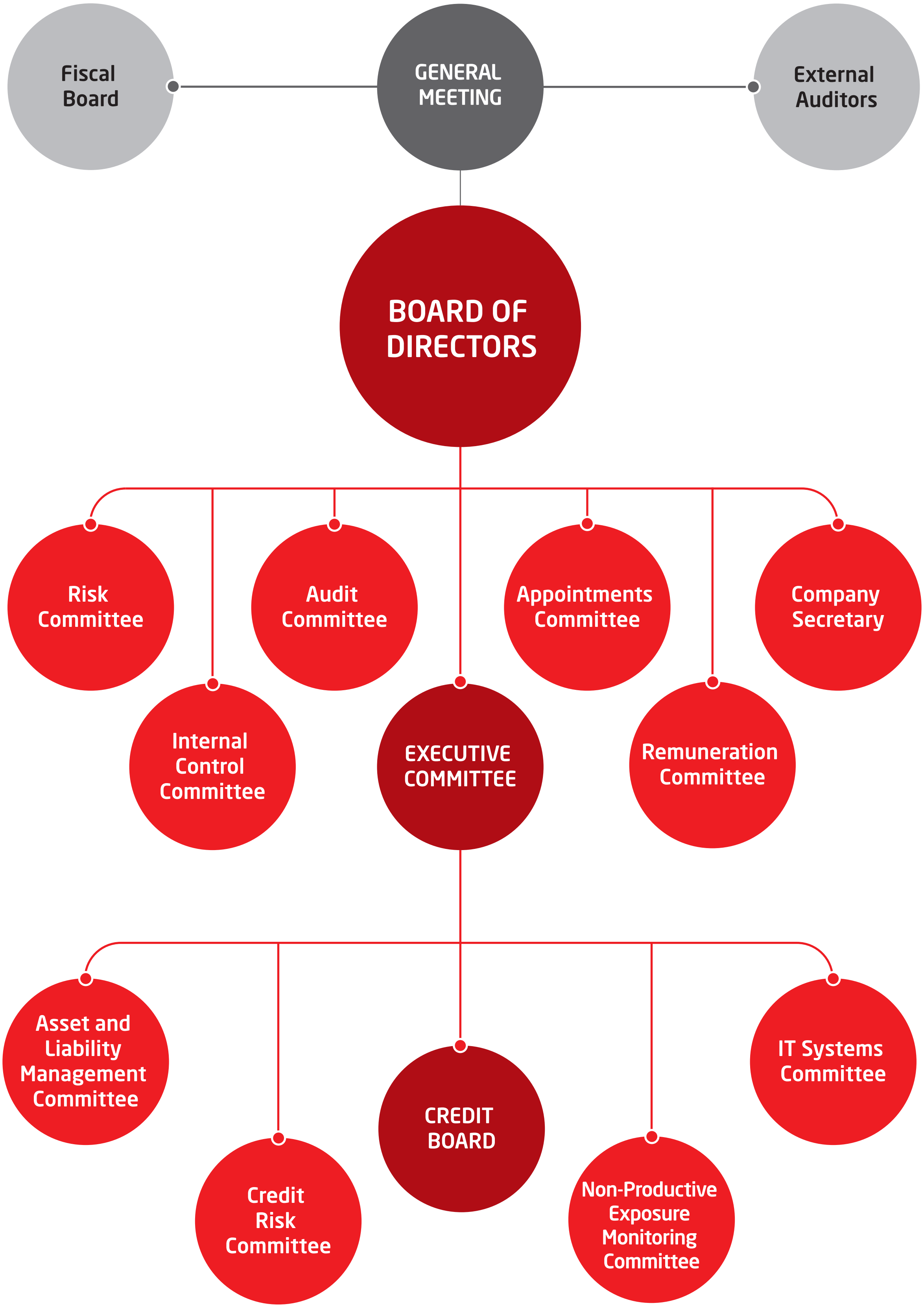
COMPANY SECRETARU

Victor Manuel Mendes Neves

(*) Independent director.

3.2. Functional Organizational Chart

The functional structure of the Bank allows a clear division of the areas and functions of each department and/or office, under the authority of each of the Executive Directors. The functional organization chart of the Bank is shown below:



Hugo Teles

CHAIR OF THE EXECUTIVE COMMITTEE

DAP DEPARTMENT OF PROCUREMENT

DIP DEPARTMENT OF ASSETS

GF FIXING DEPARTMENT

DRHF DEPARTMENT OF HUMAN RESOURCES AND TRAINING

DM MARKETING DEPARTMENT

DPB DEPARTMENT OF PRIVATE BANKING

DE OIL & GAS

DCI DEPARTMENT OF INVESTMENT CENTERS

Jaime Pereira

DIRECTOR

DARC DEPARTMENT OF CREDIT RISK ANALYSIS

GMC CAPITAL MARKETS OFFICE

DCG MANAGEMENT CONTROL DEPARTMENT

DIF INTERNATIONAL AND FINANCIAL DEPARTMENT

DTC CENTRAL TREASURY DEPARTMENT

Aleixo Afonso

DIRECTOR

DJC LEGAL AND LITIGATION DEPARTMENT

DPN III DEPARTMENT OF INDIVIDUALS AND BUSINESSES III

DPN VI DEPARTMENT OF INDIVIDUALS AND BUSINESSES VI

DPN VII DEPARTMENT OF INDIVIDUALS AND BUSINESSES VII

DCAC CREDIT CONTROL AND MONITORING DEPARTMENT

Ricardo Cortez

DIRECTOR

DCOMP COMPLIANCE DEPARTMENT

DSI DEPARTMENT OF IT SYSTEMS

DCAMP DEPARTMENT OF ALTERNATIVE CHANNELS AND PAYMENT METHODS

DR RISK DEPARTMENT

DAI AUDITS AND INSPECTIONS DEPARTMENT

Francisco Lourenço

DIRECTOR

DOQ DEPARTMENT OF ORGANIZATION AND QUALITY

GPC CUSTOMER OMBUDSMAN OFFICE

DPN I DEPARTMENT OF INDIVIDUALS AND BUSINESSES I

DPN II DEPARTMENT OF INDIVIDUALS AND BUSINESSES II

DPN V DEPARTMENT OF INDIVIDUALS AND BUSINESSES V

José Candido

DIRECTOR

DSO OPERATIONAL SUPPORT DEPARTMENT

DPE PAYMENTS AND OVERSEAS DEPARTMENT

GCC OFFICE OF EXCHANGE RATE CONTROL

DPN IV DEPARTMENT OF INDIVIDUALS AND BUSINESSES IV

Jorge Veiga

DIRECTOR

DC ACCOUNTING DEPARTMENT

DE II COMPANIES DEPARTMENT II

DE III COMPANIES DEPARTMENT III

DE IV COMPANIES DEPARTMENT IV

DE V COMPANIES DEPARTMENT V

DBA BIC AGRO DEPARTMENT

Composition of the Structural Units

DSO – Operational Support Department

Jerusa Guedes CENTRAL DIRECTOR	**Sérgio Rogério** DEPUTY DIRECTOR	Number of Employees	**31**

MAIN FUNCTIONS:

- Ensure the proper opening of personal and company accounts;
- Receive credit proposals sent by the legal counsel and the commercial network, and register them for monitoring and control purposes;
- Ensure that the legal documents required in the process associated with each operation (contracts and credit bonds) are checked, accurate and subsequently archived;
- Charge the client any commissions and contract expenses that may be incurred;
- In clearance sent: certify that the commercial network processes cheques drawn on other credit institutions and other securities subject to clearance, including the reading of the optical line and digitalization; proceed with the digital filing of cheques drawn on other credit institutions (when implemented); certify that the file with the cheques drawn on other credit institutions and other securities subject to clearance has been sent to Banco Nacional de Angola, via EMIS and process the returned cheques drawn on other credit institutions, through analysis of pending movements in the Central System.
- On received clearance: accept files of cheques drawn on the Bank, via the Department of Information Systems; check the formalities of the cheques drawn on the Bank; monitor the return of cheques drawn on the Bank (returned by the commercial network if their requirements show irregularities) and create a digital file of the returned cheques drawn on the Bank, through the Clearing Service of Banco Nacional de Angola.

DPE - Payments and Overseas Department

Inês Carvalho CENTRAL DIRECTOR	**Paulo Brito / Bartolomeu Sunda** ASSISTANT DIRECTOR	Number of Employees	**29**

MAIN FUNCTIONS:

- Opening, maintenance and settlement of documentary operations and external financing, Payment operations issued (OPE); Payment operations received (OPR), Credit Transfer System (STC) and Payment System in Real Time (SPTR);
- Ensure that legal documents that are part of the process associated with each operation are checked for precision, providing the respective physical file;
- Collaborate with the Bank's other organizational units on multidisciplinary projects;
- Ensure the Bank's representation at meetings with external entities, within its scope of activity;
- Meet consultation requests made by auditors and revisers from Banco Nacional de Angola or by any other external entity to which this type of request is applicable;
- Ensure the resolution of non-compliances and complaints.

GCC - Office of Foreign Exchange Control

Lexter Soares
CENTRAL DIRECTOR

Number of Employees **6**

MAIN FUNCTIONS:

- Follow all the regulations published by BNA on foreign exchange operations;
- Have adequate control systems for compliance with legislation, regulations, and update them when necessary;
- Check the proper opening and operation of bank accounts held by foreign exchange non-residents, with the collaboration of the Compliance Office;
- Comply with foreign exchange laws and regulations for operations not subject to licensing, in cases where approval has been delegated by the Bank;
- Legitimate the correct constitution of the application files for licensing or registration of operations and their timely submission to BNA;
- Ensure the correct and timely execution of foreign exchange transactions, as well as their registration in the BNA accounting and reporting systems;
- Ensure the timely and correct reporting of all information to be sent to BNA;
- Represent the Bank at BNA for all foreign exchange issues, through the head of the foreign exchange control function;
- Verify the framework of foreign exchange operations in the business "legal person" Customers, considering their nature, size and financial situation among other factors and, in the cases of "individual clients", the framework of their circumstances and financial capacity, under the scope of the transaction monitoring process provided for in Law 34/11 on Money Laundering and Terrorism Financing.

DPN IV – Department of Individuals and Businesses IV

Horácio Almeida / Francisco Melo
CENTRAL DIRECTOR

Nelson Guilherme / Felícia Fortes / Ana Cajada / Rui Caetano
AREA DIRECTOR

Number of Employees **266**

MAIN FUNCTIONS:

- Define and implement the commercial performance policies, pursuant to the commercial strategy determined by the Bank's Board of Directors;
- Boost the attraction of business Customers in its target segment;
- Analyse market conditions;
- Establish commercial objectives in coordination with the Board of Directors and the Commercial Departments comprising the Branch Network;
- Monitor and control the Department's loans that are overdue and promote their recovery;
- Monitor and collaborate with measures to minimize latent risk in Customers that show warning signs, not only failure to comply with operations;
- Analyse reports from the Audit and Inspection Department (DAI) on commercial and administrative activities, monitor and promote the correction of anomalies and inform the Director of the Department in writing of the measures taken.

DE II - Companies Department II

Regina Guimarães
CENTRAL DIRECTOR

Ana Marques / Alfredo Castro / Dinamene Monteiro
AREA DIRECTOR

Number of Employees | **52**

MAIN FUNCTIONS:

- Define and implement the commercial performance policies, pursuant to the commercial strategy determined by the Bank's Board of Directors;
- Boost the attraction of business Customers in its target segment;
- Analyse market conditions;
- Establish commercial objectives in coordination with the Board of Directors and the Commercial Departments comprising the Branch Network;
- Monitor and control the Department's loans that are overdue and promote their recovery;
- Monitor and collaborate with measures to minimize latent risk in Customers that show warning signs, not only failure to comply with operations;
- Analyse reports from the Audit and Inspection Department (DAI) on commercial and administrative activities, monitor and promote the correction of anomalies and inform the Director of the Department in writing of the measures taken.

DE III - Companies Department III

Suzana Silva
CENTRAL DIRECTOR

Number of Employees | **9**

MAIN FUNCTIONS:

- Define and implement the commercial performance policies, pursuant to the commercial strategy determined by the Bank's Board of Directors;
- Boost the attraction of business Customers in its target segment;
- Analyse market conditions;
- Establish commercial objectives in coordination with the Board of Directors and the Commercial Departments comprising the Branch Network;
- Monitor and control the Department's loans that are overdue and promote their recovery;
- Monitor and collaborate with measures to minimize latent risk in Customers that show warning signs, not only failure to comply with operations;
- Analyse reports from the Audit and Inspection Department (DAI) on commercial and administrative activities, monitor and promote the correction of anomalies and inform the Director of the Department in writing of the measures taken.

DE IV - Companies Department IV

Mafalda Carvalho
CENTRAL DIRECTOR

Dácia Nascimento / Luena Fundões / Telmo Bernardo
AREA DIRECTOR

Number of Employees | **54**

MAIN FUNCTIONS:

- Define and implement the commercial performance policies, pursuant to the commercial strategy determined by the Bank's Board of Directors;
- Boost the attraction of business Customers in its target segment;
- Analyse market conditions;
- Establish commercial objectives in coordination with the Board of Directors and the Commercial Departments comprising the Branch Network;
- Monitor and control the Department's loans that are overdue and promote their recovery;
- Monitor and collaborate with measures to minimize latent risk in Customers that show warning signs, not only failure to comply with operations;
- Analyse reports from the Audit and Inspection Department (DAI) on commercial and administrative activities, monitor and promote the correction of anomalies and inform the Director of the Department in writing of the measures taken.

DE V - Companies Department V

António Silva
CENTRAL DIRECTOR

Maria de Fátima Silva
COORDINATING MANAGERS

Number of Employees | **4**

MAIN FUNCTIONS:

- Define and implement the commercial performance policies, pursuant to the commercial strategy determined by the Bank's Board of Directors;
- Boost the attraction of business Customers in its target segment;
- Analyse market conditions;
- Establish commercial objectives in coordination with the Board of Directors and the Commercial Departments comprising the Branch Network;
- Monitor and control the Department's loans that are overdue and promote their recovery;
- Monitor and collaborate with measures to minimize latent risk in Customers that show warning signs, not only failure to comply with operations;
- Analyse reports from the Audit and Inspection Department (DAI) on commercial and administrative activities, monitor and promote the correction of anomalies and inform the Director of the Department in writing of the measures taken.

DBA - BIC Agro Department

Regina Guimarães CENTRAL DIRECTOR	**Yolanda Almeida** DEPUTY DIRECTOR	Number of Employees **4**

MAIN FUNCTIONS:

- Provide all technical support to the commercial networks, whenever requested by them, for drawing up proposals or preparing commercial visits to Customers or potential Customers;
- Ensure the contracting of credit operations aimed at agriculture, livestock and fisheries;
- Conduct the analysis of the credit portfolio in terms of types of credit in the DBA area; issue or follow-up the issue of new contracts, as well as addenda to existing contracts;
- Monitor the loan and non-performing loan portfolio, being a member of the Non- performing Loan Monitoring Committee;

DC - Accounting Department

ALZIRA GAMA CENTRAL DIRECTOR	**Edhilayne Tavares / Soraia Ramos** ASSISTANT DIRECTOR	Number of Employees **20**

MAIN FUNCTIONS:

- Prepare the financial statements and all other elements that the Bank uses to present accounts;
- Produce and report accounting, prudential, statistical and tax information to the supervisory entities and tax authorities, respectively, ensuring compliance with accounting standards and regulatory and tax requirements;
- Manage third party billing and invoice payments.

DOQ - Organization and Quality Department

Augusto Silva CENTRAL DIRECTOR	**Manuela Pereira** DEPUTY DIRECTOR	Number of Employees **5**

MAIN FUNCTIONS:

- Ensure the preparation and maintenance of internal regulations, in coordination with all the Bank's other organizational units, and their corresponding approval by the Board of Directors, their publication and archiving;
- Collaborate with the definition of the organizational structure and the competences of the Bank's organizational units, their corresponding approval by the Board of Directors, disclosure and archiving;
- Design and ensure the maintenance of the Bank's templates;
- Promote and collaborate in the sharing of information among the Bank's different functional structures.

GPC - Customer Ombudsman Office

Augusto Valente
CENTRAL DIRECTOR

Number of Employees | **3**

MAIN FUNCTIONS:

- Management of complaints;
- Customer care and timely resolution of complaints presented by the Customers;
- Ensure the recording and control of compliance with the resolution time limits established by the Bank and BNA for treatment of complaints;
- Report the list of complaints received to superiors and the regulator.

DPN I - Department of Individuals and Businesses I

Justina Praça
CENTRAL DIRECTOR

Pedro Marta / Luzia Santos / Patrícia Faria
AREA DIRECTOR

Number of Employees | **201**

MAIN FUNCTIONS:

- Define and implement the commercial performance policies, pursuant to the commercial strategy determined by the Bank's Board of Directors;
- Boost the attraction of business Customers in its target segment;
- Analyse market conditions;
- Establish commercial objectives in coordination with the Board of Directors and the Commercial Departments comprising the Branch Network;
- Monitor and control the Department's loans that are overdue and promote their recovery;
- Monitor and collaborate with measures to minimize latent risk in Customers that show warning signs, not only failure to comply with operations;
- Analyse reports from the Audit and Inspection Department (DAI) on commercial and administrative activities, monitor and promote the correction of anomalies and inform the Director of the Department in writing of the measures taken.

DPN II - Department of Individuals and Businesses II

José Assis
CENTRAL DIRECTOR

Edgar Magalhães / João Ivungo / Marcília Gonçalves
AREA DIRECTOR

Number of Employees | **422**

MAIN FUNCTIONS:

- Define and implement the commercial performance policies, pursuant to the commercial strategy determined by the Bank's Board of Directors;
- Boost the attraction of business Customers in its target segment;
- Analyse market conditions;
- Establish commercial objectives in coordination with the Board of Directors and the Commercial Departments comprising the Branch Network;
- Monitor and control the Department's loans that are overdue and promote their recovery;
- Monitor and collaborate with measures to minimize latent risk in Customers that show warning signs, not only failure to comply with operations;
- Analyse reports from the Audit and Inspection Department (DAI) on commercial and administrative activities, monitor and promote the correction of anomalies and inform the Director of the Department in writing of the measures taken.

DPN V - Department of Individuals and Businesses V

Anabela Santinho / José Zacarias
CENTRAL DIRECTOR

Armindo Cunha / Solange Martins / Edna Lopes
AREA DIRECTOR

Number of Employees | **304**

MAIN FUNCTIONS:

- Define and implement the commercial performance policies, pursuant to the commercial strategy determined by the Bank's Board of Directors;
- Boost the attraction of business Customers in its target segment;
- Analyse market conditions;
- Establish commercial objectives in coordination with the Board of Directors and the Commercial Departments comprising the Branch Network;
- Monitor and control the Department's loans that are overdue and promote their recovery;
- Monitor and collaborate with measures to minimize latent risk in Customers that show warning signs, not only failure to comply with operations;
- Analyse reports from the Audit and Inspection Department (DAI) on commercial and administrative activities, monitor and promote the correction of anomalies and inform the Director of the Department in writing of the measures taken.

DAP - Procurement Department

Alberto Castelo Branco
CENTRAL DIRECTOR

Yara Coelho
DEPUTY DIRECTOR

Number of Employees | **36**

MAIN FUNCTIONS:

- Acquire, store and distribute goods and services;
- Coordinate the quality control process for the goods and services managed by the Procurement Department and compliance with the established service levels;
- Launch consultations with suppliers of goods and services, negotiate and implement contracts for the supply of goods and services;
- Ensure the compliance of the powers delegated for incurring costs and making investments by the Bank's various organizational units;
- Ensure that invoices for the Bank's acquisition of goods and services rendered are checked;
- Ensure the management of recovered vehicles and equipment.

DIP - Asset Department

Tiago Pacheco
CENTRAL DIRECTOR

Number of Employees | **24**

MAIN FUNCTIONS:

- Ensure the management of the Bank's investment and recovered real estate, whether or not related to operations;
- Ensure the physical and environmental conditions of the facilities necessary for the Bank's proper operation, at all times guaranteeing both the operationality and safety of the infrastructure, and adequate levels of rationalization and efficiency in space management;
- Ensure safe conditions for people and property inside the Bank's facilities.

GF - Fixing Office

Helga Peres
CENTRAL DIRECTOR

Number of Employees | **8**

MAIN FUNCTIONS:

- Ensure the checking and accuracy of legal documents that are part of the process associated with each operation;
- Perform the preliminary analysis of the operations approved in the decision- making circuit, validating the submitted documentation, as well as of the correct and adequate framework pursuant to the existing legislation and product and service manuals;
- Request the appropriate decision-making circuit to reassess the operations in the event of any flaws in their processing, suggesting the proper framework with a view to correctly formalizing the operations.

DRHF - Human Resources and Training Department

Telma Pinheiro
CENTRAL DIRECTOR

Sarah Figueiredo
DEPUTY DIRECTOR

Number of Employees | **6**

MAIN FUNCTIONS:

- Recruit human resources, which includes planning of human resources, market research of candidates, recruitment, selection and onboarding;
- Allocate human resources, which includes job analysis and description, horizontal, vertical or diagonal personnel movements, career planning and merit, and merit and performance assessment;
- Maintenance of human resources, which includes remuneration (salary management), welfare benefit plan (health), other benefits (loans), health and safety at work, records, staff controls and labour relations (declarations, work and other certificates);
- Human resource development, which includes training and personal development plans; Control of human resources, which includes management indicators, human resources IT systems (data search and processing, statistics, records, reports, tables and statements).

DM - Marketing Department

Victor Mendes
CENTRAL DIRECTOR

Inês Fernandes / Marta Cabral
DEPUTY DIRECTOR

Number of Employees **9**

MAIN FUNCTIONS:

- Propose the launch of commercial stimulation campaigns to support the Bank's strategic objectives, especially those aimed at marketing new products and services, monitoring the achievement of the defined objectives;
- Keep content available on the intranet and internet up to date;
- Ensure and validate the execution by advertising agencies of all advertising materials and items for the implementation of campaigns (TV and radio spots, press advertisement, billboards, banners, leaflets, etc.);
- Coordinate and monitor the organization of events, specifically Board meetings, Conventions and Anniversaries;
- Implement the processes required for publishing the Annual Report and Accounts, ensuring coordination with the communication agency selected for editing and production;
- Analyse, negotiate and implement all sponsorships, making the return on investment profitable and ensuring that the brand identity is applied correctly across different materials.

DPB - Private Banking Department

Nkiniani Rangel
CENTRAL DIRECTOR

Luzia Santos
AREA DIRECTOR

Number of Employees **10**

MAIN FUNCTIONS:

- Collaborate with the Directors and Marketing Department in the definition of the overall commercial strategy and value proposition for the Private segment, promoting its execution and implementation;
- Support Private Bankers in visiting important Customers, in order to enhance business attraction, and in actions to attract high potential Customers.

DE Oil & Gas

Regina Guimarães
CENTRAL DIRECTOR

Ana Marques
AREA DIRECTOR

Number of Employees **6**

MAIN FUNCTIONS:

- Define and implement the commercial performance policies, pursuant to the commercial strategy determined by the Bank's Board of Directors;
- Boost the attraction of business Customers in its target segment;
- Analyse market conditions;
- Establish commercial objectives in coordination with the Board of Directors and the Commercial Departments comprising the Branch Network;
- Monitor and control the Department's loans that are overdue and promote their recovery;
- Monitor and collaborate with measures to minimize latent risk in Customers that show warning signs, not only failure to comply with operations;
- Analyse reports from the Audit and Inspection Department (DAI) on commercial and administrative activities, monitor and promote the correction of anomalies and inform the Department Director in writing of the measures taken.

DCI - Department of Investment Centres

Monalisa Dias
CENTRAL DIRECTOR

Luzia Santos
AREA DIRECTOR

Number of Employees | **12**

MAIN FUNCTIONS:

- Develop best monitoring and prospecting practices to materialise the commitment to investors, aimed at achieving the successful completion of each project, building strategic partnerships and value synergies;
- Monitor the entire cycle of the investment project, together with the investor, from its design to the moment it becomes fully active;
- Study investment alternatives that are in line with the evolution of business circumstances, boosting the commercial network of economic agents that maintain financial relations with the Bank.

DARC - Credit Risk Analysis Department

Maria Franco
CENTRAL DIRECTOR

Number of Employees | **19**

MAIN FUNCTIONS:

- Perform the analysis of credit operations concerning Customer or group risk, as defined in the general credit regulations;
- Prepare credit risk reports on Customer/group operations (credit reports), focusing on analyses that tend to be performed for the largest and new exposures, less typical and more complex credit situations, which are assessed by the Credit Board;
- Ensure the processes for creating risk balance and rating tables, guaranteeing their maintenance;
- Ensure the proper creation of economic groups and circles and their maintenance;
- Ensure that management information is obtained on matters within its competence.

GMC - Capital Markets Office

Irene Vezo
CENTRAL DIRECTOR

Number of Employees | **1**

MAIN FUNCTIONS:

- Enable Customers to execute, through a single point of contact, the main capital market financial instruments, ensuring the necessary conditions of reliability, security and transparency at all times;
- Promote the range of investment consultancy services to the Bank's high net worth Customers;
- the organization and setting up of debt and capital market operations.

DCG - Management Control Department

Sara Teles
CENTRAL DIRECTOR

Number of Employees | **6**

MAIN FUNCTIONS:

- Monitor the evolution of the balance sheet and income statement headings and key management indicators;
- Ensure the assessment and commercial activity of the Business Units and control the operating costs of the Central Services Departments, ensuring the coordination, preparation and execution control of the respective annual budget;
- Pursuant to the Bank's internationalization framework, ensure the timely provision of financial, accounting and operational information about the Bank and other BIC entities, on a consolidated basis, to the different supervisory entities, specifically to Banco Nacional de Angola.

DIF - International and Financial Department

Irene Vezo
CENTRAL DIRECTOR

Number of Employees | **13**

MAIN FUNCTIONS:

- Coordinate the management of the Bank's foreign exchange position and risk, liquidity and compliance with mandatory reserve requirements;
- Monitor compliance with the limits of exposure to market and counterparty risks;
- Control and ensure the registration, in the appropriate IT systems, of counterparty operations that are performed, in a timely manner and according to the procedures established for the purpose;
- Collaborate in updating the Bank's price list for products and services related to the Department's activity;
- Monitor the evolution of markets.

DTC - Central Treasury Department

Inocêncio Almeida
CENTRAL DIRECTOR

Afonso Nunda
DEPUTY DIRECTOR

Number of Employees | **21**

MAIN FUNCTIONS:

- Ensure that valuables are collected from and delivered to the vaults of the branches within the deadlines set for the purpose;
- Ensure that the maximum stipulated ceiling for valuables in branch vaults is never exceeded, thereby mitigating operational risk;
- Ensure that the Bank's cash balances are never exceeded by arranging for them to be deposited at the Central Bank.

DJC - Legal and Litigation Department

Carlos Campos
CENTRAL DIRECTOR

Isilda Tavares / Roquy Veiga
DEPUTY DIRECTOR

Number of Employees **22**

MAIN FUNCTIONS:

- Analyse processes sent by the Commercial Network;
- Prepare proposals for debt settlement agreements;
- Support, within the scope of its activities, all processes assigned to external lawyers;
- Respond to technical and legal queries from all Bank departments.

DPN III - Department of Individuals and Businesses III

Suzana Silva
CENTRAL DIRECTOR

Carlos Santos / Hélio Lopes
AREA DIRECTOR

Number of Employees **118**

MAIN FUNCTIONS:

- Define and implement the commercial performance policies, pursuant to the commercial strategy determined by the Bank's Board of Directors;
- Boost the attraction of business Customers in its target segment;
- Analyse market conditions;
- Establish commercial objectives in coordination with the Board of Directors and the Commercial Departments comprising the Branch Network;
- Monitor and control the Department's loans that are overdue and promote their recovery;
- Monitor and collaborate with measures to minimize latent risk in Customers that show warning signs, not only failure to comply with operations;
- Analyse reports from the Audit and Inspection Department (DAI) on commercial and administrative activities, monitor and promote the correction of anomalies and inform the Director of the Department in writing of the measures taken.

DPN VI - Department of Individuals and Businesses VI

António Silva
CENTRAL DIRECTOR

Maria de Fátima Silva / Elizabeth Pina
COORDINATING MANAGERS

Fábio Leitão / José Antunes / Simão Finde
AREA DIRECTOR

Number of Employees **236**

MAIN FUNCTIONS:

- Define and implement the commercial performance policies, pursuant to the commercial strategy determined by the Bank's Board of Directors;
- Boost the attraction of business Customers in its target segment;
- Analyse market conditions;
- Establish commercial objectives in coordination with the Board of Directors and the Commercial Departments comprising the Branch Network;
- Monitor and control the Department's loans that are overdue and promote their recovery;
- Monitor and collaborate with measures to minimize latent risk in Customers that show warning signs, not only failure to comply with operations;
- Analyse reports from the Audit and Inspection Department (DAI) on commercial and administrative activities, monitor and promote the correction of anomalies and inform the Director of the Department in writing of the measures taken.

DPN VII - Department of Individuals and Businesses VII

Francisco Melo CENTRAL DIRECTOR | **Luís Camilo** AREA DIRECTOR

Number of Employees | **60**

MAIN FUNCTIONS:

- Define and implement the commercial performance policies, pursuant to the commercial strategy determined by the Bank's Board of Directors;
- Boost the attraction of business Customers in its target segment;
- Analyse market conditions;
- Establish commercial objectives in coordination with the Board of Directors and the Commercial Departments comprising the Branch Network;
- Monitor and control the Department's loans that are overdue and promote their recovery;
- Monitor and collaborate with measures to minimize latent risk in Customers that show warning signs, not only failure to comply with operations; Analyse reports from the Audit and Inspection Department (DAI) on commercial and administrative activities, monitor and promote the correction of anomalies and inform the Director of the Department in writing of the measures taken.

DCAC - Credit Control and Monitoring Department

Henrique Oliveira CENTRAL DIRECTOR | **Paulo Jorge Manuel** AREA DIRECTOR

Number of Employees | **6**

MAIN FUNCTIONS:

- Manage Customer accounts assigned to pre-litigation;
- Ensure the pursuit of the function of recovery of non-performing loans;
- Define action strategies aimed at the settlement of situations of breach of contract;
- Prepare proposals for debt settlement agreements.

GC - Compliance Department

Sónia Almeida CENTRAL DIRECTOR | **Dumilde Rangel** DEPUTY DIRECTOR

Number of Employees | **12**

MAIN FUNCTIONS:

- Draft and submit to the Bank's Board of Directors and Supervisory Body a report, at least on an annual basis, identifying non-compliances and the measures taken to correct any flaws that may have been detected;
- Immediately provide the Management with information on any indications of breach of legal obligations, rules of conduct or relationships with Customers, or other duties, that may cause the Bank or its employees to commit a misdemeanour;
- Monitor and publicize the regulatory legislation published by the different supervisory and regulatory entities;
- Under Anti-Money Laundering and Countering the Financing of Terrorism: ensure the updating of internal rules in view of changes to the current legislation and the reliability of software to combat the Financing of Terrorism. Anti-Money Laundering software.

DSI - Department of Information Systems

Luis Nikolai
CENTRAL DIRECTOR

Rui Valente
ASSISTANT DIRECTOR

Ricardo Amorim
DEPUTY DIRECTOR

Number of Employees | **35**

MAIN FUNCTIONS:

- Identify and promote the definition of strategic lines of intervention regarding IT systems and their technological supporting structures;
- Conduct the integrated management of the components of IT systems and technological infrastructure, to ensure that they are always in alignment with current needs, and identify the foreseeable impact arising from new requests from the different Business Units;
- Carry out the planning and development of the necessary actions for the adoption of means and methods based on a rigorous framework in terms of productivity, efficiency, quality, control, security, service levels and costs.

DCAMP - Department of Alternative Channels and Payment Methods

Stephan Silva
CENTRAL DIRECTOR

Márcia Lima
ASSISTANT DIRECTOR

Nelmo Costa
DEPUTY DIRECTOR

Number of Employees | **41**

MAIN FUNCTIONS:

- Define and implement the operational processes concerning the following products and services: Bank cards (debit and credit), Automatic Payment Terminals (APT), Automated Teller Machines (ATM), Interactive Service (Netbanking – Personal and Business Netbanking), Other Alternative Channels (Mobile banking, Tablet banking, SMS banking and others);
- Contribute, in coordination with other Organizational Units, to the definition of new products and services, campaigns and promotional activities, new functionalities or improvements to existing ones;
- Guarantee the correct and permanent operation of APT and ATM.

DR - Risk Department

Lília Rangel
CENTRAL DIRECTOR

Number of Employees | **6**

MAIN FUNCTIONS:

- Obtain a comprehensive vision of the risks to which the Bank is exposed in order to understand their various impacts, including the evolution of internal capital;
- Implement risk management and measurement methodologies suited to the material nature and characteristics of each type of risk;
- Ensure the implementation of a solid and reliable risk management and measurement system that enables the comprehensive and segmented treatment of risks, and understanding their impacts;
- Foster the internal level and control;
- Coordinate the development and maintenance of the Business Continuity Plan (PCN);
- Contribute to strengthening an internal culture of risk management and service quality improvement.

DAI - Audit and Inspection Department

Adilson Joaquim
CENTRAL DIRECTOR

Fernanda Pinto
DEPUTY DIRECTOR

Number of Employees | **23**

MAIN FUNCTIONS:

- Define and prepare the Audit Plan, ensuring its execution;
- Ensure the audit of all the Bank's branches, business centres, investment centres and central services;
- Draft audit reports, proposing therein the adoption of corrective measures for detected situations that are somewhat irregular or flawed;
- Analyse Customer complaints that justify the Audit and Inspection Department's intervention, articulating with Bank body involved and collaborating, when necessary, in drafting their response;
- Carry out, when necessary, inspections (analysis and technical assessment) of bodies or events that may show signs of irregularities or with a view to ascertaining responsibilities in situations that may show signs of unlawful or fraudulent procedures or that are in contravention of the established rules and guidelines, which may affect the property interests of the Bank or third parties.

3.3. Remuneration Policy

In compliance with the provisions of Article 21 of Banco Nacional de Angola Notice No. 01/2022 of 28 January, we hereby disclose that the remuneration earned during 2023 by the members of the Governing Bodies amounted to approximately 719 million kwanzas, distributed as follows:

- Board of Directors – AOA 666 211 000;
- Fiscal Board – AOA 52 875 000;
- Board of the General Meeting – did not earn any amount.

Annual remuneration policy statement

1. Remuneration of the Governing Bodies

The Remuneration Policy for the Governing Bodies of Banco BIC, S.A. in force in 2023 was approved by the General Meeting on 25 April 2023, following a proposal by the Board of Directors.

1.1. No external consultants were involved in defining the Remuneration Policy, nor was there any existing Remuneration Committee;

1.2. The Remuneration Policy in 2023 was compatible with the Bank's long-term interests and did not encourage excessive risk-taking;

1.3. Non-executive directors only benefit from remuneration approved by the General Meeting;

1.4. The members of the Fiscal Board only benefit from fixed remuneration approved by the General Meeting;

1.5. Remuneration of the members of the Executive Committee:

a) All members of the Executive Committee receive a fixed remuneration, paid 14 times a year;

b) Every year, the General Meeting evaluates the Board of Directors, considering the meeting of objectives, the quantitative and qualitative results achieved, as well as their origin and nature, their sustainability or occasional nature, the risk associated with achieving them, compliance with regulations, added value for shareholders and the way in which the institution has related to other stakeholders.

1.6. Remuneration of the members of the General Meeting Board: The members of the General Meeting Board receive a fixed attendance fee for each participation in General Meetings, as defined by this Meeting.

2. Employee remuneration

2.1. The current Employee Remuneration Policy of Banco BIC, S.A. was approved by the General Meeting of Shareholders on 29 April 2021, following a proposal by the Board of Directors;

2.2. Employee performance is assessed at least once a year, carried out by the respective line manager, and the assignment of the variable component of remuneration depends on the assessment;

2.3. Employees who maintain a legal-employment relationship with the Bank through an employment contract do not benefit from any form of remuneration other than that arising from the normal application of labour law. They do not benefit from any annual bonus scheme or any other non-cash benefits, without prejudice to the possibility of receiving variable remuneration under the remuneration policy in force.

3.4. Mission, Vision and Values

Banco BIC acts as a solid, profitable and socially responsible financial institution. Its objective is to be an efficient, flexible bank, with a national presence and international representation, a partner of companies and families, that is distinguished by the demonstrated asset appreciation, Customer satisfaction and Employee fulfilment, combined with its highly ethical and socially responsible behaviour.

Mission

Provide excellent services that help our Customers to achieve their business, personal and professional goals. To this end, the Bank builds lasting relationships with its Customers based on rigour, integrity and transparency. The dedication and commitment to its values means that the Customer know they can count on the Bank to provide the best solutions and services.

Vision

To be the best and largest private bank operating in Angola, growing in a sustained and innovative way while offering the best solutions to our Customers, with a permanent capacity for renewal, and actively contributing to the development and economic growth of Angola. For this purpose, the Bank permanently observes and interprets the market so that it can make a difference in a highly competitive environment, not only by anticipating solutions and acquiring new knowledge, but also by creating value.

Values

Transparency in all its behaviour, attitudes, and decisions; these are the Bank's guiding principles in fulfilling its responsibilities and pursuing goals.

Customer Orientation

This is a fundamental principle in the banking context and represents a special concern for the Bank. In an increasingly competitive market, the Customers expect to receive personalised and efficient customer care.

In order to meet those expectations, Banco BIC is attentive to the needs and requirements of its Customers and offers solutions and services that are suited to each profile and moment of life. Furthermore, the Bank makes a point of cultivating a relationship of transparency and trust, by providing elucidative information about products and services, and always being available to clear up doubts and resolve problems.

Customer care is present in all aspects of the banking relationship, from the moment of opening the account up to the offer of loans, investments and insurance. For the Bank, it is fundamental to be flexible and swift in resolving problems and being open to Customer feedback, as a way to continuously improve its services and products.

Innovation

Banco BIC focuses on the development of new products and services, on the creation of more efficient processes and on the adoption of emerging technologies.

This last one is the key word for the Bank to remain competitive and relevant. The banking industry has been shaped by technological advances, regulatory changes and Customer preferences, where innovation is crucial to follow those changes and overcome challenges.

Ambition

The ongoing union between personal humility and professional ambition leads us to believe that we can always do more and better. This statement is one of the driving forces behind the professional growth of every person in particular, and the team as a whole. The Bank believes that its ambition enables the achievement of increasingly greater goals and drives us to offer our Customers the best solutions.

Continuous recognition and appreciation of Employees

Banco BIC believes that its Employees are absolutely essential to achieve its strategic goals and ensure solid and sustainable growth. For this reason, it invests in creating a work environment that fosters everyone's satisfaction and motivation, offering appropriate conditions, individual career plans and opportunities for continuous training. The Bank acknowledges the value of each team member and encourages the development of their technical and behavioural skills, with a view to improved performance and contribution to the institution.

Teamwork

The Bank believes that collaboration and teamwork are fundamental to achieve its goals and surpass its actual ambitions. Thus, it endeavours to create effective teams that combine complementing talents and skills to generate innovative and quality solutions for its Customers. It encourages transparent communication and the exchange of ideas between team members, always aimed at achieving better results and creating a collaborative and productive work environment.

High standard of integrity

The Bank always acts according to high ethical standards strictly guided by the Central Bank's regulations and recommendations. Banco BIC believes that integrity is a fundamental value for the construction of trustworthy relations with its Customers and to maintain transparent and responsible action in the financial market. All the Customers are guided to act with transparency and ethics in all their actions and decisions, with a view to always acting in a responsible manner and contributing to society's sustainable development.

Social responsibility and Sustainability

Banco BIC aims to support civil society, in its most diverse forms of intervention, such as in education, health, sports and culture, which is embodied in "Crescer Juntos" [Growing Together] programme. In its internal and external activity, it also follows the United Nations Sustainable Development Goals (SDG).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PRESENTES CONTIGO
CONTIGO PRESENTE

4. Macroeconomic Framework

Macroeconomic Framework

4.1. World Economy

The world economy is slowing down, and the medium-term forecasts do not reflect any substantial turnaround of this situation. The World Economic Outlook of the International Monetary Fund (IMF) presented a downward revision of its forecasts, estimating that global gross domestic product (GDP) would have grown by 3,1% in 2023 and growth of around 3,1% for 2024.

However, this growth should be observed with enormous prudence, as there may be a risk of commodity prices becoming more volatile and of inflation which, despite having decelerated, continues at high levels.

The slowdown of the economy is directly related to the disruptions experienced in energy and food markets, caused by the different conflicts.

In 2023, the global economy presented a scenario of highs and lows. There was growth beyond expectations, revealing the resilience of various key economies. However, this progress was offset by persistent challenges, such as geopolitical tensions in the Middle East and a worrying increase in the frequency and severity of extreme weather events. Added to this, the rigid financial conditions created further barriers to global trade and industrial production.

There was stabilization of consumption in China and an impressive performance of the economy of the United States of America (USA or US), but the consequences of the recent monetary policies have not yet been fully experienced. Alongside this, there are lingering issues such as the ongoing decline of the Chinese real estate market and stagnation in the Eurozone.

This is all happening at a time when the world economy continues to deal with the persistent shocks of the last few years, namely the COVID-19 pandemic, Ukraine's invasion by Russia and the rise of inflation, followed by a sharp contraction of global monetary conditions.

However, it was surprising to see the investors showing a "high risk" mentality, despite the rising interest rates. It is possible that investors may have felt comfortable with the solid economic growth in the USA and the stability of the labour market, both in the USA and Eurozone.

Developing countries continue to face financial challenges, with high foreign debt levels and difficulties in access to international capital markets. Foreign aid and direct investment for these countries have also diminished, further exacerbating their economic problems.

Global activity

Based on the data disclosed in the Global Economic Prospect published by the World Bank, it is estimated that the global economy should have slowed down, achieving growth of approximately 2,6% in 2023, which represents a decrease of 0,4 percentage points (p.p.) year-on-year (3% in 2022). Although 2,6% is 0,5 p.p. above the June forecast, this is essentially due to the unexpected growth in the USA. On the other hand, it is expected that the global economy should continue losing steam in 2024, to stand at 2,4% in light of a combination of factors such as a weakening labour market, low savings and the lagged effects of the monetary contraction.

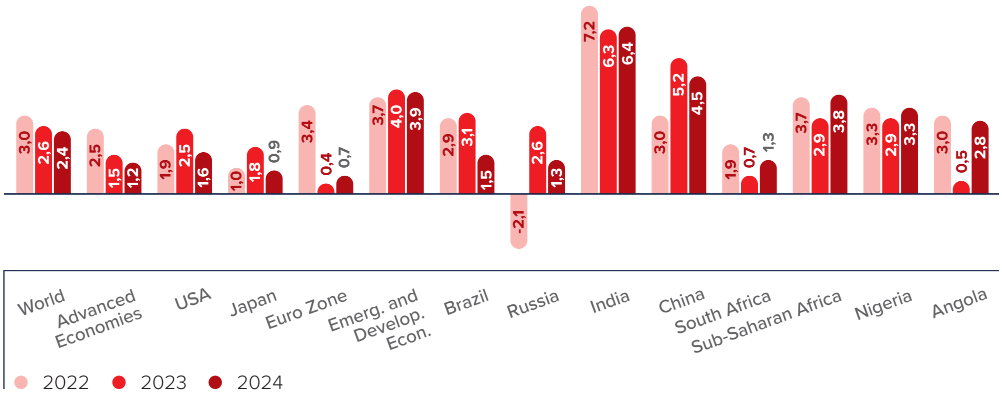
Growth was observed in the advanced economies in 2023, of 2,5% in the USA, 0,4% in the Eurozone and 1,8% in Japan. Long-term yields of government securities of the advanced economies fluctuated greatly, due to changes in expectations in relation to future interest rates and major variations in risk premiums. It is expected that the negative impact on growth due to the monetary contraction should reach its peak in 2024 in the majority of the main economies, provided that there is a controlled evolution of global financial conditions. Up to date, the adverse effects stemming from high interest rates have been partly offset by household and company expenditure through their savings, the resilient risk appetite and the extension of the due dates of low-cost debt, as well the expansionary fiscal policy in some cases, especially in the USA.

The emerging and developing economies experienced an upswing to 4,0% in 2023, corresponding to a 0,3 p.p. increase in relation to 2022, with significant growth of the economies of India (6,3%), China (5.2%) and Brazil (3,1%), which maintained their resilience with very encouraging performance. The forecasts point to the growth of this group of economies remaining unchanged in 2024.

Sub-Saharan Africa experienced a slowdown in 2023, although it should be noted that the Nigerian economy showed a good performance, with growth of 2,9%.

Real GDP variation

(%)



Labour Market

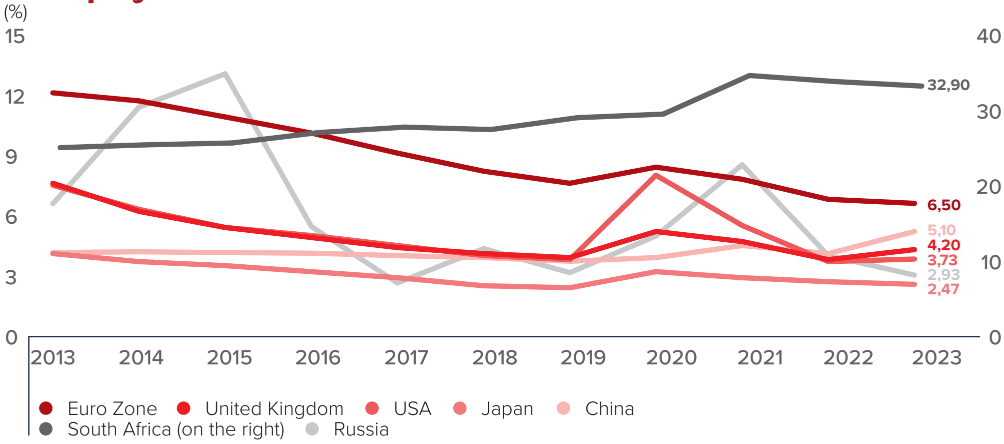
The unemployment rate in the advanced economies presented mixed outcomes. In the Eurozone, the unemployment rate dropped by about 0,20 p.p. to stand at 6,5%, while in the United Kingdom and USA it increased by 0,50 p.p. and 0,13 p.p., respectively.

According to the United States Labour Department, the economy had created 216 thousand jobs by December, on a net basis.

Among the emerging economies, there was a reduction of the unemployment rate in South Africa and Russia (members of the group of emerging economies referred to as BRICS: Brazil, Russia, India, China and South Africa) to 32,9% and 2,93%, corresponding to reductions of 0,6 p.p. and 1,03 p.p., respectively. Conversely, in China, the unemployment rate rose to 5,10% (1,10 p.p. increase).

Unemployment rate

(%)

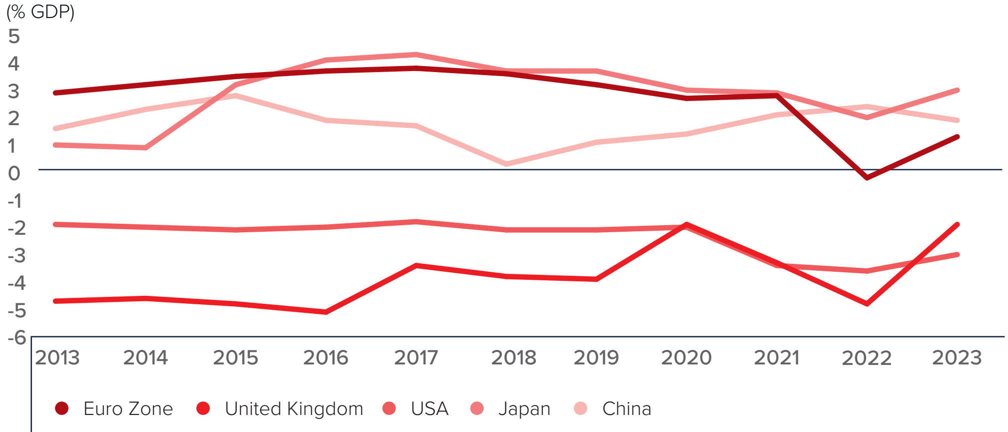


International Trade and Exchange Rates

The World Trade Organization (WTO) estimates that growth of global trade should have decelerated together with the deterioration of activity in the main economies.

The WTO indicated that the precise causes of this slump are not fully understood, but pointed to the inflation, high interest rates, appreciation of the US dollar and geopolitical tensions among the factors contributing to this situation. Moreover, it also highlighted that the challenges faced by the real estate market in China are preventing a more agile recovery from the COVID-19 pandemic.

Current Account Balance



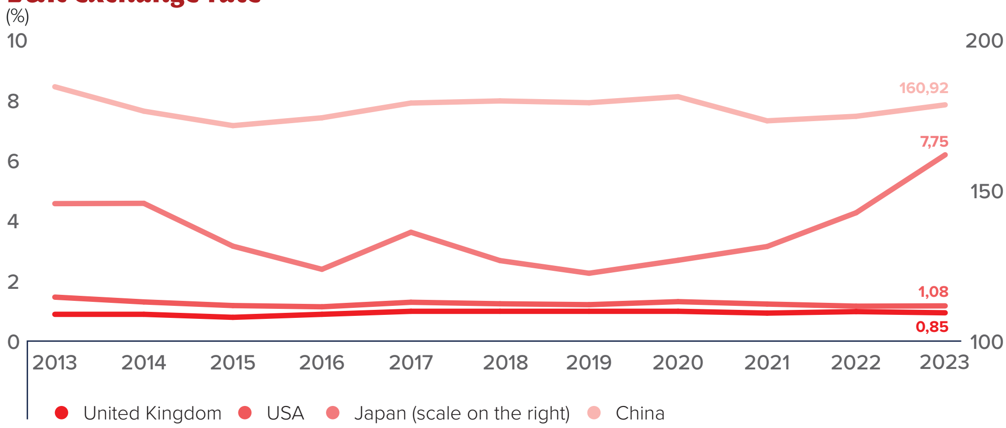
Source: FMI World Economic Outlook I Bloomberg Financial LP

After having slowed down to 4% in 2022 (a reduction of about 6,6 p.p.), it is expected that growth should decelerate further to 0,8% in 2023. The continuous reduction of trade in goods, which started in the fourth quarter of 2022, led the WTO economists to revise their forecasts for the current year, although still keeping a more optimistic vision for 2024.

The advanced economies, such as the United Kingdom and USA, showed current account deficits, while Japan and China showed surplus balances.

In terms of the evolution of Euro exchange rates against several other markets, an appreciation of Euro exchange rates against the US dollar (0,5%), yen (13,6%) and yuan (5,2%) was observed in 2023. In contrast, there was a depreciation in relation to the pound of 3,7%.

EUR exchange rate



Inflation Rate and Commodity Prices

During cycles of prosperity and, likewise, recession or recovery of economies, inflation plays a preponderant role. Specifically in 2023, and as inflation, despite having dropped from 9,2% in 2022 to 5,9% in 2023, with an expected rate of 4,8% in 2024, continues to stand at very high levels, this implies that monetary policy should be assertive and directed towards fighting against this factor.

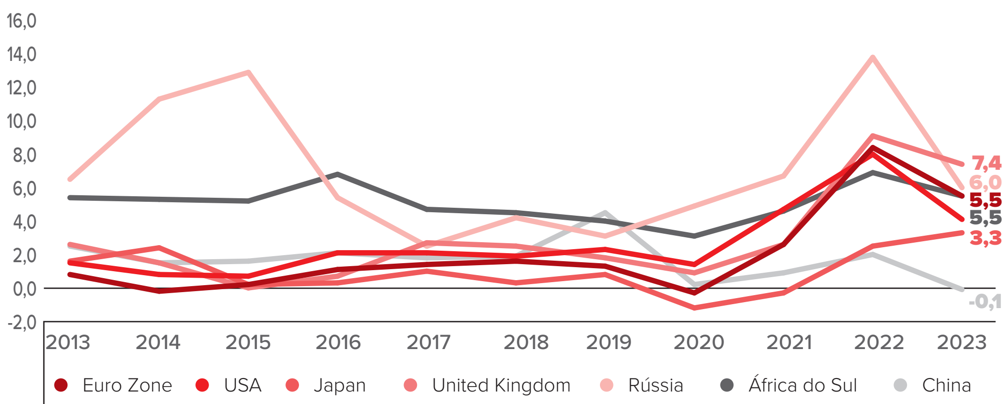
Accordingly, with inflation rates above the defined targets, there will be a continuation of the more restrictive monetary policy, which has become necessary to bring inflation down, and is beginning to show results. Even so, these results vary in intensity between the different economies.

The inflation rate, measured by the annual change in the consumer price index, declined in almost all the main economic blocks, particularly in the Eurozone, USA, United Kingdom, Russian Federation, South Africa and China, to average figures above 3,3 p.p. In the case of the USA, this reduction was by 3,9 p.p. to 4,1%, while the Eurozone experienced an inflation rate of 5,5%, corresponding to a reduction of 2,9 p.p. in relation to 2022.

The inflation rate also fell in some of the most important emerging economies in 2023, in particular in China (2,1 p.p.), Russia (7,9 p.p.) and South Africa (1,4 p.p.). The average (simple) inflation in these economies in 2023 was about 3,8%, while the average (simple) inflation in the same year for the Eurozone, USA, United Kingdom and Japan overall was about 5,1%.

Inflation, annual rate of change of the consumer price index

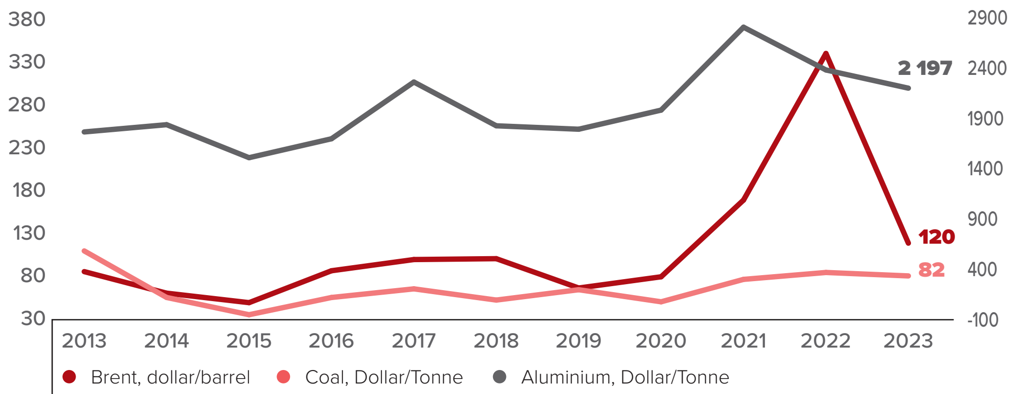
(%)



Source: AMECO Database, Commission Eropean | Bloomberg Financial LP

Commodity prices fell. For example, the prices of crude oil (Brent) and coal decreased by around 5% and 65%, respectively, as well as the price of aluminium which dropped by about 8% in 2023 in relation to 2022.

Raw Material Prices



Source: Bloomberg Financial LP

Monetary Policy and Interest Rates

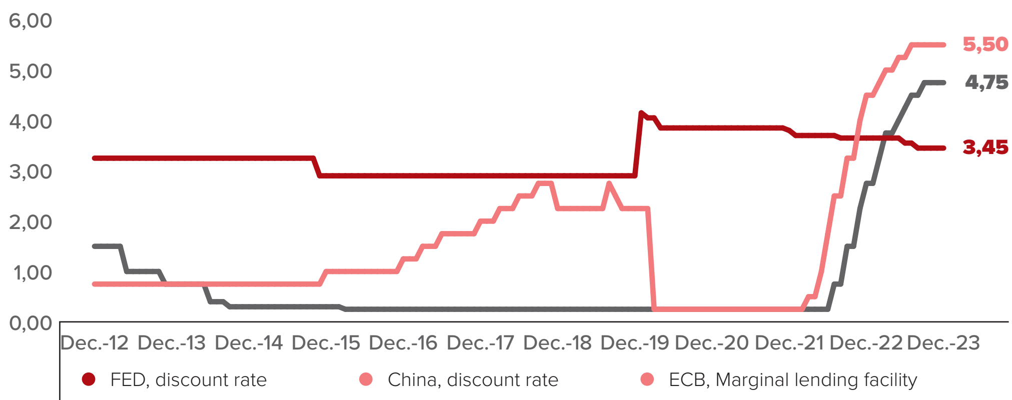
The Federal Reserve (Fed) in the USA increased its fed funds rate four times consecutively in 2023, to an interval of 5,25% to 5,50%, a level unprecedented since the financial crisis of 2008.

In turn, the European Central Bank (ECB), continued to tighten monetary conditions, having elevated its main refinancing rate six times during the year, fixing it at 4,5% at the September meeting, the highest level since January 2009.

The Central Bank of China made a minor downward adjustment to the main interest rate, aimed at supporting the growth of the economy.

Interest Rates and Central Banks' Monetary Policy

(%)



Source: Bloomberg Financial LP

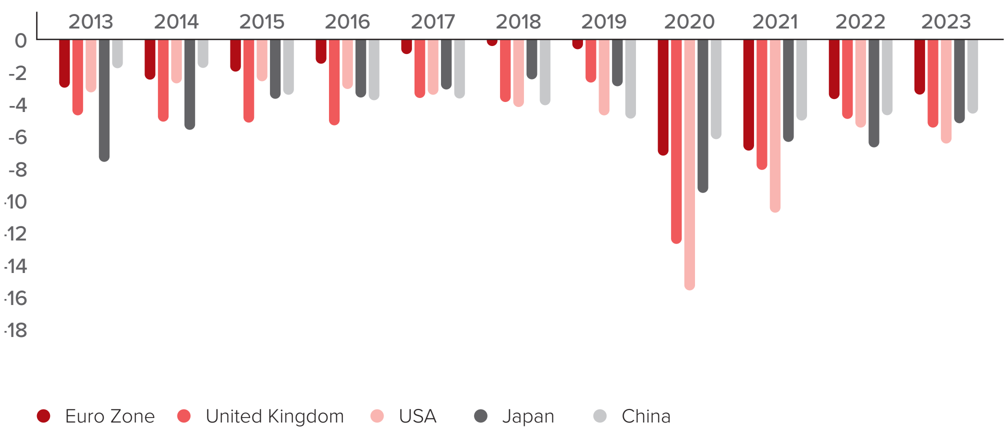
It is expected that inflation should continue to dampen worldwide in 2024 and 2025 but remain above the pre-pandemic average. From this point of view, it is envisaged that the advanced economies should continue with a rigid monetary policy, including the USA, which witnessed one of the highest and fastest interest rates increases since the 1980s. Central banks in many emerging and developing economies began to reduce interest rates before the advanced economies.

Public Accounts

In response to the inflation upswing, both the Federal Reserve and the European Central Bank embarked on more aggressive monetary tightening cycles, running the risk of triggering a recession. However, budget deficits continued stable in relation to the previous year. For the Eurozone, United Kingdom, Japan and USA as a whole, the average budget balance was around -5.2% of GDP in 2022 and remained substantially unchanged at around -5,1% of GDP in 2023. A similar situation was observed in China with -4,7% of GDP in 2022 and -4,6% of GDP in 2023.

Budget Balance

(% GDP)

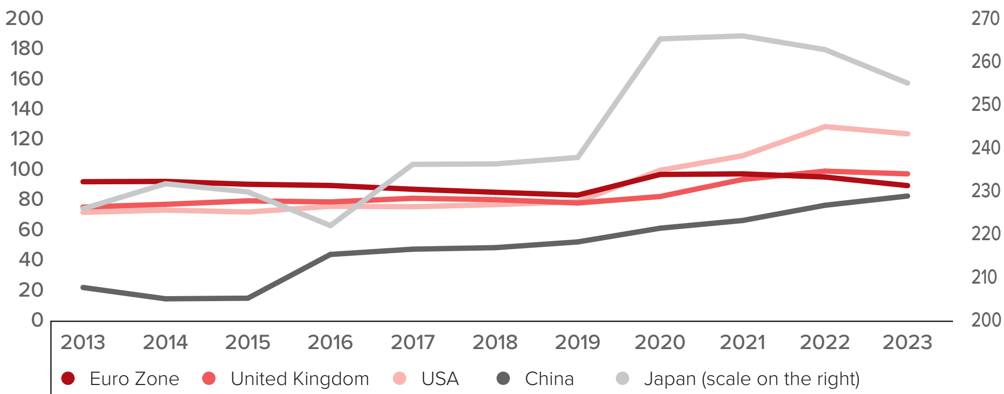


Source: Bloomberg Financial LP

The nature of the budgetary policy followed in 2023 contributed to the reduction of public debt in various countries. Thus, debt-to-GDP ratios above 100% were observed in 2023 in the USA and Japan, with the Eurozone and United Kingdom close to 100% and China a little above 80% of GDP. Specifically, the change in the debt-to-GDP ratio in 2023 was -5,7 p.p. in the Eurozone, -1,8 p.p. in the United Kingdom, -4,8 p.p. in the USA, +6,1 p.p. in China, and -7,76 p.p. in Japan.

Public Debt

(% GDP)



Fonte: Bloomberg Financial LP I Office for National Statistics United Kingdom

4.2. Angolan Economy

Gross Domestic Product

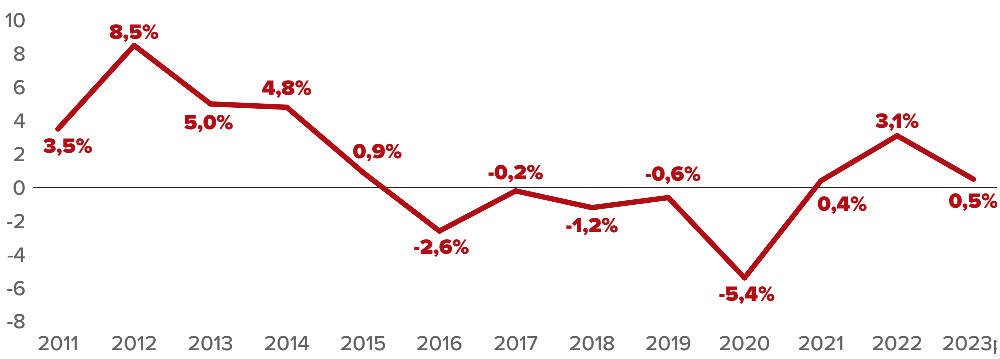
The Angolan economy has faced enormous challenges over the past few years, due to its strong and persistent dependence on oil, its main export commodity, added to the low diversification of economic activity and lack of industrial and logistics infrastructures.

The World Bank's Global Economic Prospects made a downward revision of Angolan economic growth, pointing to a slowdown to 0,5% in 2023 (previously 2,6%), which will imply additional effort, in view of the current circumstances.

Angola's economic outlook is positive as a whole, supported by the oil sector and by the recovery of the non-oil sector, primarily gas and mining, together with services and construction.

The General State Budget Substantiation Report (OGE 2024) envisages real growth of 0,4% for 2023, greatly below the estimated population growth for the same period (close to 3,0% for a total population slightly above 34 million inhabitants). This situation will deteriorate the per capita income level of the population, somewhat constraining household wealth creation.

Real growth of GDP



Source: World Bank Group: Global Economic Prospects I Bloomberg Financial LP

In general terms, non-oil GDP showed positive growth of around 1,8%, while oil GDP contracted by around 4,3%.

Based on the General State Budget Substantiation Report, GDP performance in 2023 was primarily underpinned by growth in agriculture (1,3%), construction (1,2%), energy (6,4%) and market services (2,3%), despite the negative contribution of the fisheries and derivatives sector (-0,5%).

The positive net change of non-oil GDP may be fairly encouraging for the market, in view of the high unemployment level. According the National Statistics Institute (INE), the unemployment rate in the population aged 15 and over was estimated at around 29,6% in the fourth quarter of 2022..

GDP MP (%)

Real growth of GDP	2020	2021	2022	Estim. 2023
Oil sector	-6,3	-10,6	1,6	**-4,3**
Non-oil sector	-2,0	5,2	3,1	**1,8**
Agriculture	5,5	4,6	4,3	**1,3**
Fisheries and derivatives	-1,3	33,0	4,0	**-0,5**
Diamonds and other	-12,3	-9,6	10,0	**0,5**
Manufacturing industry	-1,5	2,0	5,0	**0,7**
Construction	1,1	-10,0	2,4	**1,2**
Energy	7,8	5,0	4,0	**6,4**
Market services	-3,3	6,8	2,3	**2,3**
Other	-3,2	1,9	1,5	**1,0**

Source: General State Budget Substantiation Reports

International Reserves and the Oil Sector

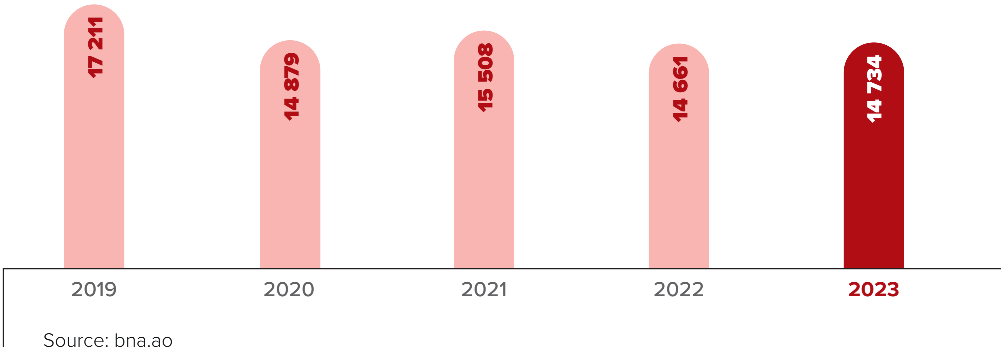
As at 31 December 2023, international reserves stood at 14,7 billion US dollars, representing an increase of around 0,5% compared to December 2022.

The preservation of the level of International Reserves depends to a large extent on the inflows and outflows of foreign currency. On the inflow side, flows are essentially dependent on crude oil and diamond exports, whose revenues have been volatile and dependent on the average prices of these commodities on international markets, as well as national production levels.

Banco Nacional de Angola (BNA), by managing local currency liquidity and taking on a monitoring role of the foreign exchange market, has sought to match the demand for foreign currency to supply, with the aim of maintaining the International Reserves at the desired levels, in order to ensure the country's solvency.

In December 2023, the volume of Net International Reserves guaranteed about 8 months of imports of goods and services, a level considered relatively comfortable.

International Reserves
(Million USD)

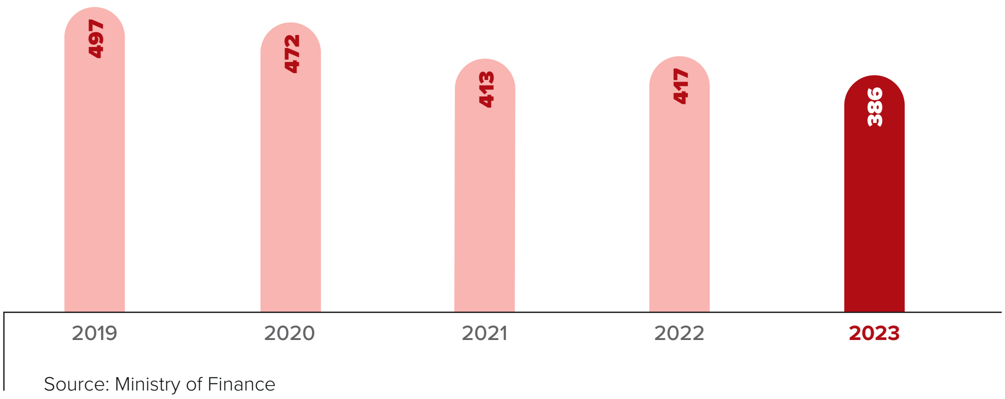


Source: bna.ao

The General State Budget for 2023 forecast the average price of a barrel of oil at 75 US dollars. The closing price of the month of December 2023 stood at 77 US dollars.

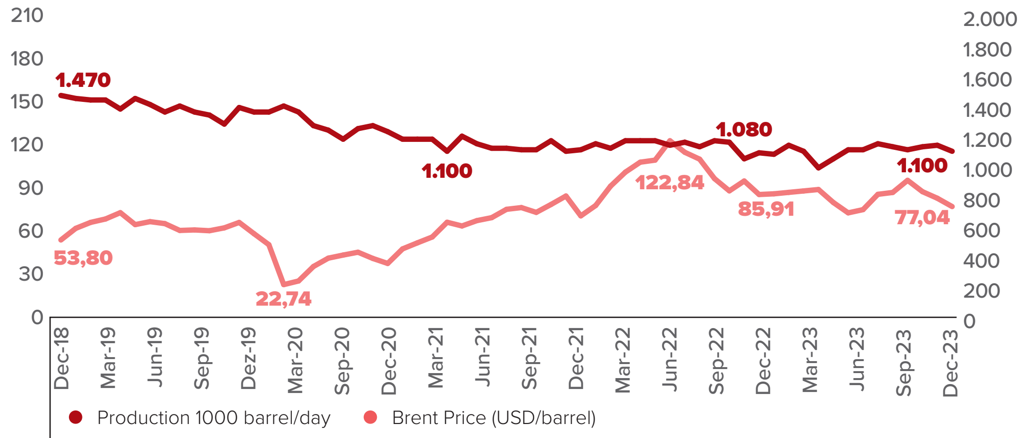
Based on the statistics disclosed by the Ministry of Mineral Resources, Oil and Gas, Angola exported approximately 386 million barrels of crude oil, at a weighted average price of 81 US dollars per barrel in 2023, representing an 8% reduction in relation to 2022. Bloomberg data point to oil production of approximately 1,1 million barrels per day in the month of December 2023.

Oil Exports
(Million barrels)



Source: Ministry of Finance

Oil_Brent



Source: Bloomberg LP

Foreign Exchange Market

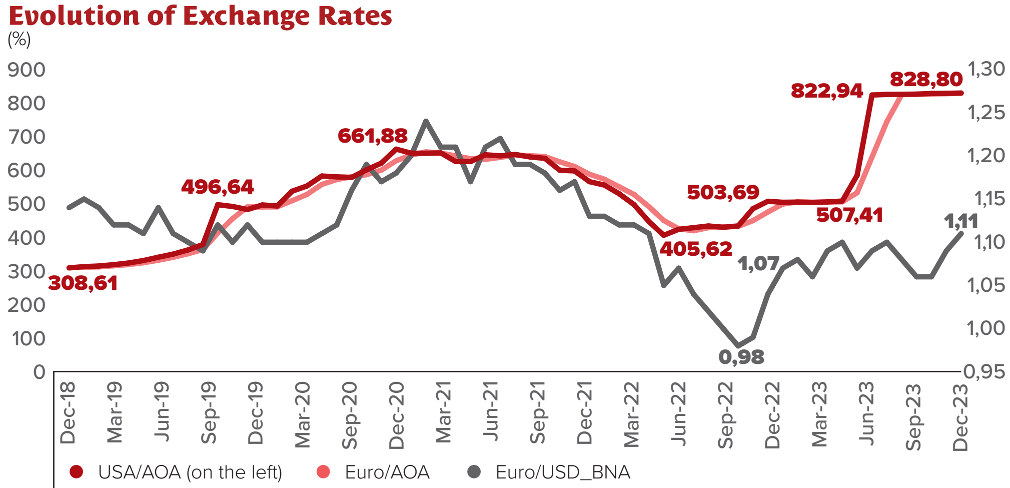
The foreign exchange market was stable in the first and beginning of the second quarters of 2023, when the main operators engaged in very frequent foreign currency sales, with the consequent upholding of a certain stability of the kwanza in relation to the main foreign currencies.

During the month of May, the scenario changed completely. As a result of a significant reduction in the supply of foreign currency, partly due to the reduction of export revenues, the kwanza devalued considerably in relation to the main foreign currencies. This scenario remained in place until the fourth quarter of 2023.

The kwanza exchange rate in relation to the US dollar and euro changed its trend, turning downwards, to stand at USD/AOA 828,80 and EUR/AOA 915,99 at the end of December 2023, corresponding to a cumulative depreciation of 57,5% and 61,7%, respectively.

The closing exchange rate of the year (kwanza against the US dollar) stood alongside the USD/AOA moving average, showing a market consolidation (USD/AOA varying around 828), which leads us to believe that in the short-term the market will move the kwanza exchange rate towards a new trend until finding a new equilibrium point, according to the laws of supply and demand.

Evolution of Exchange Rates

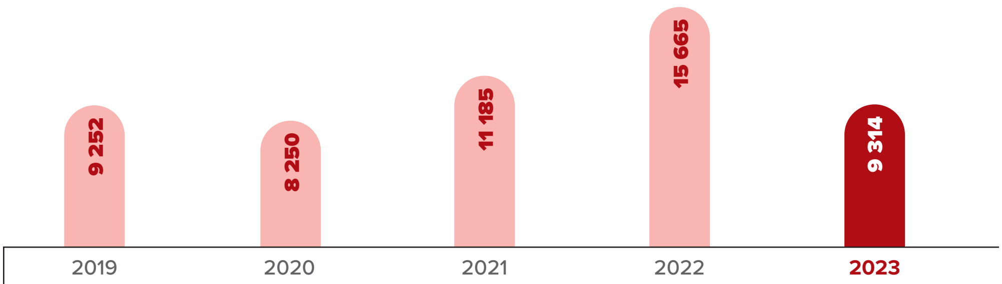


Source: bna.ao

The supply of foreign currency in the foreign exchange market was initially stable and balanced in the first half of 2023, mainly due to the diversity of sources of acquisition of foreign exchange on the Bloomberg platform (FXGO). These sources include the National Treasury, the interbank market and companies of the oil sector, diamond sector, air transport and insurance business. However, the end of the first half of the year was marked by the absence of National Treasury on the market, which strongly affected the regular supply of foreign exchange during the second half of the year and elevated the exchange rate to an all-time high. Banco Nacional de Angola's intervention, through the same of foreign currency amounting to approximately 405,5 million US dollars, was not sufficient to halt the depreciation of domestic currency.

According to Bloomberg data, approximately 9,3 billion US dollars were sold to the market during 2022, representing a reduction of around 41% in comparison to December 2022.

Sale of Foreign Currency to the Market
(Million USD)



Source: BNA I Bloomberg Finance LP

Inflation and the Money Market

The inflation rate, measured by the consumer price index (IPC), showed an upward trend from the month of April 2023, with a rate of 10,59%, and closed December 2023 at the rate of 20,01%, in other words, above the target initially set by Banco Nacional de Angola of a range between 12% and 14%.

Year-on-year, inflation accelerated by 6,2 p.p. between December 2022 and December 2023.

The pressure observed on domestic prices is essentially explained by the depreciation of the domestic currency in relation to the US dollar that occurred in the first half of 2023 and the 87,5% increase in the price of petrol, which shifted from 160 kwanzas per litre to 300 kwanzas per litre.

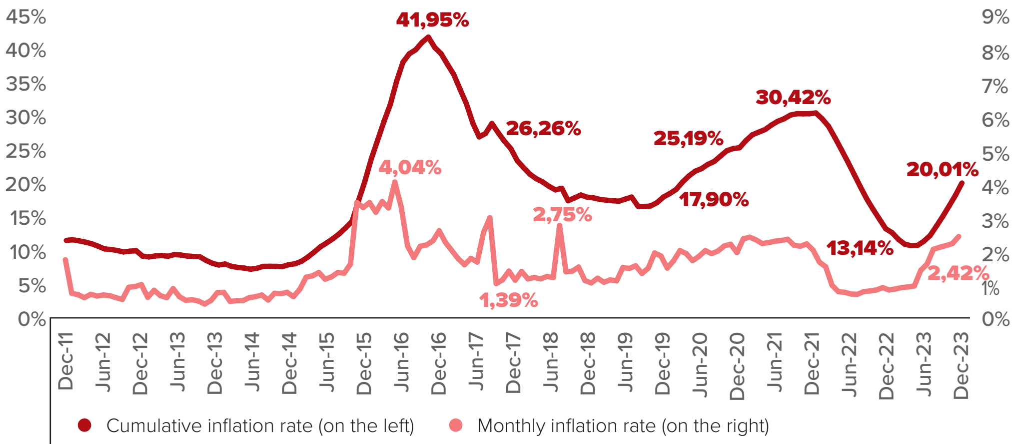
Monthly inflation stood at 2,42% in December 2023, recording a year-on-year variation of 1,55 p.p.

The categories that showed highest price variations were health which increased by 3.05%, miscellaneous goods and services by 2,95%, food and alcoholic beverages by 2,83%, and clothing and footwear by 2,83%.

The restrictive monetary policy endorsed by Banco Nacional de Angola initially proved consistent in halting the upward trend of inflation, measured by consumer price index. However, in the second half of the year, the panorama changed. The strong dependence on imported goods and services and the price increase occurred in international markets, triggered by the armed conflict between Russia and Ukraine which created a crisis in energy and primarily cereal markets, exerted some inflationary pressure during 2022 and extended into 2023, which the Government to frequently resort to the Strategic Food Reserve (REA), an initiative that seeks to regulate the market and drive down the prices of essential food products included in the basic basket. This mechanism worked for as long as the kwanza was stable in relation to the main international currencies, but it was abruptly affected by the heavy depreciation of domestic currency, which led to inflation having surpassed the expected range.

Banco Nacional de Angola, which had initially forecast an inflation rate in the range of 9% to 11%, revised this figure upwards on two occasions. The first time, to a range of 12% to 14%, revised in June, and the second time in November, pointing to a rate of 19,5%. Therefore, the three targets set by Banco Nacional de Angola were overrun, as the cumulative inflation rate stood somewhat above 20%. As the inflation rate stood at approximately 6 p.p. higher than the expected rate's upper threshold, in practice this could be reflected in a decline of household purchasing power.

Inflation Rate_CPI



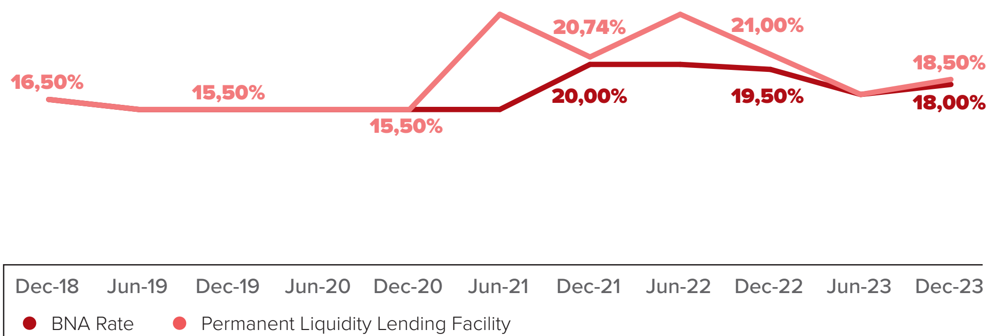
Source: National Statistics Institute (INE)

Based on the statistics disclosed by Banco Nacional de Angola, the Monetary Base in domestic currency, the operational variable of monetary policy, expanded by 10,72% in the month of December 2023 in cumulative terms. In turn, the monetary aggregates (M2) in domestic currency expanded by 1,14% in the month of December and 31,17% in cumulative terms.

The basic interest rate (BNA Rate) and the permanent liquidity lending rate were set at 18% and 18,5% respectively in December 2023, compared to 19,5% and 21% respectively observed in December 2022. On the other hand, in the month of November, Banco Nacional de Angola decided to enhance the flexibility of the periodicity for compliance with Mandatory Reserves to a fortnightly period.

In light of the inflation rate's upward trend, Banco Nacional de Angola, via the Monetary Policy Committee, decided to apply a more restrictive monetary policy so as to ensure domestic price and currency stability. This led to an increase in the Coefficient of Mandatory Reserves in domestic currency to 18% and the elimination of the custody fee applicable to surplus free reserves deposited by commercial banks at Banco Nacional de Angola.

Monetary Policy
(%)

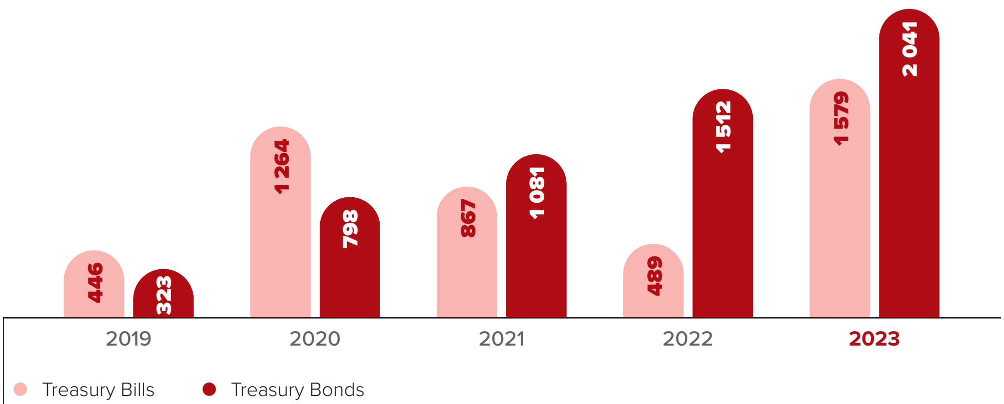


Source: bna.ao

The State once again resorted to the issuance of public debt securities to ensure its operations and accomplish several public projects.

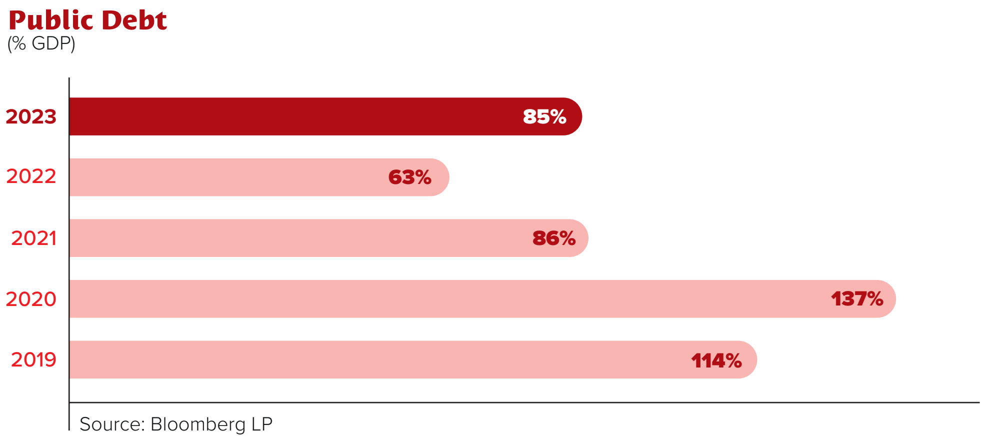
The domestic securitized debt issued in 2023 amounted to 3 619 billion kwanzas, corresponding to almost double the value issued in the same period of the previous year (2 001 billion kwanzas). Of this amount, 1 579 billion kwanzas were in Treasury Bills (BT) and 1 512 billion kwanzas were in Treasury Bonds (OT).

Issuance of Treasury Securities
(Million AOA)



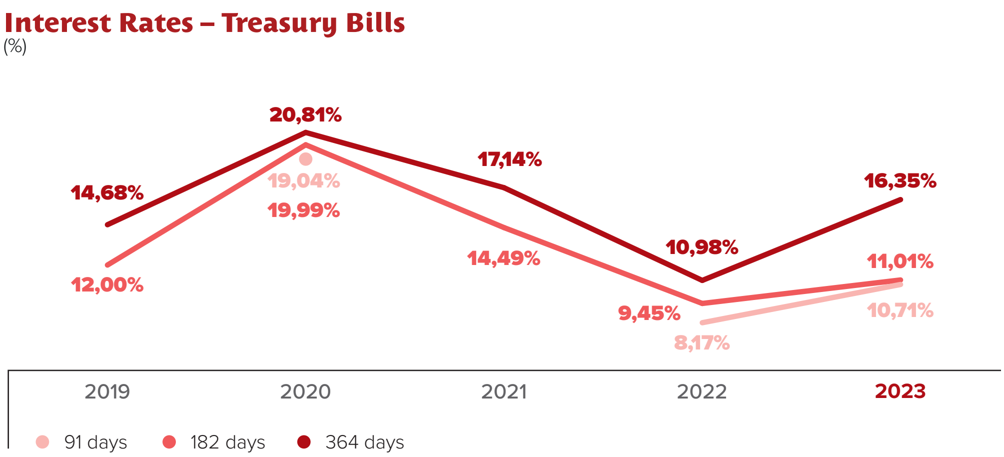
Source: bna.ao

In 2023, there was a 223% increase in the issuance of Treasury Bonds and, likewise, of 35% in Treasury Bills in comparison to 2022. Overall, there was a major increase of 81% in the issuance of domestic securitized debt compared with 2022.



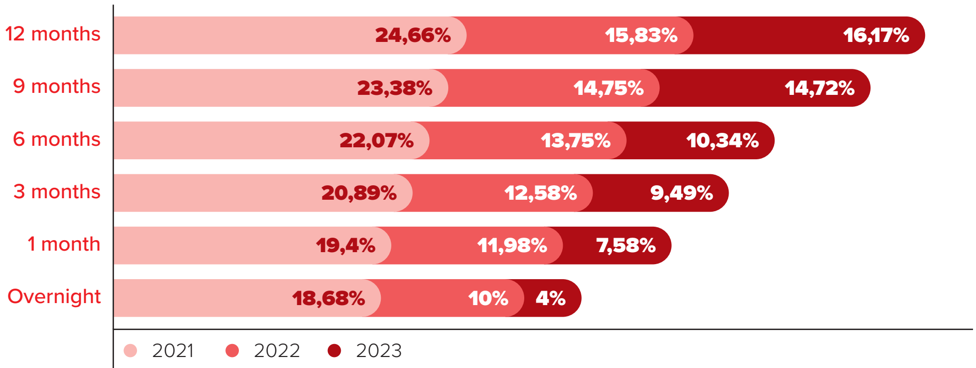
In December 2023, the average interest rates on Treasury Bills were 10,71%, 11,01% and 16,35% for maturities of 91, 182 and 364 days, respectively, being higher than the figures observed in the same period of the previous year, representing an increase in the cost of short-term public debt.

Although the price of oil remained above 70 US dollars per barrel throughout the year, the production level of this commodity was rather timid, considerably affecting export revenues. This exerted pressure on public accounts and led the State to seek funding in the domestic market via issuance of securities (Treasury Bonds and Treasury Bills) at much higher costs. Hence, the reason for the significant increase of the interest rate of public securities.



The Angolan interbank (LUIBOR) rates at 3, 6 and 12 months fluctuated throughout the year. In December 2023, the rates were 9,49%, 10,34% and 16,17% (for 3, 6 and 12 months) respectively, while as at 31 December 2022 these figures were 12,58%, 13,75% and 15,83% respectively, for the same terms. The rise in the reference interest rate makes loans between banks and credit to the economy more expensive, as the LUIBOR is the reference rate for granting loans to corporate and individual customers.

Luibor
(%)



Source: bna.ao

4.3. Positioning of Banco BIC in the Banking Sector

The Angolan economy has faced enormous challenges over the past few years, due to its strong and persistent dependence on oil, its main export commodity, added to the low diversification of economic activity and lack of industrial and logistics infrastructures.

Angola's economic outlook is positive as a whole, supported by the oil sector and by the recovery of the non-oil sector, especially in the gas and mining, services and construction segments.

The reduction of dependence on the oil and gas sector, the economy's diversification, the fight against unemployment and inflation, foreign exchange stability and ensured social well-being continue to be a major challenge for the country in 2023.

The World Bank's Global Economic Prospects (GEP) and the projections of the General State Budget Substantiation Report converge towards a slowdown of growth of the Angolan economy to 0,5% and 0.4%, respectively.

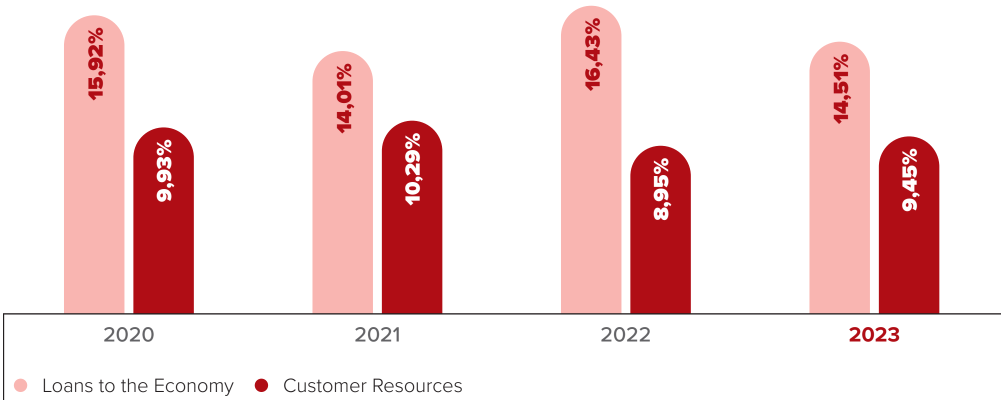
The inflation rate turned around to move on an upward trajectory and exceeded the initially expected levels (12% to 14%), after having been stable in the first half of the year. This change was essentially affected by the foreign exchange component, due to the country's strong dependence on imported goods and services. The cumulative inflation rate stood at 20,01% in the month of December 2023.

In this highly demanding context, Banco BIC presents high financial solidity, proven by a regulatory solvency ratio well above the minimum required (10%) defined in Notice 02/2016 of April 28. As at 31 December 2023, the Regulatory Solvency Ratio stood at 31,51%.

In view of the above, the performance of Banco BIC in 2023 was entirely consistent with its defined strategy. Despite the challenges, Banco BIC kept its focus on the sustainability of its business, positioning itself as a trustworthy Bank. The Bank strengthened its prudence and rigour in granting new loans, adopting appropriate liquidity management according to the market mismatches, with an ongoing bolstering of all the other risk monitoring and control processes and policies, specifically for operational risk and other market risks. Due to the increasingly demanding international framework, the Bank ensured that it constantly adapted to meet compliance and accounting standard adoption requirements.

As at 31 December 2023, Banco BIC's market share in Loans to the economy was approximately 14,51%, while in Customer funds it was approximately 9,45%.

Market shares
(%)



Source: BNA – Monetary and financial statistics

Under the support to the programme to boost domestic production and diversify the Angolan economy, Banco BIC joined the Credit Support Project (PAC) in 2019, framed under the Programme to Support Production, Diversification of Exports and Import Replacement (PRODESI), with permanent cooperation and loans granted.

Banco Nacional de Angola Notices 04/2019, 07/2019 and 10/2020 established rules for the banking sector when granting loans to the real sector of the economy, which reinforced our belief in wanting to be part of the country's change, diversification, and economic growth.

As it was necessary to update the application of Notice No. 10/20, on granting loans to the real sector of the economy, Banco Nacional de Angola published Notice No. 10/22 of 6 April, which establishes new modalities of eligible loans, with applicable requirements in terms of annual targets of their number and total value, as well as in terms of the treatment of the calculation of Mandatory Reserve requirements.

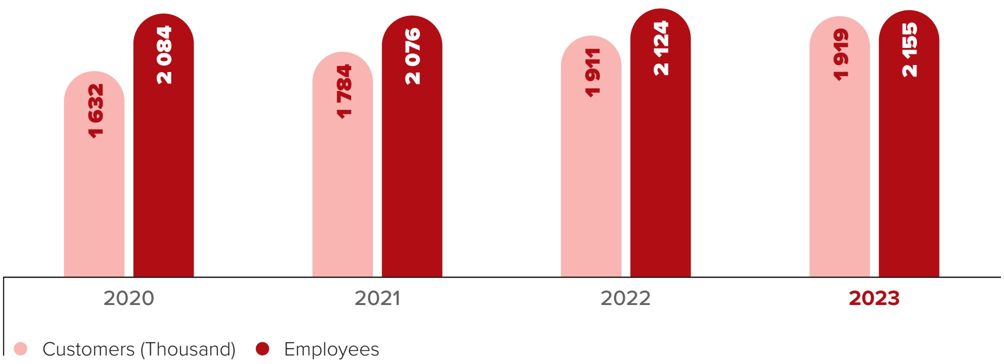
Based on the Credit Statistics disclosed by Banco Nacional de Angola, in December 2023, the gross loans assigned to the real economy amounted to 1,31 billion kwanzas, corresponding to an increase of 166,77 billion kwanzas year-on-year, primarily driven by the increase of funds channelled to the Mining Industries sector of approximately 150,85 billion kwanzas.

Maintaining its ongoing commitment to support the programme for diversification of the Economy, Banco BIC, pursuant to Banco Nacional de Angola Notice No. 10/22, analysed 35 new projects, of which 23 were approved for granting loans of the total value of approximately 31 240 million kwanzas for business activities related to agriculture, livestock, fisheries and production of essential goods. Of this amount, 34 266 million kwanzas were disbursed in that same year, which includes amounts approved in the previous year (2022).

It is important to note that this value corresponds to 1,8% of the Bank's net assets (2 921 512 million kwanzas).

In terms of the commercial network, despite the difficulties experienced throughout the country, Banco BIC made a significant effort to keep all its business units in operation, with a total of 232 units throughout the country, serving a diverse Customer base. The staff remained stable amounting to a total of 2 155 Employees at the end of December 2023.

Market Indicators



In very challenging context, Banco BIC maintained its identity as a benchmark bank on the Angolan market, partially due to its management model, but mainly because of its primary focus on Customers, reaffirming its firm commitment to trust and service quality. Banco BIC's Customer base recorded a total of 1 919 thousand Customers, including close to 58 thousand companies.

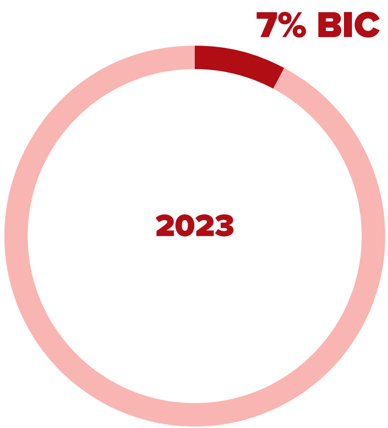
Banco BIC guarantees that the products and services that make up its value proposition are made available to its Customers, not only through digital channels, but also through its network of branches distributed throughout the country.

According to data published by the interbank service company Empresa Interbancária de Serviços S.A. (EMIS), the number of Automated Teller Machines (ATM) and Point of Sale Terminals (POS) in Angola continued to grow, both in terms of number that are active and registrations. Automated Teller Machines increased by approximately 11% (active) and 11,08% (registered) and Point of Sale Terminals increased by 13,01% and 14%, respectively. It should also be noted that the market closed the year with a total number of 135 677 active Point of Sale Terminals (POS) and 3 452 active Automated Teller Machines (ATM) thus increasing the capacity and quality of service to national banking Customers.

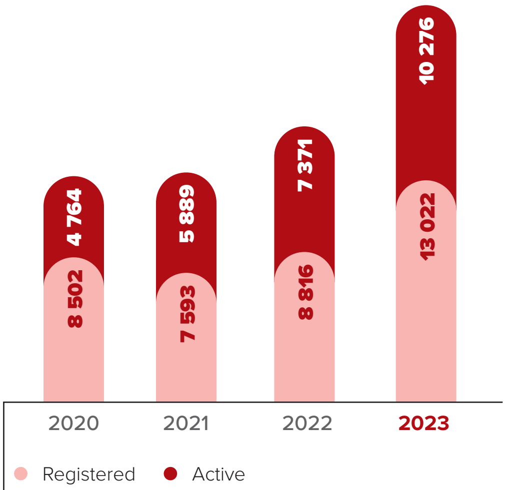
Banco BIC's standing commitment to diversification and quality in the offer and rendering of banking services is visible through its provision of a total network of 328 ATM in December 2023. These ATM are distributed countrywide (78 municipalities), giving the population greater opportunities to conduct their transactions at any time of the day, and preventing the need to go to bank branches.

A total of 10 276 active Point of Sale Terminals (POS) were recorded by Banco BIC in December 2023 among our Customers, representing around 7,6% of the total available on the market. The number of registered BIC Point of Sale Terminals (POS) increased by 47,7% to stand at 13 022.

Active APT



BIC APT Evolution



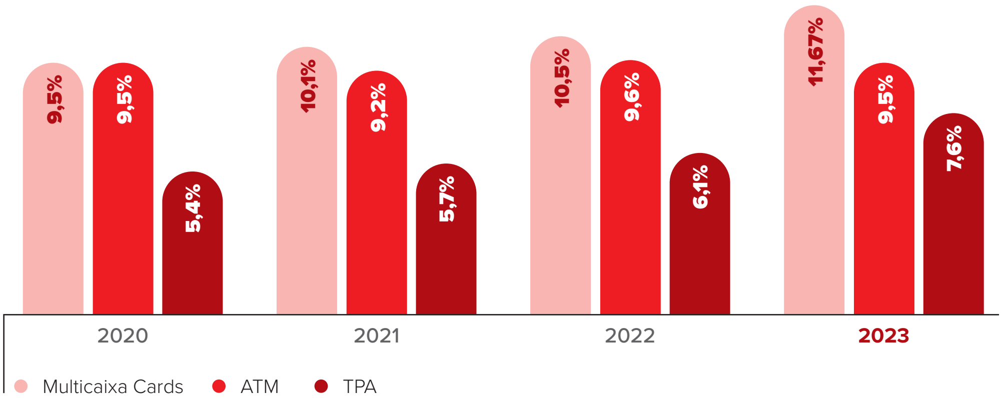
Source: EMIS – Monthly Statistical Report – MCX

Concerning Multicaixa debit cards, one of the segments of the products and services provided, a total of 742 527 cards had been issued by December 2023, corresponding to a market share of 11,7%.

In a country like Angola where the bank usage rate is low, payment services based on electronic money make an indispensable contribution.

Banco BIC is one of those responsible for the banking and financial inclusion process of the population in Angola. It has been a source of pride for us, ever since the days of the Bankita accounts to the Simplified Account, and we will continue along this path with conviction.

Market shares
(%)



Banco Nacional de Angola recommends the use of alternatives to bank branches or ATM, where long queues have been reported. Banco Nacional de Angola suggests the use of Internet and mobile banking solutions by commercial banks, as well as the Multicaixa card and Multicaixa Express app in order to simplify transactions in an increasingly more digital world.

4.4. Outlook for 2024

New products and increased liquidity are structural factors for 2024. Liquidity is an essential component to maintain the robustness of BIC business activity. The forecasts for growth indices vary according to Angola's economic performance – inflation, unemployment, GDP growth – and international geopolitical stability. We are attentive to the global economic indicators and performance of the associated markets which are reflected in our non-oil economy, which is more than 90% dependent on imports in terms of technology, consumer goods and service providers.

In order to rise to the challenges facing the country, concerning increased domestic production, BIC has selected the agriculture and livestock sectors for 2024 to boost domestic production and reduce imports.

We are the bank that grants most loans, for the 4th consecutive year, to the production sector of the real economy.

In 2024, we will begin, in partnership with the Credit Guarantee Fund (FGC), to support small and medium-sized enterprises, cooperatives and small private investors with easy and partial access to bank loans under more favourable and less bureaucratic conditions.

We are aligned with the Banco Nacional de Angola's on increasing banking and financial inclusion of the population, elevating the number of bank service points in all municipalities countrywide.

We are committed to the consolidation of our banking network, to increasing digital means, introducing new mobile and online apps to promote easy access to banking services by our Customers.

The Bank's income may be affected by external or internal factors. One of the greatest risks that affects all institutions are non-performing loans, which varies according to the individual features of each bank. BIC has strengthened its internal regulations, in line with Banco Nacional de Angola's recommendations, introducing risk weighting and assessment mechanisms. The aim is to restrain loans considered risky, irrespective of the guarantees presented.

The two components, Liquidity and New Products, are associated with BIC's growth for 2024. It is expected that the ratio should rise even more, to fortify the mobilization of new deposits, attract more customers and consolidate the Bank's robustness.

4.5. Capital Markets

Throughout 2023, the capital markets unit's mission was to execute operations for the Bank and its Customers by means of transactions on debt markets (BODIVA) and manage the Bank's trading books with a view to maximizing returns, with respect for the risk levels accepted by Banco BIC, and those of its Customers, specifically registration and deposit operations, as well as custody services.

According to the Securities Law No. 22/15 as well as BODIVA Stock Market Rule No. 6/20, the following financial instruments are traded on BODIVA: Treasury Bonds, Private Bonds, Investment Units and Shares.

As part of its functions as a Financial Intermediary, Banco BIC is eligible to:

- Intervene in the capital markets, respecting the limits established internally and/or imposed by law;
- Receive, trade and execute orders on behalf of customers;
- Execute orders on behalf of others on or outside regulated markets;
- Monitor daily variations in the profitability of the trading portfolio against changes in the market prices of the Bank's assets;
- Render timely reports to the market players (regulator, investors and BODIVA);
- Register the opening of accounts and buy or sell orders on the capital market, and ensure that they are duly reflected on the Financial Statements; and
- Other functions that may be assigned by the Management.

Banco BIC is registered at the Capital Markets Commission under number 8AI/CMC/12-2015 and accredited at BODIVA, as a Trading and Settlement Member.

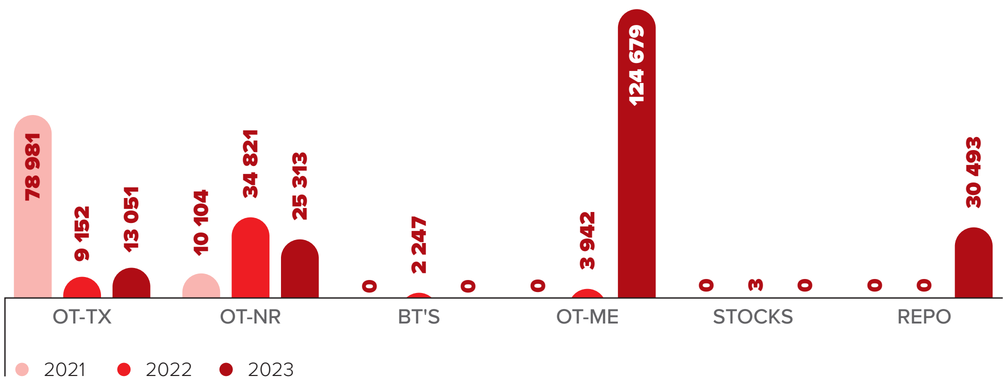
The publication on 19 May of Law No. 14/21, on the Legal Framework of Financial Institutions (LRGIF), in particular the provisions in Article 440(2), determined that it is mandatory for Banking Financial Institutions (IFB) to transfer the business lines established in Article 12(4) to Non-Banking Financial Institutions (IFNB).

Considering the deadline set by the Financial System Fiscal Board (CSSF), Banco Nacional de Angola press release and Instruction No. 09-CMC-06-23, this process culminated, as at 31 December 2023, with the transfer of securities market services from Banking Financial Institutions to Non-Banking Financial Institutions, licensed by the Capital Markets Commission.

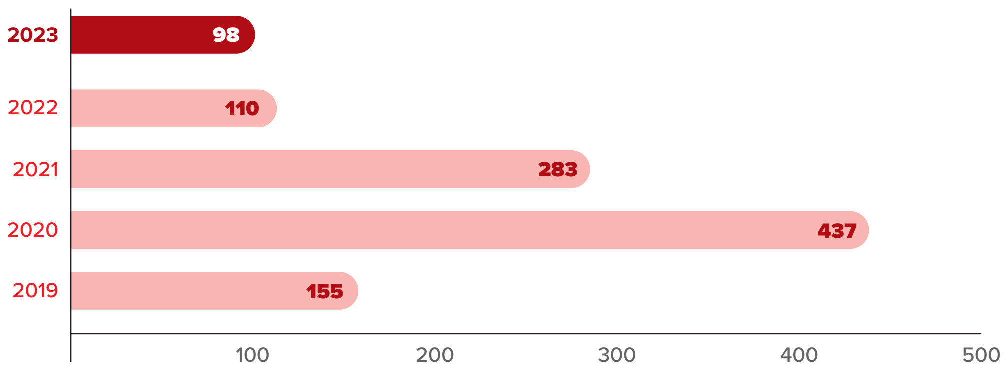
In this context, Banking Financial Institutions will continue to pursue some business activities in the market, up to the end of 2025, in particular the registration and deposit of securities of foreign exchange non-resident investors, through the network of correspondent banks, until the securities dealers and brokerage firms have their own network of international correspondents.

During the period under review, the Capital Markets unit of Banco BIC performed brokerage operations with public debt securities in domestic currency on BODIVA markets, recording 98 transactions of a total value of 193,54 billion kwanzas.

Turnover
(Million AOA)



Number of Transactions



During 2023, BODIVA recorded 5 032 transactions in regulated markets under its management, amounting to a total of 7 652,28 billion kwanzas traded. During the first half of the year, 1 076,84 billion kwanzas of transactions were recorded, while the second half of the year showed more trading, amounting to approximately 6 575,44 billion kwanzas.

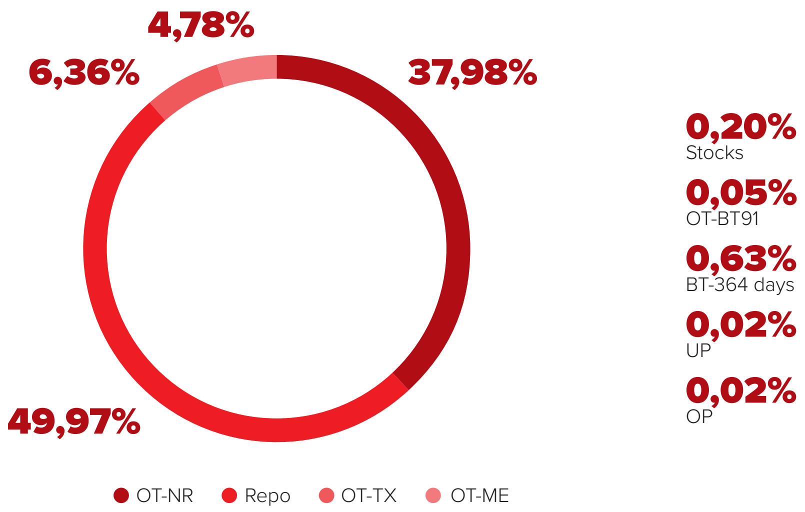
The implementation of Repurchase Agreements (REPOS) carried out via the stock exchange (BODIVA), emerged at a crucial moment, broadening and diversifying the channels to trade liquidity involving Banking and Non-Banking Financial Institutions in order to confer greater efficiency to the Monetary Market at a domestic level.

The market share of repos increased from 4,31% in 2022 to 49,97% in 2023.

The amount traded by type confirmed the supremacy of Treasury Bonds (49,17%), led by Non-Indexed Treasury Bonds (OT-NR with 37,98%) and followed by Treasury Bonds Indexed to the US Dollar (OT-TX with 6,39%), and Treasury Bonds in Foreign Currency (OT-ME with 4,78%) respectively. On the other hand, Shares, Units of Investment and Public Offer accounted for 0,24%.

In terms of the amount traded and number of trades, it can be seen that maturities with a residual term of up to 2 years are predominant, with particular emphasis on maturities in 2024, representing 57% of the traded amount and 23% of executed trades.

Amount traded by Type



5. Framework of the Activity

Framework of the Activity

5.1. Distribution Network and Geographic Presence

211 BRANCHES / FACILITIES / PRIVATE BANKING

3 INVESTMENT CENTRES

18 COMPANY CENTRES

CABINDA
4

CUANZA NORTE
5

BIÉ
4

NAMIBE
2

ZAIRE
2

MALANGE
3

BENGUELA
17 2

CUNENE
4

UÍGE
6 1

LUNDA NORTE
5

HUAMBO
12

BENGO
2

LUNDA SUL
4

MOXICO
3

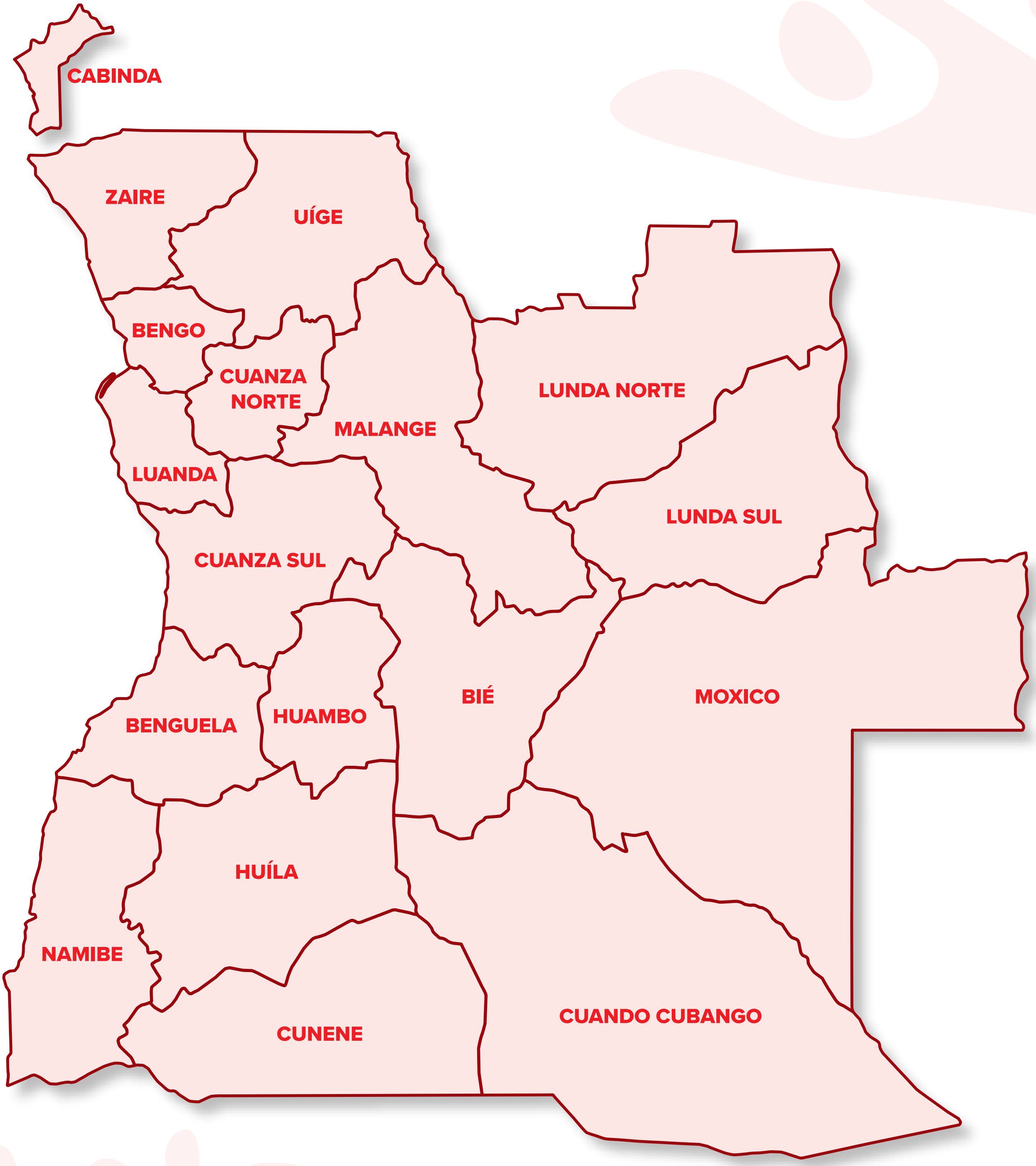
LUANDA
107 15 3 1 1

CUANZA SUL
11

HUÍLA
16 1

CUANDO CUBANGO
1

- Branches
- Company Centres
- Investment Centres
- Facilities
- Private Banking


CABINDA
ZAIRE
UÍGE
BENGO
CUANZA NORTE
MALANGE
LUNDA NORTE
LUANDA
LUNDA SUL
CUANZA SUL
BIÉ
MOXICO
BENGUELA
HUAMBO
HUÍLA
NAMIBE
CUNENE
CUANDO CUBANGO

5.2. Milestones

Banco BIC is a benchmark financial institution on the Angolan banking market, with the largest private branch network in national territory and the young dynamism of 2 155 Employees, symbolized by the robustness of the baobab tree, the root of its growth.

This was how Banco BIC was born and grew.

2005

- Incorporation, by public deed, of Banco BIC S.A. with a share capital of USD 6 million;
- Opening of the 1st BIC branch in Luanda.

2006

- The commercial network of BIC branches expands to 15 provinces.

2007

- Authorization from Banco de Portugal for the opening of BIC Português;
- Funding of USD 150 million for reconstruction projects in the Province of Uíge.

2008

- Inauguration of BIC Português, the gateway to the Angola/Portugal bilateral business;
- This is where the internationalization of the BIC brand begins, with the opening of BIC Português;
- BIC employs more than 1 000 employees, a fundamental pillar for the Bank's development;
- Distinguished as The Best Bank in Angola award by EuroMoney.

2009

- Strengthening of the BIC VISA, GOLD and PLATINUM campaigns, linked to the VISA network.

2010

- The Bank reaches 500 thousand Customers and is voted the 42nd Largest Bank in Africa by the Africa Business magazine;
- Increased number of branches to become the largest Angolan private bank in terms of geographical coverage.

2011

- BIC opens its central headquarters in Talatona, a 10-storey building, where it installed its main services;
- In 6 years of existence and with an initial capital of USD 6 million, Banco BIC exceeded USD 650 million of equity as at 31 December 2011.

2012

- BIC formalizes the purchase of the Portuguese bank BPN, expands its network of branches in Portugal and guarantees the maintenance of more than one thousand jobs on the Portuguese market;
- Its number of Customers increases to 800 000.

2013
- Expansion of the internationalization of the BIC brand, which began in 2008 in Portugal, with the entry into the financial system in Cape Verde;
- The Banker magazine of the Financial Times group distinguished it with the Best Bank in Angola Award.

2014
- Achieves one million Customers and pursues internationalization with the opening of a representation office in South Africa.

2015
- Ten years of life marked by growth and contribution to investment in Angola;
- Strong focus on Credit for the development of the Angolan economy;
- The number of branches of the commercial network throughout the country increases to 220;

2016
- Growth continues – 1 million and 300 Customers achieved;
- Strengthening of international activity, with the opening of an office in Angola and closer commercial relations with South Africa.

2017
- In the ups and downs of the adverse effects of the Angolan economy in the last 3 years, Banco BIC focused on diversifying the country's production;
- Banco BIC Portugal changes its brand name to EUROBIC and presents its new strategy.

2018
- The Bank increases its share capital 6 times, shifting from 3,3 billion kwanzas to 20 billion kwanzas;
- Starts a process of technological modernization by installing FOREX;
- Reinforcement of the Risk and Compliance management control areas by installing the Risk Management Application (SAGR), a digital data processing tool that automatically reports to BNA.

2019
- Becomes a benchmark partner of PAC, the Credit Support Project, providing a credit line of 30 billion kwanzas, aimed at financing domestic production;
- Approved and financed 26 projects valued at 33,4 billion kwanzas, under the PAC.

2020
- With the Banka 3G software, various solutions and concepts have been included in a fully integrated system;
- Banco BIC rated highly in the ranking of Angolan banks that have financed the most primary economy development projects of the PAC program, under PRODESI.

2021
- In the first quarter of 2021, Banco BIC was distinguished, under PRODESI, by the Ministry of the Economy and Planning with a diploma of merit for having contributed to the promotion of domestic products and to boosting the economy.

2022
- In the first half of 2022, Banco BIC launched the Social Responsibility Project "Crescer Juntos" (Growing Together), aimed at supporting social organizations to pursue solutions to fight against poverty;
- Opening of two more branches, one in Huíla, municipality of Chipindo, and another in Luanda, Via Expressa, thus reaching a total of 235 Commercial Units.

2023
- Beginning of the process of expansion of new business units;
- BIC awarded the Leão de Ouro [Golden Lion] award for the best brand at Luanda International Fair (FILDA) 2023;
- Opening of the Angomart Zango Branch and various ATM Centres.

5.3. Marketing and Communication

The Marketing Department of Banco BIC plays a crucial role in the creation of a solid and long-term relationship with the Customers, creating a positive image and a strong reputation to attract new Customers and maintain the existing ones. This is attained by means of effective advertising campaigns that highlight the benefits of the services and products offered by the Bank.

Aware of the importance of relationship marketing, Banco BIC focuses on the creation of loyalty programmes, promotional offers and other incentives to encourage the Customers to remain at the Bank and recommend it to others.

On the other hand, effective communication is vital to ensure that the marketing message is conveyed in a clear and coherent manner to the Customers and to the public in general. To this end, the Bank focuses on advertising campaigns in traditional channels, such as the television, radio, newspapers and magazines, in addition to other campaigns on social networks and other online platforms.

Throughout 2023, Banco BIC accomplished strategic actions of diverse nature, in particular campaigns to disseminate existing products and services, that promote the image of the Real Sector of the Economy under BNA Notice 10/2022, BIC MOBILE and the launch of DP JUNTA +, among others.

Concerning patronage, we support a variety of actions such as support and sponsorship of culture, social, environmental and sports nature.

Among the main actions of the Marketing and Communication Department, the following are highlighted:

- BIC Anniversary
- Angola Oil&Gas Conference
- FILDA/Huila Fair/Benguela Fair
- Mangais – BIC AGRO
- Banking and Insurance Forum
- DP BIC Junta + Natal [Collect + Christmas BIC Deposit]
- BIC / RNA [National Radio Station] Forum in Namibe, Malanje and Benguela
- Under its support to sports, Banco BIC also renewed its partnership with three of the main national football clubs: Santa Rita, Bravos Maquis and Interclube.

5.4. Social Responsability

The Agenda 2030 for Sustainable Development, endorsed by all Member States of the United Nations in 2015, defined the priorities and aspirations concerning global sustainable development for 2030.

There are 17 Sustainable Development Goals (SDG), representing an urgent call to all nations – developed and developing – to engage in a global partnership. Crescer Juntos [Growing Together] could not remain indifferent to that major global movement.

In this context, Banco BIC created the Growing Together programme in 2022, which emerged to support Non-Profit Organizations (NGOs), Foundations and Associations with projects in areas such as Education, Health, Culture, Entrepreneurship, Environment and Human Rights (among others). These projects seek to implement solutions to fight against poverty that not only act on the consequences, but also address the most pressing social problems in Angola.

The programme also faces the challenge of changing society's perception of the value of donations, when treated as a private social investment where the results may and should be monitored by the donor.

Growing Together aims to give financial support, as well as mentoring and visibility to the social organizations supported. Companies and individuals who wish to join the programme may use the periodic reports to follow not only where their money is invested and in what format, but also where the donated non-financial resources are being allocated.

Why Growing Together?

As explained by Hugo Teles, Chairman of the Executive Committee of Banco BIC, "Banco BIC has long upheld the motto of Investing Together, Growing Together. More than just an advertising slogan, as many may think, this is the concept that underpins our corporate values. However, there is another belief that also guides us: that it is not possible to prosper indefinitely in a society that is still in an evolutive state. Therefore, it is time for us to harness the power of the markets to the strength of human ideals and Social Responsibility".

Inspired by this thinking, there is nothing more natural than the Social Responsibility programme being named Growing Together.

Advisory Board

One of the programme's innovations is the creation of an Advisory Board, composed of important personalities of different sectors of the Angolan economy and society. The Advisory Board is responsible for selecting, in an independent manner, from among the short-listed social organizations in the application process that takes place on an annual basis, those that will receive support from Banco BIC.

Partnership with Co-Investors

Another innovation refers to the creation of Co-Investor Companies. More than twenty companies joined Growing Together due to sharing the same belief as Banco BIC that, in what concerns fighting against poverty and creating more inclusive societies, everyone's effort is required, with no room for dispute.

Three Social Organizations Inaugurated the Programme

Three social organizations were chosen to inaugurate the Growing Together programme. These are Centro Médico Boa Nova, Orquestra Camunga and JOBAB.

Centro Médico Boa Nova

Located in Viana, Centro Médico Boa Nova looks after families in severe situations of social risk and offers them medical appointments for care in the context of child malnutrition and for treatment of diseases such as tuberculosis. In addition, it provides food for all the families receiving assistance at the centre.

Orquestra Camunga

Orquestra Camunga, located in Corimba, teaches adolescents and youngsters to play classical music instruments, such as keyboard, violin and cello. This orchestra has successfully prepared youngsters who are beginning to follow musical careers to become financially self-sufficient, so that they do not need to depend exclusively on formal employment.

JOBAB

JOBAB works in the Gamek neighbourhood with children to develop their emotional and intellectual skills, and foster awareness of citizenship and environmental aspects. In order to participate in the classes, the children collect rubbish from the streets, which is subsequently sold by the social project to recycling companies. In addition to this, there is a small JOBAB market where the local population can buy food at more affordable prices than in the traditional trade, and can use collected rubbish as a method of payment for the food.

NGOs supported in 2023

For the year of 2023, 358 applications were received, of which 40 were chosen for the interview stage. Of these, 33 answered the interview invitations, following which 26 were short-listed for the Advisory Board to select the 17 Social Organizations that would join the 3 NGO that were already being supported, giving rise to a total of 20 projects.

Growing Together in numbers

The programme has benefited more than 50 000 persons directly and more than 200 000 persons indirectly in Angola.

- Average distribution of 12 500 meals per month;
- Reduction of the time of recovery from malnutrition from 3 months to 45 days in more than 1 800 children, with impact on cognitive development;
- Legalization of 14 NGO;
- Construction of 26 suitable classrooms, benefiting 2 500 children;
- Various NGOs received other financial support and signed agreements with the Government leveraged by Growing Together's visibility;
- Social Inclusion of 80 visually impaired people, taught braille in the province of Huambo, and 100 people with albinism trained to enter the labour market;
- Training of more than 700 people in vocational courses in Luanda and in the Provinces.

SUM OF BANCO BIC SUPPORT	500 000 USD
SUPPORT OF CO-INVESTOR COMPANIES	122 200 USD
PEOPLE BENEFITED BY GROWING TOGETHER	52 105
PROJECTS SUPPORTED IN 2023	20

5.5. Information Technology

The Bank carried out an Operational Transformation Plan during 2023, tailored to a competitive and digital context, with investment in organizational simplification, in the development of new computer platforms, in particular in the digitalization of processes, directed at improving the quality of the service rendered, Customer satisfaction and loyalty, in response to behavioural changes in the use of banking services.

The Department of Information Systems continued the IT strategic programme, namely in the transformation of Information Systems with implementation of projects related to the Instantaneous Transfer System, Middleware X-Core, Banco Nacional de Angola Instruction 3 on its Credit Risk Information Centre (CIRC 3.0), New Credit Card issuer, New Swift Messages pursuant to ISO 20022, Staging Area/Data Warehouse for the Information and Management System, Biometry in Perfect Forward Secrecy (PFS); in the dissemination of the Service Desk Plus tool; and start-up of new projects, in particular the Table of Credit Rights, Certification of Card Customizer, Implementation of SPTR 24x7, Unitel Payment System, Integration of Channels such as Forex, Engine for the Accounting of Impairment, Forwarding CIRC 3.0 Reports, New Functionalities in SEFIC, Transversal Authorization Module, Card Procedural Cycle, Recording of Commitments Undertaken and improvements to the POS Module.

The Bank strengthened the Bank's system monitoring component, through the implementation of the infrastructure for monitoring and orchestration transversal to the Information Technologies and the restructuring of the telecommunications configurations using new standards and rules on Compliance, anticipating corrective actions in order to prevent impact on the service and following the technological modernization of the communications network, aimed at improving the resilience and service level in the communications component for the Commercial Network (Branches) and Central Building.

In a progressively more interconnected and interdependent financial ecosystem, the focus on resilience led to the adoption of innovative solutions in the pillar of Detection and Response to risks arising thereof, in key areas such as cyber-risks in terms of the supply chain perimeter and solutions based on Security by Design.

The Cybersecurity Area continued to concentrate its activities on issues that it had already been managing and which have been sweeping through the country, in particular, the financial sector, and on monitoring the response to new challenges by upgrading the Cybersecurity Hyper-convergent infrastructure, with Implementation of orchestration in terms of telecommunications and Cybersecurity, and the restructuring of the cybersecurity infrastructure at Endpoints. Having completed the Cyber Transformation Plan, it continued along its path, analysing envisaged threats that may affect the business and its underlying technology.

When the data refer to the new perimeter, Cyber Resilience proves to be a commercial advantage with a competitive edge, meriting the trust and loyalty of our Customers, partners and society in general. These guiding pillars are reflected in initiatives as diverse as in Security, Planning of Infrastructure, the migration of the Disaster Recovery Data Centre, and the Design of the Primary Data Centre to be migrated.

Additionally, and alongside these activities, the Bank continued to evolve in a series of process automation and re-engineering initiatives, enabling the integration of transactions, easy execution and operative simplification, both in Operations and in the Commercial Network. The Workflow for Account Opening and validation of Expired Documents has been implemented, the Credit Workflow platform has been replaced, and the Complaints Workflow has been implemented, thus also strengthening the sustainability and digitalization criteria. The digital strategy directed at Operations increased its pace of implementation with the aim of simplifying processes and reducing the consumption of physical documents in the flow of tasks (leveraging the adoption of digital tools), leading to an acceleration of the execution of processes.

5.6. Human Resources

The Department of Human Resources and Training, as the unit responsible for establishing the policies and practices for human capital, promotes a healthy, balanced, competitive and results-driven work environment. Even while operating under a new paradigm, it kept People Management as the main focus of its activities plan, promoting:

- The adjustment of its Human Resources to the business requirements;
- The strengthening of development programs for Banco BIC's Employees, taking into account the new challenges in the way knowledge is conveyed;
- The continued recognition of organizational and individual merit, in a sustained manner;
- The improvement of talent and performance recognition practices.

Profiling of Human Capital

In order to carry out its activities, Banco BIC had a total of 2 155 Employees as at 31 December 2023 (31 more than as at 31 December 2022), maintaining the trend towards greater representation of the female gender, with women representing 51% and men 49%.

The total of 2 155 Employees are distributed throughout the Bank's different areas, with 1 472 being in Luanda, 682 are distributed in the other Provinces of the country and one (1) is in the representation office in South Africa.

The number of employees allocated to the commercial area is 83% of the Bank's total, continuing the trend seen in previous years.

The ratios of experience in banking, age and higher education indicate that 60% of the Bank's Employees have more than 8 years of banking experience and approximately 45% have attended university.

After 18 years at the service of the Angolan people, the average age of our Employees is 35 years old, with 17% of them aged between 18 and 30 years old.

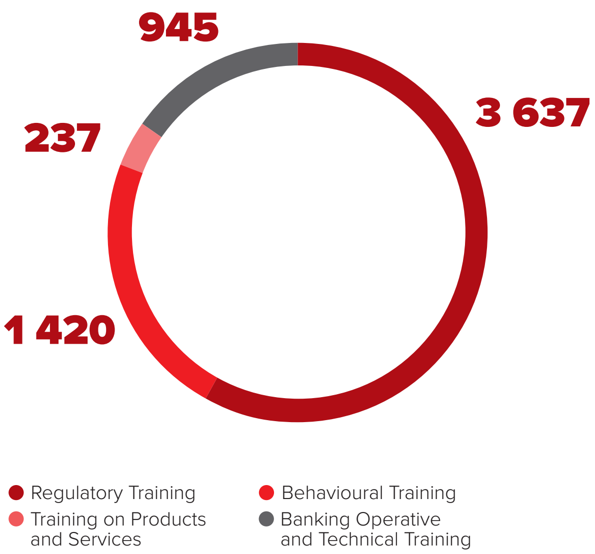
Talent Training and Retention

In order to enable the training to be extended to the greatest number of employees in the 18 provinces, training sessions in e-learning format were conducted through the distance learning platform.

Various classroom and online training actions were ministered during the period under review. The topics stayed within the 4 pillars with a view to improving the performance of each employee.

The actions carried out recorded a total of 6 239 participations.

Training Ministered – 2023



All the training activities carried out were based on an assessment of each Employee's potential, allowing the Human Resources policies to be brought into line with their expectations, the institution's strategic objectives, and regulatory training.

Increased literacy on Anti-Money Laundering and Countering the Financing of Terrorism continued to be one of the major training concerns up to 31 December 2023, accounting for more than 7 500 hours of training. Training on operating income in its technical and commercial component was also a major focus point of the training activity during 2023.

Health Care Benefits

Banco BIC's benefits policy, focused on supporting its Employees in important areas of their personal and family life, includes several types of support and additional benefits in the field of health.

As at 31 December 2023, all the Employees and their respective households benefited from medical assistance through Group Health Insurance that provides comprehensive coverage including hospitalization, consultations and examinations, dentistry, prostheses and orthotics, as well as an evacuation service, which is provided when medically justifiable.

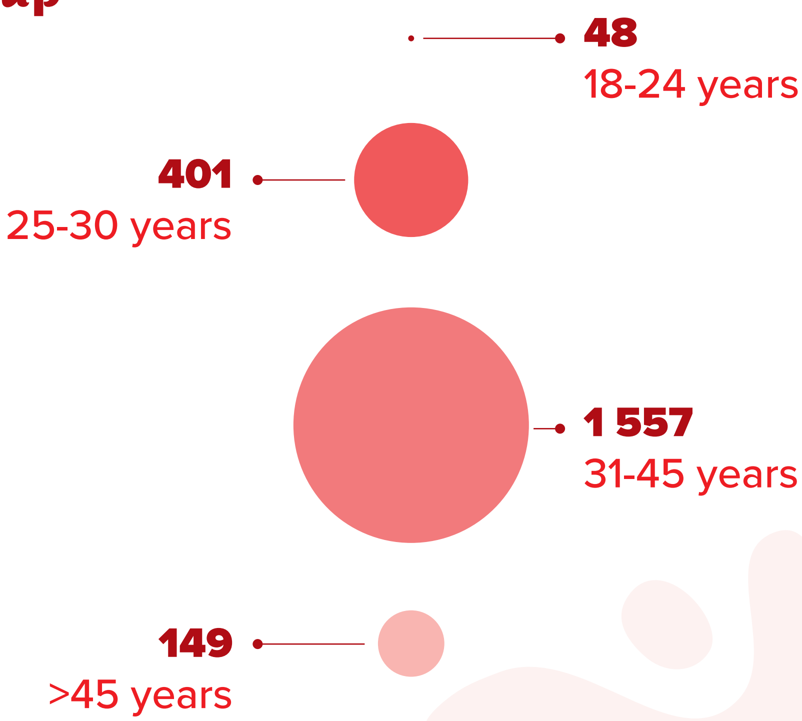
Performance Assessment

The central focus of the Performance Assessment System, an indispensable tool for active talent management and career management, maintained its focus on promoting the development of the Employees' technical and behavioural skills and a culture of merit. The criterion of an interim assessment and an annual assessment was maintained, through which the Bank measures the Employees' degree of contribution and involvement in the accomplishment of their goals, both individual and corporate.

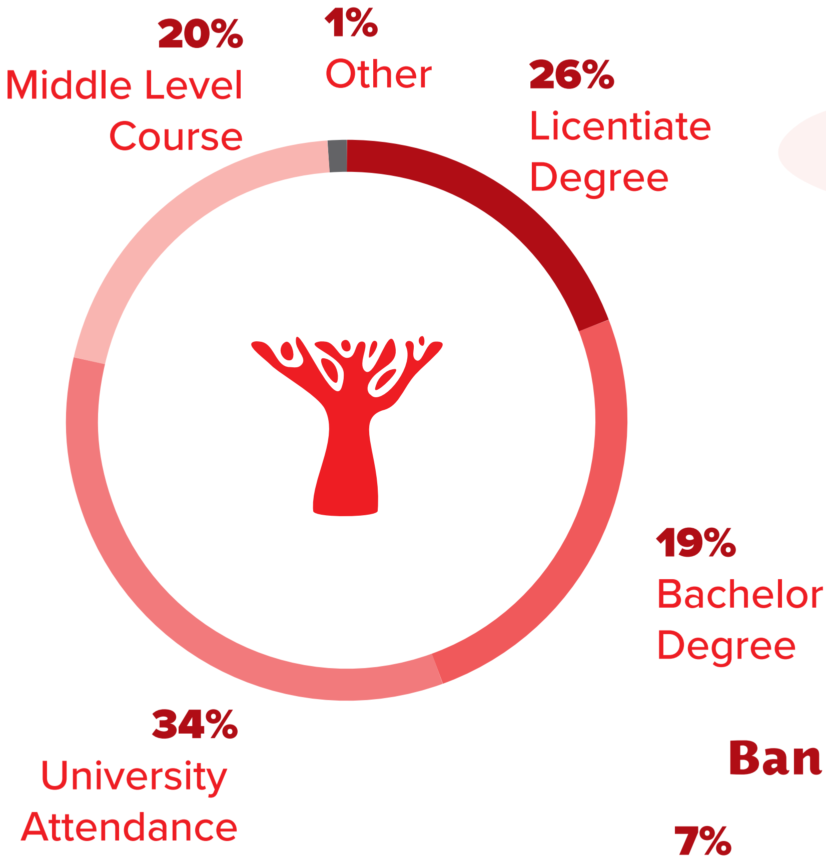
As in previous years, the organizational culture of combining ethical conduct and professional rigour with enthusiasm and initiative has been maintained, with value placed on the teamwork of all Employees. Through the Department of Human Resources, the Bank shows concern for its talent and encourages their engagement and commitment to the institution's vision, mission and values.

Number of Employees

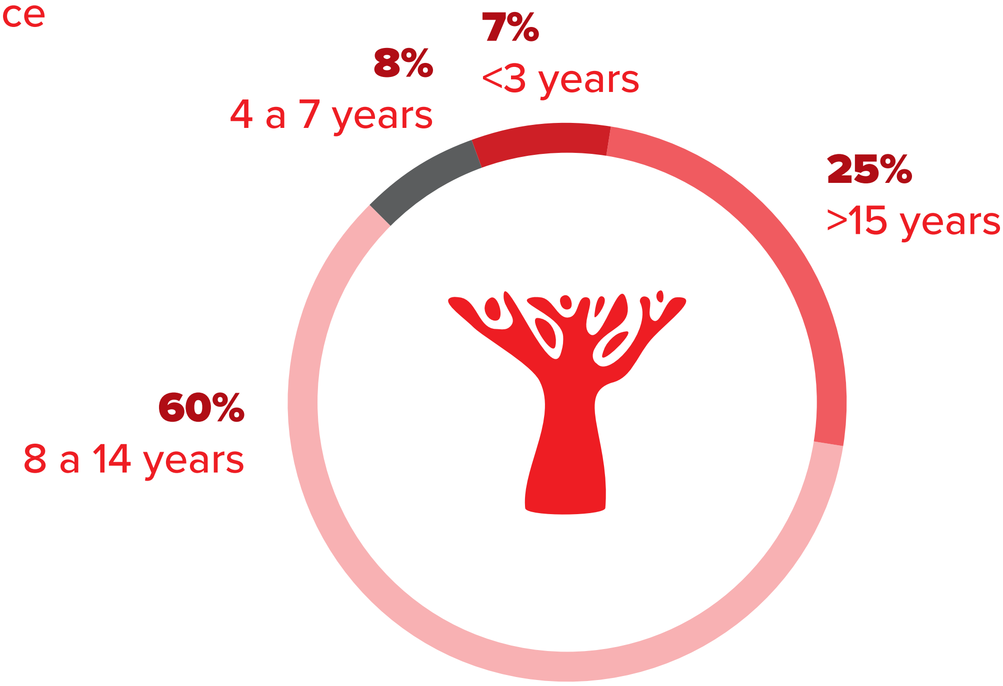
Age Group



Education level



Banking Experience



Training Activity

Number of Hours of Training		Per Employee	
56 296 in 2023	**50 737** in 2022	**24h** in 2023	**27h** in 2022


OSCA

6. Risk Management System

Risk Management System

6.1. Risk Management

The risk management processes of Banco BIC continue to be strengthened in the perspective of ongoing improvement, in line with best practices and in strict Compliance with the regulatory standards, leading to an improvement of the processes of identification, assessment, monitoring and control of the risks faced by the business activities pursued by the Bank.

Banco BIC's risk management culture is ensured internally by the reinforcement of methodologies and processes that consider all the events that could affect the Business Model. In this context, the Bank believes that the implemented risk management system should maintain an appropriate relationship between the risks incurred during the course of its activity and own funds, liquidity and profitability.

Risk management is framed in the overall strategy, embodied in the Risk Appetite Statement, which is composed of a comprehensive set of indicators considered to be of primary importance, representing different risks classified as "material" in the context of the formal process of risk identification and quantification.

The senior manager of the Risk Management Function is the Chief Risk Officer (CRO), a member of the Bank's Executive Committee. The Chief Risk Officer has overall responsibility for monitoring the risk management framework and, in particular, for ensuring the adequate and effective operation of the Risk Management Function. The Chief Risk Officer is also responsible for informing and elucidating the members of the management and supervisory bodies about the risks incurred, the Bank's overall risk profile and the degree of Compliance with the defined risk tolerance levels.

The Risk Management Function is a key element of the Bank's organizational structure and is performed with independence and autonomy. The Risk Department carries out the following, in an integrated perspective, promoting the participation of other organic structures, according to the type of risk, in particular:

- Credit risk which is monitored by the Credit Risk Analysis Department (DARC);
- Operational Risk, the assessment of which is supported by the activities of the Internal Audit Department (DAI);
- Information systems risk which is handled by the Department of Information Systems (DSI);
- Market risks are managed by the International and Financial Department (DIF), and discussed at the level of the Board of Directors and senior managers at the Asset and Liabilities Management Committee (ALCO);
- Compliance risk and Reputation risk which are managed by the Compliance Office (GC).

The Risk Department ensured full Compliance with the regulatory and supervisory requirements and maintained an appropriate internal regulatory structure for risk control and management. Various activities were carried out, aimed at strengthening and consolidating the risk management system, where the following developments are highlighted in 2023:

- Implementation of the process of identification of risks and issuance of the Internal Capital Adequacy Self-Assessment Process (ICAAP) and Internal Liquidity Adequacy assessment process (ILAAP) reports, ensuring appropriate levels of capital and liquidity;

- Implementation and reporting of the first standard stress tests, in Compliance with Directive No. 02/DSB/DRO/2022;

- Drafting and publication of the first Market Discipline Report, based on the regulatory guidelines issued by Banco Nacional de Angola, through Instruction No. 05/2022, providing the market with more detailed information on the Bank's risk exposure and solvency;

- Continued implementation of the measures established in the action plan with a view to addressing the guidelines of the process of analysis and assessment by the supervisor (SREP);

- Reinforcement of the internal processes and procedures for calculation and reporting of Capital Requirements, in Compliance with the provisions and rules defined in Notice No. 08/2021 of 18 June;

- Continuation of the plan to integrate sustainability topics (environment, social and governance or ESG) in the Bank's risk management framework;

- Participation in the Resolution Planning Cycle promoted by Banco Nacional de Angola, in fulfilment of its mission to ensure the stability of the financial system;

- Continued strengthening of the actions to improve operative efficiency and business continuity management, ensuring Compliance with the provisions established in Directive No.11/DSB/DRO/2021;

- Continuous improvement of the quality and comprehensiveness of the information reported to the Governing Bodies, Specialized Committees, Supervisory Entities and market disclosures;

- Ongoing review of internal regulations on policies and procedures related to risk management and control;

- Training actions in the Internal Control System's areas, in particular on risk management and Compliance.

Risk Management Governance

The Bank's risk management function is supported by a governance model that aims to simultaneously comply with best practices and ensure the robustness and effectiveness of the system for identifying, measuring, monitoring, reporting and controlling the credit, market, liquidity and Operational Risks incurred by the Bank throughout its activity.

The highest body of the risk management structure of Banco BIC is the Board of Directors which, under its duties entrusted by the Bank's articles of incorporation, performs a crucial role in the risk management and control structure.

The Board of Directors is responsible for defining the Bank's strategic guidelines, profile and risk appetite, the overall business goals, and for promoting its culture and strategy concerning risk, reflected in the principles, rules and limits as to risk.

The Bank's day-to-day management is delegated to the Executive Committee, which has established different Committees.

The Board of Directors is the Bank's governing body that ensures the institution's governance, being vested by the law and articles of incorporation with the broadest management powers to approve the general organizational structure and being ultimately responsible for ensuring the establishment and maintenance of a suitable governance and internal system, with the support of the Committees.

Internal Control Committee

The Internal Control Committee monitors the internal control system, ensuring efficient execution of operations, control of the inherent risks of the Bank's activities, reliability of accounting and management support information, and Compliance with legal regulations and internal guidelines.

This committee is composed of members appointed by the Board of Directors who do not perform executive functions, in addition to other Employees with relevant functions and/or technical knowledge for the committee's operation.

Audit Committee

The Audit Committee is responsible for supervising the activity and independence of the external auditors, by putting in place an effective communication channel aimed at assessing the reports issued by the external auditors.

This committee is composed of members appointed by the Board of Directors who do not perform executive functions, in addition to other Employees with relevant functions and/or technical knowledge for the committee's operation.

Risk Committee

At the executive level, the Risk Committee is responsible for monitoring overall levels of credit, market, liquidity and Operational Risk, as well as all other risks considered materially relevant to the institution, as well as for ensuring that risk levels are compatible with the objectives, available resources and strategies approved for carrying out the Bank's activity.

This committee is composed of members appointed by the Board of Directors who do not perform executive functions, in addition to other Employees with relevant functions and/or technical knowledge for the committee's operation.

Appointments Committee

The Appointments Committee should draw up and convey to the Board of Directors recommendations on candidates for members of the management and supervisory bodies, whose profiles should be assessed in terms of knowledge, skills, diversity, and experience. This committee is also responsible for acting in accordance with the provisions in Article 184 of the Legal Framework of Financial Institutions, Law No. 14/21, and Banco Nacional de Angola Notice No. 01/2022.

This committee is composed of members elected by the Board of Directors from among the non-executive directors or members of the supervisory body, including a Chairperson.

Remuneration Committee

The Remuneration Committee is a management body, with powers to report, analyse and submit proposals to the Board of Directors within the scope of its functions described in the Bank's internal regulations, in line with Article 186 of the Legal Framework of Financial Institutions, Law No. 14/21, and Banco Nacional de Angola Notice No. 01/2022.

This committee is composed of members elected by the Board of Directors from among the non-executive directors or members of the supervisory body, including a Chairperson.

Credit Risk Committee

This committee meets periodically, and its functions are to monitor the different phases of the credit risk cycle and to ensure the monitoring of the credit portfolio. This process is carried out according to the competencies attributed by internal regulations.

All the members of the Executive Committee participate in the committee, along with a manager of the Credit Risk Analysis Department (DARC), whose duty is to ensure Compliance with and monitor the credit risk management policy, and all the other senior managers of the Bank's commercial areas.

Non-Productive Exposure Monitoring Committee

Bearing in mind the need to permanently monitor loans in default or at risk of default, the Executive Committee has decided that meeting to monitor non-performing loans will be held at least once a quarter. These meetings are held by the Non-Productive Exposure Monitoring Committee.

This Committee is chaired by the Director in charge of Credit Risk. The Operational Coordinators are from the Legal and Credit Recovery Department (DJRC) and the Credit Risk Analysis Department (DARC).

Also participating in this committee are the Director in charge of Credit Recovery, other members of the Executive Committee (optional presence) and the other senior managers of the Bank's commercial areas.

Asset and Liability Management Committee (ALCO)

This committee is responsible for the overall capital management of the Bank and the structural management of its assets and liabilities, specifically interest rate and liquidity risks and including the following aspects, among others:

- Capital allocation planning and proposals;
- Monitoring and management of the interest rate risk associated with the asset and liability structure;
- Preparation of proposals for defining appropriate policies for managing liquidity and interest rate risks, at the level of the Bank's balance sheet;
- Development of capital management strategies and policies, both from a regulatory and economic perspective, in order to identify opportunities to optimize the balance sheet structure and the risk/return ratio.

The Asset and Liability Management Committee meets periodically and is composed of all the members of the Executive Committee, the managers of the International and Financial Department (DIF), Risk Department (DR), Credit Risk Analysis Department (DARC), Management Control Department (DCG), Planning and Accounting Department (DPC), as well as other people who are invited, depending on the matters to be discussed.

Systems Committee

This committee is responsible for monitoring the Bank's systems risk and accompanies the Demand Management process of the Department of Information Systems (DSI).

The Systems Committee meets periodically and is composed of all the members of the Executive Committee, the heads of the Information Systems Department, and other Departments and interlocutors as appropriate.

6.2. Compliance

Banco Nacional de Angola Notice No. 1/2022 of 28 January establishes that the internal control system should have a unit of autonomous nature which is responsible, in the governance model, for controlling Compliance with the financial institution's legal and regulatory obligations, duties, policies and internal guidelines. The Compliance Department (DCOMP) was instituted through service order no. 047/EFU – Functional Organic Structure. The Compliance Department represents the Internal Control System's second line of defence, being a fundamental unit in Banco BIC's governance model and critical to the currently implemented strategy. To that end, the Compliance Department is endowed with all the features that qualify it as an independent, permanent and effective unit.

The Board of Directors has delegated the responsibility for Compliance and reputational risk management to the Compliance Department. Compliance risk consists of the probability of occurrence of negative impacts on results or capital as a result of breaches of or non-Compliance with laws, regulations, specific determinations, contracts, rules of conduct and Customer relations, instituted practices or ethical principles that could give rise to penalties of a legal nature, the limitation of business opportunities, a reduction in the potential for expansion or the impossibility of requiring Compliance with contractual obligations.

Pursuant to the applicable legislation, the Compliance Function is the Bank's structure responsible for:

a) Regular monitoring and assessment of the appropriateness and efficacy of the implemented measures and procedures in order to detect any risk of non-Compliance with the legal obligations and duties, and for monitoring these risks and acting on them;

b) Monitoring and assessment of the internal control procedures on anti-money laundering and combating the financing of terrorism, as well as for the centralization of the information and its reporting to the competent authorities, namely the Public Prosecutor's office (PGR), the Judicial Authorities (Courts) and the General Tax Administration (AGT);

c) Providing the management body with information on any indications of breach of legal obligations, rules of conduct or relationships with Customers, or other duties, that may cause the Bank or its employees to commit a misdemeanour.

The Compliance function is also entrusted with assessment of the Compliance risk of the Bank's activity with a view to proposing resolution measures and the allocation of the available resources for mitigation and treatment of the identified risks.

Under the pursuit of the banking activity, the Compliance function is responsible to:

- Follow-up and ensure internal disclosure of the relevant legislation and regulations to the function;
- Issue guidelines and recommendations concerning Compliance;
- Monitor the accomplishment of the regulatory reports and mapping of the mandatory reports;
- Implement and monitor international best practices on Anti-Money Laundering, combating the Financing of Terrorism and Proliferation of Weapons of Mass Destruction (AML/CFT/PWMD), covering all the general obligations stipulated in Law No. 5/2020;
- Monitor correspondent banking relations and clarify any procedures and requests for information coming from outside the Bank, inclusively with our correspondent banks, whether of legal or transactional nature;
- Monitor interbank transactions through the SWIFT tool, Transaction Sanctions Screening, namely SPTR, OPE and OPR*;
- Act as a communication channel to receive, record and forward questions and requests for clarification on Compliance matters to the competent services for analysis and resolution;
- Collaborate in the promotion, drafting and review of the Compliance regulations, rules and standards with the Bank's various units;
- Participate in the process of identifying and assessing the exposure of each of the Bank's areas to Compliance risk, as well as in the planning and safeguarding of its management;
- Centralize the periodic reporting, by the Bank's various units, of the results of the continuous assessment of the main issues identified in relation to Compliance Risk;
- Collaborate with the Department of Human Resources and Training (DRHF) in the identification/preparation of training programmes on Compliance issues.

6.3. Risk Management Policies and Processes

Effective risk management and control is transversal to the entire organization, ensuring that the strategy and general policies are effectively disseminated and grasped by the Employees, as part of the drive to foster a risk culture. In this context, homogeneity and transparency are ensured in the application of the defined processes through the documentation and formalization of procedures.

The Bank maintains a continuous process of developing and implementing formal processes for recording and processing information, which enable

*SPTR – Domestic interbank transfer via the payment system in real time
OPE – International interbank transfer, payment order sent
OPR – International interbank transfer, payment order received

strengthening the assessment, monitoring and control of each type of risk. These processes respect the principle of transparency, and the established reporting lines guarantee effective and efficient communication, ensuring the timely and appropriate transmission of information in order to assist the decision-making process of the governing bodies.

In line with the recent guidelines published by the Regulator and supervisor, the Bank has developed its activity in a prudent, healthy and sustainable manner, discouraging the taking of risks above the level defined by the Bank. Consequently, the Risk Management Model has proved to be a critical success factor for the Bank to achieve its strategic goals, representing a complementary line of defence in the protection of its value and sustainability.

The Bank's risk management policy aims to ensure the balanced and healthy development of the activity pursued, ensuring that the levels of own funds remain appropriate to the risks incurred. In this sense, it is considered fundamental to ensure the separation of functions between the areas where risks originate and the areas that monitor the risks, enabling the latter to perform their duties in an objective and independent manner.

6.3.1. Credit Risk

Credit risk is considered to be one of the most relevant aspects of the activity of Financial Institutions. It takes the form of losses and uncertainty about future returns generated by the loan portfolio, the possibility of default by borrowers (and their guarantor, if any) or by issuers of securities or counterparties to contracts.

Credit risk management is based on our General Credit Regulation, which sets out the limits and procedures for granting and managing loan operations. Credit risk analysis and decision-making is distributed among the different levels of decision-making for the granting of loans.

The Credit Risk Analysis Department (DARC) is responsible for ensuring the definition and monitoring of the credit risk management policy. Currently, the Bank has a set of manuals and complementary rules that ensure the above by defining competence levels for granting credit, the limits per type of operation, the assessment of the customer's capacity, the monitoring of Compliance with financial plans and the analysis of the risk of uncollectibility and the need to renegotiate operations.

The Bank has been adopting and developing risk management methodologies, particularly with regard to the granting, monitoring and recovery of loans.

It should be noted that increasing use has been made of the Credit Risk Information Centre (CIRC 3.0), a platform for reporting the credit exposure of private and corporate Customers in the banking sector, contributing to more adequate credit risk management.

Decision

The Bank's Credit Risk Analysis Department (DARC) is subdivided into:

- Major Risks – area in charge of the analysis of all credit operations or Clients with general debt levels above 41,4 million kwanzas, equivalent to 50 thousand US dollars;

- Retail – area responsible for the analysis of all credit operations or clients with general debt levels below 41,4 million kwanzas, equivalent to 50 thousand US dollars.

Assessment

Credit risk assessment is based on the following weighting criteria:

- Internal ratings of non-financial entities:
  - Financial Elements of the Customer, assigning a Rating Level in Quantitative terms;

› Completion of a questionnaire by the commercial area (which may be revised at any time by the Credit Risk Analysis Department) including qualitative information that will define the Risk Level. This should reflect the company's true value in qualitative terms.

- The type of loan, purpose and proposed amount;
- The Credit Risk of the Economic Group as a whole;
- The overall debt level reflected in Banco Nacional de Angola's Credit Risk Information Centre (CIRC 3.0);
- Existence of debts to the State or Social Security;
- Concentration of exposure;
- The existing business and credit relationship/ experience;
- Asset Value of the Economic Group.

There are also different assessment processes for specific types of credit, such as:

- Loans to Construction which, in addition to the aforesaid considerations, is further supplemented with an analysis of:
  › Completed projects (Historical Record);
  › Works in progress;
  › Project to be financed (statement of operations, financial plan, project description, including persuasive aspects of the project and permits required for its accomplishment);
- Mortgage Loans, in addition to the aforesaid considerations, is further supplemented with an analysis of:
  › Assessment of the real estate property to be purchased;
  › Debt capacity.

Finally, the entire analysis process includes an assessment of collateral.

CIRC 3.0 has proven to be an essential tool for assessing the general debt levels of Customers in the national banking system, thus allowing a deeper analysis of the risk level of credit operations.

Monitoring

Customer monitoring is associated with ongoing observation work, giving us knowledge at any given time about the level of confidence of the possibility of the punctual repayment of the loan that has been granted, and/or providing a timely warning of any circumstances that could affect the successful accomplishment of the operations.

The process of monitoring the granted loans starts as soon as the contract is signed and continues until its full repayment, in order to guarantee its fulfilment. The Bank performs a characterization that involves classification into different levels of Special - Monitoring, according to the degree of concern regarding the possibility of default (VE4 – monitoring, VE3 – extra guarantees, VE2 – reduction and VE1 – termination).

Customers who are already in default and for whom the possibilities of negotiation by the commercial structure are considered to have been exhausted are also classified under Litigation (C) and Pre-Litigation (PC).

In monitoring of the portfolio of loans that are overdue, the Credit Risk Analysis Department ensures permanent control of loans overdue worth 5 thousand US dollars or more. This control takes the form of reports and monthly meetings with the respective commercial areas.

Central Archive

The Credit Risk Analysis Department includes an area for the management of the archiving of loan processes above 41,4 million kwanzas, equivalent to 50 thousand US dollars. However, due to the existence of the Loan Workflow tool, this archive is being gradually replaced by the software, which enables the digitalization of the entire set of documentation inherent to all approved loan proposals.

Central Balance Sheet Database - Ratings

Since 2014, the Bank has implemented a Central Balance Sheet Database in order to obtain a database of economic and financial information about its corporate Customers. The information is based on the annual financial statements of the companies as well as on qualitative data obtained through the Bank's Commercial Network. Special reference should be made to the evolutive process over the last few years, with a higher number of Customers submitting their Annual Reports and Management Reports, more frequently and of better quality.

The main objective of the Central Balance sheet database is to contribute to better knowledge/monitoring of the economic and financial situation of the companies (Customers) requesting and/or with loans in progress.

Loan Workflow

The Loan Workflow software continues to be an essential tool, enabling the Bank to retain gains in speed in terms of the duration of the loan granting procedure (proposal--decision formulation).

The Loan Workflow has proven to be an effective and efficient tool for processing all of the Bank's loans, due to the following aspects:

Swiftness	The time taken to analyse loan operations has reduced considerably.
Document Management	The documentary support for credit operations is automatically circulated on the platform.
Standardization	Loan operations are executed in a standardized manner throughout the Bank's structure.
Automation	Collects pre-existing data from the Bank's central application related to the Customer.
Process Control	Loan Workflow enables all the participants in each phase of the circuit to know the exact status of the loan operation.

Control of Restructured Operations

Restructured

In the year ended 31 December 2023, 84 restructuring operations were identified in a balanced range of sectors, such as Services (Agriculture and Fisheries); Trade; Construction; Education, Industry; and among individual customers.

In comparative terms, there were 95 restructured operations in the same period of 2022.

Restructured Loan Module

The restructured loan module became operational in 2020, with the loans that were restructured after this period are marked in the system.

The amount of restructured loans (accumulated) with reference to 31 December 2023 amounts to 595 400 billion kwanzas, as can be seen in the summary table below (information on the portfolio and history of restructured operations).

Dec.23 | AOA

Restructured Loans	Contracts	Exposures
1	436	465 377 732 189
2	92	56 246 806 811
More than 2	45	76 046 987 641
	470	**595 400 525 001**

When compared with the year ended in December 2022, we find a higher number of restructured loans (457), amounting to 415 434 million kwanzas.

It should be noted that a significant part of the increased amount of total exposure is due to the constant fluctuation/change of the exchange rate.

The restructure loan module enables a more accurate ascertainment of the evolution of the total restructured exposure.

6.3.2. Market Risk

Market risk is reflected in potential negative impacts on the institution's results or capital, derived from unfavourable movements of the price of the assets in portfolio, including the impact of adverse exchange rate variations in the balance sheet's foreign exchange position.

The Bank recognizes the need and importance of maintaining processes and procedures that are robust and appropriate for Market Risk management, taking into account its ongoing exposure to this risk, in particular with respect to Exchange Rate Risk and Interest Rate Risk.

In view of the above, the Bank establishes, through its Risk Management Policy, its positioning in relation to risk management, in particular:

Trading Book - the Bank aims to maintain a strategy based on a policy of not leveraging its activity by trading financial instruments, acknowledging that this should be based in the commercial and retail segment;

Exchange Rate Risk - the Bank pursues a prudent policy of managing foreign currency assets and liabilities, which minimizes exchange rate risk, with the objective being to obtain permanent coverage of foreign exchange positions in the different currencies.

Interest Rate Risk - guidelines are established by currency for positions with interest rate risk, seeking to promote the maintenance of low net exposure.

6.3.3. Liquidity Risk

Liquidity risk is the risk of the Bank not meeting payment obligations on time or meeting them at excessive cost, either due to more onerous financing conditions (funding risk) or through forced sales of assets below market value (market liquidity risk).

The Bank has solid, effective and comprehensive strategies and processes for the ongoing assessment and maintenance of the amount of internal liquidity considered appropriate to cover the nature and level of the risks to which it is, or may be, exposed.

Liquidity Risk Assessment

Liquidity is controlled on a daily basis by the International and Financial Department on the basis of internally defined metrics, which measure the maximum lending and borrowing needs that may occur, with the evolution of the Bank's liquidity position also being determined.

Additionally, pursuant to Instruction No. 14/2021 of 27 September 27– Liquidity Risk, the Risk Department, reports to Banco Nacional de Angola, on a monthly basis, on the economic value of future cash flows in domestic and foreign currency, for the assessment and monitoring of the liquidity level.

Liquidity Contingency Plan

Liquidity management plays a relevant role in ensuring the Bank's sustainability, where the maintenance of appropriate levels of liquidity is fundamental to the proper operation of day-to-day activities, and especially in situations of cash flow pressure, crisis or recession.

The Liquidity Contingency Plan seeks to anticipate and respond to the possibility of disturbances in the Bank's ability to comply with its obligations, supplementing and articulating the rules and principles defined in the Risk Management Principles and Policies, and the prudentially defined liquidity measures and indicators.

Complementing the above, this plan presents a clear definition of the governance structure required to overcome any adverse liquidity crisis scenarios and identifies the measures for liquidity generation and conservation aimed at restoring the Bank's liquidity and funding position in a situation of crisis.

Liquidity Stress Test

The liquidity management process also incorporates the analysis of scenarios in which the impact of possible adverse events on liquidity levels are assessed. The model used for this analysis stems from the stress test programme, which assesses the Bank's financial structure and its ability to withstand and react to adverse market conditions. The aim of the stress tests is to enable the assessment of impacts on liquidity and, consequently, on the Bank's capacity to comply with its obligations or maintain its activity, simultaneously seeking to anticipate solutions or even avoid positions that excessively jeopardize liquidity.

Scenarios are defined based on an analysis of market behaviour during previous crises, as well as future estimates. Two crisis scenarios are drawn up with distinct intensities.

Internal Liquidity Adequacy Assessment process (ILAAP)

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 liquidity risk limits are complied with, and that adequate operational and governance processes are in place for managing and controlling these limits.

The ILAAP exercise relative to the financial year of 2023 did not identify any significant changes in terms of the liquidity risk management. Nevertheless, the entire internal governance and processes for managing liquidity are reviewed, evaluated and improved on an ongoing basis, particularly in terms of formalizing internal processes for identifying, quantifying, managing and monitoring risk, as well as assigning additional responsibilities to the different parties involved in risk management. The results obtained testify the fact that the Bank has an adequate response capacity, with no need for additional internal capital requirements to hedge this risk.

6.3.4. Operational Risk

Operational Risk materializes through the occurrence of losses resulting from failures of processes, systems or people, or even external events.

Effective management and control of Operational Risk is based on the establishment of processes and procedures that ensure that, in all of its processes, the Bank assesses the risks to which these processes (and their activities) are exposed and has a description and characterization of the defined control actions for risk mitigation and reduction of the residual risk.

Technological development, the complexity of banking operations, the high degree of competitiveness in financial markets and the growth of bank use of external services are crucial factors in the increased complexity of Operational Risk, meaning that it is increasingly necessary for Financial Institutions to establish management processes suited to their dimension and to the complexity of their activities.

For this reason, considering the urgency of the topic, it is also subject to the growing scrutiny of Banco Nacional de Angola, which has strengthened its supervisory action on matters related to risk management.

Thus, it is imperative, both from the internal and regulatory perspective, to establish Operational Risk management and control processes and procedures aimed at the effective mitigation of the risks to which the Bank is exposed. Compliance with the regulatory framework must be ensured at all stages of Operational Risk management. The risk management process should cover all the relevant stages, from the identification and assessment of the risk up to its ongoing monitoring, control and reporting.

Operational Risk Management

Considering the need to ensure an integrated and structured approach to Operational Risk management, the Bank recognizes the need and relevance of the maintenance of robust and appropriate processes and procedures for Operational Risk management, taking into account its growing materialization and potential impacts on the Bank's activity.

Efficient and appropriate Operational Risk management requires the involvement and commitment of all the Bank's Employees and governing bodies. Operational Risk is present in the Bank's different activities; hence, it is crucial for the existing procedures and respective controls of risk assessment and mitigation to be constantly updated.

In view of the above, the Bank carried out a transversal review of its Operational Risk management processes, in order to ensure the existence of processes and tools for the management of this risk in its various dimensions: identification, assessment, monitoring and reporting.

Likewise, and supplementing the enhancement of the robustness of the Operational Risk management techniques, the exercise pursued aimed to ensure a greater awareness within Banco BIC, as a whole, on this topic, considering the scope and transversal nature portrayed by Operational Risk.

In this sphere, Banco BIC's objective, in a short-term perspective, is to ensure the continuity of the implementation and operationalization of all the items developed under the review of the Operational Risk management process. This exercise is the responsibility of the Risk Department, but also involves a strong and crucial participation of all the Bank's Departments and Office.

In order to ensure a comprehensive and coherent mapping to support the Bank's activity, the risks to which the Bank is exposed were aggregated in a risk matrix, in line with the Risk Appetite Statements, ensuring integration between the risk management processes all the other strategic and business processes of the Bank, as well as the incorporation of a forward-looking component through identification of the emerging risks.

Business Continuity Management

The Bank acknowledges, as a financial institution of the Angolan Financial System, the need to be prepared to respond to events that may compromise its ability to render services, as required by the principle ruling its activity. To this end, the Bank perceives its Business Continuity strategy as an investment in its processes, procedures, image, reputation and, above all, in its relationship with Customers, partners and the Regulator.

Business continuity management is a key requirement of all Financial Institutions, and comprises an integrated series of policies, processes and procedures aimed at ensuring the continuous functioning of an Institution and/or the timely recovery of its operational activity in the case of occurrence of events capable of disturbing its normal operation.

As a structural element of its risk management practices, the Bank has developed a series of guiding principles for the implementation, management and operationality of business continuity management, in conformity with the regulatory guidelines issued by the Regulator.

6.3.5. Solvency Risk

Solvency risk is the risk arising from the possibility of the institution not having a sufficient level of capital to deal with unexpected future losses resulting from its activity.

Banco BIC should have solid, effective and comprehensive strategies and processes for the ongoing assessment and maintenance of the amounts, types and distribution of the Internal Capital considered appropriate to cover the nature and level of the risks to which it is, or may be, exposed.

During recent years, Banco Nacional de Angola promoted a transversal review of the Regulatory and Prudential Framework in force, aimed at aligning the prudential rules in the Angolan Financial System (SFA) with the highest standards and guidelines issued by the international reference bodies. This seeks to ensure the convergence of the supervisory process with international best practice.

New regulatory requirements entered into force in the second half of 2023, with transitional arrangements for exposures expressed in foreign currency, applicable to Central Administrations and Financial Institutions. These changes had an impact on the calculation of Capital Requirements and on the Prudential Limits to Major Risks.

Considering the transitional arrangements up to 2027, the new requirements do not have any significant impact on the ratios ascertained up to the end of 2023, with Banco BIC continuing to show comfortable capital levels that are appropriate to its risk profile.

Internal capital requirements

Pursuant to Basel Pillar II, the Bank performs the internal capital adequacy assessment process (ICAAP) that aims to identify, measure and allocate capital to the risks to which the Bank is currently exposed, or is likely to be exposed to in the future. The risk identification and measurement process focus on all risks defined in the Bank's risk taxonomy. In turn, and according to the perception of the materiality of the risks, the methodologies and/or internal risk factors are used to quantify the internal capital required to absorb unexpected losses resulting from risks that may materially affect the Bank, broken down by risk categories and, where applicable, subcategories.

In this context, Banco BIC's ICAAP process is based on a series of fundamental principles for its performance, with a view to ensuring that the risks to which it is exposed are properly assessed and that its internal capital is adequate to its risk profile.

The Bank determines its internal capital in a prudent manner, ensuring that it is consistent and comparable with its own funds, and that it is available to absorb losses, even in adverse scenarios.

The ICAAP exercise with reference to 31 December 2023 led to the conclusion that the Bank is able to allocate internal capital for the identified capital requirements and has the capacity to absorb additional risks, for the projections made, both in base and stress scenarios.

6.3.6. Concentration Risk

Concentration risk control is an essential element of management. The Bank continuously monitors the level of concentration of the loan portfolios in different relevant dimensions by economic activity sector and Customer groups (individual analysis).

The Bank considers risk concentration in its risk management strategies, policies and processes, defines the responsibilities of relevant Employees and develops processes for the identification, assessment, monitoring, control and reporting of risk concentration.

In portfolio concentration risk, the Bank aims to improve the level of diversification of counterparties, based on methodologies for assessment, monitoring and control of credit limits for institutions, as well as Compliance with the prudential limits in accordance with Banco Nacional de Angola Notice No. 08/2021 and Instruction No. 10/2023.

6.3.7. Reputational Risk

The Bank's image is monitored by the Marketing Department, which throughout the year carries out advertising campaigns and actions with its Customers.

In addition, and under the scope of reputational risk management, the Compliance Department is responsible for coordinating and safeguarding the proper implementation of procedures for anti-money laundering, combating the financing of terrorism and proliferation of weapons of mass destruction. The aforementioned Departments, as well as the Executive Committee, should regularly monitor and assess situations that could compromise the Bank's reputation, and take the necessary steps to resolve them.

6.3.8. Conduct Risk

The code of conduct establishes a culture of integrity between the Bank and its stakeholders, involving the observation of best Corporate Governance practices, resulting in conduct guided by high standards of integrity, professionalism and diligence, always in defence of the Customer's interests and in strict Compliance with all the applicable legislation.

The Bank's Compliance Department is responsible for strengthening the culture of integrity and Compliance with the rules stipulated in the code of conduct, both by the governing bodies and Employees.

Conduct risk management is incorporated into an organizational structure and governance model that distributes responsibilities between the first and second lines of defence. The Bank's Code of Conduct establishes and systematizes the principles and rules of behavioural nature that must be followed when carrying out all banking activity.

6.3.9. Strategy Risk

The control and mitigation of this risk is carried out through the monthly analysis of the Bank's financial performance, its comparison with the budget and assessment of deviations, in order to appraise the adequacy of the strategic decisions taken and ensure a timely response to changes in the business environment. Risk control also enable ensuring the appropriate implementation of the Bank's strategy and achievement of its objectives.

6.3.10. Compliance Risk

Compliance risk is reflected in the uncertainty of the occurrence of harmful events to the institution, able to lead to the application of legal or regulatory sanctions, with operational, financial or reputational impact. These situations may arise from legal or regulatory breaches or non-Compliance occurred throughout the banking activity.

The Compliance Department manages Compliance risk based on Compliance with applicable legal and regulatory provisions, including those related to anti-money laundering, combating the financing of terrorism and proliferation of weapons of mass destruction, as well as the professional and ethical standards and practices of the internal and statutory rules, the rules of conduct and Customer relations, and guidelines of the governing bodies, in order to protect its reputation and avoid penalties.

Furthermore, the Compliance Department participates in the prevention of the following key Compliance risks, among others:

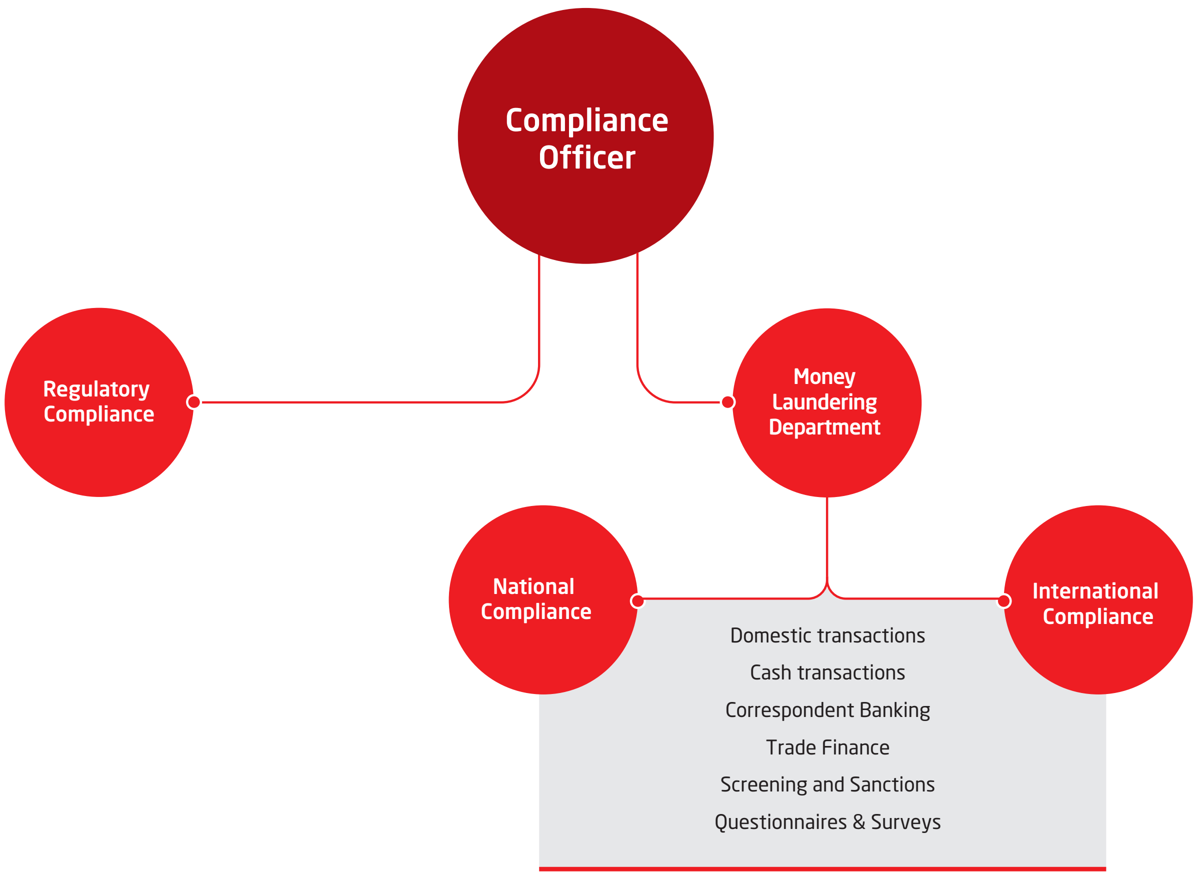
- Risk of AML/CFT/PWMD
- Operational Risk
- Institutional and Reputational Risk
- Ethics and Conduct Risk
- Risk of Regulatory Non-Compliance
- Risk of Conflicts of Interest
- Data Protection Risk

Banco BIC has implemented methodologies and tools that enable preventive action against Compliance risk events, through the processes established in the internal policies and regulations, together with computer solutions to support operational management.

These methodologies ensure regular monitoring and evaluation of the suitability and effectiveness of the implemented measures and procedures to detect any risk of non-Compliance with the legal obligations and duties to which the institution is subject. Likewise, the Bank is also equipped with procedures and tools that enable the ongoing monitoring and assessment of risks relating to anti-money laundering, combating the financing of terrorism and proliferation of weapons of mass destruction (AML/CFT/PWMD), endorsing standards not only in accordance with current legal provisions, but also with the international best practice.

The Compliance Department closed the year with 13 Employees, distributed over different functions, in a structure considered appropriate for the efficient management of Compliance Risk.

The Bank's current institutional Compliance risk management model is based on several factors, such as Regulatory Compliance and AML Compliance, and is not limited to the functional organizational chart presented below.



Accordingly, and as a result of the necessary ongoing adaptation of the implemented procedures, the Compliance Department has been monitoring different projects aimed at systematization of tasks, namely:

i) improvements in processes of monitoring mandatory reporting;
ii) improvements in payment tools via alternative channels;
iii) processes of Customer acceptance (onboarding);
iv) various transaction processes.

6.4. Internal Control

In defining the Internal Control System, Banco BIC includes an integrated set of policies and processes, of permanent nature, transversal to the entire Bank, aimed at ensuring the following:

i) Efficiency in the execution of the operations;
ii) Risk control;
iii) Reliability of the accounting information supporting the management;
iv) Compliance with the legal regulations and internal guidelines.

The Internal Control System of Banco BIC is based on a series of assumptions aimed at, among others:

i) Business continuity;
ii) The existence of complete, reliable and timely accounting and management information to support decision-making;
iii) Compliance with the legal provisions and on conduct;
iv) The integrity, concordance and efficacy of processes.

In order to achieve its objective effectively, the Bank ensures that its Internal Control System and structuring of its Internal Control Policy incorporates, in addition to the respective regulatory framework, the work framework, which includes:

a) An appropriate control environment that reflects the importance of internal control and establishes discipline and structure for all the other elements of the Internal Control System;

b) A solid risk management system, aimed at identifying, assessing, monitoring and controlling all the risks that could influence the strategy and objective defined by the Institution, ensuring their fulfilment and taking the necessary measures to respond appropriately to undesirable deviations;

c) A robust set of control activities, focused on the types of risks they intend to mitigate, identifying evidence of their practical implementation, and connected with efficient and effective practices, reducing the risks to residual levels;

d) An efficient information and communication system, instituted to ensure the collection, processing and exchange of relevant, comprehensive and consistent data, within a time limit and in a manner that enables the effective and timely management and control of the institution's activity and risks;

e) An effective monitoring process, implemented with a view to ensuring the appropriateness and efficacy of the actual Internal Control System over time, that ensures, in particular, the timely identification of any flaws, whether potential or real, or opportunities to make improvements leading to the strengthening of the system.

Thus, the Internal Control System is adapted to the size, nature, complexity, structure and business model, risk profile, degree of centralization and delegation of powers and duties of the Bank, respecting the principle of proportionality.

The system is periodically reviewed and updated so that measures related to risk that had not been previously identified are easily incorporated in due time in the process underway.

Governance Model of the Internal Control System

The governance model of the Internal Control System of Banco BIC is composed of a diversified series of bodies and units which share, among one another, the series of functional responsibilities and duties. This should, on its own, ensure the sound operation of the system, its relevance, pertinence, effective implementation and efficiency.

The Board of Directors is the body responsible for fostering a culture of rigour, care, honesty and ethics at the Bank, defining the applicable behavioural values and principles and, with this, establishing the entire Internal Control System, as well as the implementation, supervision and review of the governance of internal control.

The Board of Directors is also responsible for ensuring the follow-up of the management information related to Internal Control flaws, analysis of the assessment report on the Internal Control System, and issuance of an overall opinion on the adequacy and efficacy of the Internal Control System.

The Board of Directors has set up different Committees for control which, in addition to providing support to the actual Board of Directors to fulfil its duties, monitor the internal control system both from the perspective of ensuring its effective implementation and its efficient operation.

The model of governance of the Internal Control System implemented at Banco BIC is based on an approach of three lines of defence, defined and composed as follows:

- The **first line of defence**, responsible for risk identification, management and controls, that includes, among others, the commercial area – due to its responsibility of executing the first-level controls;

- A **second line of defence**, which ensure the monitoring of risks, advising and supporting the first line of defence in the identification of risks and controls. The second line of defence is composed of the Compliance Office and Risk Department, which are responsible for the monitoring process, in this context conducting periodic tests to the efficacy of the first line controls.

  The Risk Department is responsible for identifying, monitoring, analysing, measuring, managing and reporting risks, forming a holistic vision of all the risks, and implements risk management measures by business lines, aimed at ensuring that the process and controls implemented in the first line of defence are appropriate.

  The Compliance Office monitors the Bank's Compliance with the legal, regulatory and internal policy requirements, including protection of the Bank's reputation. It advises o Compliance issues and establishes policies and processes to manage Compliance risks and ensure a culture of Compliance at the Bank.

  Moreover, the Bank's Internal Control System considers that the second line of defence includes the Credit Risk Analysis Department (DARC), which monitors credit risk, and the Department of Information Systems (DSI), which monitors risk of information systems.

- A **third line of defence**, which is carried out by the Audit and Inspection Department (DAI), responsible for examining and assessing, in an independent manner, the adequacy and efficacy of the policies, processes and procedures supporting the Internal Control System, particularly by testing the effectiveness of the implemented controls.

7.

Money Laundering and Financing of Terrorism

Anti-Money Laundering, Combating the Financing of Terrorism and Proliferation of Weapons of Mass Destruction

As a result of the high probability of credit institutions being used to disguise, convert, transfer or invest funds of unlawful origin arising from activities classified as criminal, the Republic of Angola approved a series of resolutions and regulations with a view to ensuring the security of the Angolan Financial System.

This set of legal provisions is not limited to criminalizing certain behaviours, specifically those considered "money laundering of proceeds from unlawful activities", as it also establishes a set of preventive measures, especially aimed at the financial system.

In this regard, Banco BIC has been continuously adopting and updating its strategies, policies and processes that enable preventing the use of its banking platform for money laundering purposes.

Pursuant to Law No. 05/2020 BC/FT, the Bank continued its process of review and maintenance of the core mechanisms for anti-money laundering (AML), implemented in the solution named "PORTAL PFS-SOLUÇAO DE AML" [AML Perfect Forward Secrecy (PFS] SOLUTION PORTAL] or EAGLE SYSTEM.

This IT tool to support the prevention of the risk of money laundering has several features, some of which are listed below:

- Provision of a large number of rules that enabled the Compliance Department to improve the control mechanisms in terms of Know your Customer (KYC) and "Know your Transaction (KYT), and increase the extent to which actions are taken in the various transactions performed in the core banking system.
- Instantaneous cross-referencing with International Sanctions Lists — namely the lists issued by the United Nations (UN), Office of Foreign Assets Control (OFAC) of the US Department of the Treasury and European Union (EU), covering designated persons, groups or entities;
- Following a set of predefined variables in the risk model, the tool automatically assigns a risk level to the Customer in question;
- The tool assigns a risk level to all the entities that are interlinked;
- In addition to other features, this application has a KYT module that enables entering a considerable number of account transaction rules;
- Naturally, this AML solution is integrated with all the other core operating tools, in particular the core banking tool and transaction processing circuit tool;
  - Merely as an example, FOREX is a channel aimed at facilitating the circulation flow of operations at the Bank, from the date of their entry into the commercial network up to their monitoring in all other related areas, in order to ensure better follow-up and monitoring of the execution status of the transactions. In other words, it seeks to ensure that the transactions in the pipeline comply with the necessary Compliance requirements.

Furthermore, the AML solution enables manual, semi-automatic and automated management of the entities and transactions, including the processing of warnings based on risk, subject to the corresponding duty of identification and diligence.

It is also important to highlight that, in Compliance with the duty of disclosure established by the legislation in force, the Bank, via the Compliance Department, reported, on a daily basis, an average of approximately 165 statements of cash transactions (DTN) to the Financial Information Unit (UIF).

Under this duty, a variety of information was also submitted to the appraisal of the Financial Information Unit, in particular, in the format of Declaration of Suspicious Operation (DOS), Declaration of identification of persons, groups or entities (DIPD), Spontaneous Reporting Declarations (DCE) and answers and clarifications to requests for information about entities in a commercial relationship with the Bank.

During 2023, in the context of AML risk management, the Compliance Department assessed the level of exposure of the Bank's Customer portfolio based on the following factors, among others:

- Size of the institution and turnover;
- Customer identification, follow-up and distribution of the inherent risk factors according to the classification and characteristics of the Customers;
- Identification and appraisal of relevant bank products based on perception of various aspects, including transaction risk weights, the volume and frequency of use, the implemented risk mitigation measures, likelihood of occurrence and potential impact;
- The strengths and weaknesses of the bank product and service distribution channels;
- Adequacy of the risk mitigation measures that have been implemented and established in the internal policies and regulations ruling the Employees' professional conduct.

Throughout the activities of the Compliance function, a variety of data was collected leading to the following information, among others:

- Assessment of the distribution of entities associated with a high-risk profile, the volume of high-risk transactions, the volume of enhanced diligence triggered at an internal level and by external entities, including the authorities and correspondent banks;
- Verification of the volume of most frequent high-risk transactions, namely cash transactions, payment operations with foreign destinations, payment operations received, among others;
- Identification of the operations which were validated using the interface between the AML core tool and the extra tool for national and international bank transactions (FOREX), aimed at ensuring the application of the Compliance assumptions established for execution of foreign exchange transactions.

The Compliance Department is responsible for articulating matters related to anti-money laundering and countering the financing of terrorism and proliferation of weapons of mass destruction with Banco Nacional de Angola and the Financial Information Unit. Banco BIC prizes the establishment of close collaboration with these bodies, and endeavours to ensure its participation/representation in seminars held for this purpose, including those fostered with the observers of the Financial Action Task Force (FATF). Banco BIC's Compliance Department participated in the annual event of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), held in the town of Kasane in Botswana, together with the Angolan Delegation at the 6th Public and Private Dialogue – Eastern and Southern Africa Anti-Money Laundering Group Session.

8. Financial Analysis

Financial Analysis

8.1. Financial Analysis

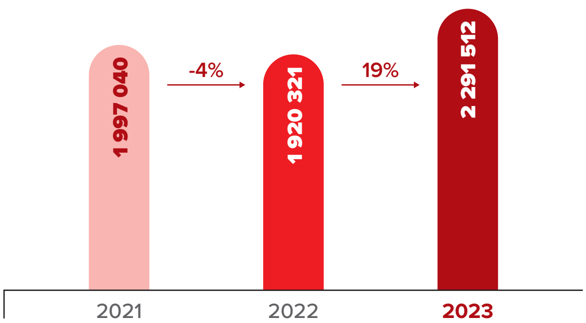
The Bank's net assets as at 31 December 2023 amount to 2 291 512 million kwanzas, an increase of 371 191 million kwanzas compared to 31 December 2022, corresponding to an increase of 19%. This increase was boosted by Investments at Amortized Cost (Securities Portfolio), which rose from 325 705 billion kwanzas as at 31 December 2022, to 520 839 billion kwanzas, and by the increase in Loans and Advances to Customers, amounting to 159 023 billion kwanzas.

Assets are essentially financed by Customer funds and other loans, which increased by 212 416 billion kwanzas compared to 31 December 2022. In 2023, Customer resources amounted to 1 445 504 million kwanzas.

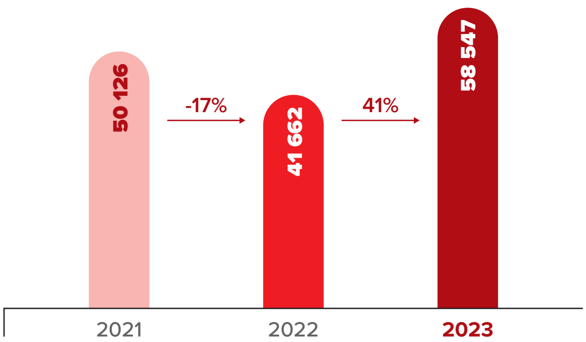
Banco BIC's net income as at 31 December 2023 amounted to 58 547 billion kwanzas, which compares with net income of 41 662 billion kwanzas as at 31 December 2022, corresponding to an increase of 41% year-on-year.

As at 31 December 2023, the Bank's equity stands at 466 693 billion kwanzas, representing an increase of 36 706 billion kwanzas compared to the 429 987 billion kwanzas as at 31 December 2022.

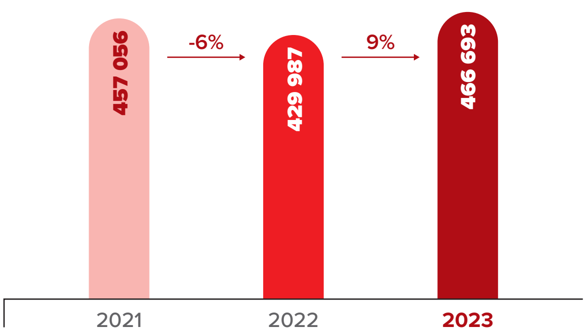
Net Assets
(Million AOA)



Net Income
(Million AOA)



Equity
(Million AOA)

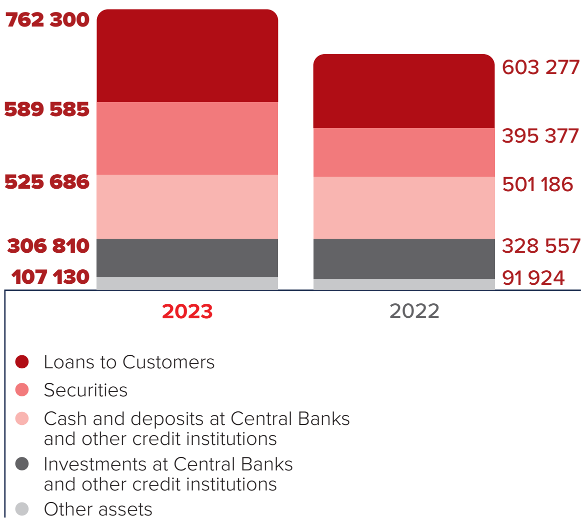


8.2. Balance Sheet

Assets

As at 31 December 2023, the Bank's net assets amounted to 2 291 512 million kwanzas, corresponding to an increase of 19% compared to 31 December 2022. This variation is explained by the increase in Investments at amortized cost and Loans and advances to customers, which increased by 195 134 billion kwanzas and 159 023 billion kwanzas, respectively. These increases are largely due to the impact of the exchange rate variation in balances indexed to or denominated in foreign currency.

Net Assets
(Million AOA)



In Millions

ASSETS	2023		2022		Variation
	AOA	USD	AOA	USD	%
Cash and deposits at Central Banks	359 919	434	391 337	777	-8%
Deposits at other credit institutions	165 767	200	109 849	218	51%
Investments at Central Banks and other credit institutions	306 810	370	328 557	652	-7%
Financial assets at fair value through other comprehensive income	68 746	83	69 672	138	-1%
Investments at amortized cost	520 839	628	325 705	647	60%
Loans to Customers	762 300	920	603 277	1 198	26%
Non-current assets held for sale	13 319	16	11 938	24	12%
Other tangible assets	25 508	31	23 898	47	7%
Intangible assets	970	1	2 132	4	-54%
Investments in subsidiaries, associates and joint ventures	305	-	396	1	-23%
Deferred tax assets	13 364	16	13 364	27	0%
Other assets	53 664	65	40 196	80	34%
Total	2 291 512	2 764	1 920 321	3 813	19,3%

Loans Granted to Customers

The portfolio of loans granted to Customers (including signature loans) amounted to 1 175 252 million kwanzas as at 31 December 2023, which is equivalent to a 35% increase on the previous year.

In Millions

LOANS GRANTED TO CUSTOMERS	2023		2022		Variation
	AOA	USD	AOA	USD	%
1. Total Loans	1 175 252	1 418	873 772	1 736	35%
1.1. Loans to Customers	638 962	771	522 321	1 037	22%
Loans in Domestic Currency	437 958	528	355 661	706	23%
Loans in Foreign Currency	201 004	243	166 660	331	21%
1.2. Loans and interest overdue	459 776	555	287 742	571	60%
Loans and interest overdue in Domestic Currency	77 856	94	65 093	129	20%
Loans and interest overdue in Foreign Currency	381 920	461	222 649	442	72%
1.3. Interest receivable	18 290	22	25 299	51	-28%
Interest receivable in Domestic Currency	17 710	21	25 031	50	-29%
Interest receivable in Foreign Currency	580	1	268	1	116%
1.4. Signature loans	59 484	72	39 656	79	50%
Guarantees and sureties provided	45 492	55	34 354	68	32%
Open documentary credit	13 993	17	5 302	11	164%
1.5. Associated fees at amortized cost	(1 260)	(2)	(1 246)	(2)	1%
2. Impairment and provisions for credit risk	(361 851)	(436)	(238 451)	(473)	52%
Loans granted	(353 467)	(426)	(230 839)	(458)	53%
Provision of guarantees	(8 384)	(10)	(7 612)	(15)	10%
3. Loans Granted, Net of Impairment and Provisions	813 401	1 854	635 321	2 209	28%
Overdue / Loans Granted	41%	41%	34%	34%	

Net loans and advances to customers as at 31 December 2023, including signature loans, account for approximately 35% of total assets (33% as at 31 December 2022).

Signature loans increased by 19 828 million kwanzas in 2023, equivalent to 50%, to stand at 59 484 million kwanzas as at 31 December 2023. Guarantees and Endorsements increased from 34 354 million kwanzas to 45 492 million kwanzas as at 31 December 2023, and Open documentary credit increased by 8 691 million kwanzas. This increase is essentially due to the currency devaluation (99%) in 2023.

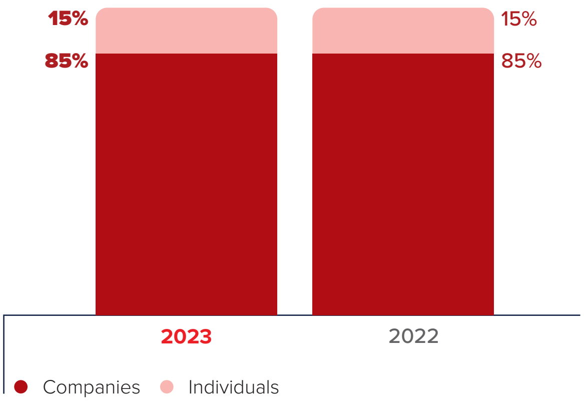
As at 31 December 2023, the Bank maintained its conservative policy in the classification of the risk of the granted loan operations.

In 2023 financial year, the Bank has total impairments and provisions amounting to 361 851 million kwanzas, i.e. an increase in absolute value of around 123 400 million kwanzas (52%) compared to the same period of the previous year.

In 2023, as was already the case in 2022, around 85% of the loan portfolio corresponds to loans granted to companies, while the remaining 15% refers to private customers.

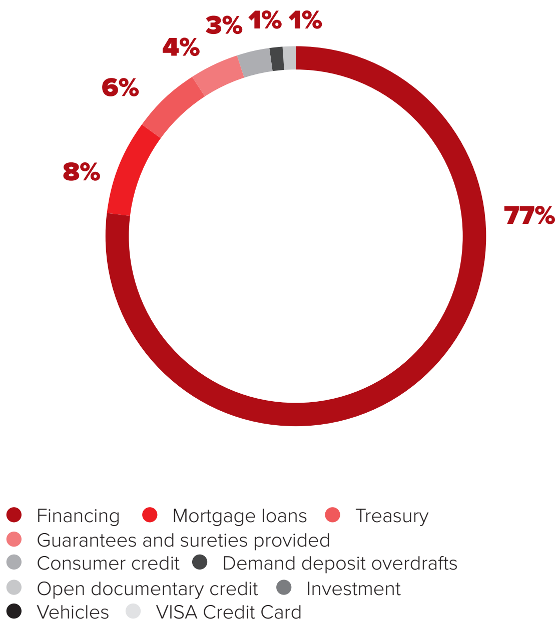
The breakdown of the loan portfolio by type of products reveals a great diversity of activities supported by Banco BIC. The products most sought after by the Bank's Customers are Loans, with a weight of 77%, Mortgage loans with 8%, Liquidity support loans with 6%, Guarantees and endorsements provided with 4% and Consumer loans with a weight of 3%.

Breakdown of Loans by Beneficiaries

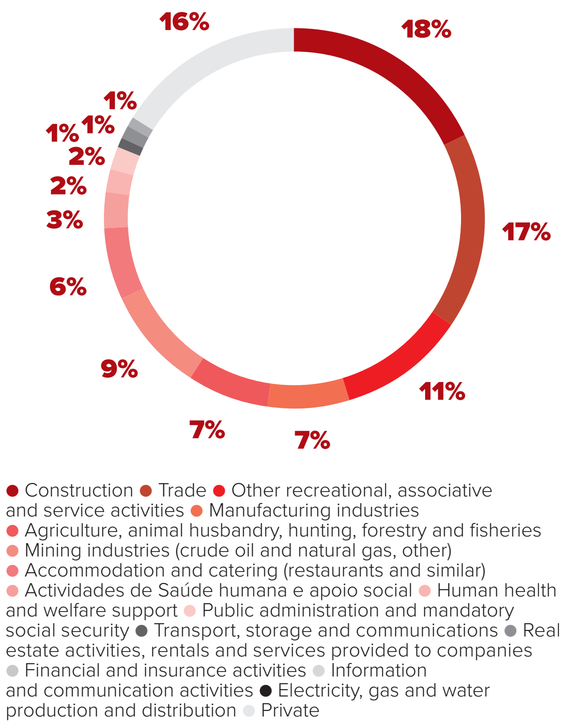


As at 31 December 2023, the loan portfolio can be broken down by type of product as follows:

Loans by type of product



Loans by sector



As at 31 December 2023, the Construction and Trade sectors, with 18% and 17% respectively, were the ones which received the most support from Banco BIC, in terms of loans granted. Also noteworthy were loans to individual customers, which accounted for 16% of total loans.

As at 31 December 2023, there was an increase in overdue loans of 172 033 million kwanzas (around 60%), compared to the figures presented at the end of 2022. The vast majority (84%) of the increase in overdue loans is due to the exchange rate devaluation in 2023, in terms of loans denominated in foreign currency.

The same is the case in terms of impairments and provisions constituted for loans. The increase is partly explained by the exchange rate devaluation in 2023, which increases the impairment for credit exposures in foreign currency. Additionally, the Bank specifically reinforced the heading "Impairments" by 11 958 million kwanzas.

During 2023, loans overdue represented approximately 41% of the total loans granted to Customers. These loans overdue are approximately 77% covered by impairments, with this figure having fallen by 3 p.p. in relation to the previous year. The level of coverage of the loan portfolio by impairments represents approximately 32%, reflecting an increase of 4 p.p. year-on-year.

Million AOA

LOANS OVERDUE	2023		2022		Variation
	AOA	USD	AOA	USD	%
Loans to Customers	1 115 767	1 346	834 116	1 657	34%
Loans overdue	459 776	555	287 743	571	60%
Loans overdue / Loans to Customers		41%		34%	7%
Coverage of loans overdue by impairment		77%		80%	-3%
Impairment for loans / Loans to Customers		32%		28%	4%

Securities Portfolio

The Bank's securities portfolio is classified according to the substance inherent to the acquisition purpose, taking into account the characteristics of the contracted cash flows of those assets and the business model used for their management.

The portfolio is entirely classified as "Investments at amortized cost", as the securities in portfolio comply with the Solely Payment of Principal and Interest (SPPI) tests and due to the business model associated with the holding of these securities.

The breakdown of the portfolio of investments at amortized cost with reference to 31 December 2023 is as follows:

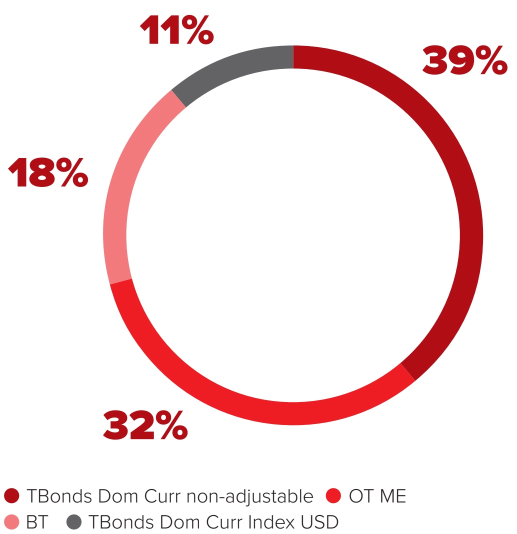
Million AOA

SECURITIES PORTFOLIO	2023		2022		Variation
	AOA	**USD**	AOA	USD	%
Investments at amortized cost	**564 386**	**681**	351 881	698	60%
Treasury Bonds	**447 312**	**659**	298 700	670	50%
In Domestic Currency (non-adjustable)	**212 909**	**257**	112 268	223	90%
In Foreign Currency (USD)	**174 369**	**210**	77 997	155	124%
In Domestic Currency (USD Index)	**60 033**	**72**	108 435	215	-45%
Treasury Bills	**99 060**	**120**	38 952	77	154%
Other securities (commercial paper)	**-**	**-**	-	-	-
Interest receivable	**18 015**	**22**	14 229	28	27%
Impairment	**(43 547)**	**(53)**	(26 176)	(51)	66%
Total	**520 839**	**628**	325 705	647	60%

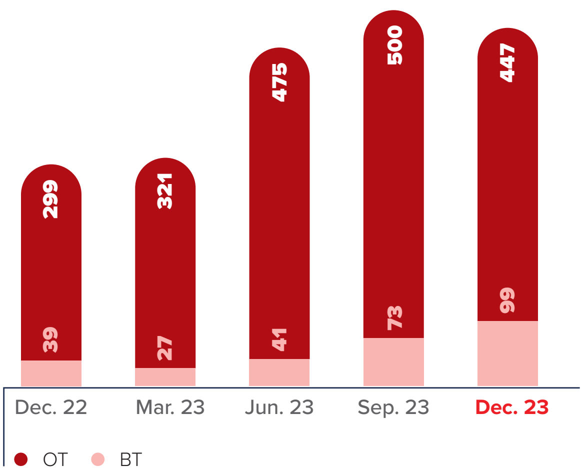
As at 31 December 2023, the bank's securities portfolio had increased by around 195 134 million kwanzas (60%) compared to its position as at 31 December 2022. This variation is explained, on the one hand, by the acquisition of Treasury Bonds in domestic currency (non-adjustable) and in foreign currency (USD) amounting to approximately 100 461 million kwanzas and 46 030 million kwanzas, respectively, and on the other hand, by the impact of the exchange rate devaluation on transactions indexed to the dollar and in foreign currency.

The increase of the securities portfolio, observed in 2023, led to a consequent reinforcement of the impairment constituted for this category of assets.

Banking Experience



(Million AOA)



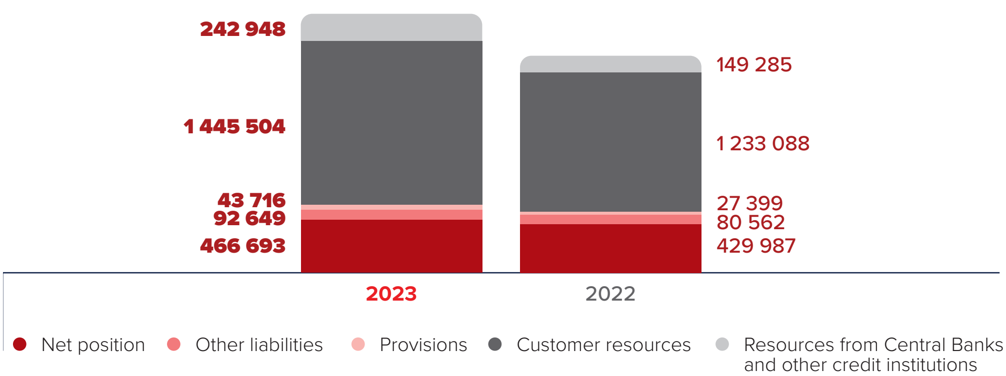
Liabilities and Net Position

As at 31 December 2023, the Bank's liabilities increased by around 334 484 million kwanzas compared to 31 December 2022, corresponding to an increase of 22%.

This variation was driven by the increase in the headings "Customer resources and other loans", "Resources from central banks and other credit institutions" and "Provisions", amounting to 212 416 million kwanzas, 93 663 million kwanzas and 16 317 million kwanzas, respectively.

Liabilities and Net Position

(Million AOA)



The increase observed in the Bank's equity of the value of 36 706 million kwanzas was essentially due to the distribution of dividends relative to previous years, amounting to 20 000 million kwanzas, and the net income for the year of 58 547 million kwanzas.

Million AOA

LIABILITIES AND NET POSITION	2023		2022		Variation
	AOA	USD	AOA	USD	%
Resources from Central Banks and other credit institutions	242 948	293	149 285	296	63%
Customer resources and other loans	1 445 504	1 744	1 233 088	2 448	17%
Provisions	43 716	53	27 399	54	60%
Current tax liabilities	-	-	2 193	4	-100%
Other liabilities	92 649	112	78 369	156	18%
Net position	466 693	563	429 987	854	9%
Total	2 291 512	2 765	1 920 321	3 812	19,3%

Customer resources and other loans

The portfolio of total customer funds and other loans amounts to 1 445 504 million kwanzas as at 31 December 2023, corresponding to an increase of 212 416 million kwanzas (17%) compared to 31 December 2022.

In 2023, total customer funds and other loans include demand deposits of 658 982 million kwanzas and term deposits of 786 522 million kwanzas.

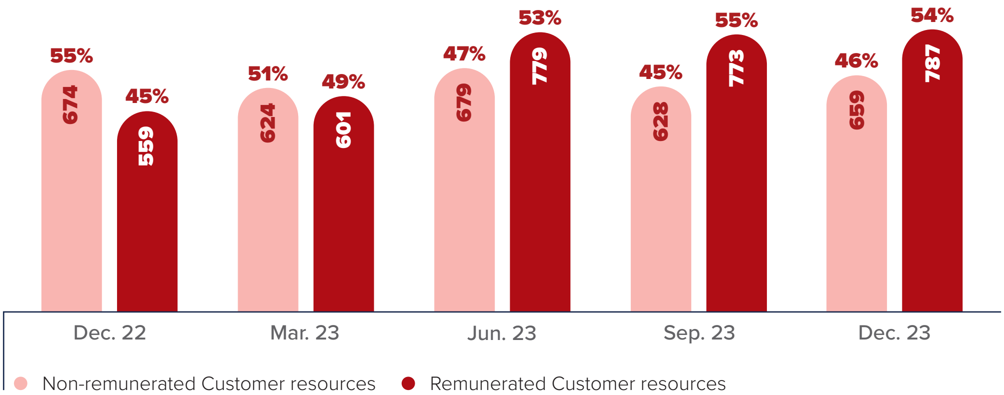
Million AOA

TOTAL CUSTOMER RESOURCES AND OTHER LOANS	2023		2022		Variation
	AOA	USD	AOA	USD	%
Customer deposits					
Demand deposits	658 982	795	674 347	1 339	-2%
Domestic Currency	562 121	678	605 808	1 203	-7%
Foreign Currency	96 861	117	68 539	136	41%
Term deposits	786 522	949	558 741	1 109	41%
Domestic Currency	314 311	379	240 924	478	30%
Foreign Currency	472 212	570	317 817	631	49%
Total	1 445 504	1 744	1 233 088	2 448	17,2%

As at 31 December 2023, approximately 54% of deposits correspond to interest--bearing resources equivalent to 786 522 million kwanzas (558 741 million kwanzas as at 31 December 2022), with the remaining 658 982 million kwanzas (674 347 million kwanzas as at 31 December 2022) relating to non-interest-bearing resources.

Customer Resources

(Million AOA)



The Bank's loan-to-deposit ratio stood at 116% as at 31 December 2023, representing an increase of approximately 21 p.p. when compared to the previous year. This increase is primarily explained by the exchange rate devaluation occurred in 2023, which affected the balances indexed to or denominated in foreign currency in the headings "Customer resources" and "Loans granted" (including Loans to the State), with a higher incidence on the asset headings.

Million AOA

LEVERAGE RATIO	2023		2022	
	AOA	USD	AOA	USD
Customer resources	1 445 504	1 744	1 233 088	2 448
Total Loans (including Loans to the State)	1 680 153	2 027	1 172 729	2 328
Total	116%		95%	

Provisions

As at 31 December 2023, the balance of the heading "Provisions for probable liabilities" amounts to approximately 43 716 million kwanzas (28 399 million kwanzas as at 31 December 2022). Of this total amount, 29 091 million kwanzas refer to provisions for retirement pensions, 8 384 million kwanzas refer to provisions for guarantees provided, and the remaining 6 241 million kwanzas correspond to provisions to meet any contingencies arising from the Bank's activity, and to reflect potential losses in the realization value of other assets.

Equity

As at 31 December 2023, the Bank's equity amounted to 466 693 million kwanzas, with an increase of 36 706 million kwanzas having been observed, equivalent to approximately 9% in relation to 31 December 2022.

Million AOA

EQUITY	2023		2022	
	AOA	USD	AOA	USD
Capital	20 000	24	20 000	40
Reserves and Retained earnings	388 146	467	368 325	731
Net Income for the Year	58 547	71	41 662	83
Total	466 693	563	**429 987**	**854**

The heading "Reserves" increased by 19 821 million kwanzas as at 31 December 2023. This increase primarily stems from the appropriation of retained earnings from the previous year and the distribution of dividends (20 000 million kwanzas).

As at 31 December 2023, the Bank's Regulatory Own Funds, calculated pursuant to Banco Nacional de Angola Notice No. 08/2021 stood at approximately 452 359 million kwanzas, equivalent to a Regulatory Solvency Ratio of approximately 32%.

8.3. Income Statements

As at 31 December 2023, Banco BIC shows a net profit of 58 547 million kwanzas, corresponding to a 40,53% increase year-on-year.

Million AOA

OPERATING ACCOUNT	2023		2022	
	AOA	USD	AOA	USD
1. Net interest income (MF)	85 745	103	86 831	172
2. Complementary margin (MC)	89 218	108	48	-
3. Operating income (PAB)=(MF)+(MC)	174 963	211	86 879	172
4. Administrative and marketing costs (CAC)	(89 189)	(108)	(79 891)	(159)
5. Impairment and provisions (IP)	(27 228)	(32)	(19 332)	(38)
6. Result on net monetary position and Other (RO)	-	-	56 199	112
7. Pre-tax result (RAI) = (PAB)-(CAC)-(IP)+(RO)	58 547	71	43 855	87
8. Taxes on profits (IL)	-	-	(2 193)	(4)
9. Net Income for the Year (RLE) = (RAI)-(IL)	58 547	71	**41 662**	**83**
10. Cash Flow After Tax (CF)	91 036	110	**66 450**	**132**

As at 31 December 2023, net interest income showed a reduction of 1 086 million kwanzas, year-on-year. This variation was due, on the one hand, to the reduction of the heading "Interest on loans", amounting to 1 674 million kwanzas, and the increase of "Interest on financial instrument liabilities" amounting to 6 065 million kwanzas. On the other hand, the effects indicated above were partially mitigated by the increases of the headings "Interest on liquidity investments" and "Interest on securities" amounting to 5 154 million kwanzas and 1 491 million kwanzas, respectively.

Million AOA

NET INTEREST INCOME	2023		2022	
	AOA	USD	AOA	USD
Interest on loans	48 243	58	49 917	99
Interest on securities	53 473	65	51 983	103
Interest on liquidity investments	22 974	28	17 822	35
Associated fees received at amortized cost	904	1	893	2
Interest on financial instrument liabilities	(39 849)	(48)	(33 784)	(67)
Total	85 745	103	**86 831**	**172**

As at 31 December 2023, the complementary margin recorded an increase of approximately 89 170 million kwanzas when compared to the same period of the previous year.

Million AOA

COMPLEMENTARY MARGIN	2023		2022	
	AOA	USD	AOA	USD
Service and fee income and charges	10 232	12	9 206	18
Results of foreign exchange operations	78 722	95	(5 902)	(12)
Results of the sale of other assets	82	-	309	1
Other operating results	182	-	(3 565)	(7)
Total	**89 218**	**108**	**48**	**-**

The results of foreign exchange operations, which essentially correspond to gains and losses on purchase and sale transactions of foreign currency carried out by the Bank, and the revaluation of the foreign exchange position in foreign currency, stood at 78 722 million kwanzas as at 31 December 2023, representing an increase of approximately 84 624 million kwanzas, year-on-year. This variation is essentially explained by the depreciation of the kwanza in relation to the US dollar observed in the first half of 2023.

Million AOA

RESULTS OF FINANCIAL OPERATIONS	2023		2022	
	AOA	USD	AOA	USD
Foreign exchange results	78 722	95	(5 902)	(12)
Result on net monetary position	-	-	56 199	112
Total	**78 722**	**95**	**50 297**	**100**

The Bank's administrative expenses, which aggregate staff costs amounting to 56 251 million kwanzas, third-party supplies and services amounting to 27 677 million kwanzas, and depreciation and amortization for the year of 5 261 million kwanzas, increased by approximately 9 298 million kwanzas (12%) in relation to 31 December 2022.

Million AOA

ADMINISTRATIVE AND MARKETING COSTS	2023		2022	
	AOA	USD	AOA	USD
Staff	(56 251)	(68)	(51 842)	(103)
Third-party supplies and services	(27 677)	(33)	(22 593)	(45)
Depreciation and amortization	(5 261)	(6)	(5 456)	(11)
Total	**(89 189)**	**(108)**	**(79 891)**	**(159)**

This variation is partly explained by the increased staff costs incurred arising from the updating of remunerations following the exchange rate devaluation amounting to 4 409 million kwanzas, and by the increased costs related to third-party supplies and services amounting to 5 084 million kwanzas.

Million AOA

COST-TO-INCOME	2023	2022
Administrative and marketing costs	89 189	79 891
Operating income (less net monetary position)	174 963	143 078
Cost-to-income	51%	56%

As at 31 December 2023, the cost-to-income ratio fell by 5 p.p., year-on-year. This variation is primarily explained by the increase observed in operating income for 2023.

As at 31 December 2023, the Bank shows profit for tax purposes of the value of 20 billion kwanzas (23 million US dollars).

The income from public debt securities gained from Treasury Bonds and Treasury Bills issued by the Angolan State is excluded from taxation under Industrial Tax, pursuant to Article 23(1)(c) of the code of this tax. This taxation framework is determinant for the difference between the effective tax rate ascertained and nominal tax rate in force of 35%.

The rate of the Tax on Commercial Activities (IAC) varies between 5% (in the case of income from debt securities listed for trading on regulated markets with a maturity equal to or more than three years) and 15%. In 2023 and 2022, the costs of this tax recorded in the income statement, under the heading "Other operating results", amount to 5 686 million kwanzas and 6 355 million kwanzas, respectively.

8.4. Proposed Appropriation of Net Income

The Board of Directors presents the following proposed appropriation of the positive net income for the year ended 31 December 2023, amounting to 58 547 million Angolan kwanzas:

Million AOA

	Dec. 2023
Other reserves and retained earnings 55%	32 201
Distribution of dividends to the shareholders 45%	26 346

According to the legal provisions concerning the constitution of reserves, arising from the Legal Framework of Financial Institutions (REGIF), Financial Institutions should allocate not less than 10% of the net profit recorded for each year to form the legal reserve, up to the limit equivalent to the value of its share capital.

As at 31 December 2023, Banco BIC had a legal reserve of 20 000 million kwanzas and a share capital of the same value. For this reason, the Board of Directors does not propose that this reserve should be increased.


Vamos
Um dia,
uma reunião. No fim
Toda a humanidade
terríveis os micróbios
Estes são tão pequenos que
Esta é a guerra
Todos terão de
vacinas.

9. Financial Statements

Financial Statements

(AMOUNTS IN THOUSAND KWANZAS – MAOA, UNLESS EXPRESSLY INDICATED OTHERWISE)

9.1. Financial Statements

In mAOA

Individual Balances Sheets as at 31 December 2023 and 2022		31/12/2023			31/12/2022
Assets	Notes	**Assets gross**	**Impairment and amortizations**	**Assets net**	Assets net
Cash and deposits at central banks	3	359 919 004	-	359 919 004	391 336 987
Deposits at other credit institutions	4	165 797 948	(30 751)	165 767 197	109 848 933
Investments at central banks and other credit institutions	5	311 071 737	(4 261 511)	306 810 226	328 557 121
Financial assets at fair value through other comprehensive income	6	68 746 252	-	68 746 252	69 672 602
Investments at amortized cost	7	564 386 325	(43 547 428)	520 838 897	325 704 668
Loans to Customers	8	1 115 767 087	(353 467 268)	762 299 819	603 277 186
Non-current assets held for sale	9	22 548 303	(9 229 577)	13 318 726	11 937 715
Other tangible assets	10	51 405 204	(25 897 452)	25 507 752	23 898 022
Intangible assets	10	6 642 262	(5 672 129)	970 133	2 131 753
Investments in subsidiaries, associates and joint ventures	11	304 885	-	304 885	395 901
Deferred tax assets	25	13 364 446	-	13 364 446	13 364 446
Other assets	12	55 053 635	(1 389 329)	53 664 306	40 195 767
Total Assets		**2 735 007 088**	**(443 495 445)**	**2 291 511 643**	**1 920 321 101**
Liabilities and Equity					
Liabilities					
Resources from central banks and other credit institutions	13			242 948 462	149 284 857
Customer resources and other loans	14			1 445 504 446	1 233 087 802
Provisions	15			43 716 208	27 398 708
Current tax liabilities	25			-	2 192 717
Other liabilities	16			92 649 044	78 369 596
Total Liabilities				**1 824 818 160**	**1 490 333 680**
Equity					
Share capital	17			20 000 000	20 000 000
Revaluation reserves	17			197 936 932	199 778 282
Other reserves and retained earnings	17			190 209 139	168 547 439
Net income for the year				58 547 412	41 661 700
Total Equity				**466 693 483**	**429 987 421**
Total Liabilities and Equity				**2 291 511 643**	**1 920 321 101**

These Notes are an integral part of these statements.

In mAOA

Income statements For the years ended 31 December 2023 and 2022	Notas	31/12/2023	31/12/2022
Interest and similar income	19	125 594 520	120 615 385
Interest and similar charges	19	(39 849 054)	(33 784 075)
Net interest income		85 745 466	**86 831 310**
Income from services and fees	20	18 129 830	15 814 338
Charges related to services and fees	20	(7 897 396)	(6 608 847)
Foreign exchange results	21	78 721 816	(5 901 806)
Results of the sale of other assets		82 070	309 260
Other operating results	22	181 546	(3 565 571)
Operating income		174 963 332	**86 878 684**
Staff costs	23	(56 250 794)	(51 841 878)
Third-party supplies and services	24	(27 676 859)	(22 592 660)
Depreciation and amortization for the year	10	(5 261 019)	(5 456 367)
Provisions net of annulments	15	(2 372 677)	(1 627 298)
Impairment for Loans to Customers net of reversals and recoveries	15	(11 957 537)	(31 716 226)
Impairment for other financial assets net of reversals and recoveries	15	(12 868 446)	16 008 708
Impairment for other assets net of reversals and recoveries	15	(113 557)	(1 955 981)
Results of subsidiaries, associates and joint ventures (equity method)	11	84 969	(41 175)
Result of the net monetary position	17	-	56 198 610
Pre-tax result		58 547 412	**43 854 417**
Taxes on current profits	25	-	(2 192 717)
Profit after taxes		58 547 412	**41 661 700**
Net income for the year		58 547 412	**41 661 700**
Average number of ordinary shares issued	17	20 000 000	20 000 000
Earnings per basic share (kwanzas)	17	2 927,37	2 083,09
Earnings per diluted share (kwanzas)	17	2 927,37	2 083,09

These Notes are an integral part of these statements.

Individual Statements of other Comprehensive Income for the Years Ended 31 December 2023 and 2022

In mAOA

	Notes	31/12/2023	31/12/2022
Net income for the year		**58 547 412**	**41 661 700**
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss for the year			
Variations arising from gains/losses on equity instruments at fair value through other comprehensive income	6	**(1 841 350)**	-
		(1 841 350)	**-**
Comprehensive income for the year		**56 706 062**	**41 661 700**

These Notes are an integral part of these statements.

Individual Statements of Changes in Equity for the Years Ended 31 December 2023 and 2022

In mAOA

		Other Reserves and Retained Earnings					
	Share capital	Revaluation reserves	Reserva legal	Legal reserve	Total	Net income for the year	Total Equity
Balance as at 31 December 2021	**20 000 000**	**255 976 892**	**71 156 918**	**59 795 684**	**130 952 602**	**50 126 447**	**457 055 941**
Appropriation of the net income for 2021:							
Transfer to legal reserve	-	-	10 025 290	-	10 025 290	(10 025 290)	-
Transfer to other reserves	-	-	-	27 569 547	27 569 547	(27 569 547)	-
Distribution of dividends	-	-	-	-	-	(12 531 610)	(12 531 610)
Updating of equity	-	(56 198 610)	-	-	-	-	(56 198 610)
Net income for the year	-	-	-	-	-	41 661 700	41 661 700
Balance as at 31 December 2022	**20 000 000**	**199 778 282**	**81 182 208**	**87 365 231**	**168 547 439**	**41 661 700**	**429 987 421**
Appropriation of the net income for 2022:							
Transfer to legal reserve	-	-	8 332 340	-	8 332 340	(8 332 340)	-
Transfer to other reserves	-	-	(69 514 548)	102 843 908	33 329 360	(33 329 360)	-
Distribution of dividends	-	-	-	(20 000 000)	(20 000 000)	-	(20 000 000)
Comprehensive income for the year							
Net income for the year	-	-	-	-	-	58 547 412	58 547 412
Appreciation of the investment Funds Units	-	(1 841 350)	-	-	-	-	(1 841 350)
Balance as at 31 December 2023	**20 000 000**	**197 936 932**	**20 000 000**	**170 209 139**	**190 209 139**	**58 547 412**	**466 693 483**

These Notes are an integral part of these statements.

Individual Statements of Cash Flows for the Years Ended 31 December 2023 and 2022

In mAOA

	Notes	31/12/2023	31/12/2022
Cash Flows of Operating Activities			
Interest, fees and other equivalent income received		**131 318 917**	124 657 415
Interest, fees and other equivalent costs paid		**(38 919 197)**	(34 409 613)
Payments to Employees and suppliers		**(84 296 520)**	(75 143 453)
Other results		**23 920 199**	20 305 535
Cash flow of changes in operating assets and liabilities		**32 023 399**	**35 409 884**
(Increases)/reductions of operating assets:			
Investments at central banks and other credit institutions		**98 497 710**	(88 537 259)
Financial assets at fair value through other comprehensive income		**(915 000)**	-
Investments at amortized cost		**(98 225 280)**	201 694 577
Loans to Customers		**(75 763 997)**	(64 799 203)
Non-current assets held for sale		**(17 307)**	49 816
Other assets		**(6 160 968)**	6 710 530
Net flow from operating assets		**(82 584 842)**	**55 118 461**
Increases/(reductions) of operating liabilities:			
Resources from central banks and other credit institutions		**(2 934 099)**	(21 536 512)
Customer resources and other loans		**(53 712 620)**	(15 924 487)
Other liabilities		**(970 381)**	10 815 981
Net flow from operating liabilities		**(57 617 100)**	**(26 645 018)**
Net cash of operating activities before income taxes		**(108 178 543)**	63 883 327
Income taxes paid		**-**	415 371
Net cash of operating activities		**(108 178 543)**	**64 298 698**
Cash Flows of Investing Activities			
Acquisition of other tangible assets, net of disposals		**(5 190 869)**	(2 739 369)
Acquisition of intangible assets, net of disposals		**(431 845)**	(558 435)
Net cash of investing activities		**(5 622 714)**	**(3 297 804)**
Cash Flows of Financing Activities			
Distribution of dividends		**(11 850 000)**	(7 424 980)
Net cash of financing activities		**(11 850 000)**	**(7 424 980)**
Variation of cash and cash equivalents		**(125 651 257)**	53 575 914
Cash and cash equivalents at the beginning of the year		**501 216 829**	462 892 426
Effects of exchange rate variation on cash and cash equivalents		**150 151 380**	(15 251 511)
Cash and cash equivalents at the end of the year		**525 716 952**	**501 216 829**
Cash and cash equivalents comprise:			
Cash and deposits at central banks	3	**359 919 004**	391 336 987
Deposits at other credit institutions	4	**165 797 948**	109 879 842
		525 716 952	**501 216 829**

These Notes are an integral part of these statements.

9.2. Notes to the Financial Statements

1. Introduction

Banco BIC, S.A. (hereinafter also referred to as "Banco BIC" or "the Bank") was incorporated by public deed on 22 April 2005, following a communication from Banco Nacional de Angola ("BNA") of 19 April 2005 authorizing its incorporation, and is located at Edifício Banco BIC, in Talatona, Municipality of Samba, Luanda.

The Bank is dedicated to obtaining resources from third parties in the form of deposits or others, which it uses, together with its own resources, to grant loans, make deposits with Banco Nacional de Angola, make investments in credit institutions, and acquire securities and other assets, for which it is duly authorized. It also provides other banking services and performs several types of foreign currency operations.

In order to carry out its operations, the Bank currently has a national network of 211 branches and service points in Angola, 18 Company Centres, 3 Investment Centres, as well as a representative office in Johannesburg (South Africa).

2. Basis of presentation, comparability of the information and summary of the main accounting policies

2.1. Bases of presentation

The financial statements of Banco BIC were prepared on a going concern basis, based on the accounting books and records kept in accordance with the principles established in the International Accounting and Financial Reporting Standards ("IAS/IFRS"), specifically those established in IAS 1 - Presentation of financial statements, pursuant to Banco Nacional de Angola Notice No. 05/2019 of 30 August.

IAS/IFRS comprise accounting standards issued by the International Accounting Standards Board ("IASB") as well as interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") and its predecessor bodies.

The Bank's financial statements as at 31 December 2023 and 2022 are expressed in thousands of kwanzas, with assets and liabilities denominated in other currencies having been converted into the domestic currency based on the average indicative exchange rate published by Banco Nacional de Angola on those dates.

As at 31 December 2023 and 2022, the exchange rates of the kwanza ("Kz") against the American Dollar ("USD") and the Euro ("EUR") were as follows:

	31/12/2023	31/12/2022
1 USD	828,800	503,691
1 EUR	915,990	537,438

2.2. Adoption of new or revised standards issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretation Committee

The application of the following standards, interpretations, amendments and revisions is mandatory for the first time in the financial year starting 1 January 2023:

- IFRS 17 – Insurance contracts (including amendments to IFRS 7): For insurance contracts within its scope of application, this standard establishes the principles for their recognition, measurement, presentation and disclosure. This standard replaces IFRS 4 – Insurance contracts;

- Amendment to IAS 1 – Presentation of Financial Statements and IFRS Practice Statement 2 – Disclosure of Accounting Policies: This amendment, published by the IASB in February 2021, clarifies that material accounting policies, rather than significant accounting policies, must be disclosed and has introduced examples for identifying a material accounting policy;

- Amendment to IAS 8 – Accounting policies, changes in accounting estimates and errors – Definition of accounting estimates: This amendment published by the IASB in February 2021 defines accounting estimate as a monetary amount in the financial statements subject to measurement uncertainty;

- Amendment to IAS 12 – Income taxes – Deferred tax related to assets and liabilities arising from a single transaction: This amendment, published by the IASB in May 2021, clarifies that the initial deferred tax recognition exemption does not apply in transactions that produce equal amounts of taxable and deductible temporary differences;

- Amendment to IAS 12 – Income taxes – International tax reform (Pillar Two): This amendment published by the IASB in May 2023 includes a temporary exception to the requirements to recognize and disclose information about deferred tax assets and liabilities related to the Pillar Two international tax reform model, where it should be disclosed that the exception was used;

- Amendment to IFRS 17 – Insurance contracts – initial application of IFRS 17 and IFRS 9 – comparative information: This amendment, published by the IASB in December 2021, introduces changes to comparative information to be presented when an entity adopts both IFRS 17 and IFRS 9 at the same time.

There were no significant effects on the Bank's financial statements arising from the adoption of these standards, interpretations, amendments and revisions referred to above.

The application of the following standards, interpretations, amendments and revisions is mandatory in future economic periods:

- Amendments to IAS 1 – Presentation of financial statements – Classification of liabilities as current and non-current; Deferral of the application date; Non-current liabilities as covenants: These amendments published by the IASB clarifies the classification of liabilities as current and non-current by analysing the contractual conditions existing on the reporting date.

The amendment relative to non-current liabilities and covenants clarified that only the conditions that should be fulfilled before or on the reporting date of the financial statements are relevant or purposes of classification as current/non-current. Applicable to financial years starting on or after 1 January 2024;

- Amendment to IAS 7 – Statement of cash flows and IFRS 7 – Financial instruments – Supplier finance arrangements: These amendments published by the IASB in May 2023 include additional disclosure requirements of qualitative and quantitative information about supplier finance arrangements. Applicable to financial years starting on or after 1 January 2024;

- Amendment to IFRS 16 – Leases – Lease liability in a sale and leaseback transactions: This amendment published by the IASB in September 2022 clarifies how a seller-lessee measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be classified as a sale. Applicable to financial years starting on or after 1 January 2024;

- Amendment to IAS 21 – Effects of changes in foreign exchange rates – Lack of exchangeability: This amendment published by IASB in August 2023 defines the approach to appraise whether a currency can or cannot be exchanged for another currency. If it is concluded that the currency cannot be exchanged for another, it indicates how the applicable exchange rate is determined and the additional disclosure requirements. Applicable to financial years starting on or after 01 January 2025.

The Bank does not anticipate that significant effects will be produced on its financial statements with the adoption of these new standards, interpretations, amendments and revisions referred to above.

2.3. Accounting policies

The following main accounting policies are used for the preparation of the Bank's main financial statements:

A) ACCRUAL BASIS

Income and expenses are recognized according to the period of the operations, pursuant to the accrual basis of accounting, being recorded as they are generated, regardless of the moment of their receipt or payment.

B) TRANSACTIONS IN FOREIGN CURRENCY

Transactions in foreign currency are recorded in accordance with the principles of the multi-currency system, with each transaction being recorded according to the respective denomination currencies. Monetary assets and liabilities denominated in foreign currency are converted into kwanzas, the Bank's operating currency, at the average exchange rate published by Banco Nacional de Angola on the reporting date.

On their contracting date, spot purchases and sales of foreign currency are recorded in the foreign exchange position.

Income and expenses related to realized or potential exchange rate differences are recorded in the income statement of the year in which they occur, under the heading "Foreign exchange results" (Note 21).

C) FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognized in the Bank's balance sheet when, and only when, the Bank becomes a party to the contractual provisions of the instrument.

Recognized financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets or liabilities (other than financial assets and liabilities measured at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or liabilities, as appropriate, upon initial recognition. Transaction costs directly attributable to the acquisition of the financial assets or liabilities at FVTPL are recognized immediately through profit or loss.

I) Financial assets

Classification, initial recognition and subsequent measurement

When initially recognizing its financial assets, the Bank classifies these instruments according to their contractual cash flow characteristics and the business model used to manage them. The classification of financial assets determines how the assets will be subsequently measured.

According to IFRS 9 – Financial Instruments ("IFRS 9"), financial assets are, upon initial recognition, classified into one of the following categories:

a) Financial assets at amortized cost;

b) Financial assets at fair value through other comprehensive income; or

c) Financial assets at fair value through profit or loss.

The following aspects are taken into consideration for classification:

- The Bank's business model for financial asset management; and
- The contractual cash flow characteristics of the financial asset.

Assessment of the business model

The Bank defines its business models, based on the management strategy for the various groups of financial assets it has in its portfolio, in order to achieve a specific business objective. The Bank's business models depend on management's intention for a specific financial instrument, which is a portfolio approach based on a higher level of aggregation.

The Bank performs an annual assessment of the business model under which the financial instruments are held, at the portfolio level, as this approach best reflects how the assets are managed and how information is made available to management. The information considered in this assessment includes:

- How portfolio performance is assessed and reported to the Bank's management bodies;

- The assessment of risks affecting the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- The way in which the business managers are compensated – for example, how the compensation of the managers of the business depends on the fair value of the assets under management or the contractual cash flows received; and

- The frequency, volume and timing of sales of financial assets in previous periods and the respective forecast future sales. However, sales information should not be considered in isolation, but as part of an overall assessment of how the Bank sets financial asset management objectives and how cash flows are obtained.

Assessment of whether the contractual cash flows are solely payments of principal and interest (SPPI)

The assessment of whether the contractual cash flows correspond solely to payments of principal and interest is made whenever financial assets are originated (and meet the criteria for recognition), based on their original contractual terms.

For the scope of this assessment, capital is considered as the fair value of the financial asset upon initial recognition. The amount of principal may change over the useful life of the financial asset (for example, if there are principal repayments). Interest is remuneration for the effect of the time value of money, the credit risk associated with the outstanding amount during a given period, and other risks and costs related to loan agreements, and may also include a profit margin. SPPI analysis is performed in the currency in which the financial asset is denominated.

Contractual cash flows that correspond only to repayment of principal and interest are consistent with a basic loan agreement. Contractual clauses that introduce risk exposure or volatility of contractual cash flows that are not related to a basic loan agreement do not give rise to contractual cash flows that are solely payments of principal and interest calculated based on the outstanding amount of principal.

In its assessment of the characteristics of the contractual cash flows, and notwithstanding the considerations described above, the Bank particularly considers the following:

- Whether the most significant elements of the interest component correspond to remuneration for the time value of money and the credit risk;

- Contingent events that may change the timing and amount of cash flows;

- Characteristics that result in leverage;

- Early payment and maturity extension clauses;

- Clauses that may limit the Bank's right to claim cash flows in relation to specific assets (for example, contracts with clauses preventing access to assets in the event of default – non-recourse asset); and

- Features that can change the compensation for the time value of money.

Additionally, an early payment is consistent with the SPPI criterion if:

- The financial asset was acquired or originated at a premium or discount to the contractual nominal value;

- The early payment substantially represents the nominal amount of the contract plus accrued but unpaid contractual interest, but not payments (may include reasonable compensation for early payment); and

- The fair value of the early payment is insignificant in the initial recognition.

a) Financial assets at amortized cost

Classification

A financial asset is classified in the category of "Investments at amortized cost" when the following two conditions are both met:

- The financial asset is embedded in a business model whose objective is to hold the financial assets in order to obtain the associated contractual cash flows; and

- The contractual terms of the financial asset give rise, on specific dates, to contractual cash flows that are solely payments of principal and interest (SPPI) related to the outstanding principal.

This category includes investments in credit institutions, loans to Customers, and debt securities managed based on a business model whose objective is the receipt of their contractual cash flows (government bonds).

Initial recognition and subsequent measurement

Investments in credit institutions and the loan operations to Customers are recognized on the date the funds are made available to the counterparty (settlement date). Debt securities are recognized on the trade date, i.e., the date on which the Bank commits to purchase them.

Financial assets at amortized cost are initially recognized at fair value plus transaction costs and subsequently measured at amortized cost. Additionally, they are subject, after their initial recognition, to the calculation of impairment losses for expected credit losses.

Interest on financial assets at amortized cost is recognized under net interest income in the heading "Interest and similar income" (Note 19), based on the effective interest rate method and in accordance with the principles detailed in Note 2.3(c)(VIII).

Expected credit losses are estimated after the initial recognition of these financial assets and in accordance with the principles described in Note 2.3(c)(VI), and are recognized through profit or loss against the heading "Impairment for loans to Customers net of reversals and recoveries" (Note 15).

i) Loans and receivables

Loans and receivables cover loans granted by the Bank to Customers and credit institutions.

Loans and receivables are recorded at fair value. In general, the initial fair value corresponds to the value of the transaction and includes fees, charges or other expenses and income associated with the transactions. They are subsequently valued at amortized cost, based on the effective interest rate method, and are presented in the balance sheet net of impairment losses.

Whenever applicable, interest, fees and other expenses and income associated with credit operations are accrued over the life of the operations, if they are operations that produce residual flows over a period longer than one month, regardless of when they are charged or paid.

Fees received for loan commitments are recognized in accordance with the effective interest rate method over the life of the commitment.

ii) Debt securities

Treasury Bonds issued in local currency, indexed to the exchange rate of the American Dollar, and Treasury Bonds in foreign currency, are subject to exchange rate adjustment. Therefore, the result of the exchange rate adjustment of the par value of securities is reflected in the income statement for the year in which it occurs under the heading "Foreign exchange results" (Note 21), and the discount and accrued interest, reflected under the heading "Interest and similar income from securities" (Note 19).

Order No. 159/12 of 20 February was published in 2012, authorizing the regular issuance of non-adjustable Treasury Bonds in domestic currency, with predefined coupon interest rates based on maturity. The interest accrued on these securities is reflected in the income statement for the year in which it occurs, under the heading "Interest and similar income from securities at amortized cost" (Note 19). Treasury Bills are issued at a discounted value and recorded at their acquisition cost, which is deemed to correspond to their fair value upon initial recognition. The difference between the acquisition cost and the par value is recognized in the income statement as income, in accordance with the effective interest rate method, over the period from the acquisition date to the maturity date of the securities under the heading "Interest and similar income from securities at amortized cost" (Note 19).

Third-party securities purchase operations with reverse repurchase agreement

The Bank performs temporary liquidity purchase operations on the interbank market with Banco Nacional de Angola, investing resources and receiving Treasury Bonds as collateral. These operations have an underlying agreement to resell the securities at a future date for a price agreed in advance between the parties.

Securities purchased under reverse repurchase agreements are not recorded in the securities portfolio. The funds delivered are recorded, on the acquisition date, under the asset heading "Third-party securities purchase operations with reverse repurchase agreement" (Note 5), and the interest amount is accrued under the same heading.

The income from purchasing securities from third parties with reverse repurchase agreements corresponds to the difference between the resale value and the purchase value of the securities. The income is recognized according to the accrual principle based on the time period of the operations, under the heading "Interest and similar income from liquidity investments – Third-party securities with reverse repurchase agreement" (Note 19).

Sale transactions of own securities with repurchase agreement

Securities transferred to Banco Nacional de Angola with a repurchase agreement remain recorded in the Bank's securities portfolio, with the sale amount recorded in the heading "Resources from central banks and other credit institutions" (Note 13). The difference between the contracted repurchase value and the respective initial sale value is recognized through profit or loss, on a straight-line basis, during the lifetime of the operation under the heading "Interest and similar charges on resources from central banks and other credit institutions" (Note 19) against the heading "Resources from central banks and other credit institutions" (Note 13).

b) Financial assets at fair value through other comprehensive income

Classification

A financial asset is classified in the category of "Financial assets at fair value through other comprehensive income" when both of the following two conditions are met:

- The financial asset is part of a business model whose objective is achieved not only by obtaining the associated contractual cash flows, but also by selling the respective assets; and

- The contractual terms of the financial asset give rise, on specific dates, to contractual cash flows that are solely payments of principal and interest (SPPI) related to the outstanding principal.

Additionally, the Bank may irrevocably choose, upon initial recognition, to classify an equity instrument in the category of "Financial assets at fair value through other comprehensive income", provided that it is neither held for trading nor has contingent consideration recognized by a buyer in a business combination subject to IFRS 3 – Business combinations (IFRS 3). This alternative is exercised on a case-by-case basis for each investment, where only financial instruments that fall within the scope of the definition established in the provisions of IFRS 9 and IAS 32 – Financial Instruments: Presentation (IAS 32) are eligible.

As at 31 December 2023 and 2022, the Bank classified units of a real estate investment fund in this category of financial assets (Note 6).

c) Financial assets at fair value through profit or loss

Classification

A financial asset is classified in the category of "Financial assets at fair value through profit or loss" if the business model defined by the Bank for its management, or the characteristics of its contractual cash flows, do not meet the conditions described above for it to be measured at amortized cost or fair value through other comprehensive income.

In addition, even if the financial asset meets the criteria to be measured at amortized cost or fair value through other comprehensive income, the Bank may irrevocably choose, upon initial recognition, to designate the financial asset at fair value through profit or loss, provided that doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognizing gains and losses on them on different bases.

As at 31 December 2023 and 2022, the Bank has not classified any of its financial assets in this category.

ii) Reclassification of financial assets and liabilities

Financial assets must be reclassified whenever there is a change in the business model of the respective portfolio. In this situation, all financial assets that make up the portfolio whose business model has changed must be reclassified, and the classification and measurement requirements relating to the new category are applied prospectively as of the reclassification date. No previously recognized gains, losses or interest should be restated. Financial assets, on the date of their reclassification, are measured at fair value.

The reclassification of investments under equity instruments measured at fair value through other comprehensive income, and financial instruments designated at fair value through profit or loss, is not permitted.

Reclassification of financial liabilities is not permitted.

iii) Derecognition and modification of financial assets

Financial assets are derecognized when (i) the Bank's contractual rights to the respective cash flows from the respective financial asset expire, or (ii) the Bank has transferred substantially all risks and rewards associated with holding the asset.

A renegotiation or modification of the contractual cash flows of a financial asset can lead to its derecognition and the subsequent recognition of a new financial asset. Under these circumstances, derecognition entails (i) recognizing the loss or gain that arises from the difference between the amortized cost of the original asset and the net present value ("NPV") of the new financial asset through profit or loss, (ii) assessing whether the new contractual cash flow characteristics correspond only to principal and interest on the outstanding amount of principal, which may require reclassifying the asset to a different measurement category, and (iii) assessing, at the time of initial recognition, and provided it is not classified under the category of "Financial assets at fair value through profit or loss", whether the originated asset is impaired.

If the new financial asset is a purchased or originated credit-impaired ("POCI") financial asset, a default lifetime probability is applied to the respective calculation of expected credit losses, up to the maturity of the contract, and the credit-adjusted effective interest rate is determined.

The Bank considers that a modification of the contractual terms of the financial asset results in its derecognition and the subsequent recognition of a new financial asset, when the modification meets at least one of the following conditions:

- Transfer of the credit risk of the instrument to another borrower, accompanied by a very significant reduction in the spread; or

- Change in qualitative characteristics, specifically the contractual cash flows no longer correspond only to the repayment of principal and interest.

If a renegotiation or modification of the contractual cash flows of a financial asset does not result in any of the above conditions, it is considered to be a modified financial asset, i.e., the financial asset is not derecognized, which implies (i) the recognition of the loss or gain that results from the difference between the gross book value of the original transaction and the NPV of the new transaction in profit or loss and, (ii) the application of the criteria described in Note 2.3(c)(VI) for assessing the significant increase in credit risk.

iv) Write-offs

The Bank recognizes a write-off when it has no reasonable expectation of recovering the asset. This write-off occurs after all the actions taken by the Bank have proven unsuccessful and all the conditions for its tax deductibility have been met. Write-offs are recorded in off-balance sheet accounts.

v) Purchased or originated credit impaired financial assets

Purchased or originated credit-impaired ("POCI") financial assets are assets that show objective evidence of credit impairment at the time of their initial recognition. An asset is credit impaired if one or more events have occurred that have a negative impact on its estimated future cash flows.

vi) Impairment

a) Loans to Customers

The method for calculating impairment losses on loans to Customers currently in force at the Bank is based on an expected credit loss ("ECL") model, in accordance with IFRS 9, using a specific statistical application.

Impairment losses are recorded/recognized against results, and subsequently reversed through profit or loss if the amount of the expected loss decreases in a subsequent year.

Credit exposures should be classified in different stages according to the evolution of their credit risk, from the date of initial recognition, rather than according to the credit risk at the reporting date, in accordance with the following guidelines:

- Stage 1: credit exposure should be classified in this stage of impairment whenever there is no significant increase in credit risk since the date of its initial recognition. For this purpose, the expected credit loss must be recognized through profit or loss for the year, within 12 months from the reporting date.

- Stage 2: credit exposure where there has been a significant increase in credit risk since the date of its initial recognition must be classified in this stage of impairment. For this purpose, the expected credit loss for the duration of the loan must be recognized through profit or loss for the financial year.

- Stage 3: credit exposure that is in default on the reporting date, as a result of one or more events that have already occurred with a negative impact on the estimated future cash flows of the respective exposure, should be classified as being in this stage of impairment. For this purpose, the expected credit loss for the duration of the loan must be recognized through profit or loss for the year.

Accordingly, at each reporting date, the Bank assesses whether the credit risk associated with a credit exposure has increased significantly since initial recognition, provided that reasonable and justifiable forward-looking information is available without undue cost or effort and does not rely solely on information regarding past-due payments to determine whether credit risk has increased significantly since initial recognition.

Credit risk assessments are performed on the basis of an individual or collective analysis, taking into account all reasonable and supportable information, including forward-looking approaches, specifically the inclusion of future macroeconomic trends and scenarios. Therefore, expected credit loss estimates include multiple macroeconomic scenarios whose probability of occurrence is assessed by considering the current macroeconomic environment as well as future macroeconomic trends.

i. Individual Analysis

The purpose of individual analysis is to ensure a more thorough analysis of the situation of Customers with individually significant exposures in the Bank. The significance of the exposures is determined by reference to qualitative and quantitative criteria that reflect the size, complexity and risk associated with the portfolio.

According to Banco Nacional de Angola Instruction No. 08/2019 of 27 August, on impairment losses for the loan portfolio, Customers/economic groups whose exposure is equal to or greater than 0,5% of the Bank's equity must be analysed individually. Additionally, Customers/economic groups whose credit exposures are not individually significant, but for whom objective evidence of impairment is observed, must also be analysed whenever the credit exposure is equal to or greater than 0,1% of the Bank's equity.

The analysis of each Customer/economic group, as well as the existence of impairment losses, should take into consideration the following factors, among others:

- Contractual aspects, with an assessment of potential non-compliance with contractual conditions, or the existence of restructured loans due to financial difficulties of Customers;
- Financial aspects, with an assessment of the potential reduction in gross revenue or net income;
- The assessment of any guarantees received, including their nature, effective formalization, valuation and level of coverage;
- Other aspects, with an assessment of potential instability in the management/shareholder structure or the existence of insolvency proceedings.

Without prejudice to the requirements established in IFRS 9 regarding the weighting to be assigned to each of the financial forecast scenarios, the Bank uses the following weightings associated with the scenarios:

- Base case scenario: 70%;
- Favourable scenario: 10%; and
- Adverse scenario: 20%.

The Bank observes the following criteria for the purposes of valuing real estate collateral:

- 100% discount: When the Bank has only a mortgage promise without irrevocable power of attorney (document duly authenticated by a Notary Public);

- 70% discount: When the Bank has only a mortgage promise with irrevocable power of attorney (document duly authenticated by a Notary Public);

- Discount between 40% and 70%: When the Bank has additional guarantee documentation that increases its robustness to mitigate against credit risk. The following documents are highlighted as relevant information:

  › Property Registration Certificate;

  › Urban Land Registry Certificate;

  › Deed of purchase and sale;

  › Deed of Constitution of Surface Rights; and

  › Registration of property built on State land.

For purposes of valuing any real estate collateral that is received, the Bank considers the valuations of expert appraisers duly certified by the Capital Markets Commission ("CMC").

In addition, the valuation amount should be adjusted considering discount periods and specific discount rates, depending on the date of the valuation. Therefore, the following discount rates are used, based on the date of property valuation:

	Base case scenario		Favourable scenario		Adverse scenario	
Age of the valuation	Equal to more than 50% of the work completed	Less than 50% of the work completed	Equal to more than 50% of the work completed	Less than 50% of the work completed	Equal to more than 50% of the work completed	Less than 50% of the work completed
Less than 1 year	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
1 to 2 years	20%	25%	15%	20%	25%	30%
2 to 3 years	30%	40%	25%	35%	35%	45%
More than 3 years	55%	65%	50%	60%	60%	70%

In situations where the project valuation is based on the income method or residual value method, and the assumptions used are deemed acceptable, the Bank does not apply any time discount factor.

For the purpose of measuring impairment losses associated with credit exposures considered as "State-risk", the Bank considers the criteria applied in the valuation of the national public debt, proceeding in the same way as for guarantees granted by the Angolan State.

These criteria are also in conformity with Banco Nacional de Angola Directive No. 13/DSB/DRO/2019 of 27 December 2019, Guide on the Recommendations for Implementation of AQA Methodologies for 2019 ("Directive No. 13/DSB/DRO/2019").

ii. Collective analysis

Customers whose exposures are not considered individually significant according to the selection criteria described above, or for which no objective evidence of impairment has been identified on an individual basis, should be analysed on a collective basis. Therefore, these Customers are grouped into homogeneous risk groups in order to determine expected impairment losses.

b) Cash and deposits at central banks, Deposits in other credit institutions, Investments in central banks and in other credit institutions and Investments at amortized cost.

The balances recorded under the headings "Cash and deposits at central banks" (Note 3), "Deposits at other credit institutions" (Note 4), "Investments at central banks and other credit institutions" (Note 5) and "Investments at amortized cost" (Note 7) are analysed for expected losses according to the following assumptions:

- Regarding the balances recorded under the headings "Cash and deposits at central banks" (Note 3) and "Third-party securities purchase transactions with reverse repurchase agreement" (Note 5), it is considered that the Loss Given Default ("LGD") is null since there are no recovery risks, and no impairment is estimated, in accordance with Directive No. 13/DSB/DRO/2019;

- Regarding the balances of the heading "Deposits in other credit institutions" (Note 4), the rating of the entity or, if it is not available, of the country where it is based, is verified. In accordance with Directive No. 13/DSB/DRO/2019, a Probability of Default ("PD") equivalent to 1/12 (one twelfth) of the 12-month PD is considered, given the rating of the counterparty (or of the country where the counterparty is based, if the counterparty itself has no rating), and a LGD of 60% for all counterparties that have not recorded a significant increase in credit risk;

- As regards the balances of the heading "Investments at central banks and other credit institutions – Interbank money market operations" (Note 5), the rating of the entity or, if it is not available, of the country where it is based, is verified. In accordance with Directive No. 13/DSB/DRO/2019, a 12-month PD is considered given the rating of the counterparty (or of the country where the counterparty is based, if the counterparty itself has no rating), and a LGD of 60% for all counterparties that have not recorded a significant increase in credit risk; and

- As regards the balances of the heading "Investments at amortized cost" (Note 7) relative 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 study by Moody's "Sovereign default and recovery rates, 1983-2022" is considered, along with the LGD associated with verified sovereign default events, indicated in the same study (60%), according to Directive no. 13/DSB/DRO/2019.

During 2021, the rating agency Moody's revised the rating of the public debt issued by the Angolan State upwards to the previously considered levels. The Bank analyses the underlying impacts, however, it opted to maintain the impairment calculation based on the same rating considered in 2020.

The analysis is updated every six months. The identified impairment losses are recorded against the heading "Impairment for other financial assets net of reversals and recoveries" (Note 15). If, in future periods, there is a reduction in the estimated loss, the impairment initially recorded is also reversed against profit or loss.

vii) Financial Liabilities

Classification

Financial liabilities are classified in the category of financial liabilities at amortized cost and correspond to resources from other credit institutions and Customer resources.

Initial recognition and subsequent measurement

At the time of their initial recognition, financial liabilities are recorded at their respective fair value at the contracting date, less costs directly attributable to the transaction.

They are subsequently valued at amortized cost, with interest, when applicable, recognized according to the effective interest rate method.

viii) Recognition of interest

The results generated by active and passive financial instruments measured at amortized cost, denominated as interest, are recognized in net interest income, under heading "Interest and similar income" and "Interest and similar charges" (Note 19), respectively. Interest is recognized using the effective interest rate method.

The effective interest rate is the rate that discounts estimated future payments or receipts over the expected life of the financial instrument (or, where appropriate, for a shorter period) for the net present book value of the financial asset or liability.

To determine the effective interest rate, the Bank estimated future cash flows considering all contractual terms of the financial instrument, not considering possible impairment losses. The calculation includes fees paid or received, considered as an integral part of the effective interest rate, transaction costs and all premiums or discounts directly related to the transaction.

Interest income recognized through profit or loss, associated with contracts classified as stage 1 or 2, is calculated by applying the effective interest rate for each contract to its gross book value. The gross book value of a contract is its amortized cost, before deduction of the respective impairment. For financial assets included in stage 3, interest is recognized through profit or loss based on their net book value (less impairment). Interest is always recognized retrospectively, i.e., for financial assets entering stage 3, interest is recognized on amortized cost (net of impairment) in subsequent years.

For purchased or originated credit-impaired financial assets, the effective interest rate reflects expected credit losses when determining the expected future cash flows receivable from the financial asset.

In addition, under the terms recommended by Banco Nacional de Angola, the Bank cancels interest that is overdue for over 90 days and does not recognize interest as of that date, up until the moment that the customer settles the situation.

ix) Guarantees provided and documentary credit

Liabilities for guarantees provided and documentary credit are recorded as the amount at risk on off-balance sheet headings, and the flows of interest, fees and other income are recorded through profit or loss over the life of the operations.

D) NON-CURRENT ASSETS HELD FOR SALE

Under the heading "non-current assets held for sale – Real estate received in lieu of payment" the Bank records the assets received as payment in kind or auctioned as payment of overdue loan operations, when they are available for immediate sale in their present condition and they are likely to be sold within a year (Note 9).

Additionally, real estate projects under construction that are intended to be sold to Bank Employees are recorded in this heading and are also subject to periodic evaluations to determine any impairment losses.

The assets recorded in this heading are not amortized and are valued at their carrying amount or fair value, whichever is lower, less costs to be incurred on the sale (at least 5% of the Probable Immediate Transaction Value ("PITV")). The fair value of these assets is determined based on periodic valuations performed by external expert appraisers. Additionally, and in accordance with Directive No. 13/DSB/DRO/2019, this valuation is adjusted based on specific discount rates depending on the age of the valuation. Impairment losses are recorded whenever the value resulting from these valuations (net of selling costs) is lower than the value at which they are recorded.

Furthermore, when it is expected that the sale of the real estate property should occur more than a year ahead, the Bank measures the selling costs at their present value. Any increase in the present value of the selling costs arising from the passing of time is presented in profit or loss as borrowing cost.

If the legal term of 12 months elapses without the assets being sold (extendable by authorization of Banco Nacional de Angola), a new valuation is made to determine the updated market value, with a view to possibly constituting the corresponding impairment.

E) OTHER TANGIBLE ASSETS

Other tangible assets are recorded at acquisition cost, less accumulated depreciation and impairment losses.

Depreciation is calculated on a systematic basis over the estimated useful life of the asset, which corresponds to the period during which the asset is expected to be available for use, and is detailed as follows:

	Years of useful life
Properties for own use	50
Works in rented buildings	3
Equipment:	
Interior facilities	10
Furniture and material	10
Machinery and tools	3 a 10
Computer equipment	3
Transport material	3
Other equipment	10

F) INTANGIBLE ASSETS

The intangible assets essentially correspond to software. These expenses are recorded at acquisition cost and amortized on a straight-line basis over a three-year period.

Software maintenance expenses are recorded as a cost in the year in which they are incurred.

G) INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Financial holdings in which the Bank directly or indirectly holds a percentage of 10% or more of the respective capital, are recorded by the equity method. According to this method, investments are initially valued at acquisition cost, which is subsequently adjusted based on the Bank's effective percentage changes in the equity (including profit or loss) of the investees. These changes are reflected in the income statement under the heading "Results of subsidiaries, associates and joint ventures (equity method)" (Note 11).

Financial investments in which the Bank directly or indirectly holds less than 10% of the respective capital, are recorded at acquisition cost. When this is denominated in foreign currency, it is reflected in the accounts at the exchange rate on the date of the operation. Whenever permanent losses are estimated at realizable value, the respective impairment is constituted.

H) TAXES

Industrial tax

Banco BIC is subject to an Industrial Tax, as it is fiscally considered as a taxpayer under the General Regime, subject to a tax rate of 35%, according to the change introduced by Law No. 26/20 of 20 July.

The Industrial Tax is calculated based on the tax result for the year, which may differ from the accounting result due to adjustments made under the Industrial Tax Code.

Income subject to Capital Gains Tax ("IAC") is deductible for purposes of determining taxable income, and IAC is not a tax-deductible cost.

According to the Industrial Tax Code, taxpayers whose activities fall under the supervisory powers of Banco Nacional de Angola, as is the case of Banco BIC, shall make the provisional assessment of the Industrial Tax for that financial year, by the end of August each year. The tax to be paid is calculated on the basis of 2% on the result derived from the financial intermediation operations, calculated in the first six months of the previous fiscal year, excluding the income subject to IAC, except if a tax loss has been incurred in the previous year (in which case no provisional assessment is due).

Tax losses in a given year, as provided for in Article 48 of the Industrial Tax Code, can be deducted from the taxable income for the following five years (previously 3 years).

According to the current legislation, Industrial Tax and other tax returns may be subject to review and correction by the tax authorities in the five years following the financial year to which they refer.

The Board of Directors believes that any corrections that may result from these revisions will not be of significance to the attached financial statements.

The reconciliation between the tax result and the accounting result is presented in Note 25.

Capital Gains Tax

Presidential Legislative Decree No. 2/14 of 20 October, in effect since 19 November 2014, revised and introduced several legislative changes to the Capital Gains Tax Code following the Taxation Reform project.

IAC is generally levied on the income from the Bank's financial investments. The rate varies between 5% (in the case of interest, amortization or repayment premiums, and other forms of remuneration from public debt securities, bonds, share certificates, or other similar securities issued by any company, which are accepted for trading on a regulated market and have a maturity of three years or more) and 15%.

Property Tax ("IP")

The new Property Tax Code ("CIP") entered into force on 9 August 2020, which is applicable to the holding of own properties, rents and the onerous transfer of real estate properties, approved by Law No. 20/20 of 9 July.

According to the Property Tax Code, there are three rate brackets for urban buildings:

- 0,1%, for properties with an asset value of up to and including 5 000 thousand kwanzas;

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

- 0,5%, for properties with an asset value above 6 000 thousand kwanzas (applicable to amounts in excess of 5 000 thousand kwanzas).

Specific rates apply to building land (0,6%) and rural properties (sum of hectares). Additionally, a property tax surcharge applies to empty 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 for leased properties.

Stamp Duty

Stamp Duty is generally levied on all acts, contracts, documents, titles, operations, and other events provided for in the table attached to the Stamp Duty Code, or in special laws, which take place within Angolan territory.

According to the Stamp Duty Code, approved by Presidential Legislative Decree No. 3/14 of 21 October, the Bank is responsible for paying and delivering to the State's coffers the Stamp Duty payable by its Customers for most banking operations, such as financing and collection of interest on financing, and the Bank pays the tax according to the rates established on the Stamp Duty Table.

Value Added Tax

The Value Added Tax ("VAT") Code, entered into force on 1 October 2019. This tax is applicable to: (i) transfers of goods and services rendered within Angola, against payment by a taxable person, acting in that capacity; and (ii) imports of goods. Effectively, VAT repealed and replaced the Excise Duty that until then had been in force in the legal system.

The Bank, as a taxpayer registered with the Tax Office of Major Taxpayers, has been subject to the general VAT system since VAT came into force, and is bound to comply with all of the rules and reporting obligations required in this area.

As a general rule, fees and expenses charged for services provided by the Bank (in lieu of Stamp Duty) are subject to VAT at the rate of 14%. All other financial intermediation operations are exempt from VAT, specifically interest from financing operations to which Stamp Duty will continue to be applied, when due.

In this sense, since the Bank is a taxpayer that carries out both taxed and exempt VAT operations, it also has restrictions on the right to deduct the VAT paid to suppliers, so the Bank deducts the tax by applying the methods provided for in the legislation in force – with the exception of VAT on expenses expressly excluded from the right to deduction.

On a monthly basis, the Bank has the obligation to comply with the obligations associated with VAT, specifically: (i) submission to the General Tax Administration ("AGT") of the periodical return, including the respective Annexes, in which it calculates the amount of VAT payable to the State (or any credit generated); (ii) the payment of the calculated tax, by the last day of the month following the one to which the operations that have been carried out relate; and (iii) all other reporting obligations, such as the reporting of the SAF-T (AO) files for the Invoicing and Acquisition of goods and services.

According to the current legislation, periodic VAT returns may be subject to review and correction by the tax authorities in the five years following the financial year to which they refer.

Deferred tax

Deferred tax assets and liabilities correspond to the amount of tax to be recovered or paid in future years resulting from deductible or taxable temporary differences between the value of assets and liabilities on the balance sheet and their tax base, used to determine taxable income.

Deferred tax liabilities are recorded for all taxable temporary differences, while deferred tax assets are only recognized up to the amount for which it is probable that future taxable profits will enable the use of the corresponding deductible tax differences or tax losses carried forward.

Current and deferred taxes are reflected in the results, with the exception of taxes relating to transactions directly recorded under equity (e.g., potential results from securities classified in the fair value portfolio through other comprehensive income).

Deferred taxes are calculated based in the tax rates that are expected to be in force on the date of the reversal of the temporary differences.

As at 31 December 2021, the Bank recorded deferred tax assets against calculated tax losses, as there are duly justified expectations that taxable profits will be generated over the coming financial years for their use.

I) RESERVE FOR MONETARY UPDATING OF EQUITY

Under IAS 29 – Financial Reporting in Hyperinflationary Economies ("IAS 29"), hyperinflationary economies are characterized by several situations including:

a. The general population prefers to preserve its wealth in non-monetary assets or in a relatively stable foreign currency. Amounts of local currency that are held are immediately invested to maintain purchasing power;

b. The general population sees monetary amounts not in terms of the local currency, but in terms of a stable foreign Prices may be quoted in that currency;

c. Sales and purchases on credit are made at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short;

d. Interest rates, wages and prices are linked to a price index; and

e. The cumulative inflation rate over three years approaches or exceeds 100%.

In 2016, due to the evolution of the exchange rate of the Kwanza against the international benchmark currencies and, consequently, its impact on the inflation rate level measured in domestic currency, the Bank requested from Banco Nacional de Angola, by a letter dated 14 April 2016, authorization to adopt the procedure for the monetary updating of its equity.

The amount resulting from the monetary updating of the Bank's equity was recognized between May 2016 and November 2022, and reflected, on a monthly basis, under the heading "Result of the net monetary position" (Note 17), against the heading "Revaluation reserves" (Note 17).

J) CONTINGENT PROVISIONS AND LIABILITIES

A provision is constituted when there is a present obligation (legal or constructive) arising from past events relative to which the future spending of resources is likely, which can be determined reliably. The amount of the provision corresponds to the best estimate of the value to be disbursed in order to settle the liability on the reporting date.

Contingent liabilities emerge when: (i) obligations may exist arising from uncertain future events that are beyond the entity's control; and (ii) there are present obligations for which expenditure of associated resources is unlikely but cannot be measured reliably. Contingent liabilities are always disclosed unless the occurrence of the future events referred to in (i) is remote or the amounts involved are immaterial (in either case).

The amounts recorded under the heading "Other provisions" are intended to meet the Bank's different contingencies, namely related to lawsuits underway, fraud and other specific operational risks arising from its activity (Note 15).

K) EMPLOYEE BENEFITS

Retirement pensions

Law No. 07/04 of 15 October, which regulates the Angolan Social Security system, provides for the granting of retirement pensions to all Angolan workers registered with Social Security. The value of these pensions is calculated on the basis of a table, in proportion to the number of years worked, applied to the average gross monthly salary received in the periods immediately prior to the date on which the employee stops working. According to Decree No. 7/99 of 28 May, the contribution rates for this system are 8% for the employer and 3% for Employees.

Law No. 02/00 of 15 October, provided for retirement compensation, determined by multiplying 25% of the basic monthly salary on the date the Employee reached the legal retirement age by the number of years of seniority on the same date.

The General Labour Law (Law No. 07/2015 of 15 June), which entered into force in September 2015, does not provide for the payment of any retirement supplements, or other supplements, to workers who reach the legal retirement age. Nevertheless, the Bank is studying the implementation of a supplementary retirement and survivor's pension programme and has therefore decided to maintain the provision for this purpose, calculated in a manner consistent with previous years (Note 15).

The liabilities that the Bank may incur from the supplementary retirement and survivor's pension programme were calculated based on an actuarial valuation performed by an independent expert, with reference to 31 December 2023 and projections for the following year, based on the Bank's population to be covered and the following assumptions:

Technical actuarial rate discount..**2%**

Salary growth rate...**8%**

Mortality table..**SA 85 - 90 (Light)**

Normal retirement age......................................**60 years old or 35 years of service**

The discount rate was determined by taking into account the performance of financial markets, duration of the liabilities and inherent risk.

Loans to the Employees

Under the Bank's policy on human resources, loans are granted to Employees at an interest rate, upon taking out the loan, lower than the rate that would be applied to loans to the Bank's other Customers under market conditions.

It is considered that the Employee's benefit will be applied until the maturity of the loan operations. The fact that an Employee has taken out a loan at interest rates lower than market rates implies the probable that the Employee's contract with Bank should extend over time and, in the large majority of case, up to the maturity of the loan operation. For this reason, in general, the maturity date of the loan operation is considered as the end date for the recording of this benefit.

Comparison of the par value of the loan (the value at which the loan operation was granted) with its fair value (value which would result from the application of the market rate) leads to a difference arising from the fact that the loan's interest rate is lower (most likely) than the market interest rate for operations with equivalent features. Thus, pursuant to IAS 19 – Employee benefits ("IAS 19"), this difference consists of a benefit to the Employees.

From an accounting perspective, loans to Employees are financial assets. Measurement after their initial recognition should respect the requirements of IFRS 9.

The Bank calculates the fair value of the loans to Employees by considering the market interest rate applied at the time they were granted. Accordingly, the value arising from the difference between the loan's par value and its fair value, at a first moment, is recorded in the balance sheet under the headings "Loans to Customers" (Note 8) and "Other assets" (Note 12), which will be recognized in a phased manner in the income statement through profit or loss, against the heading "Interest and similar income" (Note 19), until the end of the duration period of each loan operation.

L) FEES

Fees related to credit operations and other financial instruments, specifically fees charged or paid at the origination of operations, are recognized over the period of the operations by the effective rate method under "Interest and similar income" and "Interest and similar charges" (Note 19).

Fees for services rendered are usually recognized as income over the period the service is rendered or on a one-time basis if they correspond to compensation for the performance of single acts (Note 20).

M) LENDING AND BORROWING OF LIQUIDITY

Lending and borrowing of liquidity between financial institutions are systemic operations of a regular nature, which seek to distribute the liquidity in the most appropriate way throughout the domestic and international financial systems. Financial institutions are not considered as borrowers.

N) CASH AND CASH EQUIVALENTS

For the purposes of preparing the cash flow statement, the Bank considers "Cash and cash equivalents at the end of the financial year" to be the total balances of the headings "Cash and deposits at central banks", "Deposits at other credit institutions" and "Deposits from central banks and other credit institutions - Demand deposit overdrafts" (Notes 3, 4 and 13). No impairments that are constituted are considered.

O) LEASES

A contract contains a lease if it features the transfer of direct control over a particular asset, where that control enables substantially obtaining all the economic benefits of its use, as well as the right of oversight of its use throughout the entire duration of the contract, in exchange for a consideration/rent.

Assessment as to whether the contract consist of or presents a lease component, both at the initial moment or upon a change or amendment of its contractual conditions, should entail assessment of whether the asset is identified in the contract and if the party receiving the asset has right of control over its use. If these premises are observed, it corresponds to a lease contract, being framed under IFRS 16 – Leases ("IFRS 16").

From the lessor's perspective, leases continue to be identified as operating leases or finance leases.

From the lessee's perspective, a single model of accounting for lease contracts is defined, arising from the recognition of a right-of-use asset and a lease liability for all lease contracts, except for leases with a duration period of less than 12 months or leases for low-value assets, where the lessee may choose the exemption of recognition foreseen in IFRS 16, and in this case, should recognize the lease payments associated with these contracts as expenses.

In the case of contracts with a duration period of more than 12 months or in which the underlying or identified asset is not of a value lower than USD 5 000 (low-value), a right--of-use asset is recorded under the heading "Other tangible assets" (Note 10), and a lease liability under the heading "Other liabilities" (Note 16).

On the contract starting date, the lease liability is recorded at the present value of the future payments of the lease contract that have not yet been made.

After the initial moment of the contracting of a right-of-use asset, or at the initial moment, it is amortized on a straight-line basis pursuant to the cost model and subject to any impairment losses. The asset should be amortized over the lowest period between the lease period and its useful life, unless it is likely that the lessee exercises a purchase option, in which case, the useful life should be used.

For accounting purposes, in the income statement, the interest expenses related to the lease liability are recorded in the heading "Interest and similar charges" (Note 19), and the depreciation cost of the asset in use is recorded in the heading "Depreciation and amortization for the year" (Note 10) and, the amounts related to lease contracts of low-value or short-term assets are recorded in the heading "Third-party supplies and services" (Note 24).

The standard introduced a single model for accounting for leases on the balance sheet. In this context, the Bank, as a lessee, where applicable in accordance with the requirements of the standard, recognizes right-of-use assets, which represent its rights to use the underlying assets and lease liabilities representing its obligations to make lease payments. Accounting as lessor remains unchanged from the previously existing accounting policies.

2.4. Critical accounting estimates and most relevant discretionary aspects when applying accounting policies

When applying the accounting policies described above, the Bank's Board of Directors has had to make estimates. The estimates with the greatest impact on the Bank's financial statements include those presented below.

Determination of impairment losses on financial assets at amortized cost

Impairment losses are determined based on expected cash flows and estimates of the amount to be recovered in accordance with the method defined in Note 2.3(c)(VI). Impairment is determined for significant exposures through an individual analysis, based on (i) the Bank's judgement as to the economic and financial situation of its Customers; (ii) the incorporation of forward-looking information; (iii) the assignment of weighting to each of the considered scenarios; and (iv) the estimated value of guarantees given as collateral. Impairment for the remaining operations is determined based on a collective model for calculating impairment losses, based on historical parameters and forward-looking information for comparable types of operations, taking into consideration default and recovery estimates.

The Bank believes that the impairment losses determined based on the methodology referred to in Note 2.3(c)(VI) adequately reflect the risk associated with financial assets at amortized cost.

In view of the description of Note 2.3(c)(VI), in accordance with the Bank's accounting policy for assessing a significant increase in credit risk, and based on the macroeconomic analyses that have been performed, the Bank considers that the requirements of IFRS 9 regarding the significant increase in credit risk of the Angolan State in the context of the rating downgrade that occurred in 2020, and its subsequent improvement (rating upgrade) in 2021, have not been met. Therefore, the method for calculating expected credit losses on the portfolio of financial assets at amortized cost is in accordance with the requirements of IFRS 9 for stage 1 financial instruments, as described in this Note.

Income taxes

During 2020, the Industrial Tax Code was revised by the publication of Law No. 26/20 of 20 July, which changed some situations that were previously in force, of which the following should be highlighted:

i) The non-acceptance, for tax purposes, of impairment constituted on loans whose risk is covered by guarantees, with the exception of the part that is not covered; and
ii) The non-acceptance for tax purposes of potential favourable or unfavourable exchange rate variations.

The Bank has implemented the changes in the Industrial Tax Code according to its best understanding of such changes, and has not implemented the changes related to line (ii) above, as these are under discussion between ABANC and the General Tax Administration. Therefore, the alterations relating to this matter will be reflected in the financial statements after its clarification by the aforementioned entities.

Classification and measurement of financial assets – SPPI and business model assessment

The classification and measurement of financial assets results from the analysis of the characteristics of the contractual cash flows of financial assets, to conclude whether they correspond exclusively to repayment of principal and interest on outstanding principal, and from the analysis of the business model.

The Bank defines its business models, based on the management strategy for the various groups of financial assets it has in its portfolio, in order to achieve a specific business objective. This assessment requires judgement, to the extent that the following aspects have to be considered, among others: (i) how the performance of the portfolio is assessed and reported to the Bank's management bodies; (ii) the assessment of risks related to the performance of the business model (and the financial assets held within that business model) and how those risks are managed; (iii) how the business managers are remunerated; and (iv) the frequency, volume and timing of sales of financial assets in prior periods and the respective forecast for future sales.

The Bank monitors financial assets measured at amortized cost that are derecognized before maturity to understand the reasons behind their disposal and to determine whether they are consistent with the objective of the business model defined for these assets. This monitoring is part of the process of continuous assessment of the business model of financial assets that remain in the portfolio, to determine whether it is adequate and, if not, whether there has been a change in the business model and consequently a prospective change in the classification of these financial assets.

Collateral valuation in credit operations

Collateral for credit operations, specifically mortgages on properties, were valued on the assumption that all the conditions of the real estate market will be maintained during the lifetime of the operations, and corresponded to the best estimate of the fair value of this collateral on the reporting date. Additionally, the criteria defined in Directive No. 13/DSB/DRO/2019 were observed for the purposes of valuing real estate collateral.

The heading "Loans to Customers" includes a loan operation which has been in default since 2018 and that, as at 31 December 2023, has a book value of AOA 71 467 151 thousand (gross value of AOA 95 289 535 thousand and recognized impairment of approximately 25% of that value). The collateral of this operation is a sovereign guarantee, duly formalized and recognized by the Angolan State, covering 100% of the value in debt. However, a protective order is being applied to this collateral, which temporarily prevents the Bank from calling in the guarantee and/or forcing the borrower to pay the debt service until there is a decision on the main judicial proceedings (it is important to note that the Bank is unrelated to the main lawsuit and has nothing to do with anything discussed therein). The Bank's Board of Directors believes that this protective order will be lifted within a period of 3 years, and, therefore, that the entire amount of the exposure is recoverable in this time horizon. The borrower has not only confirmed the debt, but also does not have any financial difficulty in honouring this debt. The impairment recognized for this loan was thus determined on this basis, corresponding to the value of the discounted debt (using the operation's interest rate) over a period of 3 years. The Bank's Board of Directors considers that this is the best estimated expected loan loss associated with this exposure as at 31 December 2023.

Employee benefits

As mentioned in Note 2.3(k), the Bank is studying the implementation of a supplementary retirement and survivor's pension programme and has therefore decided to maintain the provision recorded under the obligations arising from labour legislation that has since been repealed. In this regard, the liabilities that the Bank may incur under this programme were calculated using an actuarial valuation performed by an independent expert. The actuarial valuations include actuarial assumptions regarding mortality, disability, salary and pension growth, and the discount rate, among others. The adopted assumptions correspond to the best estimate of the Bank and the actuaries hired for the purpose, regarding the future performance of the respective variables.

3. Cash and Deposits at Central Banks

This heading has the following composition:

In mAOA

	31/12/2023		31/12/2022	
	Foreign currency (in units)	Domestic currency	Foreign currency (in units)	Domestic currency
Cash				
Domestic notes and coins				
In vaults		16 947 539		12 404 976
In ATM		2 839 461		4 821 027
Foreign notes and coins				
In United States Dollars	12 847 815	10 648 269	12 665 835	6 379 667
In Euros	2 182 326	1 998 989	1 625 701	873 713
In other currencies		337 410		139 119
		32 771 668		**24 618 502**
Demand deposits at Banco Nacional de Angola				
In domestic currency		161 268 349		253 801 370
In United States Dollars	155 647 122	129 000 335	181 220 900	91 279 336
In euros	40 260 977	36 878 652	40 260 977	21 637 779
		327 147 336		**366 718 485**
		359 919 004		**391 336 987**

The heading "Demand deposits at Banco Nacional de Angola" includes deposits constituted to meet the requirements and maintenance of mandatory reserves, defined by Banco Nacional de Angola, which are not remunerated.

As at 31 December 2023, the mandatory reserves are determined pursuant to the provisions in Instruction No. 08/2021 of 14 May, in Instruction No. 04/2023 of 30 March, in Directive No. 06/DMA/DSP/2021 of 21 May, and in Directive No. 12/2023 of 28 November.

As at 31 December 2022, the mandatory reserves are determined pursuant to the provisions in Instruction No. 02/2021 of 10 February, in Instruction No. 08/2021 of 14 May, in Directive No. 06/DMA/DSP/2021 of 21 May, and in Directive No. 11/2022 of 12 December.

The mandatory reserves are constituted in domestic currency and in foreign currency, according to the respective denomination of the liabilities constituting their basis of assessment.

As at 31 December 2023 and 2022, the mandatory minimum reserve requirement in demand deposits at Banco Nacional de Angola is determined by applying the quotients summarised in the following table:

	31/12/2023			31/12/2022		
	Clearance	Domestic currency	Foreign currency	Clearance	Domestic currency	Foreign currency
Rate on the Basis of Assessment						
Central Government	Daily Determination	100%	100%	Daily Determination	100%	100%
Local Governments and Municipal Administrations	Daily Determination	18%	100%	Daily Determination	17%	100%
Other sectors	Weekly Determination	18%	22%	Weekly Determination	17%	22%

As at 31 December 2023 and 2022, the requirement in domestic currency may be deducted by the amount up to 80% of the assets representing the value of loan disbursements, in domestic currency, in a regular situation, related to projects of the agriculture, livestock, forestry and fisheries sectors, granted up to 14 April 2021, provided that they are of residual maturity equal to or more than 24 months, as well as the entirety of loans defined pursuant to the provisions in Article 8 of Notice No. 10/2022 of 6 April, concerning loans granted to the real economy, regardless of their residual maturity, and loans defined pursuant to the provisions in Article 11 of Notice No. 09/2023 of 3 August (Article 10 of Notice No. 09/2022 of 6 April, as at 31 December 2022), concerning mortgage loans, regardless of their residual maturity.

The method for determining impairment is described in Note 2.3(c)(VI).

4. Deposits at Other Credit Institutions

This heading has the following composition:

In mAOA

	31/12/2023	31/12/2022
Demand deposits at correspondent banks abroad		
Banco BIC Português, S.A.	45 938 390	20 347 470
Commerzbank AG	43 880 177	7 324 024
Banco BIC Cabo Verde, S.A.	26 557 790	15 722 432
Banco Atlântico Europa, S.A.	14 443 907	31 647 517
Banco BAI Europa, S.A.	13 743 376	17 004 843
Bank BIC Namibia, Limited	8 737 714	6 157 322
Zhejiang Chouzhou Commercial Bank Co, Ltd	4 567 417	4 775 823
Banca Popolare di Sondrio, S.A.	4 072 588	560 829
FirstRand Bank, Limited	2 259 921	2 642 080
Aktif Yatirim Bankasi A.S.	622 014	666 297
Byblos Bank Europe, S.A.	601 653	2 612 572
Other	344 643	413 696
	165 769 590	109 874 905
Cheque clearance	28 358	4 937
	165 797 948	109 879 842
Impairment (Note 15)	(30 751)	(30 909)
	165 767 197	109 848 933

As at 31 December 2023 and 2022, the balance of the heading "Clearance" refers to the instantaneous clearing system being cleared in the business days following the reference date of the financial statements.

The method for determining impairment is described in Note 2.3(c)(VI).

5. Investments at Central Banks and Other Credit Institutions

This heading has the following composition:

In mAOA

	31/12/2023	31/12/2022
Interbank money market operations	226 288 972	188 608 090
Income receivable	1 221 842	1 038 153
	227 510 814	189 646 243
Third-party securities purchase operations with reverse repurchase agreement	82 619 927	139 145 589
Income receivable	940 996	2 762 734
	83 560 923	141 908 323
	311 071 737	331 554 566
Impairment (Note 15)	(4 261 511)	(2 997 445)
	306 810 226	328 557 121

Interbank money market operations correspond to investments in credit institutions, both domestic and abroad, being detailed as follows:

	Currency	31/12/2023 Foreign currency (in units)	31/12/2023 Domestic currency	31/12/2022 Foreign currency (in units)	31/12/2022 Domestic currency
At domestic credit institutions					
Banco Nacional de Angola	Kz	-	8 000 000	-	65 300 000
			8 000 000		**65 300 000**
At credit institutions abroad					
Byblos Bank Europe, S.A.	USD	77 000 000	63 817 600	98 500 000	49 613 564
Byblos Bank Europe, S.A.	EUR	10 000 000	9 159 900	-	-
			72 977 500		**49 613 564**
Commerzbank AG	USD	50 000 000	41 440 000	30 000 000	15 110 730
Commerzbank AG	EUR	25 000 000	22 899 750	-	-
			64 339 750		**15 110 730**
Banco BIC Português, S.A.	USD	67 900 000	56 275 520	90 175 000	45 420 336
Banco BIC Português, S.A.	EUR	4 815 000	4 410 492	2 000 000	1 074 876
			60 686 012		**46 495 212**
Banco Atlântico Europa, S.A.	EUR	5 000 000	4 579 950	-	-
Banco Atlântico Europa, S.A.	USD	5 000 000	4 144 000	5 000 000	2 518 455
			8 723 950		**2 518 455**
Aktif Yatirim Bankasi A.S.	USD	9 000 000	7 459 200	8 000 000	4 029 528
			7 459 200		**4 029 528**
Banco BAI Europa, S.A.	USD	4 950 000	4 102 560	11 000 000	5 540 601
			4 102 560		**5 540 601**
			226 288 972		**188 608 090**
Income receivable			1 221 842		1 038 153
			227 510 814		**189 646 243**

Part of the investments in credit institutions abroad indicated above is collateral to secure the opening of documentary credit and other operations, in the context of contracted credit lines and other agreements concluded with those financial institutions.

As at 31 December 2023 and 2022, the interbank money market operations, excluding income receivable and impairment, show the following structure, by residual maturity periods:

In mAOA

	31/12/2023	31/12/2022
Up to one month	168 190 790	61 340 834
One to three months	54 650 042	91 188 688
Three to six months	3 448 140	36 078 568
	226 288 972	**188 608 090**

As at 31 December 2023 and 2022, the interbank money market operations earn interest at the following annual average rates, weighted by the respective par value of the investments:

In mAOA

	31/12/2023	31/12/2022
In kwanzas	5,08%	9,22%
In United States dollars	5,22%	3,84%
In euros	3,48%	1,25%

As at 31 December 2023 and 2022, third-party securities purchase operations with reverse repurchase agreement correspond to operations with Banco Nacional de Angola for acquisition of Treasury Bonds, with reverse repurchase agreement for a future date, at a price that is previously defined and agreed between the parties.

The income gained by Banco BIC in these operations corresponds, solely and exclusively, to the positive difference between the repurchase price of these Treasury Bonds, which has been predefined and agreed between the parties, and its initial acquisition value.

As at 31 December 2023 and 2022, interbank money market operations with repurchase agreement, excluding income receivable, show the following structure, by residual maturity periods:

In mAOA

	31/12/2023	31/12/2022
Up to one month	24 853 383	53 539 024
One to three months	26 352 792	32 691 470
Three to six months	20 261 088	37 498 637
Six month to one year	11 152 664	15 416 458
	82 619 927	139 145 589

The method for determining impairment is described in Note 2.3(c)(VI).

6. Financial Assets at Fair Value Through Other Comprehensive Income

This heading has the following composition:

In mAOA

	31/12/2023	31/12/2022
Investment Fund Units	68 746 252	69 672 602
	68 746 252	69 672 602

As at 31 December 2023 and 2022, the heading's balance corresponds to the appreciation of the holding of the entire capital of BIC Capital Prime I – Closed-End Special Real Estate Investment Fund ("BIC Capital Prime I").

BIC Capital Prime I was registered on 14 July 2022, and is managed by BIC Gestão de Activos – SGOIC II, S.A.

As at 31 December 2022, Banco BIC subscribed all of the BIC Capital Prime I investment fund units, amounting to mAOA 69 672 602, by contribution in kind in the form of real estate properties of the value of mAOA 68 093 604 and cash entries of the value of AOA 1 578 998 thousand.

During 2023, additional fund investment units were subscribed through cash entries amounting to mAOA 915 000.

The BIC Capital Prime I Fund devaluation which took place in the year ended 31 December 2023, amounting to mAOA 1 841 350, was reflected against other comprehensive income (Note 2.3(c)(I)(b)).

7. Investments at Amortized Cost

This heading has the following composition:

In mAOA

	31/12/2023		31/12/2022	
	Interest rate	Value	Interest rate	Value
Treasury Bonds				
In domestic currency				
Non-adjustable	16,12%	212 908 928	16,97%	112 267 995
Indexed to the United States Dollar	7,50%	60 033 381	7,54%	108 434 597
		272 942 309		**220 702 592**
In foreign currency	5,15%	174 369 409	4,88%	77 996 552
		447 311 718		**298 699 144**
Treasury Bills	12,93%	99 059 947	12,62%	38 952 044
		546 371 665		**337 651 188**
Income receivable		18 014 660		14 229 155
		564 386 325		**351 880 343**
Impairment (Note 15)		(43 547 428)		(26 175 675)
		520 838 897		**325 704 668**

As at 31 December 2023 and 2022, the Bank classifies the financial assets in this portfolio, as they comply with the SPPI requirements and the associated business model consists of collecting the contractual cash flows.

As at 31 December 2023 and 2022, the financial assets are remunerated at a fixed rate.

As at 31 December 2023 and 2022, the Treasury Bonds in portfolio, excluding income receivable and impairment, show the following structure, by residual maturity periods:

In mAOA

	31/12/2023	31/12/2022
Up to three months	81 090 217	32 470 144
Three to six months	6 643 877	49 436 222
Six months to one year	31 524 910	70 457 736
One to three years	174 164 516	77 922 448
More than three years	153 888 198	68 412 594
	447 311 718	**298 699 144**

As at 31 December 2023 and 2022, the Treasury Bills in portfolio, excluding income receivable and impairment, show the following structure, by residual maturity periods:

In mAOA

	31/12/2023	31/12/2022
Up to three months	7 999 986	11 619 432
Three to six months	31 887 721	9 341 331
Three months to one year	59 172 240	17 991 281
	99 059 947	38 952 044

The method for determining impairment is described in Note 2.3(c)(VI).

8. Loans to Customers

This heading has the following composition:

In mAOA

	31/12/2023	31/12/2022
Domestic currency		
Loans	350 831 399	292 719 749
Loans in current accounts	64 288 223	49 519 764
Loans to Employees	18 153 103	11 847 921
Demand deposit overdrafts	4 684 956	1 574 444
	437 957 681	355 661 878
Foreign currency		
Loans	172 518 740	147 817 039
Loans to Employees	28 146 434	17 492 212
Loans in current accounts	338 689	1 325 438
Demand deposit overdrafts	21	24 857
	201 003 884	166 659 546
Total outstanding principal	638 961 565	522 321 424
Loans and interest overdue		
Domestic currency	77 856 061	65 093 085
Foreign currency	381 919 819	222 649 427
Total loans and interest overdue	459 775 880	287 742 512
Total loans granted	1 098 737 445	810 063 936
Interest receivable - Domestic currency	17 710 048	25 030 457
Interest receivable - Foreign currency	580 053	268 427
Total income receivable	18 290 101	25 298 884
	1 117 027 546	835 362 820
Associated fees at amortized cost	(1 260 459)	(1 246 244)
	1 115 767 087	834 116 576
Impairment (Note 15)	(353 467 268)	(230 839 390)
	762 299 819	603 277 186

As at 31 December 2023, the balance of the heading "Loans to Employees" includes the adjustments in accordance with the requirements of IAS 19 (Note 2.3(k)), with the recognition of a deferral of the value of mAOA 20 446 388 (Note 12) and an effect in the income statement, under the heading "Interest and similar income of loans to Customers – Interest", of the value of mAOA 1 198 098 (Note 19).

As at 31 December 2022, the balance of the heading "Loans to Employees" includes the adjustments in accordance with the requirements of IAS 19 (Note 2.3(k)), with the recognition of a deferral of the value of mAOA 13 531 081 (Note 12) and an effect in the income statement, under the heading "Interest and similar income of loans to Customers – Interest", of the value of mAOA 1 043 203 (Note 19).

As at 31 December 2023 and 2022, the outstanding exposure of loans granted to Customers shows the following structure, by residual maturity periods:

In mAOA

	31/12/2023	31/12/2022
Up to one month	38 295 643	10 689 770
One to three months	10 697 758	10 285 583
Three to six months	37 492 226	26 855 615
Six months to one year	32 370 727	32 143 387
One to three years	107 188 063	73 507 572
Three to five years	128 665 093	105 563 305
Five to ten years	164 466 630	168 059 172
More than ten years	119 785 425	95 217 020
	638 961 565	522 321 424

As at 31 December 2023 and 2022, the outstanding and overdue loans granted to Customers, excluding income receivable, is detailed as follows, by currency and annual average rates, weighted by exposure:

In mAOA

	31/12/2023			31/12/2022		
	Interest rate	Foreign currency (in units)	Domestic currency	Interest rate	Foreign currency (in units)	Domestic currency
In kwanzas	10,07%	-	515 813 742	12,87%	-	420 754 963
In United States dollars	9,25%	703 334 969	582 923 703	9,30%	733 747 499	369 582 011
In euros	-	-	-	1,75%	36 705 557	19 726 962
			1 098 737 445			810 063 936

As at 31 December 2023 and 2022, the distribution of the outstanding and overdue loans granted to Customers, excluding income receivable, between companies and individuals is detailed as follows:

In mAOA

	31/12/2023			31/12/2022		
	Outstanding	Overdue	Total	Outstanding	Overdue	Total
Companies	520 283 191	409 802 997	930 086 188	433 809 786	252 859 861	686 669 647
Individuals	118 678 374	49 972 883	168 651 257	88 511 638	34 882 651	123 394 289
	638 961 565	459 775 880	1 098 737 445	522 321 424	287 742 512	810 063 936

As at 31 December 2023 and 2022, the distribution of the outstanding and overdue loans granted to Customers, excluding income receivable, by interest rate is detailed as follows:

In mAOA

	31/12/2023	31/12/2022
	786 319 834	552 755 089
Luibor 1M	181 477 524	127 275 754
Luibor 3M	35 366 956	19 341 044
Luibor 6M	55 322 126	55 057 364
Luibor 9M	677 277	-
Luibor 12M	22 387 645	35 711 052
Libor 1M	15 790	763 724
Libor 3M	2 249 729	2 128 917
Libor 6M	259 280	157 574
Libor 12M	14 661 284	9 777 271
Euribor 6M	-	7 096 147
	312 417 611	257 308 847
	1 098 737 445	810 063 936

As at 31 December 2023 and 2022, the value of the gross exposure of the loans, including the guarantees provided, documentary credit (Note 18), the unused limits and impairment constituted for the exposures are detailed as follows:

In mAOA

	31/12/2023		31/12/2022	
	Total exposure	Impairment (Note 15)	Total exposure	Impairment (Note 15)
Loans granted	1 117 027 546	(353 467 268)	835 362 820	(230 839 390)
Guarantees provided and documentary credit	59 484 403	(6 796 974)	39 656 289	(6 419 840)
Unused limits	45 411 406	(1 587 052)	58 476 329	(1 191 980)
	1 221 923 355	(361 851 294)	933 495 438	(238 451 210)

The method for determining impairment is described in Note 2.3(c)(VI).

As at 31 December 2023 and 2022, the loan portfolio by segment and stage is detailed as follows:

Segment	31/12/2023					
					Exposure	
	Total exposure	Loan at stage 1	Of which remedied	Of which restructured	Loan at stage 2	Of which forborne
Service and Other	700 358 445	372 589 710	36 331 638	78 342 456	2 193 222	-
Trade and Repairs	217 814 117	8 268 065	447 501	902 270	-	-
Residential	89 688 652	39 609 619	1 347 165	6 021 376	340 823	-
Construction	85 886 606	21 547 665	1 990 398	1 990 441	33	-
Industry	24 584 650	6 700 361	-	-	-	-
Employees	16 041 169	15 616 057	2 164	285 974	22 432	-
Revolving	5 859 246	2 133 841	-	-	9 938	-
Other Loans	81 690 470	21 592 938	401 701	642 285	181 130	-
	1 221 923 355	**488 058 256**	**40 520 567**	**88 184 802**	**2 747 578**	**-**

Segment	31/12/2022					
					Exposure	
	Total exposure	Loan at stage 1	Of which remedied	Of which restructured	Loan at stage 2	Of which forborne
Service and Other	543 851 142	313 551 549	14 597 751	84 004 958	10 264 862	11 890
Trade and Repairs	146 745 537	8 523 596	2 225 781	1 072 969	439 724	436 679
Residential	76 921 964	25 247 276	8 892 999	1 726 233	6	-
Construction	61 327 733	26 555 327	2 010 538	3 642 936	2 040 001	111 984
Industry	18 008 154	2 711 705	35 510	-	3 683 343	6
Revolving	14 673 782	11 688 867	1 894 781	-	16 577	6 198
Employees	11 823 891	11 660 043	76 610	174 605	35 848	6
Other Loans	60 143 235	12 889 513	115 723	501 318	504 902	6 581
	933 495 438	**412 827 876**	**29 849 693**	**91 123 019**	**16 985 263**	**573 344**

In mAOA

31/12/2023							
				Impairment			
Of which restructured	Loan at stage 3	Of which under remedy	Of which restructured	Total impairment	Loan at stage 1	Loan at stage 2	Loan at stage 3
-	325 575 513	332 694	234 572 419	(144 871 418)	(8 900 531)	(41 538)	(135 929 349)
-	209 546 052	-	185 321 300	(103 844 963)	(1 546 978)	-	(102 297 985)
88 213	49 738 210	1 295 803	14 868 550	(34 235 987)	(1 346 871)	(60 562)	(32 828 554)
-	64 338 908	-	49 716 442	(30 098 510)	(601 229)	(1)	(29 497 280)
-	17 884 289	-	6 293 663	(11 993 560)	(211 389)	-	(11 782 171)
-	402 680	-	-	(77 156)	(17 962)	(1 871)	(57 323)
-	3 715 467	-	-	(2 031 919)	(39 989)	(610)	(1 991 320)
5 615	59 916 402	-	16 349 521	(34 697 781)	(954 892)	(29 068)	(33 713 821)
93 828	**731 117 521**	**1 628 497**	**507 121 895**	**(361 851 294)**	**(13 619 841)**	**(133 650)**	**(348 097 803)**

In mAOA

31/12/2022							
				Impairment			
Of which restructured	Loan at stage 3	Of which under remedy	Of which restructured	Total impairment	Loan at stage 1	Loan at stage 2	Loan at stage 3
5 590 164	220 034 731	2 639 443	147 954 812	(96 891 942)	(10 347 467)	(1 124 064)	(85 420 411)
-	137 782 217	-	111 444 047	(59 436 055)	(2 080 430)	(10 399)	(57 345 226)
-	51 674 682	2 019 917	35 289 809	(21 120 442)	(1 443 477)	-	(19 676 965)
793 646	32 732 405	-	9 136 121	(21 526 555)	(1 080 384)	(282 292)	(20 163 879)
-	11 613 106	-	3 452 733	(7 990 024)	(277 640)	-	(7 712 384)
-	2 968 338	-	-	(2 069 497)	(158 031)	(759)	(1 910 707)
-	128 000	-	-	(50 893)	(14 375)	(3 646)	(32 872)
237 892	46 748 820	-	10 411 921	(29 365 802)	(1 209 080)	(119 382)	(28 037 340)
6 621 702	**503 682 299**	**4 659 360**	**317 689 443**	**(238 451 210)**	**(16 610 884)**	**(1 540 542)**	**(220 299 784)**

As at 31 December 2023 and 2022, the loan portfolio by segment and year that the operations were granted is detailed as follows:

	31/12/2023								
Segment	**2023**			**2022**			**2021**		
	Number of operations	**Value**	**Constituted impairment**	**Number of operations**	**Value**	**Constituted impairment**	**Number of operations**	**Value**	**Constituted impairment**
Service and Other	**1 139**	**247 882 011**	**(9 776 890)**	637	98 967 320	(4 374 378)	359	60 998 774	(1 838 678)
Trade and Repairs	**28**	**6 472 675**	**(96 508)**	2	764 242	(1 840)	-	-	-
Residential	**76**	**7 516 065**	**(1 231 058)**	50	4 714 615	(254 205)	68	5 670 103	(806 564)
Construction	**56**	**30 333 123**	**(2 118 100)**	8	125 867	(165)	1	9	-
Industry	**8**	**5 142 811**	**(104 918)**	2	2 079 803	(26 605)	-	-	-
Employees	**1 800**	**8 253 287**	**(26 749)**	993	3 489 762	(22 608)	659	2 496 776	(14 083)
Revolving	**2 386**	**1 172 290**	**(117 938)**	4 586	54 515	(710)	2 806	94 026	(384)
Other Loans	**4 323**	**36 649 318**	**(4 875 241)**	2 880	4 640 658	(274 246)	2 736	2 421 872	(356 490)
	9 816	**343 421 580**	**(18 347 402)**	**9 158**	**114 836 782**	**(4 954 757)**	**6 629**	**71 681 560**	**(3 016 199)**

	31/12/2022								
Segment	**2022**			**2021**			**2020**		
	Number of operations	**Value**	**Constituted impairment**	**Number of operations**	**Value**	**Constituted impairment**	**Number of operations**	**Value**	**Constituted impairment**
Service and Other	809	203 748 331	(5 681 371)	389	67 553 481	(1 453 898)	304	75 723 071	(5 300 765)
Trade and Repairs	27	6 343 762	(151 532)	-	-	-	-	-	-
Construction	48	32 373 068	(2 695 899)	3	20	(2)	3	334 670	(42 726)
Residential	55	5 346 841	(339 964)	74	5 570 936	(782 199)	59	3 332 622	(599 182)
Industry	7	2 763 949	(94 966)	-	-	-	4	211 451	(68 168)
Revolving	1 318	4 981 009	(137 318)	3 467	88 862	(853)	2 426	78 750	(6 910)
Employees	1 107	4 935 325	(17 899)	880	4 237 985	(10 502)	549	1 837 545	(12 034)
Other Loans	2 947	6 461 406	(154 297)	2 968	17 363 164	(3 029 773)	2 618	2 035 902	(165 101)
	6 318	**266 953 691**	**(9 273 246)**	**7 781**	**94 814 448**	**(5 277 227)**	**5 963**	**83 554 011**	**(6 194 886)**

In mAOA

31/12/2023											
2020			2019			2018 e anteriores			Total		
Number of operations	Value	Constituted impairment	Number of operations	Value	Constituted impairment	Number of operations	Value	Constituted impairment	Number of operations	Value	Constituted impairment
274	57 319 557	(10 082 768)	169	58 065 956	(28 185 310)	1 450	177 124 827	(90 613 394)	4 028	700 358 445	(144 871 418)
-	-	-	1	15 924	(15 065)	1 055	210 561 276	(103 731 550)	1 086	217 814 117	(103 844 963)
55	3 351 143	(891 348)	221	4 774 192	(388 118)	662	63 662 534	(30 664 694)	1 132	89 688 652	(34 235 987)
4	212 308	(2 011)	4	204 476	(52 208)	412	55 010 823	(27 926 026)	485	85 886 606	(30 098 510)
-	-	-	4	713 998	(700 219)	232	16 648 038	(11 161 818)	246	24 584 650	(11 993 560)
342	1 298 874	(3 339)	271	62 252	(322)	2 258	440 218	(10 055)	6 323	16 041 169	(77 156)
1 930	16 321	(6 669)	1 182	7 161	(98)	25 282	4 514 933	(1 906 120)	38 172	5 859 246	(2 031 919)
2 097	872 521	(109 783)	121	179 703	(142 616)	1 777	36 926 398	(28 939 405)	13 934	81 690 470	(34 697 781)
4 702	**63 070 724**	**(11 095 918)**	**1 973**	**64 023 662**	**(29 483 956)**	**33 128**	**564 889 047**	**(294 953 062)**	**65 406**	**1 221 923 355**	**(361 851 294)**

In mAOA

31/12/2022											
2019			2018			2017 e anteriores			Total		
Number of operations	Value	Constituted impairment	Number of operations	Value	Constituted impairment	Number of operations	Value	Constituted impairment	Number of operations	Value	Constituted impairment
222	54 467 569	(14 275 836)	181	22 540 322	(5 644 056)	1 350	119 818 368	(64 536 016)	3 255	543 851 142	(96 891 942)
2	53 294	(50 383)	-	-	-	1 067	140 348 481	(59 234 140)	1 096	146 745 537	(59 436 055)
4	183 115	(20 561)	2	3 488	(2 109)	423	44 027 603	(18 359 145)	483	76 921 964	(21 120 442)
238	4 078 403	(211 782)	48	2 611 265	(496 338)	649	40 387 666	(19 097 090)	1 123	61 327 733	(21 526 555)
5	433 920	(405 938)	-	-	-	243	14 598 834	(7 420 952)	259	18 008 154	(7 990 024)
1 677	79 172	(6 572)	1 484	76 758	(472)	26 390	9 369 231	(1 917 372)	36 762	14 673 782	(2 069 497)
465	304 549	(2 082)	221	43 992	(136)	1 898	464 495	(8 240)	5 120	11 823 891	(50 893)
2 271	881 314	(168 433)	132	1 369 060	(659 701)	1 845	32 032 389	(25 188 497)	12 781	60 143 235	(29 365 802)
4 884	**60 481 336**	**(15 141 587)**	**2 068**	**26 644 885**	**(6 802 812)**	**33 865**	**401 047 067**	**(195 761 452)**	**60 879**	**933 495 438**	**(238 451 210)**

As at 31 December 2023 and 2022, the value of the gross exposure of the loans and the impairment constituted for the exposures individually and collectively, by segment, are detailed as follows:

In mAOA

Segment	31/12/2023					
	Individual impairment		Collective impairment		Total	
	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment
Service and Other	539 993 312	(126 400 075)	160 365 133	(18 471 343)	700 358 445	(144 871 418)
Trade and Repairs	182 567 177	(85 483 914)	35 246 940	(18 361 049)	217 814 117	(103 844 963)
Residential	4 246 004	(2 448 778)	85 442 648	(31 787 209)	89 688 652	(34 235 987)
Construction	50 122 183	(17 566 578)	35 764 423	(12 531 932)	85 886 606	(30 098 510)
Industry	19 551 049	(10 266 920)	5 033 601	(1 726 640)	24 584 650	(11 993 560)
Employees	-	-	16 041 169	(77 156)	16 041 169	(77 156)
Revolving	1 692 992	(510 167)	4 166 254	(1 521 752)	5 859 246	(2 031 919)
Other Loans	43 291 473	(15 218 881)	38 398 997	(19 478 900)	81 690 470	(34 697 781)
	841 464 190	**(257 895 313)**	**380 459 165**	**(103 955 981)**	**1 221 923 355**	**(361 851 294)**

In mAOA

Segment	31/12/2022					
	Individual impairment		Collective impairment		Total	
	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment
Service and Other	424 295 220	(82 563 626)	119 555 922	(14 328 316)	543 851 142	(96 891 942)
Trade and Repairs	120 214 371	(47 290 645)	26 531 166	(12 145 410)	146 745 537	(59 436 055)
Construction	57 615 161	(16 553 893)	19 306 803	(4 566 549)	76 921 964	(21 120 442)
Residential	420 065	(246 685)	60 907 668	(21 279 870)	61 327 733	(21 526 555)
Industry	12 750 279	(6 470 406)	5 257 875	(1 519 618)	18 008 154	(7 990 024)
Revolving	4 931 868	(963 472)	9 741 914	(1 106 025)	14 673 782	(2 069 497)
Employees	-	-	11 823 891	(50 893)	11 823 891	(50 893)
Other Loans	17 449 940	(11 972 638)	42 693 295	(17 393 164)	60 143 235	(29 365 802)
	637 676 904	**(166 061 365)**	**295 818 534**	**(72 389 845)**	**933 495 438**	**(238 451 210)**

As at 31 December 2023 and 2022, the value of the gross exposure of the loans and the impairment constituted for the exposures individually and collectively, by activity sector, are detailed as follows:

In mAOA

	31/12/2023					
	Individual impairment		Collective impairment		Total	
	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment
Companies						
Construction	164 336 134	(64 354 809)	54 154 834	(17 306 776)	218 490 968	(81 661 585)
Wholesale and retail trade, vehicle repair	130 126 803	(16 026 102)	80 929 745	(15 134 810)	211 056 548	(31 160 912)
Mining industries	106 267 428	(26 902 932)	335 432	(503 589)	106 602 860	(27 406 521)
Manufacturing industries	72 691 510	(9 334 601)	15 097 629	(1 673 670)	87 789 139	(11 008 271)
Agriculture, animal husbandry, hunting, forestry and fisheries	51 558 439	(28 381 189)	30 241 064	(3 515 472)	81 799 503	(31 896 661)
Accommodation, restaurants and similar	64 121 233	(41 867 841)	1 441 899	(809 792)	65 563 132	(42 677 633)
Human health and welfare support	33 415 528	(23 012 205)	354 983	(328 558)	33 770 511	(23 340 763)
Education	14 305 602	(2 335 992)	10 233 274	(1 385 474)	24 538 876	(3 721 466)
Public Administration and Defence, mandatory Social Security	16 565 758	(3 802 272)	319 635	(60 115)	16 885 393	(3 862 387)
Real estate activities	11 796 698	(1 472 480)	2 255 155	(1 163 800)	14 051 853	(2 636 280)
Transport and storage	5 450 409	(130 011)	7 143 368	(5 314 738)	12 593 777	(5 444 749)
Financial and insurance activities	9 280 114	(144 493)	605 768	(10 285)	9 885 882	(154 778)
Information and communication activities	-	-	6 600 685	(1 089 150)	6 600 685	(1 089 150)
Water capture, treatment and distribution	-	-	149 577	(366)	149 577	(366)
Electricity, gas, steam, hot and cold water, and cold air	-	-	35	(1)	35	(1)
Artistic, entertainment, sporting and recreational activities	-	-	13	-	13	-
Other service activities	112 318 065	(21 952 560)	26 546 825	(2 794 370)	138 864 890	(24 746 930)
	792 233 721	**(239 717 487)**	**236 409 921**	**(51 090 966)**	**1 028 643 642**	**(290 808 453)**
Individuals	49 230 469	(18 177 826)	144 049 244	(52 865 015)	193 279 713	(71 042 841)
	841 464 190	**(257 895 313)**	**380 459 165**	**(103 955 981)**	**1 221 923 355**	**(361 851 294)**

In mAOA

	31/12/2022					
	Individual impairment		Collective impairment		Total	
	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment
Companies						
Construction	137 370 153	(43 414 116)	29 594 943	(6 677 481)	166 965 096	(50 091 597)
Wholesale and retail trade, vehicle repair	89 321 779	(10 260 688)	66 457 022	(10 993 317)	155 778 801	(21 254 005)
Mining industries	71 378 450	(7 675 097)	258 985	(383 609)	71 637 435	(8 058 706)
Manufacturing industries	46 758 170	(14 399 774)	23 266 587	(2 510 260)	70 024 757	(16 910 034)
Agriculture, animal husbandry, hunting, forestry and fisheries	53 150 822	(6 850 565)	15 134 958	(1 697 065)	68 285 780	(8 547 630)
Accommodation, restaurants and similar	41 735 946	(25 925 751)	995 402	(1 100 136)	42 731 348	(27 025 887)
Human health and welfare support	20 308 004	(12 000 380)	370 850	(415 262)	20 678 854	(12 415 642)
Education	13 021 182	(1 239 736)	3 302 513	(560 164)	16 323 695	(1 799 900)
Public Administration and Defence, mandatory Social Security	8 282 987	(5 280 773)	3 316 578	(1 880 337)	11 599 565	(7 161 110)
Real estate activities	11 006 785	(167 721)	38 907	(6 297)	11 045 692	(174 018)
Transport and storage	7 173 820	(550 856)	1 370 946	(727 284)	8 544 766	(1 278 140)
Financial and insurance activities	539 723	(89 407)	6 520 250	(2 104 404)	7 059 973	(2 193 811)
Information and communication activities	6 013 887	(99 328)	225 469	(5 508)	6 239 356	(104 836)
Water capture, treatment and distribution	-	-	309 551	(7 072)	309 551	(7 072)
Electricity, gas, steam, hot and cold water, and cold air	-	-	12 987	(58)	12 987	(58)
Artistic, entertainment, sporting and recreational activities	-	-	7 640	(30)	7 640	(30)
Other service activities	108 813 323	(24 924 379)	19 468 179	(3 491 609)	128 281 502	(28 415 988)
	614 875 031	**(152 878 571)**	**170 651 767**	**(32 559 893)**	**785 526 798**	**(185 438 464)**
Individuals	22 801 873	(13 182 794)	125 166 767	(39 829 952)	147 968 640	(53 012 746)
	637 676 904	**(166 061 365)**	**295 818 534**	**(72 389 845)**	**933 495 438**	**(238 451 210)**

As at 31 December 2023 and 2022, the total loan exposure refers to Customers based in Angola.

As at 31 December 2023 and 2022, the restructured loan portfolio is detailed as follows:

In mAOA

Measure applied	31/12/2023											
	Stage 1			Stage 2			Stage 3			Total		
	Number of operations	Total exposure	Impairment	Number of operations	Total exposure	Impairment	Number of operations	Total exposure	Impairment	Number of operations	Total exposure	Impairment
Restru-cturing	151	88 184 802	(3 379 669)	3	93 828	(4 431)	316	507 121 895	(257 355 849)	470	595 400 525	(260 739 949)
	151	**88 184 802**	**(3 379 669)**	**3**	**93 828**	**(4 431)**	**316**	**507 121 895**	**(257 355 849)**	**470**	**595 400 525**	**(260 739 949)**

In mAOA

Measure applied	31/12/2022											
	Stage 1			Stage 2			Stage 3			Total		
	Number of operations	Total exposure	Impairment	Number of operations	Total exposure	Impairment	Number of operations	Total exposure	Impairment	Number of operations	Total exposure	Impairment
Restru-cturing	142	91 123 019	(4 988 077)	17	6 621 701	(567 007)	298	317 689 444	(131 723 909)	457	415 434 164	(137 278 993)
	142	**91 123 019**	**(4 988 077)**	**17**	**6 621 701**	**(567 007)**	**298**	**317 689 444**	**(131 723 909)**	**457**	**415 434 164**	**(137 278 993)**

As at 31 December 2023 and 2022, the inflow and outflow movement of the restructured loan portfolio is detailed as follows:

In mAOA

	31/12/2023	31/12/2022
Opening balance of the restructured loan portfolio (gross of impairment)	**415 434 164**	**415 820 898**
Restructured loans in the period	**75 643 020**	52 665 719
Accrued interest of the restructured loan portfolio	**725 072**	4 525 057
Settlement of restructured loans (partial or total)	**(62 912 598)**	(30 607 773)
Exchange rate variation	**166 510 867**	(26 969 737)
Closing balance of the restructured loan portfolio (gross of impairment)	**595 400 525**	**415 434 164**

As at 31 December 2023 and 2022, the fair value of the guarantees underlying the portfolio of loans to the companies, construction, real estate development and residential segments is detailed as follows:

Fair value	31/12/2023			
	Companies			
	Real estate properties		Other asset-backed collateral	
	Number of properties	Value	Number of properties	Value
< 50 MAOA	287	487 322	30	452 905
≥ 50 MAOA and < 100 MAOA	11	860 508	10	708 644
≥ 100 MAOA and < 500 MAOA	50	15 377 909	16	3 419 444
≥ 500 MAOA and < 1 000 MAOA	25	19 375 561	5	3 643 271
≥ 1 000 MAOA and < 2 000 MAOA	22	31 533 576	2	3 186 457
≥ 2 000 MAOA and < 5 000 MAOA	51	160 762 765	5	13 336 033
≥ 5 000 MAOA	29	497 673 330	1	7 568 146
	475	**726 070 971**	**69**	**32 314 900**

Fair value	31/12/2022			
	Companies			
	Real estate properties		Other asset-backed collateral	
	Number of properties	Value	Number of properties	Value
< 50 MAOA	269	196 336	31	407 366
≥ 50 MAOA and < 100 MAOA	10	705 988	10	630 724
≥ 100 MAOA and < 500 MAOA	17	5 917 533	14	3 004 635
≥ 500 MAOA and < 1 000 MAOA	18	12 776 319	4	2 850 655
≥ 1 000 MAOA and < 2 000 MAOA	19	27 507 774	4	5 696 564
≥ 2 000 MAOA and < 5 000 MAOA	22	66 833 199	1	2 014 764
≥ 5 000 MAOA	15	245 738 709	-	-
	370	**359 675 858**	**64**	**14 604 708**

In mAOA

31/12/2023							
Construction and real estate development				Residential			
Real estate properties		Other asset-backed collateral		Real estate properties		Other asset-backed collateral	
Number of properties	Value	Number of properties	Value	Number of properties	Value	Number of properties	Value
35	-	-	-	395	83 111	37	805 508
1	65 748	-	-	6	357 508	1	57 823
3	927 964	3	650 688	35	8 343 271	1	207 200
10	6 278 546	-	-	7	4 865 852	-	-
3	5 333 344	-	-	1	1 558 144	-	-
15	53 283 130	2	4 298 483	2	4 471 560	-	-
3	86 432 206	-	-	-	-	-	-
70	**152 320 938**	**5**	**4 949 171**	**446**	**19 679 446**	**39**	**1 070 531**

In mAOA

31/12/2022							
Construction and real estate development				Residential			
Real estate properties		Other asset-backed collateral		Real estate properties		Other asset-backed collateral	
Number of properties	Value	Number of properties	Value	Number of properties	Value	Number of properties	Value
22	30 710	2	2	369	94 753	39	862 353
-	-	-	-	6	375 326	2	112 725
1	280 545	1	121	18	3 646 859	2	277 030
10	6 203 937	-	-	2	1 226 060	-	-
20	22 999 260	1	1 360	1	1 303 955	-	-
4	11 641 795	-	-	-	-	-	-
3	89 525 924	-	-	-	-	-	-
60	**130 682 171**	**4**	**1 483**	**396**	**6 646 953**	**43**	**1 252 108**

As at 31 December 2023 and 2022, the loan-guarantee ratio of the companies, construction, real estate development and residential segments is detailed as follows:

In mAOA

	31/12/2023					
Segment / Ratio	**Number of properties**	**Number of other asset-backed collaterals**	**Stage 1**	**Stage 2**	**Stage 3**	**Impairment**
Companies						
No associated guarantee	n.a.	n.a.	108 648 588	1 274 437	190 346 405	(69 823 776)
< 50%	299	55	191 442 599	918 785	293 585 650	(167 719 375)
≥ 50% and < 75%	14	7	15 244 997	-	19 620 546	(4 486 283)
≥ 75% and < 100%	9	1	1 530 157	-	1 714 132	(419 843)
≥ 100%	153	6	70 691 795	-	47 739 121	(18 260 664)
	475	**69**	**387 558 136**	**2 193 222**	**553 005 854**	**(260 709 941)**
Construction and real estate development						
No associated guarantee	n.a	n.a	11 481 540	33	3 582 571	(2 244 568)
< 50%	39	5	1 151 977	-	33 692 462	(17 309 806)
≥ 50% and < 75%	2	-	-	-	3 631 788	(2 273 449)
≥ 75% and < 100%	5	-	2 511 441	-	5 632 298	(3 548 474)
≥ 100%	24	-	6 402 707	-	17 799 789	(4 722 213)
	70	**5**	**21 547 665**	**33**	**64 338 908**	**(30 098 510)**
Residential						
No associated guarantee	n.a	n.a	30 358 931	340 823	22 277 692	(18 314 525)
< 50%	415	38	7 326 526	-	23 597 783	(13 287 380)
≥ 50% and < 75%	3	1	215 383	-	1 591 661	(795 268)
≥ 75% and < 100%	1	-	571 725	-	-	(343 035)
≥ 100%	27	-	1 137 054	-	2 271 074	(1 495 779)
	446	**39**	**39 609 619**	**340 823**	**49 738 210**	**(34 235 987)**
	991	**113**	**448 715 420**	**2 534 078**	**667 082 972**	**(325 044 438)**

In mAOA

	31/12/2022					
Segment / Ratio	**Number of properties**	**Number of other asset-backed collaterals**	**Stage 1**	**Stage 2**	**Stage 3**	**Impairment**
Companies						
No associated guarantee	n.a.	n.a.	106 045 395	6 061 426	59 371 075	(43 512 464)
< 50%	252	31	137 464 729	8 317 928	198 366 774	(93 451 690)
≥ 50% and < 75%	20	10	17 495 620	-	16 676 101	(2 818 834)
≥ 75% and < 100%	20	14	32 585 540	-	4 960 119	(66 913)
≥ 100%	78	9	31 195 566	8 575	90 055 985	(24 468 120)
	370	**64**	**324 786 850**	**14 387 929**	**369 430 054**	**(164 318 021)**
Construction and real estate development						
No associated guarantee	n.a.	n.a.	21 602 200	6	1 734 644	(2 170 936)
< 50%	23	1	2 796 186	-	23 437 337	(10 606 569)
≥ 50% and < 75%	2	-	-	-	1 019 463	(624 891)
≥ 75% and < 100%	4	2	151 136	-	4 557 526	(2 061 581)
≥ 100%	31	1	697 754	-	20 925 712	(5 656 465)
	60	**4**	**25 247 276**	**6**	**51 674 682**	**(21 120 442)**
Residential						
No associated guarantee	n.a.	n.a.	10 810 198	163 834	14 089 904	(11 411 567)
< 50%	366	12	13 830 497	1 818 183	16 113 088	(8 399 518)
≥ 50% and < 75%	3	-	272 866	57 984	550 018	(289 420)
≥ 75% and < 100%	1	1	48 068	-	326 064	(164 934)
≥ 100%	26	30	1 593 698	-	1 653 331	(1 261 116)
	396	**43**	**26 555 327**	**2 040 001**	**32 732 405**	**(21 526 555)**
	826	**111**	**376 589 453**	**16 427 936**	**453 837 141**	**(206 965 018)**

As at 31 December 2023 and 2022, the distribution of the loan portfolio measured by internal risk level is detailed as follows:

In mAOA

Segment	31/12/2023							
	Low risk level		Medium risk level		High risk level			
	A	B	C	D	E	F	G	Total
Service and Other	49 779 359	138 274 103	221 917 739	118 844 519	12 188 007	109 399 736	49 954 982	700 358 445
Trade and Repairs	852 704	536 477	7 740 961	107 501 324	14 463 465	10 217 936	76 501 250	217 814 117
Construction	1 490 198	11 612 917	9 320 271	20 971 614	13 840 404	25 799 176	2 852 026	85 886 606
Residential	874 360	16 530 760	22 108 874	7 809 850	6 988 171	15 044 613	20 332 024	89 688 652
Industry	371 857	4 585 486	4 529 918	2 115 783	138 992	922 323	11 920 291	24 584 650
Employees	97 743	15 518 100	1 549	417 247	-	3 432	3 098	16 041 169
Revolving	240 579	1 899 801	-	1 594 358	90 161	853 400	1 180 947	5 859 246
Other Loans	835 174	2 685 327	18 895 234	24 248 569	1 684 816	9 843 753	23 497 597	81 690 470
	54 541 974	**191 642 971**	**284 514 546**	**283 503 264**	**49 394 016**	**172 084 369**	**186 242 215**	**1 221 923 355**

In mAOA

Segment	31/12/2022							
	Low risk level		Medium risk level		High risk level			
	A	B	C	D	E	F	G	Total
Service and Other	63 185 641	106 524 548	172 514 639	89 637 319	13 414 520	72 509 161	26 065 314	543 851 142
Trade and Repairs	4 667 750	25 251	4 709 269	60 778 197	9 049 268	6 401 085	61 114 717	146 745 537
Construction	14 092 844	6 158 868	6 442 688	21 249 787	10 968 904	15 713 941	2 294 932	76 921 964
Residential	1 129 443	7 758 830	23 436 253	7 592 192	5 348 237	10 356 569	5 706 209	61 327 733
Industry	674 714	1 940 327	4 717 941	1 875 909	1 129 843	143 967	7 525 453	18 008 154
Revolving	9 758 795	2 131 882	-	227 764	668 821	710 251	1 176 269	14 673 782
Employees	329 813	11 309 515	496	168 328	-	14 179	1 560	11 823 891
Other Loans	14 463 498	1 590 049	10 608 590	1 237 008	1 311 375	13 877 663	17 055 052	60 143 235
	108 302 498	**137 439 270**	**222 429 876**	**182 766 504**	**41 890 968**	**119 726 816**	**120 939 506**	**933 495 438**

As at 31 December 2023 and 2022, the risk factors associated with the impairment model by segment are as presented below:

Em percentagem

Segment	31/12/2023			31/12/2022		
	Probability of default (%)		Loss given default (%)	Probability of default (%)		Loss given default (%)
	Stage 1	Stage 2		Stage 1	Stage 2	
Service and Other	12,84%	88,31%	25,15%	11,88%	85,14%	26,42%
Trade and Repairs	19,92%	n.a.	51,27%	20,26%	77,72%	33,80%
Residential	6,74%	76,18%	38,31%	6,72%	94,31%	36,90%
Construction	10,56%	57,31%	18,92%	10,29%	53,83%	26,09%
Industry	14,99%	n.a.	53,09%	14,81%	57,51%	56,54%
Employees	1,09%	73,77%	11,46%	1,10%	86,27%	11,71%
Revolving	4,52%	38,29%	42,59%	6,19%	42,20%	36,79%
Other Loans	5,59%	50,61%	68,93%	5,47%	70,37%	71,15%
	11,45%	83,59%	33,63%	**10,84%**	**85,69%**	**31,60%**

In the years ended 31 December 2023 and 2022, the Bank recorded write-offs from the assets of the value of AOA 56 057 144 thousand and AOA 451 013 thousand, respectively (Note 15).

The remaining disclosures related to the heading "Loans to Customers" are presented in Note 27.

9. Non-current assets held for sale

Esta rubrica apresenta a seguinte composição:

In mAOA

	31/12/2023	31/12/2022
Real estate properties		
Real estate received in lieu of payment	18 204 918	16 835 709
Real estate projects - Employees	4 343 385	4 331 583
	22 548 303	**21 167 292**
Impairment (Note 15)		
Real estate received in lieu of payment	(5 394 791)	(5 101 771)
Real estate projects - Employees	(3 834 786)	(4 127 806)
	(9 229 577)	**(9 229 577)**
	13 318 726	**11 937 715**

As at 31 December 2023 and 2022, the balance of the heading "Real estate received in lieu of payment" corresponds to real estate properties received in lieu of payment of debts related to loans granted. On the same dates, the impairment value includes the estimated losses in the realization of these assets.

As at 31 December 2023 and 2022, the balance of the heading "Real estate projects - Employees" refers to real estate projects which are under construction, intended for sale to the Bank's Employees.

The movement which occurred in the headings "Real estate received in lieu of payment" and "Real estate projects - Employees" in the years ended 31 December 2023 and 2022 is detailed as follows:

In mAOA

	Gross Assets			
	Balance as at 31-12-2022	Increases	Write-offs	Balance as at 31-12-2023
Real estate received in lieu of payment	16 835 709	1 370 775	(1 566)	**18 204 918**
Real estate projects - Employees	4 331 583	11 802	-	**4 343 385**
	21 167 292	**1 382 577**	**(1 566)**	**22 548 303**

In mAOA

	Gross Assets			
	Balance as at 31-12-2021	Increases	Write-offs	Balance as at 31-12-2022
Real estate received in lieu of payment	73 347 227	982 055	(57 493 573)	16 835 709
Real estate projects - Employees	4 331 583	-	-	4 331 583
	77 678 810	**982 055**	**(57 493 573)**	**21 167 292**

In the year ended 31 December 2022, a subscription in kind of BIC Capital Prime I investment fund units was concluded, giving rise to the reduction of the balance "Real estate received in lieu of payment" (Note 6).

As at 31 December 2023 and 2022, the fair value and the net book value of the real estate properties received in lieu of payment or through foreclosure, by type of property, are detailed as follows:

In mAOA

Type of property	31/12/2023			31/12/2022		
	Number of properties	Fair value of the asset	Net book value	Number of properties	Fair value of the asset	Net book value
Land						
Urban	**10**	**5 156 815**	**3 047 750**	10	5 136 843	3 900 615
Constructed buildings						
Commercial	**9**	**10 917 531**	**7 879 378**	7	9 568 294	6 204 188
Residential	**6**	**2 130 572**	**1 882 999**	6	2 130 572	1 629 135
	25	**18 204 918**	**12 810 127**	**23**	**16 835 709**	**11 733 938**

As at 31 December 2023 and 2022, the net book value of the real estate properties received in lieu of payment or foreclosure, by age, are detailed as follows:

In mAOA

	31/12/2023				31/12/2022			
	< 1 year	≥ 2 years & < 5 years	≥ 5 years	Total	≥ 1 year & < 2 year	≥ 2 years & < 5 years	≥ 5 years	Total
Land								
Urban	13 744	150 792	2 883 214	3 047 750	1 174	205 625	3 693 816	3 900 615
Constructed buildings								
Commercial	314 980	2 060 510	5 503 888	7 879 378	1 473 272	980 111	3 750 805	6 204 188
Residential	-	272 279	1 610 720	1 882 999	222 558	109 056	1 297 521	1 629 135
	328 724	2 483 581	9 997 822	12 810 127	1 697 004	1 294 792	8 742 142	11 733 938

10. Other Tangible and Intangible Assets

The movement under these headings in the year ended 31 December 2023 is detailed as follows:

In mAOA

	Gross Assets					
	Balance as at 31-12-2022	Increases	Sales & Write-offs	Transfers	Regularizations	Balance as at 31-12-2023
Other tangible assets						
Properties for own use	13 318 179	498 171	(2 732)	-	-	13 813 618
Works in rented buildings	2 815 859	94 985	-	107 631	-	3 018 475
Equipment	21 009 702	2 912 426	(4 331)	53 271	-	23 971 068
Artworks	4 269	-	-	-	-	4 269
Right-of-use assets	7 976 812	836 013	(9 248)	-	(50 967)	8 752 610
Tangible assets in progress	1 007 445	998 621	-	(160 902)	-	1 845 164
	46 132 266	**5 340 216**	**(16 311)**	**-**	**(50 967)**	**51 405 204**
Intangible assets						
Automatic data treatment system software	6 020 250	441 765	(9 920)	-	-	6 452 095
Key money	149 815	-	-	-	-	149 815
Incorporation expenses	35 289	-	-	-	-	35 289
Multiannual costs	4 383	-	-	-	-	4 383
Other intangible assets	680	-	-	-	-	680
	6 210 417	**441 765**	**(9 920)**	**-**	**-**	**6 642 262**
	52 342 683	**5 781 981**	**(26 231)**	**-**	**(50 967)**	**58 047 466**

In mAOA

	Accumulated depreciation and amortization					
	Balance as at 31-12-2022	Value for the year	Sales & Write-offs	Transfers	Regularizations	Balance as at 31-12-2023
Other tangible assets						
Properties for own use	2 356 360	270 986	(10)	-	-	**2 627 336**
Works in rented buildings	2 468 951	192 922	-	-	-	**2 661 873**
Equipment	13 113 871	2 137 635	(3 509)	-	-	**15 247 997**
Right-of-use assets	4 295 062	1 065 184	-	-	-	**5 360 246**
	22 234 244	**3 666 727**	**(3 519)**	**-**	**-**	**25 897 452**
Intangible assets						
Automatic data treatment system software	3 888 497	1 594 292	(827)	-	-	**5 481 962**
Key money	149 815	-	-	-	-	**149 815**
Incorporation expenses	35 289	-	-	-	-	**35 289**
Multiannual costs	4 383	-	-	-	-	**4 383**
Other intangible assets	680	-	-	-	-	**680**
	4 078 664	**1 594 292**	**(827)**	**-**	**-**	**5 672 129**
	26 312 908	**5 261 019**	**(4 346)**	**-**	**-**	**31 569 581**

The movement under these headings in the year ended 31 December 2022 is detailed as follows:

In mAOA

	Gross Assets						
	Balance as at 31-12-2021	Increases	Sales & Write-offs	Transfers	Regularizations	Variação cambial	Balance as at 31-12-2022
Other tangible assets							
Properties for own use	12 678 573	363 976	-	275 630	-	-	13 318 179
Works in rented buildings	2 656 800	159 059	-	-	-	-	2 815 859
Equipment	18 576 830	2 402 064	(9 539)	40 347	-	-	21 009 702
Artworks	4 269	-	-	-	-	-	4 269
Right-of-use assets	-	2 997 256	-	-	5 431 346	(451 790)	7 976 812
Tangible assets in progress	1 190 352	133 108	(38)	(315 977)	-	-	1 007 445
	35 106 824	**6 055 463**	**(9 577)**	**-**	**5 431 346**	**(451 790)**	**46 132 266**
Intangible assets							
Automatic data treatment system software	5 461 815	558 435	-	-	-	-	6 020 250
Key money	149 815	-	-	-	-	-	149 815
Multiannual costs	35 289	-	-	-	-	-	35 289
Incorporation expenses	4 383	-	-	-	-	-	4 383
Other intangible assets	680	-	-	-	-	-	680
	5 651 982	**558 435**	**-**	**-**	**-**	**-**	**6 210 417**
	40 758 806	**6 613 898**	**(9 577)**	**-**	**5 431 346**	**(451 790)**	**52 342 683**

As at 31 December 2023 and 2022, the balance of the heading “Right-of-use assets” corresponds to their determination pursuant to the requirements of IFRS 16 (Note 2.3(o)).

As at 31 December 2023 and 2022, the heading “Tangible assets in progress” primarily corresponds to the costs incurred with the acquisition of the space and payment to suppliers for works to be carried out at premises for the Bank, acquired or rented, namely for the future installation of administrative services, new branches and other facilities, the inauguration of which is scheduled for years following the reporting date.

As at 31 December 2023 and 2022, the heading "Equipment" is detailed as follows:

In mAOA

	31/12/2023			31/12/2022		
	Gross value	Accumulated depreciation	Net value	Gross value	Accumulated depreciation	Net value
Machinery and tools	6 919 270	(3 161 089)	3 758 181	6 010 275	(2 592 422)	3 417 853
Interior facilities	5 070 114	(2 810 454)	2 259 660	4 593 033	(2 467 274)	2 125 759
Computer equipment	6 161 068	(5 299 720)	861 348	5 391 627	(4 632 542)	759 085
Furniture and material	2 192 774	(1 660 272)	532 502	2 038 765	(1 565 864)	472 901
Transport material	2 232 669	(1 740 284)	492 385	2 002 701	(1 371 913)	630 788
Other equipment	1 395 173	(576 178)	818 995	973 301	(483 856)	489 445
	23 971 068	(15 247 997)	8 723 071	21 009 702	(13 113 871)	7 895 831

11. Investments in subsidiaries, associates and joint ventures

This heading has the following composition:

In mAOA

	31/12/2023		31/12/2022	
	Holding	Value	Holding	Value
GI10				
Financial holding		-	28,85%	91 016
EMIS				
Equity holding	7,51%	273 594	7,51%	273 594
Shareholder loans		7 067		7 067
		280 661		280 661
ABANC				
Shareholder loans		24 224		24 224
		304 885		395 901

As at 31 December 2022, the Bank had a 28,85% equity stake in GI10 – Investimentos e Gestão, SGPS, S.A., a company based in Portugal, the core business of which is the management of shareholdings in other companies essentially linked to insurance brokerage. In the year ended 31 December 2023, this equity stake was settled with recognition of the appreciation for the year of EUR 12 945 (AOA 11 183 thousand) and the net income of the company of EUR 83 296 (AOA 73 786 thousand) under the heading "Results of subsidiaries, associates and joint ventures (equity method)". In the year ended 31 December 2022, a devaluation was recognized of EUR 92 294 (AOA 41 175 thousand) under the heading "Results of subsidiaries, associates and joint ventures (equity method)", in addition to dividends having been received of the value of EUR 337 500 (AOA 181 385 thousand).

As at 31 December 2023 and 2022, the Bank has a 7,51% equity holding in EMIS – Empresa Interbancária de Serviços, S.A.R.L. ("EMIS"). EMIS was incorporated in Angola for the purpose of management of electronic means of payment and ancillary services.

As at 31 December 2023 and 2022, the value of shareholder loans to the Angolan Banking Association ("ABANC") refers to the fixed asset investment plan by decision of the extraordinary General Meeting, held on 28 July 2009.

12. Other Assets

This heading has the following composition:

In mAOA

	31/12/2023	31/12/2022
Deferral of employee benefits (Note 8)	**20 446 388**	13 531 081
PAC/ Angola Invests subsidies	**19 080 146**	17 129 432
Visa collateral	**8 572 196**	4 948 225
Visa	**1 672 029**	1 433 492
Taxes on interbank fees	**1 481 829**	1 931 819
Taxes recoverable	**825 948**	825 948
Prepaid expenses	**724 764**	-
Origination fees receivable	**474 175**	777 588
Office supplies	**369 133**	108 467
Cash discrepancies	**204 176**	183 260
Clinical services	**145 797**	98 722
Mastercard collateral	**22 917**	13 289
Hire and rental charges	**17 235**	9 476
Advance	**1 737**	1 737
EDEL advance	**-**	35 085
Other	**1 015 165**	443 918
	55 053 635	**41 471 539**
Impairment (Note 15)	**(1 389 329)**	(1 275 772)
	53 664 306	**40 195 767**

The balance of the heading "PAC/ Angola Invests subsidies" refer to the value receivable from the State (Ministry of the Economy), relative to the subsidization of interest of loans granted under the Support to Credit Project (PAC) and Angola Invests. As at 31 December 2023 and 2022, the subsidies of interest receivable for the last four months of 2019 and the financial years of 2020 to 2023 have yet to be collected. As at 31 December 2023 and 2022, impairment was constituted for this heading's balance of the value of mAOA 1 387 755 and mAOA 1 274 224, respectively.

Pursuant to the contract concluded between Banco BIC and Visa International, the Bank undertakes to maintain a collateral deposit at Visa's custodian bank (United Overseas Banking Limited), with its value being determined according to the transactions carried out. As at 31 December 2023 and 2022, the balance of the heading "Visa collateral" stands at a value equivalent to approximately USD 10 342 900 (mAOA 8 572 196) and USD 9 823 930 (mAOA 4 948 225), respectively, being remunerated at the annual interest rate of 0,15%.

As at 31 December 2023 and 2022, the balance of the heading "Taxes on interbank fees" corresponds to the values receivable from other financial institutions related to interbank clearance fees, pursuant to the binding opinion of the General Tax Administration.

As at 31 December 2023 and 2022, the balance of the heading "Taxes recoverable" corresponds to provisional settlements of Industrial Tax made in previous years.

As at 31 December 2023, the balance of the heading "Prepaid expenses" corresponds to the deferral, for a period of 1 to 3 years, associated with software licensing contracts.

Cash discrepancies are provisioned under the heading "Other provisions" (Note 15).

13. Resources from Central Banks and Other Credit Institutions

This heading has the following composition:

In mAOA

	31/12/2023	31/12/2022
Resources from domestic credit institutions		
Interbank money market operations		
From domestic credit institutions	-	4 000 000
Interest payable	-	2 192
	-	**4 002 192**
Resources from credit institutions abroad		
Demand deposits of credit institutions		
Banco BIC Cabo Verde, S.A.	**204 763 729**	117 700 441
Bank BIC Namibia, Limited	**322 580**	151 898
	205 086 309	**117 852 339**
Interbank money market operations		
Banco BIC Cabo Verde, S.A.	**13 345 442**	7 504 996
Interest payable	**194 889**	92 281
	13 540 331	**7 597 277**
	218 626 640	**129 451 808**
Resources linked to		
Visa	**22 555 218**	16 686 092
Imports - Foreign currency	**787 218**	2 013 698
Other	**597 797**	739 247
	23 940 233	**19 439 037**
Certified cheques - Domestic currency	**381 589**	394 012
	24 321 822	**19 833 049**
	242 948 462	**149 284 857**

As at 31 December 2023 and 2022, the interbank money market operations, excluding interest payable, show the following structure, by residual maturity periods:

In mAOA

	31/12/2023	31/12/2022
Up to one month	**13 345 442**	4 000 000
One to three months	-	7 504 996
	13 345 442	**11 504 996**

As at 31 December 2023 and 2022, the interbank money market operations, excluding interest payable, show the following structure by currency and annual average rates, weighted by the respective par value of the investments:

In mAOA

	31/12/2023			31/12/2023		
	Interest rate	Foreign currency (in units)	Domestic currency	Interest rate	Foreign currency (in units)	Domestic currency
In kwanzas	-	-	-	10,00%	-	4 000 000
In United States dollars	**8,34%**	**16 102 126**	**13 345 442**	4,03%	14 900 000	7 504 996
			13 345 442			**11 504 996**

The heading "Resources linked to Visa" includes amounts associated with settlements of Visa network credit card balances and Customer deposits of prepaid cards.

The heading "Resources linked to imports – Foreign currency" refers to the values deposited by Customers which are held captive for settlement of import documentary credit at other credit institutions.

14. Customer Resources and Other Loans

Esta rubrica apresenta a seguinte composição:

In mAOA

	31/12/2023	31/12/2022
Demand deposits of residents		
In domestic currency		
Companies	302 477 006	281 017 098
Individuals	229 894 867	164 225 423
Administrative public sector	12 174 945	150 845 376
Corporate public sector	3 397 613	3 589 799
	547 944 431	599 677 696
In foreign currency		
Companies	50 871 499	36 751 993
Individuals	42 687 996	29 175 305
Administrative public sector	2 515 242	2 182 725
Corporate public sector	122 197	126 789
	96 196 934	68 236 812
Demand deposits of non-residents		
In domestic currency	14 176 648	6 130 545
In foreign currency	663 998	302 259
	14 840 646	6 432 804
Total demand deposits	658 982 011	674 347 312
Term deposits of residents		
In domestic currency		
Companies	195 274 202	142 313 837
Individuals	93 122 364	74 319 352
Administrative public sector	10 569 115	14 860 615
Corporate public sector	8 028 253	3 821 840
Interest payable	6 724 234	5 248 971
	313 718 168	240 564 615
In foreign currency		
Individuals	319 626 473	211 576 589
Companies	141 084 080	93 512 270
Corporate public sector	6 971 542	9 610 838
Interest payable	3 380 456	2 410 729
	471 062 551	317 110 426
Term deposits of non-residents		
In domestic currency		
Value applied	583 007	353 520
Interest payable	9 468	5 816
	592 475	359 336
In foreign currency		
Value applied	1 145 683	704 199
Interest payable	3 558	1 914
	1 149 241	706 113
Total term deposits	786 522 435	558 740 490
	1 445 504 446	1 233 087 802

As at 31 December 2023 and 2022, Customer demand deposits are not remunerated, except for in specific situations, defined pursuant to guidelines issued by the Bank's Board of Directors.

As at 31 December 2023 and 2022, Customer term deposits, excluding interest payable, show the following structure, by residual maturity periods:

In mAOA

	31/12/2023	31/12/2022
Up to one month	**173 052 032**	121 431 192
One to three months	**294 632 672**	195 369 762
Three to six months	**173 448 250**	175 356 628
Three months to one year	**131 950 828**	58 896 731
More than one year	**3 320 937**	18 747
	776 404 719	**551 073 060**

As at 31 December 2023 and 2022, Customer term deposits, excluding interest payable, show the following structure by currency and annual average rates, weighted by the respective value applied:

In mAOA

	31/12/2023			31/12/2022		
	Interest rate	Foreign currency (in units)	Domestic currency	Interest rate	Foreign currency (in units)	Domestic currency
In kwanzas	**10,86%**	**-**	**307 576 941**	10,54%	-	235 669 163
In United States dollars	**2,87%**	**538 521 496**	**446 326 615**	2,88%	596 649 177	300 526 821
In euros	**1,68%**	**24 564 857**	**22 501 163**	1,35%	27 681 474	14 877 076
			776 404 719			**551 073 060**

As at 31 December 2023 and 2022, the term deposits of residents in national currency include the values of mAOA 16 923 998 and mAOA 22 344 839, respectively, of deposits indexed to the United States Dollar (Note 27).

15. Provisions and Impairment

The movement of provisions and impairment in the year ended 31 December 2023 is detailed as follows:

In mAOA

	Balance as at 31-12-2022	Top-ups	Refunds and write-backs	Exchange rate variation	Uses	Regularizations	Balance as at 31-12-2023
Impairment							
Deposits at other credit institutions (Note 4)	30 909	5 183	(20 734)	15 393	-	-	**30 751**
Investments at central banks and other credit institutions (Note 5)	2 997 445	-	(672 303)	1 936 369	-	-	**4 261 511**
Investments at amortized cost (Note 7)	26 175 675	13 556 300	-	3 815 453	-	-	**43 547 428**
Loans to Customers (Note 8)	230 839 390	11 957 537	-	148 480 917	(56 057 144)	18 246 568	**353 467 268**
Non-current assets held for sale (Note 9)	9 229 577	-	-	-	-	-	**9 229 577**
Other assets (Note 12)	1 275 772	113 557	-	-	-	-	**1 389 329**
	270 548 768	**25 632 577**	**(693 037)**	**154 248 132**	**(56 057 144)**	**18 246 568**	**411 925 864**
Provisions							
Retirement pensions	16 470 695	1 677 125	-	10 943 059	-	-	**29 090 879**
Provision of guarantees	7 611 820	-	-	1 220 370	-	(448 164)	**8 384 026**
Other provisions	3 316 193	695 552	-	2 229 558	-	-	**6 241 303**
	27 398 708	**2 372 677**	**-**	**14 392 987**	**-**	**(448 164)**	**43 716 208**
	297 947 476	**28 005 254**	**(693 037)**	**168 641 119**	**(56 057 144)**	**17 798 404**	**455 642 072**

The movement of provisions and impairment in the year ended 31 December 2022 is detailed as follows:

In mAOA

	Balance as at 31-12-2021	Top-ups	Refunds and write-backs	Exchange rate variation	Uses	Regularizations	Balance as at 31-12-2022
Impairment							
Deposits at other credit institutions (Note 4)	36 084	18 071	(16 745)	(6 501)	-	-	30 909
Investments at central banks and other credit institutions (Note 5)	2 552 078	973 704	(242 779)	(285 558)	-	-	2 997 445
Investments at amortized cost (Note 7)	43 794 313	103 092	(16 844 051)	(877 679)	-	-	26 175 675
Loans to Customers (Note 8)	233 113 728	31 716 226	-	(18 962 973)	(451 013)	(14 576 578)	230 839 390
Non-current assets held for sale (Note 9)	22 388 184	2 500 000	(1 819 791)	-	(15 909 304)	2 070 488	9 229 577
Other assets (Note 12)	-	1 275 772	-	-	-	-	1 275 772
	301 884 387	**36 586 865**	**(18 923 366)**	**(20 132 711)**	**(16 360 317)**	**(12 506 090)**	**270 548 768**
Provisions							
Retirement pensions	16 815 923	1 105 109	-	(1 450 337)	-	-	16 470 695
Provision of guarantees	7 884 141	-	-	(272 321)	-	-	7 611 820
Other provisions	3 688 675	522 189	-	(363 787)	(1 488)	(529 396)	3 316 193
	28 388 739	**1 627 298**	**-**	**(2 086 445)**	**(1 488)**	**(529 396)**	**27 398 708**
	330 273 126	**38 214 163**	**(18 923 366)**	**(22 219 156)**	**(16 361 805)**	**(13 035 486)**	**297 947 476**

The effect of the exchange rate variation in terms of the movement of provisions and impairment is reflected in the heading "Foreign exchange results" (Note 21).

In the year ended 31 December 2023, the recording of utilizations of impairment for Customer loans amounting to mAOA 56 057 144 corresponds to exposures that, after appraisal of the Bank's Board of Directors pursuant to the requirements of the policy on loans written-off from the assets, it is concluded that all possible efforts towards their recovery have been exhausted (Note 2.3(c)(IV)).

As at 31 December 2023 and 2022, the provision for retirement pensions amounts to approximately USD 35 100 000 (mAOA 29 090 879) and USD 32 700 000 (mAOA 16 470 695), respectively.

As mentioned in Note 2.3(k), the liabilities that the Bank may incur from the supplementary retirement and survivor's pension programme were calculated based on an actuarial valuation performed by an independent expert, with reference to 31 December 2023 and projections for the following year.

As at 31 December 2023 and 2022, there are no pensioners due to retirement or survival to be considered in the plan.

The movement which occurred at a demographic level in the years ended 31 December 2023 and 2022 is detailed as follows:

Total number as at 31 December 2021	**2 076**
Departures:	
Of active Employees	(31)
Due to death	(4)
Recruitment	83
Total number as at 31 December 2022	**2 124**
Departures:	
Of active Employees	(30)
Due to death	(4)
Recruitment	65
Total number as at 31 December 2023	**2 155**

As at 31 December 2023 and 2022, the liabilities due to past services, provisions for retirement pensions and respective coverage level of the liabilities are detailed as follows:

In mAOA

Total liabilities due to past services	**31/12/2023**	**31/12/2022**
Liabilities due to past services of active Employees	**18 168 391**	10 492 834
Total liabilities due to past services	**18 168 391**	**10 492 834**
Provision for retirement pensions	**29 090 879**	16 470 695
Excess/ (Insufficient) coverage	**10 922 488**	5 977 861
Coverage level of the liabilities	**160%**	157%

The evolution of the coverage level of the liabilities as at 31 December 2023, and in the years of 2022, 2021, 2020, and 2019, is detailed as follows:

In mAOA

	31/12/2023	**31/12/2022**	**31/12/2021**	**31/12/2020**	**31/12/2019**
Total liabilities due to past services	**18 168 391**	10 492 834	10 994 572	12 343 478	8 776 109
Provision for retirement pensions	**29 090 879**	16 470 695	16 815 923	18 123 951	12 296 789
Excess/ (Insufficient) coverage	**10 922 488**	5 977 861	5 821 351	5 780 473	3 520 680
Coverage level of the liabilities	**160%**	157%	153%	147%	140%

As at 31 December 2023 and 2022, the balance of the heading "Other provisions" is intended to meet any contingencies arising from the Bank's activity.

16. Other Liabilities

This heading has the following composition:

In mAOA

	31/12/2023	31/12/2022
Liabilities of corporate or statutory nature		
Dividends payable	19 094 061	10 944 061
Liabilities of tax nature		
Taxation on remunerations	2 284 805	1 744 772
Capital Gains Tax	1 959 735	1 589 015
Value Added Tax	529 885	799 962
Stamp Duty	129 783	88 725
Other taxes	113 844	210
Industrial Tax - Taxation of Services	98 351	1 343 776
	5 116 403	**5 566 460**
Liabilities of civil nature		
Lease liabilities	4 190 011	4 000 021
Deferred revenues - Guarantees provided	76 777	63 857
Other	75 338	63 159
	4 342 126	**4 127 037**
Liabilities of administrative and marketing nature		
Staff - Salaries and other remunerations		
Staff charges	6 111 743	4 530 396
Holidays and holiday and Christmas allowance	3 080 408	2 824 845
Other	8 717	8 717
	9 200 868	**7 363 958**
Visa cards	3 446 488	2 876 360
Commercial and industrial suppliers	2 582 434	1 414 623
Specialized services		
Banco BIC Português, S.A. (Note 26)	5 445	353 152
Other	548 001	330 872
	553 446	**684 024**
Communication and postage expenses		
Data circuit	427 898	387 138
Communications	78 963	15 601
	506 861	**402 739**
ATM clearance	241 544	247 804
Other administrative costs	47 564 813	44 742 530
	64 096 454	**57 732 038**
	92 649 044	**78 369 596**

As at 31 December 2023 and 2022, the balance of the heading "Taxation on remunerations" refers to the personal income tax ("IRT") payable to the General Tax Administration in the month following that to which it refers.

As at 31 December 2023 and 2022, the balance of the heading "Capital Gains Tax" refers to the tax payable on the interest of demand deposits, the interest of term deposits, liquidity providing and taking in monetary markets, Treasury Bonds and other securities in portfolio.

As at 31 December 2023 and 2022, the balance of the heading "Staff charges" refers to the estimate made by the Bank of the performance bonus of its Employees, corresponding to the unpaid amount that will be settled in future periods, corrected by exchange rate variations (Note 23).

The balance of the heading "Visa cards" corresponds to values to be settled related to Visa cards.

As at 31 December 2023 and 2022, the balance of the heading "Other administrative costs" includes the estimated tax for previous years of the value of mAOA 9 884 943 and mAOA 12 613 261, respectively.

As at 31 December 2023 and 2022, the balance of the heading "Other administrative costs" includes the value to be recognized related to a loan denominated in kwanzas, the contract of which foresees the updating of the value of the granted loan according to the exchange rate devaluation of the domestic currency in relation to the United States Dollar amounting to mAOA 3 227 546.

17. Equity

The movement which occurred in the equity headings in the years ended 31 December 2023 and 2022 is detailed as follows:

In mAOA

			Other reserves and retained earnings				
	Share capital	Revaluation reserves	Legal reserve	Other reserves	Total	Net income for the year	Total Equity
Balance as at 31 December 2021	**20 000 000**	**255 976 892**	**71 156 918**	**59 795 684**	**130 952 602**	**50 126 447**	**457 055 941**
Appropriation of the net income for 2021:							
Transfer to legal reserve	-	-	10 025 290	-	10 025 290	(10 025 290)	-
Transfer to other reserves	-	-	-	27 569 547	27 569 547	(27 569 547)	-
Distribution of dividends	-	-	-	-	-	(12 531 610)	(12 531 610)
Updating of equity	-	(56 198 610)	-	-	-	-	(56 198 610)
Comprehensive income for the year	-	-	-	-	-	41 661 700	41 661 700
Balance as at 31 December 2022	**20 000 000**	**199 778 282**	**81 182 208**	**87 365 231**	**168 547 439**	**41 661 700**	**429 987 421**
Appropriation of the net income for 2022:							
Transfer to legal reserve	-	-	8 332 340	-	8 332 340	(8 332 340)	-
Transfer to other reserves	-	-	(69 514 548)	102 843 908	33 329 360	(33 329 360)	-
Distribution of dividends	-	-	-	(20 000 000)	(20 000 000)	-	(20 000 000)
Comprehensive income for the year							
Net income for the year	-	-	-	-	-	58 547 412	58 547 412
Other comprehensive income	-	(1 841 350)	-	-	-	-	(1 841 350)
Balance as at 31 December 2023	**20 000 000**	**197 936 932**	**20 000 000**	**170 209 139**	**190 209 139**	**58 547 412**	**466 693 483**

Capital

The Bank was incorporated with a share capital of mAOA 522 926 (equivalent to the countervalue of USD 6 000 000 on the incorporation date), represented by 522 926 registered shares of one thousand kwanzas each, having been fully underwritten and paid-up in cash.

During 2006, the Bank increased the share capital by mAOA 1 088 751 (equivalent to USD 14 000 000) and, subsequently, the General Meeting of 1 December 2006 determined a new capital increase from USD 20 000 000 to USD 30 000 000, fully paid-up in cash USD, with the share capital henceforth being represented by 2 414 511 registered shares of one thousand kwanzas each.

In the first half of 2014, the Bank increased the capital by incorporation of free reserves amounting to mAOA 585 498, with the share capital henceforth being represented by 3 000 000 shares, with the par value of one thousand kwanzas each. This capital increase aimed to comply with the provisions in Banco Nacional de Angola Notice No. 14/2013 of 15 November, which established the minimum value of the share capital of financial institutions at mAOA 2 500 000.

In the first half of 2018, the Bank increased the capital by incorporation of free reserves amounting to mAOA 17 000 000, with the share capital henceforth being represented by 20 000 000 shares, with the par value of one thousand kwanzas each. This capital increase aimed to comply with the provisions in Banco Nacional de Angola Notice No. 02/2018 of 2 March, which changed the minimum value of the share capital required for financial institutions operating in Angola, from mAOA 2 500 000, applicable to the year ended 31 December 2017, to mAOA 7 500 000 from 2018 onwards.

As at 31 December 2023 and 2022, the Bank's shareholder structure is as follows:

Shareholders	Number of shares	Holding %
Sociedade de Participações Financeiras, Lda.	5 000 000	25,00%
Fernando Leonídio Mendes Teles	4 000 000	20,00%
Finisantoro Holding Limited	3 500 000	17,50%
Telesgest B.V.	3 500 000	17,50%
Luís Manuel Cortez dos Santos	1 000 000	5,00%
Manuel Pinheiro Fernandes	1 000 000	5,00%
Sebastião Lavrador	1 000 000	5,00%
Other shareholders	1 000 000	5,00%
	20 000 000	**100,00%**

As at 31 December 2023, in compliance with the provisions in Article 446(3) of Law No. 1/2004 of 13 February, which frames the Commercial Company Law, the number of shares held by members of the Bank's management and supervisory bodies, and the percentage stake held, are presented below:

Shareholder	Position	Acquisition	Number of shares	Holding %
Sebastião Lavrador	Chairman of the Board of Directors	Nominal Value	1 000 000	5,00%

On 23 December 2019, Luanda Provincial Court decreed a protective order in the form of a preventive seizure, identified in Case No. 3301/2019-C, Order-Decree No. 519/19, of the existing balances in bank accounts held by the defendants domiciled at the Bank, also including 25% of the equity holding belonging to Sociedade de Participações Financeiras, Lda. and 17,5% of the equity holding belonging to Finisantoro Holding Limited. The plaintiff of these legal proceedings is the Angolan State represented by the Public Prosecutor's Office and the defendants are Isabel dos Santos, ultimate beneficial owner of the aforesaid companies, Sindika Dokolo and Mário Leite da Silva.

Banco Nacional de Angola was designated the trustee of the existing balances in the seized accounts, as Regulatory Entity of banking financial institutions, and should oversee Banco BIC's action relative to the seizure.

The Bank's Board of Directors was nominated the trustee of the equity holdings of the defendants of these legal proceedings, being forbidden from proceeding with any assignment or other business dealing concerning the seized equity holdings as well as from handing over profits to the defendants directly or by way of third parties or companies in which they are beneficiaries, and should withhold those profits up to the Court's decision.

Earnings per share

Basic earnings per share correspond to the ratio between the individual net profit attributable to the Bank's shareholders and the weighted average number of ordinary shares in circulation, and are detailed as follows:

In mAOA

	31/12/2023	31/12/2022
Net income attributable to the Bank's shareholders	**58 547 412**	**41 661 700**
Average number of ordinary shares issued (units)	**20 000 000**	20 000 000
Average number of ordinary shares in circulation (units)	**20 000 000**	20 000 000
Basic earnings per share attributable to the Bank's shareholders (in kwanzas)	**2 927,37**	**2 083,09**

The basic earnings per share are equivalent to the diluted earnings per share.

Appropriation of net income

The General Meeting held on 25 April 2023 approved the proposed appropriation of net income submitted by the Board of Directors and presented in the Management Report. Hence, of the positive net income recorded at the end of 2022, standing at mAOA 41 661 700, 20% was transferred to the heading "Legal reserve", amounting to mAOA 8 332 340, and 80% to the heading "Other reserves", amounting to mAOA 33 329 360.

The General Meeting held on 27 April 2022 approved the proposed appropriation of net income submitted by the Board of Directors and presented in the Management Report. Hence, of the positive net income recorded at the end of 2021, standing at mAOA 50 126 447, 20% was transferred to the heading "Legal reserves", amounting to mAOA 10 025 290, 55% to the heading "Other reserves", amounting to mAOA 27 569 547, and 25% was allocated for distribution of dividends to the shareholders, amounting to mAOA 12 531 610.

Legal reserve

Pursuant to the legislation in force, the Bank should constitute a legal reserve up to its concurrence with the share capital. To this end, every year a minimum of 10% of the net income of the previous year is transferred on an annual basis, pursuant to Law No. 14/21 – Legal Framework of Financial Institutions of 19 May 2021. This reserve can only be used to cover accumulated losses, when all other constituted reserves have been depleted. During the year ended 31 December 2023, the amount that exceeded the share capital was transferred from the legal reserve to other reserves.

Revaluation reserves

Revaluation reserves corresponded to the effect of updating the equity, which was recognized between May 2016 and November 2022 (Note 2.3(i)). As at 31 December 2023, the balance of this heading also includes the potential capital losses related to the assets at fair value through other comprehensive income.

18. Off-Balance Sheet Headings

These headings have the following composition:

In mAOA

	31/12/2023	31/12/2022
Guarantees provided and other contingent liabilities		
Guarantees and sureties provided	**45 491 619**	34 354 270
Irrevocable commitments	**33 854 684**	21 131 553
Open documentary credit	**13 992 784**	5 302 019
	93 339 087	**60 787 842**
Liabilities due to services rendered		
Services provided by the institution		
Custody of securities	**68 052 190**	90 507 068
Collection of values - Domestic	**39 397 652**	23 672 709
Collection of values - Abroad	**2 507 467**	1 494 715
Shares	**-**	2 794
	109 957 309	**115 677 286**
Services rendered by third parties		
Collection of values	**(666 006)**	(151 136)
	109 291 303	**115 526 150**

The method used to determine the impairment of loans granted, which includes guarantees provided and documentary credit, is described in Note 2.3(c)(VI).

As at 31 December 2023 and 2022, "Provisions – Provision of guarantees" (Note 15) correspond to the estimated impairment losses allocated to the heading "Guarantees provided and other contingent liabilities", amounting to mAOA 8 384 026 and mAOA 7 611 820, respectively.

19. Net Interest Income

These headings have the following composition:

In mAOA

	31/12/2023	31/12/2022
Interest and similar income		
Of loans to Customers		
Interest	48 242 913	49 916 705
Fees	904 606	893 387
	49 147 519	50 810 092
Of investments at amortized cost		
Treasury Bonds		
Non-adjustable	31 457 441	18 266 444
Indexed to the United States Dollar	6 551 524	23 948 695
Foreign currency	9 624 364	5 536 088
	47 633 329	47 751 227
Treasury Bills	5 840 031	4 125 257
Other	-	106 652
	5 840 031	4 231 909
	53 473 360	51 983 136
Of investments at central banks and other credit institutions		
Abroad	13 188 774	2 759 083
Third-party securities purchase operations with reverse repurchase agreement	6 778 810	13 868 380
Domestic	3 006 057	1 194 694
	22 973 641	17 822 157
Total interest and similar income	125 594 520	120 615 385
Interest and similar charges		
Of Customer resources and other loans		
Term	(38 493 361)	(31 989 032)
Demand	(53 326)	(74 404)
	(38 546 687)	(32 063 436)
Of resources from central banks and other credit institutions	(979 870)	(1 510 069)
Of lease liabilities	(322 497)	(210 570)
Total interest and similar charges	(39 849 054)	(33 784 075)
Net interest income	85 745 466	86 831 310

20. Service and Fee Income and Charges

These headings have the following composition:

In mAOA

	31/12/2023	31/12/2022
Income from services and fees		
Fees for EMIS transactions	**13 480 172**	10 797 383
Fees for guarantee and sureties	**1 272 308**	1 452 372
Fees on payment orders issued	**819 036**	1 295 291
Fees for automatic payment terminals	**914 776**	822 138
Visa fees	**337 928**	238 883
Fees for operations with securities	**279 711**	250 147
Fees for escrow account management	**180 238**	179 325
Origination fees - Ministry of Finance	**119 421**	167 330
Fees for documentary credit and remittances	**29 809**	23 728
Other fees	**696 431**	587 741
	18 129 830	**15 814 338**
Charges related to services and fees		
Fees for EMIS transactions	**(7 752 007)**	(6 417 682)
Visa fees	**(75 415)**	(62 361)
Other fees	**(69 974)**	(128 804)
	(7 897 396)	**(6 608 847)**
	10 232 434	**9 205 491**

The heading "Income from services and fees – Fees for EMIS transactions" corresponds to the fees charged by the Bank to Customers for operations processed by EMIS. The heading "Charges related to services and fees – Fees for EMIS transactions" corresponds to the fees paid by the Bank to Customers for operations processed by EMIS.

The heading "Fees for guarantee and sureties" corresponds to the monthly payment on a straight-line basis of the fees charged on the issuance of guarantees provided.

21. Foreign Exchange Results

This heading has the following composition:

In mAOA

	31/12/2023			31/12/2022		
	Income	Spending	Net	Income	Spending	Net
Results in foreign currency	**432 646 035**	**(404 457 991)**	**28 188 044**	487 930 344	(473 871 329)	14 059 015
Results in notes and coins	**5 406 435**	**(977 519)**	**4 428 916**	3 107 820	(3 259 473)	(151 653)
Foreign exchange revaluation of financial instruments indexed to the USD						
Foreign exchange revaluation of Treasury Bonds	**-**	**60 152 069**	**60 152 069**	-	(25 999 579)	(25 999 579)
Foreign exchange revaluation of term deposits	**(14 047 213)**	**-**	**(14 047 213)**	6 190 411	-	6 190 411
	424 005 257	**(345 283 441)**	**78 721 816**	**497 228 575**	**(503 130 381)**	**(5 901 806)**

The balance of this heading essentially corresponds to foreign exchange gains and losses obtained in the portfolio of securities issued in or indexed to foreign currency and in Customer deposits denominated in or indexed to foreign currency, in foreign currency purchase and sale transactions carried out by the Bank, as well as in the revaluation of the foreign exchange position as described in Note 2.3(b).

22. Other Operating Results

This heading has the following composition:

In mAOA

	31/12/2023	31/12/2022
Reimbursement of expenses		
On payment orders	809 721	883 602
Other	212 028	224 837
	1 021 749	**1 108 439**
Income from provision of miscellaneous services		
Sale of currency/withdrawals	209 681	172 261
Issuance of cheques	11 941	13 555
Other	1 687 699	1 050 626
	1 909 321	**1 236 442**
Multicaixa card	1 548 339	1 224 756
Postage and maintenance expenses	784 985	644 234
Other miscellaneous income and profits	2 720 115	625 247
	5 053 439	**2 494 237**
	7 984 509	**4 839 118**
Taxes and rates not incident on profit or loss		
Capital gains tax (Note 25)	(5 685 547)	(6 355 265)
Other taxes and rates	(608 710)	(1 146 226)
	(6 294 257)	**(7 501 491)**
Regularization of debit balances	(465 423)	(385 952)
Other miscellaneous expenses and losses	(1 043 283)	(517 246)
	(1 508 706)	**(903 198)**
	(7 802 963)	**(8 404 689)**
	181 546	**(3 565 571)**

The heading "Other miscellaneous income and profits" corresponds to the surpluses of ATM, cash and treasury, income from account closing, as well as miscellaneous regularizations.

The heading "Other miscellaneous expenses and losses" refers to litigation and notary services, judicial services, accommodation allowances and miscellaneous regularizations.

23. Staff Costs

This heading has the following composition:

In mAOA

	31/12/2023	31/12/2022
Remunerations		
Monthly remuneration		
Basic retribution	19 026 191	18 760 149
Fixed working hours exemption	5 632 907	5 182 008
Transport expenses complement	2 144 256	2 020 065
Wage complement	1 835 407	1 686 408
Seniority payments	890 557	829 492
Allowance for failures	849 006	787 182
	30 378 324	**29 265 304**
Additional remunerations		
Lunch allowance	4 715 594	4 603 046
Christmas allowance	2 464 636	2 603 583
Holiday allowance	3 081 374	2 374 709
	10 261 604	**9 581 338**
Other remunerations	1 684 039	1 547 277
	42 323 967	**40 393 919**
Retribuição variável - Prémio de desempenho		
Liquidado no exercício	7 551 188	4 786 509
A liquidar	1 088 197	1 796 905
	8 639 385	**6 583 414**
Mandatory social charges	3 281 574	3 240 793
Optional charges	807 809	580 549
Other staff costs	1 198 059	1 043 203
	56 250 794	**51 841 878**

24. Third-Party Supplies and Services

This heading has the following composition:

In mAOA

	31/12/2023	31/12/2022
Security and surveillance	4 308 377	4 030 616
Communication and postage expenses	4 095 733	3 588 782
Specialized services		
Related to consulting and audit	1 769 261	1 365 004
Related to IT	1 612 406	1 752 645
Other	239 393	200 697
	3 621 060	3 318 346
Maintenance and repair	2 845 231	1 970 802
Office supplies	2 438 341	2 416 888
Insurance	1 924 451	1 853 512
Levies and donations	1 428 191	1 302 663
Advertising	774 985	701 128
Travel and hotel	719 246	396 960
Gratuities	645 881	733 919
Water, energy and fuel	572 019	564 457
Hire and rental charges	349 336	189 539
Cleaning services	299 631	307 926
Other	3 654 377	1 217 122
	27 676 859	22 592 660

25. Income Taxes

As at 31 December 2023 and 2022, income tax expenses recorded through profit or loss, as well as the tax charge, measured by the relationship between the allocation for income tax and the pre-tax profit for the year, are detailed as follows:

In mAOA

	31/12/2023	31/12/2022
Total Industrial Tax recognized through profit or loss	-	2 192 717
Pre-tax profit	**58 547 412**	43 854 417
Effective Industrial Tax rate	**0,00%**	5,00%

As at 31 December 2023 and 2022, the reconciliation between the nominal rate and the effective rate is detailed as follows:

In mAOA

	31/12/2023		31/12/2022	
	Rate	Tax	Rate	Tax
Pre-tax result		**58 547 412**		43 854 417
Tax calculated based on the nominal rate	**35,00%**	**20 491 594**	35,00%	15 349 046
Tax benefits on income from public debt securities or equivalent				
Interest and similar income	**-44,27%**	**(25 916 057)**	-49,65%	(21 774 174)
Costs not accepted for tax purposes				
Provisions	**16,92%**	**9 904 421**	26,82%	11 761 572
Taxes	**3,48%**	**2 036 651**	5,16%	2 263 333
Other	**0,98%**	**575 796**	1,27%	558 415
	12,11%	**7 092 405**	**18,60%**	**8 158 192**
Use of tax losses		**7 092 405**		5 965 475
Estimated Industrial Tax	**0,00%**	-	**5,00%**	**2 192 717**

As at 31 December 2023 and 2022, the expenses related to Capital Gains Tax ("IAC") are recorded in the income statement, under the heading "Other operating results – Taxes and rates not incident on profit or loss", and stand at mAOA 5 685 547 and mAOA 6 355 265, respectively (Note 22).

In the year ended 31 December 2021, the Bank determined tax losses leading to the recording of "Deferred tax assets" amounting to a total of mAOA 13 364 446, which the Bank recorded in the accounts due to having duly substantiated expectations that taxable profits will be generated in the coming years for their use (Note 2.3(h)).

26. Related Entities

As at 31 December 2023 and 2022, the main balances maintained by the Bank with related entities are as follows:

In mAOA

	31/12/2023					
	Banco BIC Português, S.A.	**Banco BIC Cabo Verde, S.A.**	**Bank BIC Namibia, Limited**	**Shareholders and entities held by the Shareholders**	**Members of the Board of Directors and Fiscal Board**	**Total**
Assets						
Deposits at other credit institutions (Note 4)	45 938 390	26 557 790	8 737 714	-	-	81 233 894
Investments at central banks and other credit institutions (Note 5)	60 883 607	-	-	-	-	60 883 607
Loans to Customers (Note 8)	-	-	-	71 819 219	461 660	72 280 879
Other assets (Note 12)	1 737	-	-	27 367	-	29 104
	106 823 734	**26 557 790**	**8 737 714**	**71 846 586**	**461 660**	**214 427 484**
Liabilities						
Resources from central banks and other credit institutions (Note 13)	-	218 304 060	322 580	-	-	218 626 640
Customer resources and other loans (Note 14)	-	-	-	44 604 078	4 118 878	48 722 956
Other liabilities (Note 16)	5 445	-	-	19 576 264	-	19 581 709
	5 445	**218 304 060**	**322 580**	**64 180 342**	**4 118 878**	**286 931 305**
Off-balance Sheet						
Guarantees and sureties provided (Note 18)	-	-	-	1 752 657	-	1 752 657
Open documentary credit (Note 18)	-	-	-	1 265 436	-	1 265 436
	-	**-**	**-**	**3 018 093**	**-**	**3 018 093**
Income statement						
Interest on liquidity investments and loans (Note 19)	4 018 537	-	-	2 563 086	19 201	6 600 824
Interest on liquidity resources and deposits (Note 19)	-	(825 304)	-	-	-	(825 304)
Fees for guarantees and sureties provided (Note 20)	-	-	-	47 466	-	47 466
	4 018 537	**(825 304)**	**-**	**2 610 552**	**19 201**	**5 822 986**

In mAOA

	31/12/2022					
	Banco BIC Português, S.A.	**Banco BIC Cabo Verde, S.A.**	**Bank BIC Namibia, Limited**	**Shareholders and entities held by the Shareholders**	**Members of the Board of Directors and Fiscal Board**	**Total**
Assets						
Deposits at other credit institutions (Note 4)	20 347 470	15 722 432	6 157 322	-	-	42 227 224
Investments at central banks and other credit institutions (Note 5)	46 662 646	-	-	-	-	46 662 646
Loans to Customers (Note 8)	-	-	-	88 858 134	169 121	89 027 255
Other assets (Note 12)	1 737	-	-	27 367	-	29 104
	67 011 853	**15 722 432**	**6 157 322**	**88 885 501**	**169 121**	**177 946 229**
Liabilities						
Resources from central banks and other credit institutions (Note 13)	-	125 297 718	151 898	-	-	125 449 616
Customer resources and other loans (Note 14)	-	-	-	54 805 893	1 457 453	56 263 346
Other liabilities (Note 16)	353 152	-	-	10 945 226	-	11 298 378
	353 152	**125 297 718**	**151 898**	**65 751 119**	**1 457 453**	**193 011 340**
Off-balance Sheet						
Guarantees and sureties provided (Note 18)	-	-	-	245 400	-	245 400
Open documentary credit (Note 18)	-	-	-	591 012	-	591 012
	-	**-**	**-**	**836 412**	**-**	**836 412**
Income statement						
Interest on liquidity investments and loans (Note 19)	677 556	182 705	-	5 088 455	3 552	5 952 268
Interest on liquidity resources and deposits (Note 19)	-	(782 240)	-	(2 561 095)	(44 915)	(3 388 250)
Fees for guarantees and sureties provided (Note 20)	-	-	-	42 899	-	42 899
	677 556	**(599 535)**	**-**	**2 570 259**	**(41 363)**	**2 606 917**

27. Disclosures Related to Financial Instruments

Risk management policy

The Bank's risk management policy aims to contribute to the pursuit of the strategic objectives, seeking to ensure balanced and sustained development while maintaining an appropriate relationship between levels of own funds and the risks incurred as part of the scope of the business. Accordingly, it is considered fundamental to ensure the separation of functions between the areas where risks originate and the areas that monitor the risks, enabling the latter to perform their duties in an objective and independent manner.

The Bank has been developed a management and monitoring structure for the different risks, seeking to provide its organizational structures with the technical and human resources to suit the different types of risk incurred during its activity. The Bank intends to ensure that the Employees involved in performing their activities comply with the procedures stipulated by the regulator for the correct execution of their responsibilities.

The risk management function is performed by the Risk Department, with autonomy, being carried out independently from the risk-taking areas, provided with sufficient resources to pursue its objectives, and have broad access to all activities and information relevant to the performance of its functions, as defined in Banco Nacional de Angola Notice No. 10/2022 of 28 January.

The Bank maintains a continuous process of developing and implementing formal processes for recording and processing information, allowing improved assessment, monitoring and control of each type of risk. These processes respect the principle of transparency, and the established reporting lines guarantee effective and efficient communication, ensuring the timely and appropriate transmission of information in order to assist the decision-making process of the governing bodies.

Liquidity risk

The definition of liquidity risk is associated with a potential inability of the institution to finance its assets and to meet, within the contracted deadlines and dates, all required and applicable liabilities.

Liquidity management plays a major role in ensuring the Bank's sustainability, and the maintenance of appropriate levels of liquidity is fundamental to its proper operation, with cash flow pressure, crisis or recession situations being particularly relevant.

Liquidity is managed on a daily basis by the International and Financial Department, in the Trading Room Unit, based on internally defined indicators. It is also monitored by the Risk Department, which controls and assesses liquidity risk management and also ensures compliance with the liquidity and observation ratios, required in regulatory terms.

Market risk

Market risk, by definition, is the possibility of a loss that a portfolio may suffer due to the oscillation of rates, maturity mismatches, currencies and indexes of the asset and liability portfolios held by the Bank.

In terms of market risks, the Bank pursues a policy of not leveraging its activity by trading financial instruments, in recognition of the fact that the activity must be based on the commercial and retail segment. The Trading Room Unit's activity must essentially focus on prudent cash flow management, by investing and earning profit on surplus liquidity. In this sense, the Bank has been strengthening the mechanisms that enable the control and management of market risk, and this exposure is monitored by the Asset and Liability Management Committee ("ALCO"), among other bodies.

Interest rate risk

Interest rate risk is defined as the probability of the occurrence of negative impacts on results or equity, as a result of adverse changes in the interest rates of elements of the banking portfolio.

Exchange rate risk

Exchange rate risk is associated with positive or negative impacts on the Bank's results and equity, arising from exchange rate fluctuations.

In terms of foreign exchange risk, Banco BIC follows a prudent policy of managing foreign currency assets and liabilities, which strongly minimizes the exchange rate risk, the objective being to obtain permanent coverage of foreign exchange positions in the various currencies.

In addition to monitoring the foreign exchange position and exposure and comparing them with the established limits, the Risk Department is responsible for creating stress tests where it assesses the impact of a potential currency appreciation or devaluation on the Bank's asset structure, results and own funds.

Operational Risk

As established in Banco Nacional de Angola Notice No. 08/2021 of 5 July, operational risk arises from the inadequacy of internal processes, persons or systems, enabling the occurrence of internal and external fraud, as well as from external events, which includes the risk of information systems and legal risk.

Concerning operational risk, the Bank has implemented a comprehensive risk measurement and management system that enables taking measures from risk identification and assessment up to its ongoing monitoring, control and reporting.

Operational risk management is based on a decentralized model, which is comprehensively distributed through all levels of the hierarchical structure. The methodology includes activity and risk mapping processes that seek to pick up material exposure to operational risk, as well as processes for recording and approving events and for the self-assessment of risks and their respective controls.

Concentration risk

Concentration risk is the risk of loss arising from the possibility that an exposure or group of exposures will cause losses that are significant enough to jeopardize the Bank's solvency.

Concentration risk control is an essential element of management. The Bank continuously monitors the level of concentration of the loan portfolios in different relevant dimensions, by economic activity sector and Customer groups.

In counterparty credit risk, the Bank's objective is the diversification of counterparties, based on methodologies for assessing, monitoring and controlling credit limits, as well as compliance with the prudential limits for major risks in accordance with Banco Nacional de Angola Notice No. 08/2021 of 5 July and Banco Nacional de Angola Instruction No. 10/2023 of 9 August.

Credit risk

Credit risk is defined as the risk associated with the possibility of a financial institution incurring financial losses as a result of the borrowers' failure to meet their contractual obligations in the respective loan operations.

For the management and control of credit risk, there are internal regulations that use resources, specifically risk ratings, exposure levels and other risk criteria, to define the levels of competence required in the credit decision-making process.

The Credit Risk Analysis Department is responsible for analysing, issuing opinions on and taking decisions on credit operations, in accordance with credit regulations and the current delegation of competence. It is also responsible for analysing individual impairment for Customer loans and monitoring defined loan alerts.

Solvency risk

Banco BIC maintains adequate levels of regulatory and economic capital, and has internal management and control mechanisms that enable it to maintain a solid capital structure. In this way, the Bank ensures that it mitigates the risk of problems in its ability to meet regulatory requirements regarding capital ratios, and the problems of having to change its risk profile due to insufficient equity.

Pursuant to the prudential regulations in force, Banco BIC conducts an internal capital adequacy self-assessment process ("ICAAP") on an annual basis, the main objective of which is to ensure that the risks to which institutions are exposed are adequately assessed and that their internal capital is adequate in relation to the respective risk profile defined in the Bank's risk appetite structure.

According to prudential regulations, Pillar I sets out the criteria for calculating minimum capital requirements based on credit risk; market risk and operational risk.

Under Pillar II, the Bank performed the internal capital adequacy assessment process ("ICAAP") that aims to identify, measure and allocate capital to the risks to which the Bank is or could be exposed.

The risk identification and measurement process focus on all risks defined in the Bank's risk taxonomy. In turn, and according to the perception of the materiality of the risks, the calculation of internal capital needs, which is based on methodologies and/or internal risk factors weapons of mass destruction.

Balance Sheet

Categories of financial instruments

As at 31 December 2023 and 2022, the different categories of financial instruments are detailed as follows:

In mAOA

	31/12/2023			
	Measured at fair value	Measured at amortized cost	Impairment	Net value
Assets				
Cash and deposits at central banks	-	359 919 004	-	359 919 004
Deposits at other credit institutions	-	165 797 948	(30 751)	165 767 197
Investments at central banks and other credit institutions	-	311 071 737	(4 261 511)	306 810 226
Financial assets at fair value through other comprehensive income	68 746 252	-	-	68 746 252
Investments at amortized cost	-	564 386 325	(43 547 428)	520 838 897
Loans to Customers	-	1 115 767 087	(353 467 268)	762 299 819
Investments in subsidiaries, associates and joint ventures	-	304 885	-	304 885
Other assets	-	29 347 288	(1 389 329)	27 957 959
	68 746 252	**2 546 594 274**	**(402 696 287)**	**2 212 644 239**
Liabilities				
Resources from central banks and other credit institutions	-	(242 948 462)	-	(242 948 462)
Customer resources and other loans	-	(1 445 504 446)	-	(1 445 504 446)
	-	**(1 688 452 908)**	**-**	**(1 688 452 908)**
	68 746 252	**858 141 366**	**(402 696 287)**	**524 191 331**

In mAOA

	31/12/2022			
	Measured at fair value	Measured at amortized cost	Impairment	Net value
Assets				
Cash and deposits at central banks	-	391 336 987	-	391 336 987
Deposits at other credit institutions	-	109 879 842	(30 909)	109 848 933
Investments at central banks and other credit institutions	-	331 554 566	(2 997 445)	328 557 121
Financial assets at fair value through other comprehensive income	69 672 602	-	-	69 672 602
Investments at amortized cost	-	351 880 343	(26 175 675)	325 704 668
Loans to Customers	-	834 116 576	(230 839 390)	603 277 186
Investments in subsidiaries, associates and joint ventures	-	395 901	-	395 901
Other assets	-	23 524 438	(1 275 772)	22 248 666
	69 672 602	**2 042 688 653**	**(261 319 191)**	**1 851 042 064**
Liabilities				
Resources from central banks and other credit institutions	-	(149 284 857)	-	(149 284 857)
Customer resources and other loans	-	(1 233 087 802)	-	(1 233 087 802)
	-	**(1 382 372 659)**	**-**	**(1 382 372 659)**
	69 672 602	**660 315 994**	**(261 319 191)**	**468 669 405**

Income statement and statement of comprehensive income

Headings of income, expenses, gains or losses

As at 31 December 2023 and 2022, the net gains and losses on financial instruments are detailed as follows:

In mAOA

	31/12/2023					
	Against profit or loss			Through other comprehensive income		
	Gains	Losses	Net	Gains	Losses	Net
Assets						
Deposits at other credit institutions	15 551	-	15 551	-	-	-
Investments at central banks and other credit institutions	23 645 944	-	23 645 944	-	-	-
Financial assets at fair value through other comprehensive income	-	-	-	-	(1 841 350)	(1 841 350)
Investments at amortized cost	53 753 071	(13 556 300)	40 196 771	-	-	-
Loans to Customers	49 327 757	(11 957 537)	37 370 220	-	-	-
Investments in subsidiaries, associates and joint ventures	84 969	-	84 969	-	-	-
Other assets	429 748	(113 557)	316 191	-	-	-
	127 257 040	**(25 627 394)**	**101 629 646**	**-**	**(1 841 350)**	**(1 841 350)**
Liabilities						
Resources from central banks and other credit institutions	-	(353 697)	(353 697)	-	-	-
Customer resources and other loans	-	(18 087 233)	(18 087 233)	-	-	-
	-	**(18 440 930)**	**(18 440 930)**	**-**	**-**	**-**
	127 257 040	**(44 068 324)**	**83 188 716**	**-**	**(1 841 350)**	**(1 841 350)**
Off-balance Sheet						
Guarantees provided and documentary credit	1 302 117	-	1 302 117	-	-	-
	1 302 117	**-**	**1 302 117**	**-**	**-**	**-**

In mAOA

	31/12/2022		
	Through other comprehensive income		
	Gains	Losses	Net
Assets			
Deposits at other credit institutions	-	(1 326)	(1 326)
Investments at central banks and other credit institutions	17 822 157	(730 925)	17 091 232
Investments at amortized cost	68 974 242	-	68 974 242
Loans to Customers	50 989 417	(31 716 226)	19 273 191
Investments in subsidiaries, associates and joint ventures	-	(41 175)	(41 175)
Other assets	90 054	(1 275 772)	(1 185 718)
	137 875 870	**(33 765 424)**	**104 110 446**
Liabilities			
Resources from central banks and other credit institutions	-	(1 510 069)	(1 510 069)
Customer resources and other loans	-	(32 063 436)	(32 063 436)
	-	**(33 573 505)**	**(33 573 505)**
	137 875 870	**(67 338 929)**	**70 536 941**
Off-balance Sheet			
Guarantees provided and documentary credit	1 476 100	-	1 476 100
	1 476 100	**-**	**1 476 100**

As at 31 December 2023 and 2022, the income and expenses related to interest on financial instruments not measured at fair value through profit or loss are detailed as follows:

In mAOA

	31/12/2023			31/12/2022		
	Income	Expenses	Net	Income	Expenses	Net
Assets						
Investments at central banks and other credit institutions	22 973 641	-	22 973 641	17 822 157	-	17 822 157
Investments at amortized cost	53 473 360	-	53 473 360	51 983 136	-	51 983 136
Loans to Customers	48 242 913	-	48 242 913	49 916 705	-	49 916 705
Other Assets	429 748	-	429 748	90 054	-	90 054
	125 119 662	-	125 119 662	**119 812 052**	**-**	**119 812 052**
Liabilities						
Resources from central banks and other credit institutions	-	(353 697)	(353 697)	-	(1 510 069)	(1 510 069)
Customer resources and other loans	-	(18 087 233)	(18 087 233)	-	(32 063 436)	(32 063 436)
	-	(18 440 930)	(18 440 930)	**-**	**(33 573 505)**	**(33 573 505)**
	125 119 662	(18 440 930)	106 678 732	**119 812 052**	**(33 573 505)**	**86 238 547**

In the years ended 31 December 2023 and 2022, the values of income and expenses related to fees not included in the calculation of the effective rate of instruments not measured at fair value through profit or loss are immaterial.

Other disclosures

Fair value

As at 31 December 2023 and 2022, the comparison between the fair value and book value of the main assets and liabilities is detailed as follows:

In mAOA

	31/12/2023						
	Book value (net)	Fair value of financial instruments recorded on the balance sheet		Total	Difference	Assets valued at historical cost	Total book value
		Fair value	Amortized cost				
Assets							
Cash and deposits at central banks	359 919 004	-	359 919 004	359 919 004	-	-	359 919 004
Deposits at other credit institutions	165 767 197	-	165 767 197	165 767 197	-	-	165 767 197
Investments at central banks and other credit institutions	306 810 226	-	306 810 226	306 810 226	-	-	306 810 226
Financial assets at fair value through other comprehensive income	68 746 252	68 746 252	-	68 746 252	-	-	68 746 252
Investments at amortized cost	520 838 897	-	520 838 897	520 838 897	-	-	520 838 897
Loans to Customers	762 299 819	-	762 299 819	762 299 819	-	-	762 299 819
Investments in subsidiaries, associates and joint ventures	-	-	-	-	-	304 885	304 885
Other assets	27 957 959	-	27 957 959	27 957 959	-	-	27 957 959
	2 212 339 354	**68 746 252**	**2 143 593 102**	**2 212 339 354**	**-**	**304 885**	**2 212 644 239**
Liabilities							
Resources from central banks and other credit institutions	(242 948 462)	-	(242 948 462)	(242 948 462)	-	-	(242 948 462)
Customer resources and other loans	(1 445 504 446)	-	(1 445 504 446)	(1 445 504 446)	-	-	(1 445 504 446)
	(1 688 452 908)	**-**	**(1 688 452 908)**	**(1 688 452 908)**	**-**	**-**	**(1 688 452 908)**
	523 886 446	**68 746 252**	**455 140 194**	**523 886 446**	**-**	**304 885**	**524 191 331**

In mAOA

	31/12/2022						
	Book value (net)	Fair value of financial instruments recorded on the balance sheet		Total	Difference	Assets valued at historical cost	Total book value
		Fair value	Amortized cost				
Assets							
Cash and deposits at central banks	391 336 987	-	391 336 987	391 336 987	-	-	391 336 987
Deposits at other credit institutions	109 848 933	-	109 848 933	109 848 933	-	-	109 848 933
Investments at central banks and other credit institutions	328 557 121	-	328 557 121	328 557 121	-	-	328 557 121
Financial assets at fair value through other comprehensive income	69 672 602	69 672 602	-	69 672 602	-	-	69 672 602
Investments at amortized cost	325 704 668	-	325 704 668	325 704 668	-	-	325 704 668
Loans to Customers	603 277 186	-	603 277 186	603 277 186	-	-	603 277 186
Investments in subsidiaries, associates and joint ventures	-	-	-	-	-	395 901	395 901
Other assets	22 248 666	-	22 248 666	22 248 666	-	-	22 248 666
	1 850 646 163	**69 672 602**	**1 780 973 561**	**1 850 646 163**	**-**	**395 901**	**1 851 042 064**
Liabilities							
Resources from central banks and other credit institutions	(149 284 857)	-	(149 284 857)	(149 284 857)	-	-	(149 284 857)
Customer resources and other loans	(1 233 087 802)	-	(1 233 087 802)	(1 233 087 802)	-	-	(1 233 087 802)
	(1 382 372 659)	**-**	**(1 382 372 659)**	**(1 382 372 659)**	**-**	**-**	**(1 382 372 659)**
	468 273 504	**69 672 602**	**398 600 902**	**468 273 504**	**-**	**395 901**	**468 669 405**

The following assumptions were used in the preparation of this table:

- For the headings "Cash and deposits at central banks", "Deposits at other credit institutions", "Investments at central banks and other credit institutions" and "Resources from central banks and other credit institutions", as they are spot or very short-term operations, it is considered that their book value is a reasonable approximation of their fair value;

- For the heading "Investments at amortized cost" and taking into account that (i) there is no active transactional market underpinning the value of the financial asset; (ii) there are no transactions representative of the fair value of the assets; and (iii) the assumption that the Treasury Bond rates correspond to market rates, it is considered that the fair value corresponds to the asset recovery value, in other words, its book value;

- For the headings "Loans to Customers" and "Customer resources and other loans", it is considered that the fair value is the same as the book value.

As at 31 December 2023 and 2022, the valuation hierarchy of the financial instruments at fair value is detailed as follows:

In mAOA

	31/12/2023			
	Level 1 Active market prices	Level 2 Observable market data	Level 3 Other valuation techniques	Total
Assets				
Financial assets at fair value through other comprehensive income	-	-	68 746 252	68 746 252
	-	**-**	**68 746 252**	**68 746 252**

In mAOA

	31/12/2022			
	Level 1 Active market prices	Level 2 Observable market data	Level 3 Other valuation techniques	Total
Assets				
Financial assets at fair value through other comprehensive income	-	-	69 672 602	69 672 602
	-	**-**	**69 672 602**	**69 672 602**

Nature and extent of risks arising from financial instruments

Credit risk

As at 31 December 2023 and 2022, the maximum exposure to credit risk by type of financial instrument is detailed as follows:

In mAOA

	31/12/2023			31/12/2022		
	Gross book value	Impairment	Net book value	Gross book value	Impairment	Net book value
On-balance Sheet						
Cash and deposits at central banks	359 919 004	-	359 919 004	391 336 987	-	391 336 987
Deposits at other credit institutions	165 797 948	(30 751)	165 767 197	109 879 842	(30 909)	109 848 933
Investments at central banks and other credit institutions	311 071 737	(4 261 511)	306 810 226	331 554 566	(2 997 445)	328 557 121
Financial assets at fair value through other comprehensive income	68 746 252	-	68 746 252	69 672 602	-	69 672 602
Investments at amortized cost	564 386 325	(43 547 428)	520 838 897	351 880 343	(26 175 675)	325 704 668
Loans to Customers	1 115 767 087	(353 467 268)	762 299 819	834 116 576	(230 839 390)	603 277 186
	2 585 688 353	(401 306 958)	2 184 381 395	**2 088 440 916**	**(260 043 419)**	**1 828 397 497**
Off-balance Sheet						
Guarantees provided and documentary credit	59 484 403	(6 796 972)	52 687 431	39 656 289	(6 419 840)	33 236 449
Unused limits	45 411 406	(1 587 052)	43 824 354	58 476 329	(1 191 980)	57 284 349
	104 895 809	(8 384 024)	96 511 785	**98 132 618**	**(7 611 820)**	**90 520 798**
	2 690 584 162	(409 690 982)	2 280 893 180	**2 186 573 534**	**(267 655 239)**	**1 918 918 295**

As at 31 December 2023 and 2022, the financial assets show the following composition according to the reference rating used by the Bank:

In mAOA

Assets	Rating origin	Rating level	31/12/2023		
			Gross exposure	Impairment	Net exposure
Cash and deposits at central banks	Internal rating	Minimum	359 919 004	-	359 919 004
Deposits at other credit institutions	Internal rating	Minimum	165 797 948	(30 751)	165 767 197
Investments at central banks and other credit institutions	Internal rating	Minimum	136 255 944	(41 558)	136 214 386
		Very low	9 965 205	(160 237)	9 804 968
		Low	164 850 588	(4 059 716)	160 790 872
			311 071 737	(4 261 511)	306 810 226
Financial assets at fair value through other comprehensive income	Internal rating	Very low	68 746 252	-	68 746 252
Investments at amortized cost	Internal rating	Low	564 386 325	(43 547 428)	520 838 897
Loans to Customers	Internal rating	Minimum	47 989 253	(560)	47 988 693
		Very low	181 466 965	(638 829)	180 828 136
		Low	265 092 012	(6 010 097)	259 081 915
		Moderate	249 714 729	(52 484 529)	197 230 200
		High	45 079 145	(22 598 255)	22 480 890
		Very high	156 242 157	(111 642 571)	44 599 586
		Maximum	170 182 826	(160 092 427)	10 090 399
			1 115 767 087	(353 467 268)	762 299 819
Investments in subsidiaries, associates and joint ventures	Internal rating	Low	304 885	-	304 885
Other assets	Internal rating	Minimum	10 267 142	(1 574)	10 265 568
		Low	19 080 146	(1 387 755)	17 692 391
			29 347 288	(1 389 329)	27 957 959
			2 615 340 526	(402 696 287)	2 212 644 239

In mAOA

Assets	Rating origin	Rating level	31/12/2022 Gross exposure	Impairment	Net exposure
Cash and deposits at central banks	Internal rating	Minimum	391 336 987	-	391 336 987
Deposits at other credit institutions	Internal rating	Minimum	109 879 842	(30 909)	109 848 933
Investments at central banks and other credit institutions	Internal rating	Minimum	15 130 676	(4 721)	15 125 955
		Very low	58 767 564	(126 138)	58 641 426
		Low	257 656 326	(2 866 586)	254 789 740
			331 554 566	(2 997 445)	328 557 121
Financial assets at fair value through other comprehensive income	Internal rating	Very low	69 672 602	-	69 672 602
Investments at amortized cost	Internal rating	Low	351 880 343	(26 175 675)	325 704 668
Loans to Customers	Internal rating	Minimum	32 814 688	(162)	32 814 526
		Very low	134 845 076	(518 228)	134 326 848
		Low	206 072 144	(3 740 434)	202 331 710
		Moderate	180 164 945	(26 652 631)	153 512 314
		High	41 733 662	(16 959 261)	24 774 401
		Very high	119 726 240	(77 207 307)	42 518 933
		Maximum	118 759 821	(105 761 367)	12 998 454
			834 116 576	(230 839 390)	603 277 186
Investments in subsidiaries, associates and joint ventures	Internal rating	Low	395 901	-	395 901
Other assets	Internal rating	Minimum	6 395 006	(1 548)	6 393 458
		Low	17 129 432	(1 274 224)	15 855 208
			23 524 438	(1 275 772)	22 248 666
			2 112 361 255	**(261 319 191)**	**1 851 042 064**

The Bank uses internal ratings, according to the risk levels recommended by Banco Nacional de Angola Notice No. 11/2014 of 17 December, where the main assumptions for their assignment are as follows:

- The majority of the positions at risk recorded in the headings "Cash and deposits at central banks" are assumed by Banco Nacional de Angola and by the Angolan State and, consequently, classified with minimum risk level;

- The counterpart of the "Deposits at other credit institutions" are essentially related entities and do not show signs of impairment;

- "Loans to Customers" are classified according to the characteristics and risks of the operation and borrower.

As at 31 December 2023 and 2022, the geographic concentration of credit risk is detailed as follows:

In mAOA

	31/12/2023				
	Angola	Other African countries	Europa	Other	Total
Assets					
Cash and deposits at central banks	359 919 004	-	-	-	359 919 004
Deposits at other credit institutions	28 358	37 915 935	122 634 606	5 188 298	165 767 197
Investments at central banks and other credit institutions	91 643 337	-	207 839 692	7 327 197	306 810 226
Financial assets at fair value through other comprehensive income	68 746 252	-	-	-	68 746 252
Investments at amortized cost	520 838 897	-	-	-	520 838 897
Loans to Customers	762 299 819	-	-	-	762 299 819
Investments in subsidiaries, associates and joint ventures	304 885	-	-	-	304 885
Other assets	19 364 420	-	-	8 593 539	27 957 959
	1 823 144 972	**37 915 935**	**330 474 298**	**21 109 034**	**2 212 644 239**
Liabilities					
Resources from central banks and other credit institutions	(24 321 822)	(218 626 640)	-	-	(242 948 462)
Customer resources and other loans	(1 402 014 885)	(5 495 195)	(9 406 854)	(28 587 512)	(1 445 504 446)
	(1 426 336 707)	**(224 121 835)**	**(9 406 854)**	**(28 587 512)**	**(1 688 452 908)**

In mAOA

	31/12/2022				
	Angola	Other African countries	Europa	Other	Total
Assets					
Cash and deposits at central banks	391 336 987	-	-	-	391 336 987
Deposits at other credit institutions	49 367	24 879 637	79 478 986	5 440 943	109 848 933
Investments at central banks and other credit institutions	207 894 388	-	116 705 724	3 957 009	328 557 121
Financial assets at fair value through other comprehensive income	69 672 602	-	-	-	69 672 602
Investments at amortized cost	325 704 668	-	-	-	325 704 668
Loans to Customers	603 277 186	-	-	-	603 277 186
Investments in subsidiaries, associates and joint ventures	304 885	-	91 016	-	395 901
Other assets	17 288 700	-	-	4 959 966	22 248 666
	1 615 528 783	**24 879 637**	**196 275 726**	**14 357 918**	**1 851 042 064**
Liabilities					
Resources from central banks and other credit institutions	(23 835 242)	(125 449 615)	-	-	(149 284 857)
Customer resources and other loans	(1 205 958 865)	(2 654 801)	(6 434 660)	(18 039 476)	(1 233 087 802)
	(1 229 794 107)	**(128 104 416)**	**(6 434 660)**	**(18 039 476)**	**(1 382 372 659)**

As at 31 December 2023 and 2022, loans present the following composition:

In mAOA

	31/12/2023				
	Outstanding loans and income receivable	Non-performing loans			Total
		Stage 1	Stage 2	Stage 3	
Loans to Customers					
Loans without impairment	23 065 274	7 081	61 911	2 544 820	25 679 086
With impairment assigned based on individual analysis					
Loans and interest	414 810 826	5 156 959	-	351 093 695	771 061 480
Impairment	(61 208 095)	(536 164)	-	(192 463 005)	(254 207 264)
	353 602 731	**4 620 795**	**-**	**158 630 690**	**516 854 216**
With impairment assigned based on collective analysis					
Loans and interest	219 375 565	4 197	202 971	100 704 246	320 286 979
Impairment	(33 769 611)	(44)	(8 164)	(65 482 184)	(99 260 003)
	185 605 954	**4 153**	**194 807**	**35 222 062**	**221 026 976**
Associated fees at amortized cost	(1 260 459)	-	-	-	(1 260 459)
	561 013 500	**4 632 029**	**256 718**	**196 397 572**	**762 299 819**

In mAOA

	31/12/2022				
	Outstanding loans and income receivable	Non-performing loans			Total
		Stage 1	Stage 2	Stage 3	
Loans to Customers					
Loans without impairment	27 136 299	-	21 651	2 421 034	29 578 984
With impairment assigned based on individual analysis					
Loans and interest	336 232 010	10 650 996	-	223 712 995	570 596 001
Impairment	(43 941 137)	(2 703 815)	-	(121 668 824)	(168 313 776)
	292 290 873	**7 947 181**	**-**	**102 044 171**	**402 282 225**
With impairment assigned based on collective analysis					
Loans and interest	184 252 003	12 983	605 445	50 317 408	235 187 839
Impairment	(30 058 730)	(93)	(86 488)	(32 380 303)	(62 525 614)
	154 193 273	**12 890**	**518 957**	**17 937 105**	**172 662 225**
Associated fees at amortized cost	(1 246 248)	-	-	-	(1 246 248)
	472 374 197	**7 960 071**	**540 608**	**122 402 310**	**603 277 186**

As at 31 December 2023 and 2022, the loans overdue without impairment show the following composition:

In mAOA

	31/12/2023			
	Default class			
	Stage 1	Stage 2	Stage 3	Total
Loans to Customers				
Loans and interest overdue				
Without impairment assigned based on individual analysis	7 081	-	389 236	396 317
Without impairment assigned based on collective analysis	-	61 911	2 155 584	2 217 495
	7 081	**61 911**	**2 544 820**	**2 613 812**

In mAOA

	31/12/2022			
	Default class			
	Stage 1	Stage 2	Stage 3	Total
Loans to Customers				
Loans and interest overdue				
Without impairment assigned based on individual analysis	-	-	516 508	516 508
Without impairment assigned based on collective analysis	-	21 651	1 904 526	1 926 177
	-	**21 651**	**2 421 034**	**2 442 685**

As at 31 December 2023 and 2022, the loans overdue with impairment show the following composition:

In mAOA

	31/12/2023			
	Default class			
	Stage 1	Stage 2	Stage 3	Total
Loans to Customers				
Loans and interest overdue				
With impairment assigned based on individual analysis	5 156 959	-	351 093 695	356 250 654
With impairment assigned based on collective analysis	4 197	202 971	100 704 246	100 911 414
	5 161 156	**202 971**	**451 797 941**	**457 162 068**

In mAOA

	31/12/2022			
	Default class			
	Stage 1	Stage 2	Stage 3	Total
Loans to Customers				
Loans and interest overdue				
With impairment assigned based on individual analysis	10 650 996	-	223 712 995	234 363 991
With impairment assigned based on collective analysis	12 983	605 445	50 317 408	50 935 836
	10 663 979	**605 445**	**274 030 403**	**285 299 827**

In the years ended 31 December 2023 and 2022, the Bank renegotiated operations due to their deteriorating credit risk or risk of default.

As at 31 December 2023 and 2022, the value of renegotiated loans (excluding unused limits) shows the following composition:

In mAOA

	31/12/2023				
	Loans				
	Outstanding	Income receivable	Overdue	Total	Impairment
Companies	220 202 013	1 096 486	335 840 493	557 138 992	(240 706 870)
Individuals					
Consumer credit	18 352 768	78 493	2 546 878	20 978 139	(8 559 153)
Mortgage loans	1 156 868	509	566 643	1 724 020	(854 130)
Other purposes	1 418 266	36 142	14 104 966	15 559 374	(10 619 796)
	20 927 902	**115 144**	**17 218 487**	**38 261 533**	**(20 033 079)**
	241 129 915	**1 211 630**	**353 058 980**	**595 400 525**	**(260 739 949)**

In mAOA

	31/12/2022				
	Loans				
	Outstanding	Income receivable	Overdue	Total	Impairment
Companies	197 102 087	5 481 058	187 952 583	390 535 728	(125 866 535)
Individuals					
Consumer credit	12 328 302	40 045	1 204 349	13 572 696	(4 621 209)
Mortgage loans	776 013	1 638	340 455	1 118 106	(577 628)
Other purposes	937 278	2 197	9 268 159	10 207 634	(6 213 621)
	14 041 593	**43 880**	**10 812 963**	**24 898 436**	**(11 412 458)**
	211 143 680	**5 524 938**	**198 765 546**	**415 434 164**	**(137 278 993)**

As at 31 December 2023 and 2022, the guarantees or other collateral foreclosed under loan operations are detailed as follows:

In mAOA

	31/12/2023			31/12/2022		
	Gross assets	Impairment	Net assets	Gross assets	Impairment	Net assets
Non-current assets held for sale						
Real estate received in lieu of payment	**18 204 918**	**(5 394 791)**	**12 810 127**	16 835 709	(5 101 771)	11 733 938
	18 204 918	**(5 394 791)**	**12 810 127**	**16 835 709**	**(5 101 771)**	**11 733 938**

Liquidity risk

As at 31 December 2023 and 2022, the capital associated with the financial instruments, excluding interest and loans overdue, according to their contractual maturity, is detailed as follows:

In mAOA

	31/12/2023									
	Residual contractual periods									
	Spot	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	More than 5 years	Indefinite	Total
Assets										
Cash and deposits at central banks	359 919 004	-	-	-	-	-	-	-	-	359 919 004
Deposits at other credit institutions	165 797 948	-	-	-	-	-	-	-	-	165 797 948
Investments at central banks and other credit institutions		193 044 173	81 002 834	23 709 228	11 152 664	-	-	-	-	308 908 899
Financial assets at fair value through comprehensive income	-	-	-	-	-	-	-	-	68 746 252	68 746 252
Investments at amortized cost	-	4 999 995	84 090 208	38 531 598	90 697 150	174 164 516	153 888 198	-	-	546 371 665
Loans to Customers	-	38 295 643	10 697 758	37 492 226	32 370 727	107 188 063	128 665 093	284 252 055	-	638 961 565
Investments in subsidiaries, associates and joint ventures	-	-	-	-	-	-	-	-	304 885	304 885
Other assets	29 347 288	-	-	-	-	-	-	-	-	29 347 288
	555 064 240	**236 339 811**	**175 790 800**	**99 733 052**	**134 220 541**	**281 352 579**	**282 553 291**	**284 252 055**	**69 051 137**	**2 118 357 506**
Liabilities							-			
Resources from central banks and other credit institutions	(229 408 131)	-	(13 345 442)	-	-	-	-	-	-	(242 753 573)
Customer resources and other loans	(658 982 011)	(173 052 032)	(294 632 672)	(173 448 250)	(131 950 828)	(3 317 996)	(1 800)	(1 141)	-	(1 435 386 730)
	(888 390 142)	**(173 052 032)**	**(307 978 114)**	**(173 448 250)**	**(131 950 828)**	**(3 317 996)**	**(1 800)**	**(1 141)**	**-**	**(1 678 140 303)**
Liquidity gap	**(333 325 902)**	**63 287 779**	**(132 187 314)**	**(73 715 198)**	**2 269 713**	**278 034 583**	**282 551 491**	**284 250 914**	**69 051 137**	**440 217 203**
Cumulative liquidity gap	**(333 325 902)**	**(270 038 123)**	**(402 225 437)**	**(475 940 635)**	**(473 670 922)**	**(195 636 339)**	**86 915 152**	**371 166 066**	**440 217 203**	

In mAOA

	31/12/2022									
	Residual contractual periods									
	Spot	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	More than 5 years	Indefinite	Total
Assets										
Cash and deposits at central banks	391 336 987	-	-	-	-	-	-	-	-	391 336 987
Deposits at other credit institutions	109 879 842	-	-	-	-	-	-	-	-	109 879 842
Investments at central banks and other credit institutions	-	114 879 858	123 880 158	73 577 205	15 416 458	-	-	-	-	327 753 679
Financial assets at fair value through comprehensive income	-	-	-	-	-	-	-	-	69 672 602	69 672 602
Investments at amortized cost	-	21 910 309	22 179 267	58 777 553	88 449 017	77 922 448	58 338 473	10 074 121	-	337 651 188
Loans to Customers	-	10 689 770	10 285 583	26 855 615	32 143 387	73 507 572	105 563 305	263 276 192	-	522 321 424
Investments in subsidiaries, associates and joint ventures	-	-	-	-	-	-	-	-	395 901	395 901
Other assets	23 524 438	-	-	-	-	-	-	-	-	23 524 438
	524 741 267	**147 479 937**	**156 345 008**	**159 210 373**	**136 008 862**	**151 430 020**	**163 901 778**	**273 350 313**	**70 068 503**	**1 782 536 061**
Liabilities										
Resources from central banks and other credit institutions	(137 685 388)	(4 000 000)	(7 504 996)	-	-	-	-	-	-	(149 190 384)
Customer resources and other loans	(674 347 312)	(121 431 192)	(195 369 762)	(175 356 628)	(58 896 731)	(17 305)	(1 196)	(246)	-	(1 225 420 372)
	(812 032 700)	**(125 431 192)**	**(202 874 758)**	**(175 356 628)**	**(58 896 731)**	**(17 305)**	**(1 196)**	**(246)**	**-**	**(1 374 610 756)**
Liquidity gap	**(287 291 433)**	**22 048 745**	**(46 529 750)**	**(16 146 255)**	**77 112 131**	**151 412 715**	**163 900 582**	**273 350 067**	**70 068 503**	**407 925 305**
Cumulative liquidity gap	**(287 291 433)**	**(265 242 688)**	**(311 772 438)**	**(327 918 693)**	**(250 806 562)**	**(99 393 847)**	**64 506 735**	**337 856 802**	**407 925 305**	

Market risk

Exchange rate risk

As at 31 December 2023 and 2022, the distribution of the financial instruments, net of impairment, by currency, is detailed as follows:

In mAOA

	31/12/2023					
	Kwanza	Indexed to the United States Dollar	United States Dollar	Euro	Other currencies	Total
Assets						
Cash and deposits at central banks	181 055 348	-	139 648 604	38 877 641	337 411	359 919 004
Deposits at other credit institutions	16 898	-	114 092 407	43 511 591	8 146 301	165 767 197
Investments at central banks and other credit institutions	91 643 337	-	174 568 884	40 598 005	-	306 810 226
Financial assets at fair value through other comprehensive income	68 746 252	-	-	-	-	68 746 252
Investments at amortized cost	296 429 708	60 279 215	164 129 974	-	-	520 838 897
Loans to Customers	532 384 916	-	229 914 903	-	-	762 299 819
Investments in subsidiaries, associates and joint ventures	304 885	-		-	-	304 885
Other assets	19 364 420	-	8 593 539	-	-	27 957 959
	1 189 945 764	**60 279 215**	**830 948 311**	**122 987 237**	**8 483 712**	**2 212 644 239**
Liabilities						
Resources from central banks and other credit institutions	(10 739 679)	-	(139 516 026)	(92 692 757)	-	(242 948 462)
Customer resources and other loans	(859 498 254)	(16 923 998)	(525 052 156)	(43 607 918)	(422 120)	(1 445 504 446)
	(870 237 933)	**(16 923 998)**	**(664 568 182)**	**(136 300 675)**	**(422 120)**	**(1 688 452 908)**
	319 707 831	**43 355 217**	**166 380 129**	**(13 313 438)**	**8 061 592**	**524 191 331**

In mAOA

	31/12/2022					
	Kwanza	Indexed to the United States Dollar	United States Dollar	Euro	Other currencies	Total
Assets						
Cash and deposits at central banks	271 027 451	-	97 659 004	22 511 492	139 040	391 336 987
Deposits at other credit institutions	4 937	-	91 104 485	13 891 226	4 848 285	109 848 933
Investments at central banks and other credit institutions	207 894 388	-	119 587 861	1 074 872	-	328 557 121
Financial assets at fair value through other comprehensive income	69 672 602	-	-	-	-	69 672 602
Investments at amortized cost	142 315 977	110 376 549	73 012 142	-	-	325 704 668
Loans to Customers	434 954 071	-	156 620 236	11 702 879	-	603 277 186
Investments in subsidiaries, associates and joint ventures	304 885	-	-	91 016	-	395 901
Other assets	17 275 646	-	4 973 020	-	-	22 248 666
	1 143 449 957	**110 376 549**	**542 956 748**	**49 271 485**	**4 987 325**	**1 851 042 064**
Liabilities						
Resources from central banks and other credit institutions	(16 389 570)	-	(73 059 095)	(59 836 192)	-	(149 284 857)
Customer resources and other loans	(824 387 352)	(22 344 839)	(356 452 383)	(29 732 895)	(170 333)	(1 233 087 802)
	(840 776 922)	**(22 344 839)**	**(429 511 478)**	**(89 569 087)**	**(170 333)**	**(1 382 372 659)**
	302 673 035	**88 031 710**	**113 445 270**	**(40 297 602)**	**4 816 992**	**468 669 405**

As at 31 December 2023 and 2022, the balance of the heading "Investments at amortized cost" includes the values of mAOA 119 912 158 and mAOA 110 367 549, respectively, related to Treasury Bonds in domestic currency indexed to the United States Dollar.

As at 31 December 2023 and 2022, the balance of the heading "Customer resources and other loans" includes the values of mAOA 36 059 336 and mAOA 22 344 839, respectively, related to term deposits of Customers, in domestic currency indexed to the United States Dollar.

Both of the aforesaid operations are indexed to the purchase Kz/USD exchange rate of Banco Nacional de Angola and, therefore, are subject to exchange rate adjustment.

As at 31 December 2023 and 2022, the impact on the book value of financial instruments sensitive to exchange rate risk of parallel shifts in reference exchange rate curves of 5%, 10% and 20%, respectively, is detailed as follows:

In mAOA

	31/12/2023					
	-20%	**-10%**	**-5%**	**+5%**	**+10%**	**+20%**
Currency						
United States Dollars	29 872 945	14 936 473	7 468 236	(7 468 236)	(14 936 473)	(29 872 945)
Euros	(3 092 574)	(1 546 287)	(773 144)	773 144	1 546 287	3 092 574
Other currencies	1 614 017	807 009	403 504	(403 504)	(807 009)	(1 614 017)
	28 394 388	**14 197 195**	**7 098 596**	**(7 098 596)**	**(14 197 195)**	**(28 394 388)**

In mAOA

	31/12/2022					
	-20%	**-10%**	**-5%**	**+5%**	**+10%**	**+20%**
Currency						
United States Dollars	34 274 619	17 137 309	8 568 655	(8 568 655)	(17 137 309)	(34 274 619)
Euros	(8 553 023)	(4 276 512)	(2 138 256)	2 138 256	4 276 512	8 553 023
Other currencies	965 855	482 927	241 464	(241 464)	(482 927)	(965 855)
	26 687 451	**13 343 724**	**6 671 863**	**(6 671 863)**	**(13 343 724)**	**(26 687 451)**

The impact of exchange rate variations on Treasury Bonds and on term deposits indexed to the United States Dollar is reflected in the line "United States Dollars".

Interest rate risk

As at 31 December 2023 and 2022, the financial instruments, excluding interest and loans overdue, by exposure to exchange rate risk, is detailed as follows:

In mAOA

	31/12/2023			
	Exposure to		**Not subject to interest rate risk**	**Total**
	Fixed rate	**Variable rate**		
Assets				
Cash and deposits at central banks	-	-	359 919 004	359 919 004
Deposits at other credit institutions	-	-	165 797 948	165 797 948
Investments at central banks and other credit institutions	308 908 899	-	-	308 908 899
Financial assets at fair value through comprehensive income	-	-	68 746 252	68 746 252
Investments at amortized cost	546 371 665	-	-	546 371 665
Loans to Customers	372 523 718	266 437 847	-	638 961 565
Investments in subsidiaries, associates and joint ventures	-	-	304 885	304 885
Other assets	-	8 595 113	20 752 175	29 347 288
	1 227 804 282	**275 032 960**	**615 520 264**	**2 118 357 506**
Liabilities				
Resources from central banks and other credit institutions	(13 345 442)	-	(229 408 131)	(242 753 573)
Customer resources and other loans	(776 404 719)	-	(658 982 011)	(1 435 386 730)
	(789 750 161)	**-**	**(888 390 142)**	**(1 678 140 303)**
	438 054 121	**275 032 960**	**(272 869 878)**	**440 217 203**

In mAOA

	31/12/2022			
	Exposure to		Not subject to interest rate risk	Total
	Fixed rate	Variable rate		
Assets				
Cash and deposits at central banks	-	-	391 336 987	391 336 987
Deposits at other credit institutions	-	-	109 879 842	109 879 842
Investments at central banks and other credit institutions	327 753 679	-	-	327 753 679
Financial assets at fair value through comprehensive income	-	-	69 672 602	69 672 602
Investments at amortized cost	337 651 188	-	-	337 651 188
Loans to Customers	299 632 194	222 689 230	-	522 321 424
Investments in subsidiaries, associates and joint ventures	-	-	395 901	395 901
Other assets	-	4 961 514	18 562 924	23 524 438
	965 037 061	**227 650 744**	**589 848 256**	**1 782 536 061**
Liabilities				
Resources from central banks and other credit institutions	(11 504 996)	-	(137 685 388)	(149 190 384)
Customer resources and other loans	(551 073 060)	-	(674 347 312)	(1 225 420 372)
	(562 578 056)	**-**	**(812 032 700)**	**(1 374 610 756)**
	402 459 005	**227 650 744**	**(222 184 444)**	**407 925 305**

As at 31 December 2023 and 2022, the development of the par value of the financial instruments with exposure to interest rate risk, excluding interest and loans overdue, according to their maturity or interest-fixing date, is detailed as follows:

In mAOA

	31/12/2023							
	Interest-fixing dates/Maturity dates							
	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
Assets								
Investments at central banks and other credit institutions	193 044 173	81 002 834	23 709 228	11 152 664	-	-	-	308 908 899
Investments at amortized cost	4 999 995	84 090 208	38 531 598	90 697 150	174 164 516	153 888 198	-	546 371 665
Loans to Customers	38 295 643	10 697 758	37 492 226	32 370 727	107 188 063	128 665 093	284 252 055	638 961 565
	236 339 811	**175 790 800**	**99 733 052**	**134 220 541**	**281 352 579**	**282 553 291**	**284 252 055**	**1 494 242 129**
Liabilities								
Resources from central banks and other credit institutions	-	(13 345 442)	-	-	-	-	-	(13 345 442)
Customer resources and other loans	(173 052 032)	(294 632 672)	(173 448 250)	(131 950 828)	(3 317 996)	(1 800)	(1 141)	(776 404 719)
	(173 052 032)	**(307 978 114)**	**(173 448 250)**	**(131 950 828)**	**(3 317 996)**	**(1 800)**	**(1 141)**	**(789 750 161)**
	63 287 779	**(132 187 314)**	**(73 715 198)**	**2 269 713**	**278 034 583**	**282 551 491**	**284 250 914**	**704 491 968**

In mAOA

	31/12/2022							
	Interest-fixing dates/Maturity dates							
	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
Assets								
Investments at central banks and other credit institutions	114 879 858	123 880 158	73 577 205	15 416 458	-	-	-	327 753 679
Investments at amortized cost	21 910 309	22 179 267	58 777 553	88 449 017	77 922 448	58 338 473	10 074 121	337 651 188
Loans to Customers	10 689 770	10 285 583	26 855 615	32 143 387	73 507 572	105 563 305	263 276 192	522 321 424
	147 479 937	**156 345 008**	**159 210 373**	**136 008 862**	**151 430 020**	**163 901 778**	**273 350 313**	**1 187 726 291**
Liabilities								
Resources from central banks and other credit institutions	(4 000 000)	(7 504 996)	-	-	-	-	-	(11 504 996)
Customer resources and other loans	(121 431 192)	(195 369 762)	(175 356 628)	(58 896 731)	(17 305)	(1 196)	(246)	(551 073 060)
	(125 431 192)	**(202 874 758)**	**(175 356 628)**	**(58 896 731)**	**(17 305)**	**(1 196)**	**(246)**	**(562 578 056)**
	22 048 745	**(46 529 750)**	**(16 146 255)**	**77 112 131**	**151 412 715**	**163 900 582**	**273 350 067**	**625 148 235**

As at 31 December 2023 and 2022, the impact on the fair value of financial instruments sensitive to exchange rate risk of parallel shifts in reference interest rate curves of 50, 100 and 200 basis points ("bp"), respectively, is demonstrated in the following tables:

In mAOA

	31/12/2023					
	Interest rate variation					
	-200 bp	-100 bp	-50 bp	+50 bp	+100 bp	+200 bp
Assets						
Investments at central banks and other credit institutions	751 679	375 840	187 920	(187 920)	(375 840)	(751 679)
Investments at amortized cost	20 044 988	10 022 494	5 011 247	(5 011 247)	(10 022 494)	(20 044 988)
Loans to Customers	49 172 371	24 586 185	12 293 093	(12 293 093)	(24 586 185)	(49 172 371)
	69 969 038	**34 984 519**	**17 492 260**	**(17 492 260)**	**(34 984 519)**	**(69 969 038)**
Liabilities						
Resources from central banks and other credit institutions	(174 901)	(87 451)	(43 725)	43 725	87 451	174 901
Customer resources and other loans	(4 892 539)	(2 446 269)	(1 223 135)	1 223 135	2 446 269	4 892 539
	(5 067 440)	**(2 533 720)**	**(1 266 860)**	**1 266 860**	**2 533 720**	**5 067 440**
	64 901 598	**32 450 799**	**16 225 400**	**(16 225 400)**	**(32 450 799)**	**(64 901 598)**

In mAOA

	31/12/2022					
	Interest rate variation					
	-200 bp	-100 bp	-50 bp	+50 bp	+100 bp	+200 bp
Assets						
Investments at central banks and other credit institutions	962 725	481 363	240 681	(240 681)	(481 363)	(962 725)
Investments at amortized cost	9 526 707	4 763 353	2 381 677	(2 381 677)	(4 763 353)	(9 526 707)
Loans to Customers	41 404 056	20 702 028	10 351 014	(10 351 014)	(20 702 028)	(41 404 056)
	51 893 488	**25 946 744**	**12 973 372**	**(12 973 372)**	**(25 946 744)**	**(51 893 488)**
Liabilities						
Resources from central banks and other credit institutions	(262 084)	(131 042)	(65 521)	65 521	131 042	262 084
Customer resources and other loans	(3 412 673)	(1 706 336)	(853 168)	853 168	1 706 336	3 412 673
	(3 674 757)	**(1 837 378)**	**(918 689)**	**918 689**	**1 837 378**	**3 674 757**
	48 218 731	**24 109 366**	**12 054 683**	**(12 054 683)**	**(24 109 366)**	**(48 218 731)**

For the preparation of these tables, the Bank used the methodology and assumptions described in Banco Nacional de Angola Notice No. 08/2021 of 5 July.

28. Segmental Reporting

In order to ensure compliance with the requirements of IFRS 8 – Operating Segments ("IFRS 8"), the Bank adopted the following business segments:

- Trading and sales: comprise the banking activity related to the management of its own portfolio of securities, monetary market and foreign exchange operations, reception and transmission of orders in relation to one or more financial instruments and execution of orders on account of Customers;

- Retail banking: comprises banking activity with individuals and sole proprietorships, such as the reception of deposits and other reimbursable funds, loans, granting of guarantees and the undertaking of other commitments. It also includes the total amount payable to the Bank by the Customers or group of interlinked Customers;

- Commercial banking: lending activity and capture of resources among companies, as well as the taking of funds to meet commitments related to granting loans;

- Other: comprises all the activity segments that were not covered in the previous business lines.

As at 31 December 2023 and 2022, the distribution of the main assets and liabilities by business lines is detailed as follows:

Business lines

In mAOA

	31/12/2023				
	Trading and sales	Retail banking	Commercial banking	Other	Total
Assets					
Cash and deposits at central banks	359 919 004	-	-	-	359 919 004
Deposits at other credit institutions	165 767 197	-	-	-	165 767 197
Investments at central banks and other credit institutions	306 810 226	-	-	-	306 810 226
Financial assets at fair value through other comprehensive income	68 746 252	-	-	-	68 746 252
Investments at amortized cost	520 838 897	-	-	-	520 838 897
Loans to Customers	-	199 183 690	563 116 129	-	762 299 819
Other assets	-	-	-	107 130 248	107 130 248
Total Assets	**1 422 081 576**	**199 183 690**	**563 116 129**	**107 130 248**	**2 291 511 643**
Liabilities					
Resources from central banks and other credit institutions	242 948 462	-	-	-	242 948 462
Customer resources and other loans	-	1 066 979 741	378 524 705	-	1 445 504 446
Other liabilities	-	-	-	136 365 252	136 365 252
Total Liabilities	**242 948 462**	**1 066 979 741**	**378 524 705**	**136 365 252**	**1 824 818 160**

In mAOA

	31/12/2022				
	Trading and sales	Retail banking	Commercial banking	Other	Total
Assets					
Cash and deposits at central banks	391 336 987	-	-	-	391 336 987
Deposits at other credit institutions	109 848 933	-	-	-	109 848 933
Investments at central banks and other credit institutions	328 557 121	-	-	-	328 557 121
Financial assets at fair value through other comprehensive income	69 672 602	-	-	-	69 672 602
Investments at amortized cost	325 704 668	-	-	-	325 704 668
Loans to Customers	-	146 058 407	457 218 779	-	603 277 186
Other assets	-	-	-	91 923 604	91 923 604
Total Assets	**1 225 120 311**	**146 058 407**	**457 218 779**	**91 923 604**	**1 920 321 101**
Liabilities					
Resources from central banks and other credit institutions	149 284 857	-	-	-	149 284 857
Customer resources and other loans	-	805 731 686	427 356 116	-	1 233 087 802
Other liabilities	-	-	-	107 961 021	107 961 021
Total Liabilities	**149 284 857**	**805 731 686**	**427 356 116**	**107 961 021**	**1 490 333 680**

The main allocation criteria used by the Bank in the construction of these tables are as follows:

- The headings "Loans to Customers" and "Customer resources and other loans" were separated based on the business area where the operation was originated, which can be the Department of Individuals and Businesses, Company Centres, Investment Centres or Private Banking;
- The headings "Cash and deposits at central banks", "Deposits at other credit institutions", "Investments at central banks and other credit institutions", "Financial assets at fair value through other comprehensive income", "Investments at amortized cost" and "Resources from central banks and other credit institutions" were allocated to "Trading and sales" because their purpose is to be used in the Bank's normal activity;
- The headings "Other assets" and "Other liabilities" were considered in "Other", due to the impossibility of segmental allocation.

As at 31 December 2023 and 2022, the distribution of the main assets and liabilities by geographic markets is detailed as follows:

Geographic markets

In mAOA

	31/12/2023				
	Angola	Other African countries	Europe	Other	Total
Assets					
Cash and deposits at central banks	359 919 004	-	-	-	359 919 004
Deposits at other credit institutions	28 358	37 915 935	122 634 606	5 188 298	165 767 197
Investments at central banks and other credit institutions	91 643 337	-	207 839 692	7 327 197	306 810 226
Financial assets at fair value through other comprehensive income	68 746 252	-	-	-	68 746 252
Investments at amortized cost	520 838 897	-	-	-	520 838 897
Loans to Customers	762 299 819	-	-	-	762 299 819
Other assets	98 535 136	-	-	8 595 112	107 130 248
Total Assets	**1 902 010 803**	**37 915 935**	**330 474 298**	**21 110 607**	**2 291 511 643**
Liabilities					
Resources from central banks and other credit institutions	24 321 822	218 626 640	-	-	242 948 462
Customer resources and other loans	1 402 014 885	5 495 195	9 406 854	28 587 512	1 445 504 446
Other liabilities	136 365 252	-	-	-	136 365 252
Total Liabilities	**1 562 701 959**	**224 121 835**	**9 406 854**	**28 587 512**	**1 824 818 160**

In mAOA

	31/12/2022				
	Angola	Other African countries	Europe	Other	Total
Assets					
Cash and deposits at central banks	391 336 987	-	-	-	391 336 987
Deposits at other credit institutions	49 367	24 879 637	79 478 986	5 440 943	109 848 933
Investments at central banks and other credit institutions	207 894 388	-	116 705 724	3 957 009	328 557 121
Financial assets at fair value through other comprehensive income	69 672 602	-	-	-	69 672 602
Investments at amortized cost	325 704 668	-	-	-	325 704 668
Loans to Customers	603 277 186	-	-	-	603 277 186
Other assets	86 871 073	-	91 016	4 961 515	91 923 604
Total Assets	**1 684 806 271**	**24 879 637**	**196 275 726**	**14 359 467**	**1 920 321 101**
Liabilities					
Resources from central banks and other credit institutions	23 835 242	125 449 615	-	-	149 284 857
Customer resources and other loans	1 205 958 865	2 654 801	6 434 660	18 039 476	1 233 087 802
Other liabilities	107 607 867	-	-	353 154	107 961 021
Total Liabilities	**1 337 401 974**	**128 104 416**	**6 434 660**	**18 392 630**	**1 490 333 680**

29. Subsequent Events

There are no subsequent events to disclose.

9.3. Audit Report

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INDEPENDENT AUDITORS' REPORT
(Expressed in Thousands of Kwanzas)
(This report is an English free translation from the original Portuguese version)

To the Shareholders of
Banco BIC, S.A.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Banco BIC, S.A ("the Bank"), which comprise the statement of financial position as at 31 December 2023 (presenting a total of tAOA 2.291.511.643 and a total net equity of tAOA 466.693.483, including a net profit of tAOA 58.547,412), and the income statement, the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of the significant accounting policies.

In our opinion, the accompanying financial statements give a fair view, in all material respects, of the financial position of the Bank as at 31 December 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 issue by Ordem dos Contabilistas e Peritos Contabilistas de Angola. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the 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 the 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.

Responsibilities of management and the supervisory body for the financial statements

Management is responsible for:

– the preparation of financial statements that give a 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;

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- designing and maintaining an appropriate internal control system to enable the preparation of 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 financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to obtain a reasonable assurance on whether the financial statements as a whole are free from material misstatements, 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 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit, we also:

- identify and assess the risks of material misstatement of the 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 the reasonableness of accounting estimates and related disclosures made by management;
- 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 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;

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- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibility also includes the verification that the information contained in the management report is consistent with the financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the management report

Pursuant the applicable legal requirements, it is our opinion that the management report was prepared in accordance with the applicable legal e regulatory requirements, the information contained therein I consistent with the audited financial statements and, having regard to our knowledge and assessment over the Bank, we have not identified any material misstatements.

Luanda, April 10, 2024

Crowe
Registered in OCPCA number E20170037 e in CMC number 11/2017
Represented by João Martins de Castro
Perito Contabilista registered in OCPCA number 20140123

9.4. Report by the Fiscal Board

REPORT AND OPINION OF THE FISCAL BOARD

Dear Shareholders of Banco BIC, S.A.

1. In accordance with the Law and the By-Laws, we hereby present our report on the supervisory activity carried out by us, as well as our opinion on the financial statements presented by the Board of Directors of Banco BIC, SA (the Bank) for the year ended 31 December 2023.

2. Over the course of the year, we monitored, with the frequency and to the extent we deemed appropriate, the evolution of the Bank's activity, the regularity of its accounting records and its compliance with the applicable legal and statutory rules. We also obtained from the Board of Directors and the various Bank departments the information and clarifications requested so as to issue our opinion.

3. We analysed the content of the Auditors' Report, issued by Crowe Angola Auditores e Consultores, S.A., which we hereby reproduce in full and which contains an unreserved opinion.

4. As part of our duties, we examined the balance sheet as at 31 December 2023, the statements of income, of income and of other comprehensive income, of changes in equity and of cash flows for the year then ended and the corresponding Notes, including the accounting policies and valuation criteria adopted.

5. In addition, we analysed the Management Report for the year 2023 prepared by the Board of Directors and the proposal for the appropriation of net income included therein.

6. In view of the above, and taking into consideration the work carried out, we are of the opinion that the General Meeting should:

a) Approve the Management Report for the year ended 31 December 2023,

b) Approve the accounts for that financial year, and

c) Approve the proposed appropriation of net income.

7. We would like to express our gratitude to the Board of Directors and the Bank's departments for their collaboration.

Luanda, 12th April 2024

The Fiscal Board

Sérgio Henrique Borges Serra

Nelson Rodrigues Carmelino

Member

Yolanda Vicência Fernandes dos Santos Ceita

Member

Annual Report 2023
Banco BIC

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