

Annual Report | 2022



BancoBIC

Crecemos Juntos

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Crecemos Juntos

CONTENTS

1.

**Message
from the Chair** pag. 6

2.

**Main Activity
Indicators** pag. 10

3.

Organizational Structure

- 3.1.** Governance Model pag. 14
- 3.2.** Functional Organizational Chart pag. 18
- 3.3.** Remuneration Policy pag. 34
- 3.4.** Mission, Vision and Values pag. 36

4.

Macroeconomic Framework

- 4.1.** World Economy pag. 42
- 4.2.** Angolan Economy pag. 48
- 4.3.** Positioning of Banco BIC in the Banking Sector pag. 57
- 4.4.** Capital Markets pag. 61

5.

Framework of Activity

- 5.1. Main Business Lines [pag. 66](#)
- 5.2. Distribution Network and Geographic Presence [pag. 70](#)
- 5.3. Historical Milestones [pag. 72](#)
- 5.4. Marketing and Communication [pag. 74](#)
- 5.5. Information Technology [pag. 75](#)
- 5.6. Human Resources [pag. 76](#)

6.

Risk Management System

- 6.1. Risk Management [pag. 80](#)
- 6.2. Compliance [pag. 83](#)
- 6.3. Risk Management Policies and Processes [pag. 84](#)
- 6.4. Internal Control [pag. 97](#)

7.

Money Laundering and the Financing of Terrorism [pag. 102](#)

8.

Financial Analysis


- 8.1. Financial Analysis [pag. 106](#)
- 8.2. Balance Sheet [pag. 107](#)
- 8.3. Income Statements [pag. 115](#)
- 8.4. Proposed Appropriation of Net Income [pag. 118](#)

9.

Financial Statements and notes

- 9.1. Financial Statements [pag. 122](#)
- 9.2. Notes to the Financial Statements [pag. 127](#)
- 9.3. Audit Report [pag. 230](#)
- 9.4. Report by the Supervisory Board [pag. 232](#)





1.

Message from the Chair of the Executive Committee

Message from the chair of the executive committee



The consolidated net income stated is positive, confirming the sustainability and solidity of Banco BIC and the operational capacity of our Employees, in a year of difficult.

For the third consecutive year, BIC was the Angolan commercial bank that granted most loans to the productive sectors of the real economy of Angola. In 2022, we strengthened our dominant position in support to the private sectors of agriculture, fisheries, industry and mining.

We are proud to have maintained the confidence of our Customers (companies and individuals) in Banco BIC and in the country's economic growth.

We have been cautious in management and prudent in the assessment of risk influenced by the stagnation of the growth of productivity, which were undoubtedly related to the inflation, the rising consumer prices, the relevance of the informal market and the materialization of the financial retraction of companies and households, still under the lingering effects of the pandemic.

The appreciation of the AOA (kwanza) exchange rate in relation to the United States dollar and the euro, the strengthening of own funds and the mitigated access to foreign currency were reflected in asset values. Structural costs remained comfortable. The investments in technological modernization, welfare support, professional sports, internal sports activities at BIC and in cultural actions fulfilled the established plans.

+2

New branches



We strengthened the reserves composed of own funds at Banco Nacional de Angola (BNA) by more than 1,50%. We consolidated our market share, placing us in the ranking of the five best commercial banks of Angola and in the leadership of loans granted to the productive sector of the real economy.

The consolidated net income stated in this Annual Report and Accounts is positive, confirming the sustainability and solidity of Banco BIC and the operational capacity of our Employees, in a year of difficult but challenging circumstances.

Despite the adverse context of the national economy, penalised by the slowdown of foreign and domestic investment, and by the rising interest rate in the international market, Banco BIC kept its business model stable.

The granting of loans was always in line with debt capacity and the guarantees provided by the borrowers.

Risk Management, assessed by credit quality and by the business profile, was monitored by the commercial areas and by the Executive Committee of the Board of Directors.

In the social responsibility process, Banco BIC launched the "Crescer Juntos" (Growing Together) project in 2022, aimed at supporting vulnerable groups and people of Angolan society through solidarity organizations, duly recognized and appraised by an Advisory Board representing civil society. This solidarity action of Banco BIC's initiative

drew on the collective efforts of close to a dozen partner companies in this noble cause of fighting against social exclusion and poverty.

We share the values of equality and promotion of the communities in which we operate through 235 delegations, composed of business centres, private banking and service points, spread over the 18 provinces of the country. We resized some branches and created 2 new branches to ensure greater proximity to our Customers. We increased the offer of jobs, distinguished 40 Employees through their promotion to more important functions, as a stimulus for their dedication and professional commitment in working at Banco BIC.

A word of gratitude to our shareholders for their ongoing confidence in the Board of Directors, to our Employees for their dedication and professionalism and, especially to our Customers who are the reason for the existence of this project that is nowadays a reference in the financial system of Angola.

2023 will be a year of new challenges for the strategic strengthening of Banco BIC.

Our motto is GROWING TOGETHER.



Hugo da Silva Teles
Chair of the Executive Committee



A man in a plaid suit is shown in profile, resting his chin on his hand in a thoughtful pose. The image is overlaid with a dark blue tint and a network of white hexagons and dots. On the right side, there are white, stylized, leaf-like shapes.

2.

Main Activity Indicators

MAIN ACTIVITY INDICATORS

TOTAL NET ASSETS

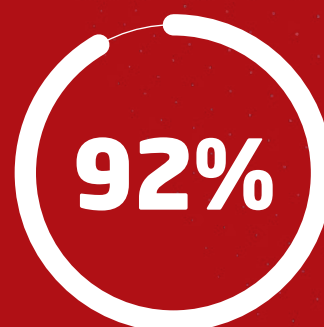
1 920 321

TURNOVER

2 458 741

EMPLOYEES

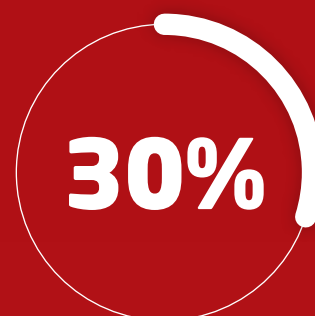
2 124



STRUCTURAL COSTS

NET INCOME FOR THE YEAR

(million AOA)



REGULATORY SOLVENCY RATIO

TURNOVER

(million AOA)

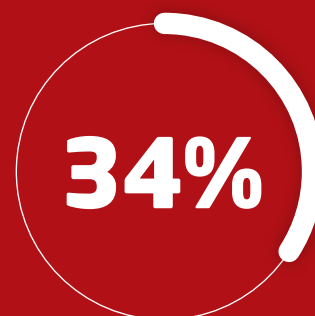


OPERATING INCOME

(million AOA)



■ 2020 ■ 2021 ■ 2022



NON-PERFORMING LOANS

			(Million AOA)	
	2022	2021	Δ 2022/2021	Δ% 2022/2021
Total net assets	1 920 321	1 997 040	(76 719)	-4%
Turnover	2 458 741	2 785 297	(326 556)	-12%
Lending to the Economy	1 225 653	1 483 424	(257 771)	-17%
Loans to Customers	834 116	818 279	15 837	2%
Loans to the State	351 881	596 755	(244 874)	-41%
Off-balance Sheet	39 656	68 390	(28 734)	-42%
Customer resources	1 233 088	1 301 873	(68 785)	-5%
Turnover per Employee	1 158	1 342	(184)	-14%
Financial intermediation result (operating income)	86 879	69 180	17 699	26%
Financial intermediation result per Employee	40,90	33,32	8	23%
Administrative and marketing costs/Financial intermediation result (less net monetary position)	55,8%	57,9%	-	-
Staff costs/Financial intermediation result (less net monetary position)	36,2%	18,6%	-	-
Net income for the year	41 662	50 126	(8 464)	-17%
Net position	429 987	457 056	(27 069)	-6%
Pre-tax result/Average net assets	2,2%	2,4%	-	-
Financial intermediation result/Average net assets	4,4%	3,4%	-	-
Pre-tax result/Average equity	9,9%	10,5%	-	-
Regulatory solvency ratio	29,9%	31,7%	-	-
Number of branches	236	234	2	1%
Number of Employees	2 124	2 076	48	2%
Number of Customers	1 911	1 784	127	7%

			(Million USD)	
	2022	2021	Δ 2022/2021	Δ% 2022/2021
Total net assets	3 812	3 598	214	6%
Turnover	4 881	5 018	(137)	-3%
Lending to the Economy	2 433	2 672	(239)	-9%
Loans to Customers	1 656	1 474	182	12%
Loans to the State	698	1 075	(377)	-35%
Off-balance Sheet	79	123	(44)	-36%
Customer resources	2 448	2 346	102	4%
Turnover per Employee	2,0	2,4	(0)	-17%
Financial intermediation result (operating income)	172	125	47	38%
Financial intermediation result per Employee	0,08	0,06	0	34%
Administrative and marketing costs/Financial intermediation result (less net monetary position)	56,0%	58,0%	-	-
Staff costs/Financial intermediation result (less net monetary position)	36,3%	18,4%	-	-
Net income for the year	83	90	(7)	-8%
Net position	854	824	30	4%
Pre-tax result/Average net assets	2,3%	2,6%	-	-
Financial intermediation result/Average net assets	4,6%	3,7%	-	-
Pre-tax result/Average equity	10,4%	11,4%	-	-
Regulatory solvency ratio	29,9%	31,7%	-	-
Number of branches	236	234	2	1%
Number of Employees	2 124	2 076	48	2%
Number of Customers	1 911	1 784	127	7%





3.

Organizational Structure

ORGANIZATIONAL STRUCTURE

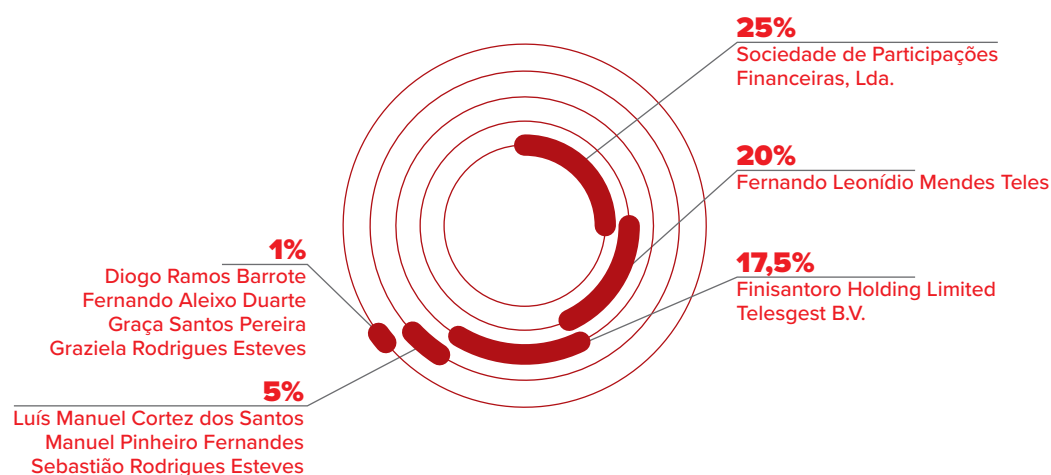
3.1. GOVERNANCE MODEL

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 Supervisory 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.

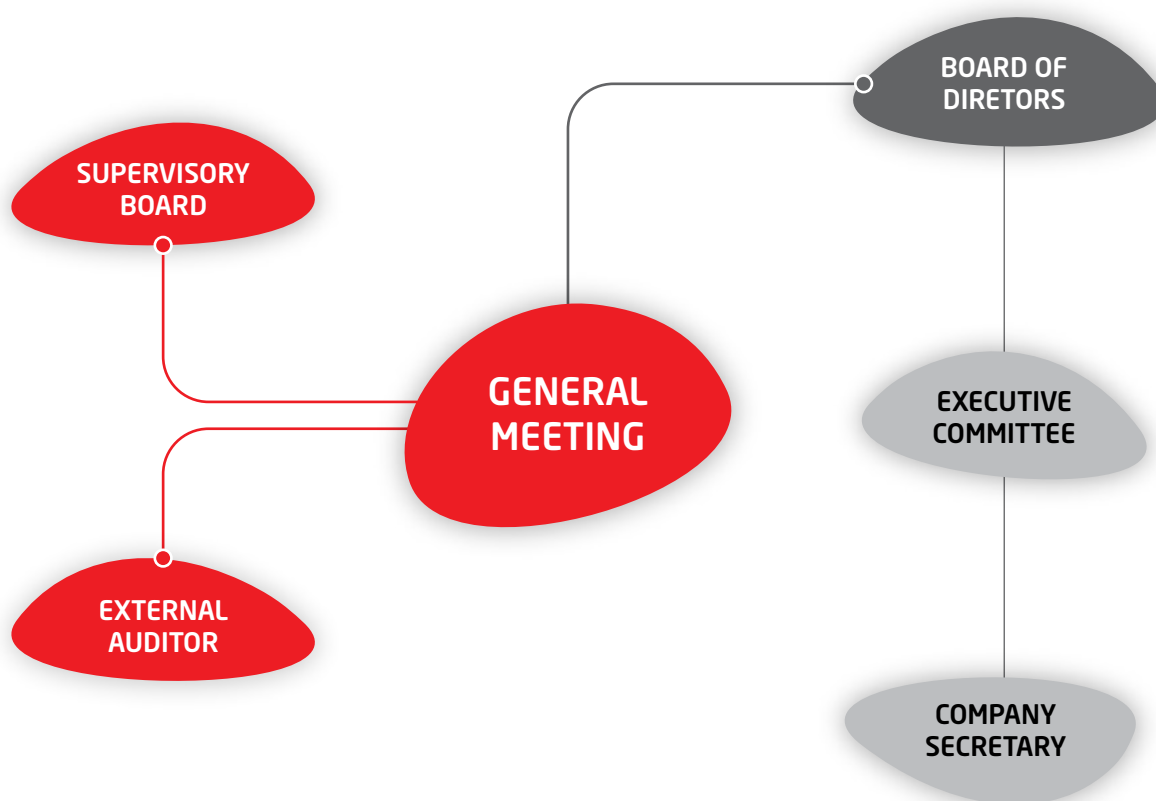
Banco BIC's share capital is broken down as follows:



■ Sociedade de Participações Financeiras, Lda. ■ Fernando Leonídio Mendes Teles ■ Finisantor Holding Limited
 ■ Telesgest B.V. ■ Luís Manuel Cortez dos Santos ■ Manuel Pinheiro Fernandes ■ Sebastião Bastos Lavrador
 ■ Diogo Ramos Barrote ■ Fernando Aleixo Duarte ■ Graça Santos Pereira ■ Graziela Rodrigues Esteves

“The Executive Committee and its Chair were appointed by the Board of Directors at the General Meeting of 7 June 2021.

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 Supervisory 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 Supervisory 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 Supervisory 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.

Supervisory Board

The composition of the Supervisory Board is governed by the provisions of the By-Laws, and consists of a Chair, two permanent members and one alternate. The Supervisory 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 Board of 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 Castelhana 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

SUPERVISORY BOARD

Sérgio Henrique Borges Serra

Chair

Maria Ivone de Freitas Pereira dos Santos

Member

José Nelson Rodrigues Carmelino

Member

Hélder Jorge Araújo Nunes Varanda

Alternate Member

EXTERNAL AUDITOR

Crowe - Auditores e Consultores, S.A.

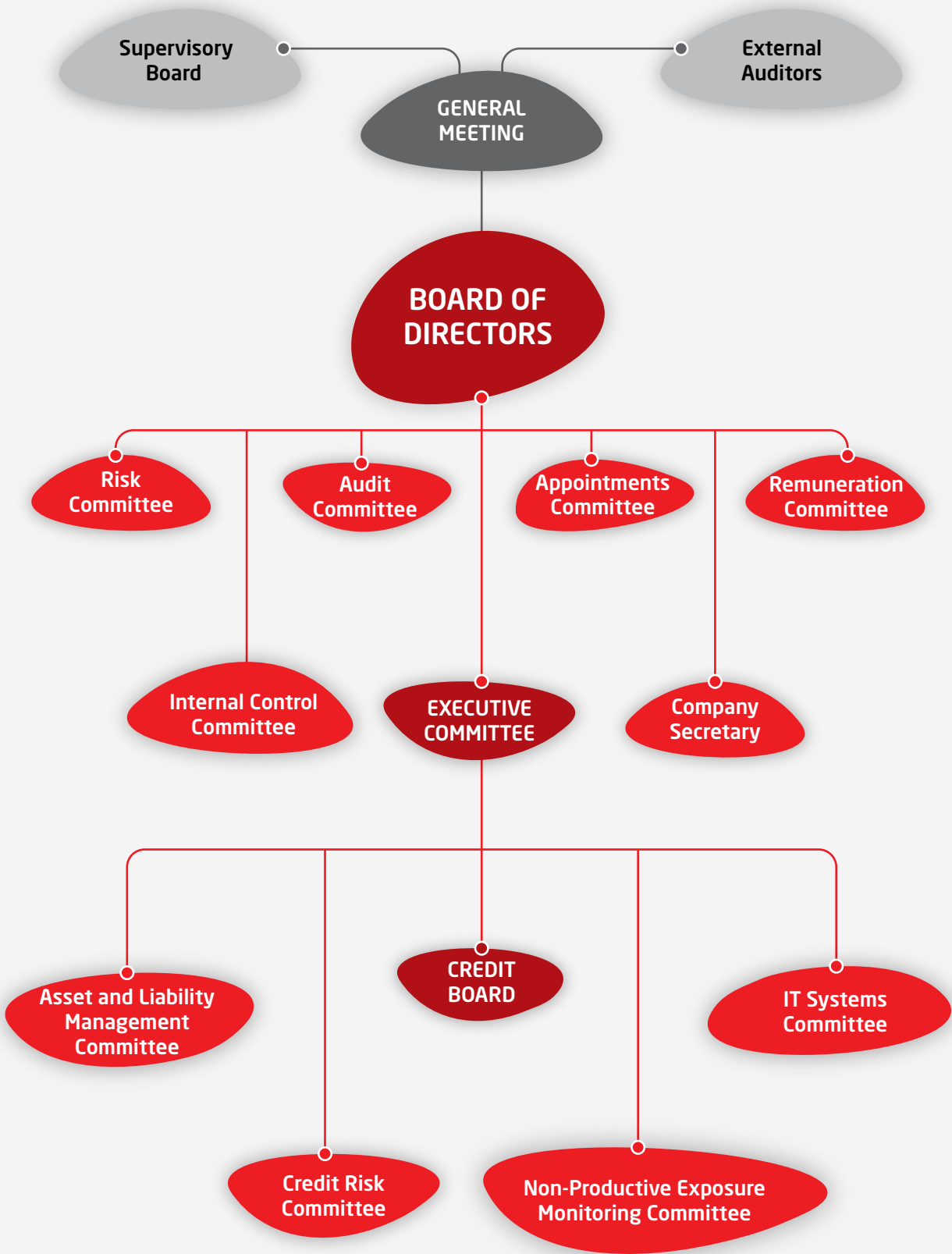
COMPANY SECRETARY

Victor Manuel Mendes Neves

* Independent Non-Executive 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


Y DAP DEPARTMENT OF PROCUREMENT

Y DIP DEPARTMENT OF ASSETS

Y GF FIXING DEPARTMENT

Y DRHF DEPARTMENT OF HUMAM RESOURCES
AND TRAINING

Y DM MARKETING DEPARTMENT

Y DPB DEPARTMENT OF PRIVATE BANKING

Y DE OIL & GAS

Y DCI DEPARTMENT OF INVESTMENT CENTERS

JOSÉ CANDIDO
DIRECTOR


Y DSO OPERATIONAL SUPPORT
DEPARTMENT

Y DPE OFFICE OF EXCHANGE RATE CONTROL

Y GCC PAYMENTS AND OVERSEAR
DEPARTMENT

Y DPN IV DEPARTMENT OF INDIVIDUALS
AND BUSINESSES IV

JAIME PEREIRA
DIRECTOR


Y DARC DEPARTMENT OF CREDIT RISK
ANALYSIS

Y GMC CAPITAL MARKETS OFFICE

Y DCG MANAGEMENT CONTROL DEPARTMENT

Y DIF INTERNATIONAL AND FINANCIAL
DEPARTMENT

Y DTC CENTRAL TREASURY DEPARTMENT

Y GP SHAREHOLDING OFFICE

JORGE VEIGA
DIRECTOR


Y DE I COMPANIES DEPARTMENT I

Y DE I COMPANIES DEPARTMENT II

Y DE III COMPANIES DEPARTMENT III

Y DE IV COMPANIES DEPARTMENT IV

Y DE V COMPANIES DEPARTMENT V

Y DBA BIC AGRO DEPARTMENT

Y DC ACCOUNTING DEPARTMENT

ALEIXO AFONSO
DIRECTOR


Y DJC LEGAL AND LITIGATION DEPARTMENT

Y DPN III DEPARTMENT OF INDIVIDUALS
AND BUSINESSES III

Y DPN VI DEPARTMENT OF INDIVIDUALS
AND BUSINESSES VI

Y DPN VII DEPARTMENT OF INDIVIDUALS
AND BUSINESSES VII

Y DCAC CREDIT CONTROL AND
CREDIT MONITORING

FRANCISCO LOURENÇO
DIRECTOR


Y DOQ DEPARTMENT OF ORGANIZATION
AND QUALITY

Y GPC CUSTOMER OMBUDSMAN OFFICE

Y DPN I DEPARTMENT OF INDIVIDUALS
AND BUSINESSES I

Y DPN II DEPARTMENT OF INDIVIDUALS
AND BUSINESSES II

Y DPN V DEPARTMENT OF INDIVIDUALS
AND BUSINESSES V

RICARDO CORTEZ
DIRECTOR


Y GC COMPLIANCE OFFICE

Y DSI DEPARTMENT OF IT SYSTEMS

Y DCAMP DEPARTMENT OF ALTERNATIVE
CHANNELS AND PAYMENT METHODS

Y DR RISK DEPARTMENT

Y DAI AUDITS AND INSPECTIONS DEPARTMENT

Composition of the Structural Units

DSO – Operational Support Department

Jerusa Guedes
CENTRAL DIRECTOR

Sérgio Rogério
DEPUTY DIRECTOR

Number of
Employees

23 

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

31 

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;
- // 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

5



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 Customers", 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
CENTRAL DIRECTOR

Nelson Guilherme
Felícia Fortes / Ana Cajada
AREA DIRECTOR

Number of
Employees

268



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 I - Companies Department I

Pedro Velado
CENTRAL DIRECTOR

Luena Fundões / Dinamene Monteiro
Dácia Nascimento
AREA DIRECTOR

Number of
Employees

42



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
AREA DIRECTOR

Number of
Employees

39



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

TELMO BERNARDO
AREA DIRECTOR

Number of
Employees

13



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

Pedro Velado
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

19



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
PATRICIA 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

Amilcar Aguiar
José Assis
CENTRAL DIRECTOR

EDGAR MAGALHÃES / JOÃO IVUNGO
RUI CAETANO / 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

Álvaro Alves
DEPUTY DIRECTOR

Number of
Employees

39



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

José Carlos Silva
CENTRAL DIRECTOR

Helga Peres
DEPUTY 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

5 

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 | **Inês Fernandes / Marta Cabral**
CENTRAL DIRECTOR | DEPUTY DIRECTOR

Number of
Employees | **8**



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 | **Luzia Santos**
CENTRAL DIRECTOR | 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 | **Ana Marques**
CENTRAL DIRECTOR | 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;

- // AEnsure 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

5



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

Inocência 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.

GP - Shareholding Office

José Carlos Silva
CENTRAL DIRECTOR

Number of
Employees

1



MAIN FUNCTIONS:

// Ensure the realization and issuance of Life and Non-Life Insurance, carried out under guarantees associated with loans granted by the Bank;

// Ensure the maintenance of policies/ amendments/adjustments/readjustments associated with credit products.

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
ÁREA 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

Number of
Employees

236 

Fábio Leitão / José Antunes / Simão Finde
AREA DIRECTOR

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

Amílcar Aguiar
CENTRAL DIRECTOR

Francisco Melo
AREA DIRECTOR

Number of
Employees

83 

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.

CAC - 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 Office

Sónia Almeida
CENTRAL 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 / Gabriel Ferreira
ASSISTANT DIRECTOR

Number of
Employees

35 

Ricardo Amorim
DEPUTY DIRECTOR

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

Number of
Employees

41 

Nelmo Costa
DEPUTY DIRECTOR

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 | **Fernanda Pinto**
CENTRAL DIRECTOR | 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

Disclosure of quantitative information

In compliance with the provisions in Article 21 of Banco Nacional de Angola Notice No. 01/2022 of 28 January, we hereby disclose that the remuneration earned during 2022 by the Board of Directors and Supervisory Board amounted to approximately 970 million kwanzas.

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 2022 was approved by the General Meeting on 29 April 2021, 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 2022 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 Supervisory 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.



Social responsibility

The “Crescer Juntos” (Growing Together) programme of Banco BIC was created in 2022 to support Non-Profit Organizations (NGOs), Foundations and Associations of non-profit nature with projects in areas such as Education, Health, Culture, Entrepreneurship, Environment and Human Rights (among others), which are pursuing solutions to fight against poverty that are able to act in terms of the root causes, and not only in the consequences, of the most pressing social problems in Angola.

The programme also addresses the challenge of changing society's perception of the benefit 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, but also 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 what is happening with their money but also with their donation of non-financial resources.

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

Through a careful selection process, carried out in an independent manner by an Advisory Board composed of important personalities of different sectors of the Angolan economy and society, a further 17 organizations were selected, giving rise to a total of 20 projects receiving constant support.

In November 2022, Growing Together already had the following companies as co-investment partners (materials, equipment and foodstuffs) in the social organizations supported by the programme: Refriango, Hortalinda, Noble Care Foundation, Baldex, Edicenter, GoMedia, Platina Line, Big Media and Purifiltro.

Candidatures open from

**20 JUNE -
30 AUGUST**

Approximately

400
applications received

40
projects pre-selected

33

short-listed social
organizations

17

social organizations
approved by the Advisory
Board

USD 500

thousand of Banco BIC for
financial support of the
projects



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.



Jobab



Orquestra Camunga



Centro Boa Nova





4.

Macroeconomic Framework

MACROECONOMIC FRAMEWORK

4.1. WORLD ECONOMY

The Global Macroeconomic scenario was clouded in uncertainty. Just when it appeared that the conditions were being created for the Global Economy to resume its normal trend of growth, following the recovery from the effects of the Covid-19 pandemic, several events occurred that would lead to significant deviations from the forecast macroeconomic variables.

The high and persistent inflation level in advanced economies, such as in the United States, Eurozone and United Kingdom, led their central bank decision-makers to adopt increasingly tighter monetary policy measures. On the other hand, a decline in asset prices, a weakening of investments, and especially real estate markets, were observed in many countries.

The prolonging of the conflict between Russia and Ukraine triggered a serious energy and food crisis at a global scale, considering that these two countries concentrate significant portions of energy resources, fertilizers and cereals.

China maintained the lockdowns in order to comply with its zero Covid-19 target, with the consequent slowdown of economic activity levels.

Countries of the Middle East, North Africa and other oil and gas producing countries of the region benefited from the boom in the price of these commodities, which enabled them to gain very high revenues and rather encouraging growth rates.

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 2,9% in 2022, which represents a decrease of 2,6 percentage points (p.p.) year--on-year (5,5% in 2021). On the other hand, it is expected that the Global Economy should continue decelerating in 2023, with growth standing at 1,7%, as a result of a combination of factors such as sluggish growth, tighter financial conditions and high debt levels, which could in some form weaken investment, triggering defaults and pushing the Global Economy into a new recession, not long after the most recent recession observed in 2020, driven by the Covid-19 pandemic.

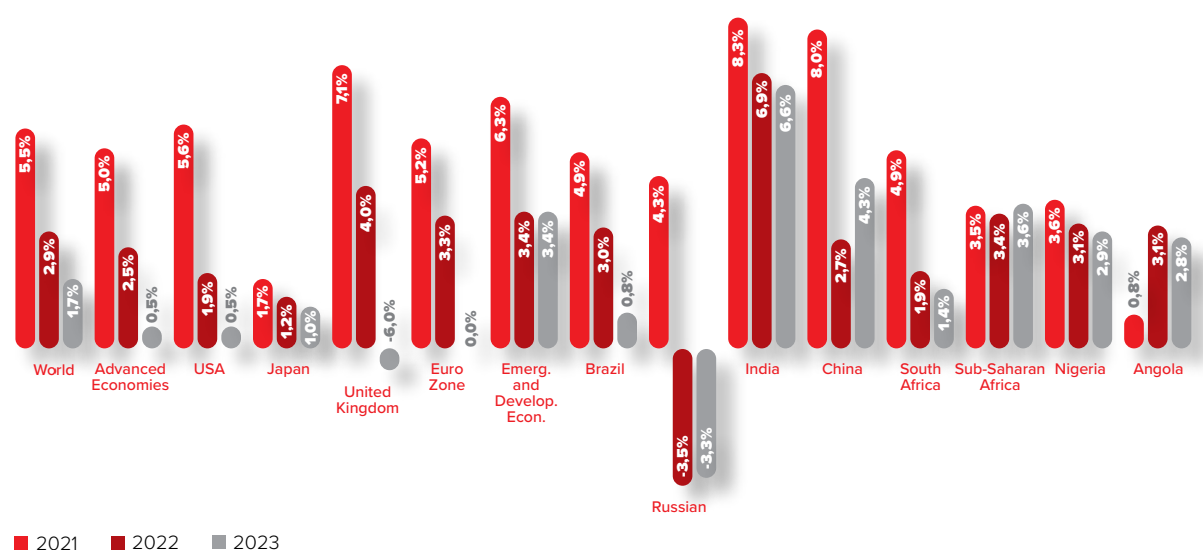
In terms of the Advanced Economies in 2022, the spotlight is placed on the growth of the economies of the USA, United Kingdom and Eurozone by 1,9%, 4.0% and 3,3%, respectively. However, according to the World Bank, circumstances have deteriorated strongly due to the

decline of confidence, combined with the high inflation and swift tightening in economic policies. In the United States, one of the most aggressive monetary tightening cycles on record should thoroughly dampen economic growth. The Eurozone faced problems related to the supply of energy and price increases, exacerbated by the conflict between Russia and Ukraine. In general, growth in the advanced economies slumped to 2,5% in 2022 and should slow down further to 0,5% in 2023.

The emerging and developing economies experienced a slowdown to 3,4% in 2022, corresponding to a reduction of 2,9 p.p. in relation to 2021, although it should be highlighted that the Indian economy showed strong growth (6,9%), having maintained its resilience with an encouraging performance. The forecasts point to the growth of this group of economies remaining unchanged in 2023.

Positive growth was experienced in Sub-Saharan Africa in 2022, with a notably good performance of the economies of Nigeria, Angola and South Africa, which grew by 3,1%, 3,1% and 1,9%, respectively.

Real GDP Variation (%)



Sources: World Bank, Global Economic Prospect, January 2023; Bloomberg LP

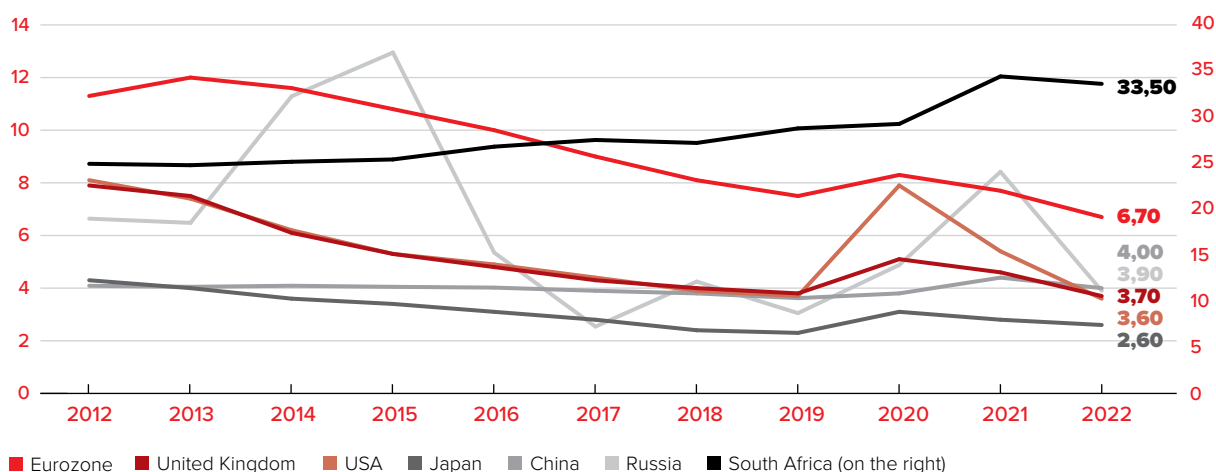
Labour Market

The unemployment rate in the advanced economies declined slightly across the board. In the Eurozone, the unemployment rate dropped by about 1,0 p.p. to stand at 6,7%, and is expected to fall even further in 2023.

According to the United States Labour Department, the economy had created 223 thousand jobs by December, on a net basis. The unemployment rate fell to 3,6% in December 2022.

Likewise, the emerging economies also experienced a reduction in the unemployment rate, which was the case of China, South Africa and Russia (members of the group of emerging economies referred to as BRICS: Brazil, Russia, India, China and South Africa) where this figure stands at 4%, 33,5% and 3,9%, corresponding to reductions of 0,4 p.p., 0,8 p.p. and 4,52 p.p., respectively.

Unemployment Rate (%)



Source: Bloomberg LP

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.

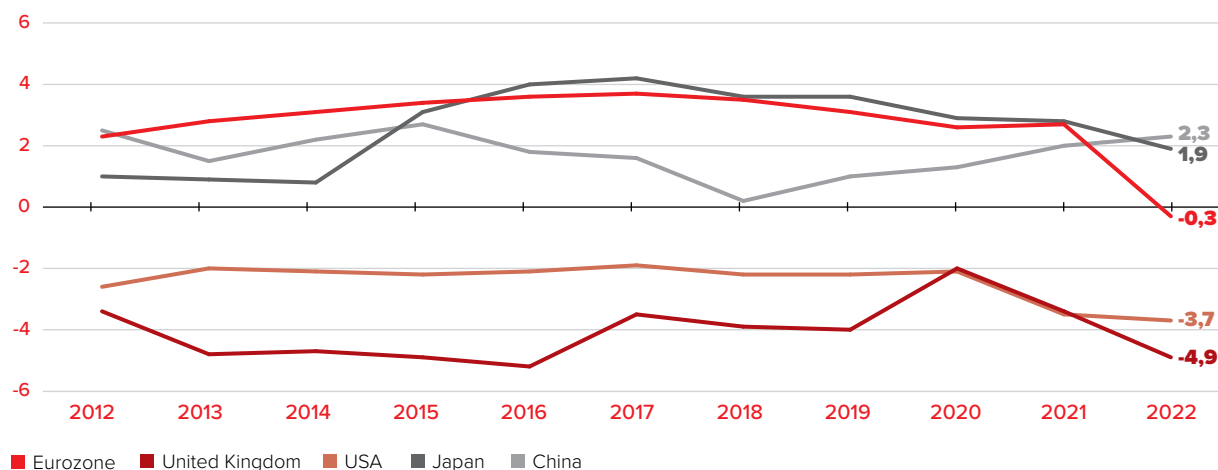
The energy crisis triggered by the conflict between Russia and Ukraine significantly decelerated industrial production. Despite this deceleration, trade in goods has returned to being above pre-pandemic levels. Likewise, trade in services and tourist flows have recovered significantly, underpinned by the gradual shift of demand for services and especially due to the lifting of travel restrictions, previously imposed by many countries.

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 1,6% in 2023, to a large extent reflecting the dampening of global demand.

Advanced economies such as the United States, United Kingdom and Eurozone countries show Current Account deficits, just as observed in the last decade for the first two countries, while Japan and China show surplus balances.

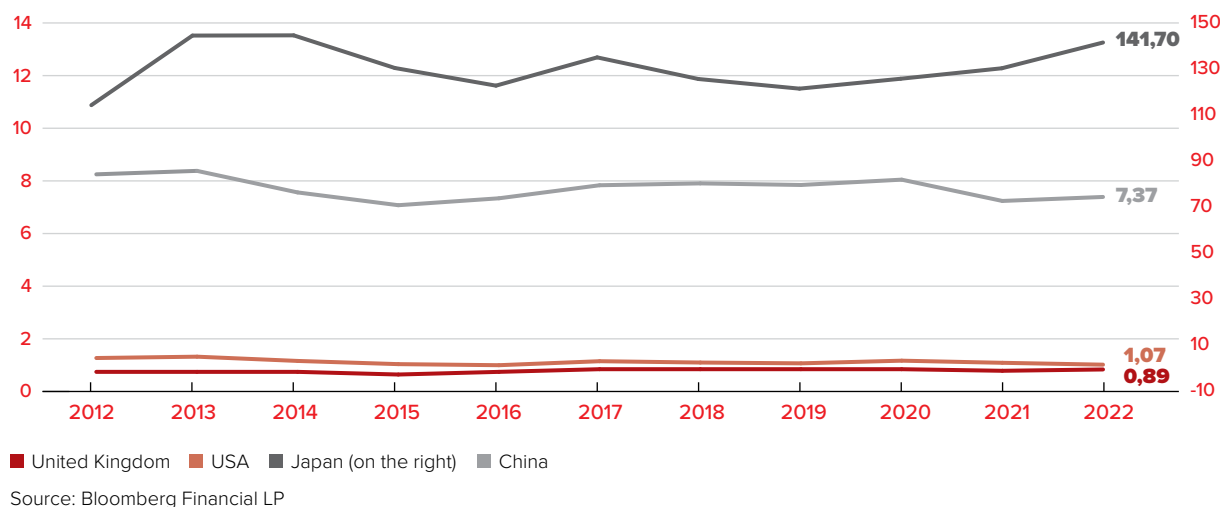
Current Account Balance

(% GDP)



In terms of the evolution of the Euro exchange rates against several other currencies, a depreciation of the Euro exchange rate against the US Dollar (5,76%) was observed in 2022. On the other hand, the Euro appreciated in relation to the Pound (5,6%), Yen (8,59%) and Yuan

EUR Exchange Rate



(2,06%).

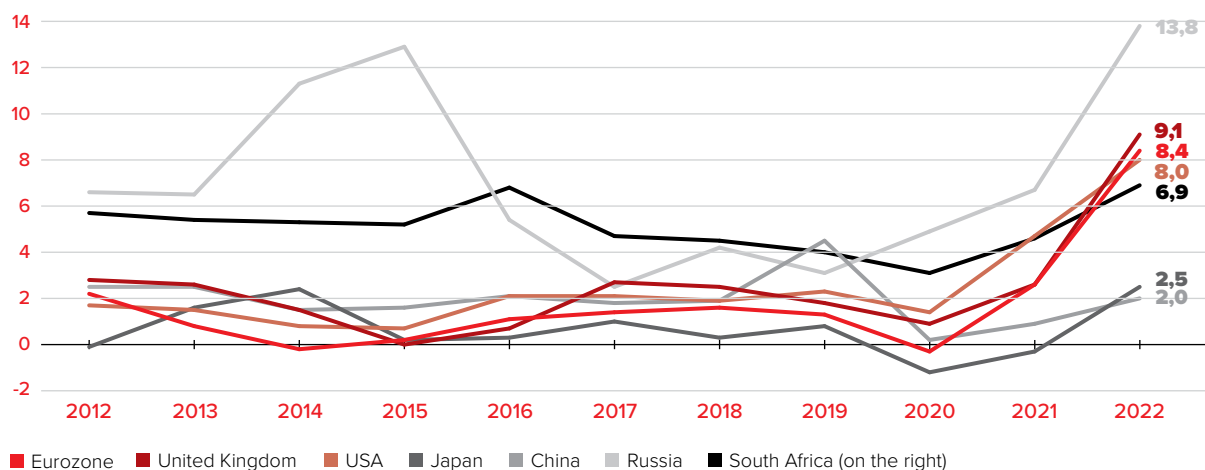
Inflation rate and commodity prices

The inflation rate, measured by the annual change in the consumer price index, increased in almost all the main economic blocks, particularly in the Eurozone, USA, Japan, United Kingdom, Russian Federation, South Africa and China, to average figures above 4 p.p. In the case of the USA, that increase was by 3,3 p.p. to 8%, while the Eurozone experienced an inflation rate of 8,4%, corresponding to an increase of 5,8 p.p. in relation to 2021.

The inflation rate also increased in 2022 in some of the most important emerging economies, specifically in China (1,1 p.p.), Russia (7,1 p.p.) and South Africa (2,3 p.p.). The (simple) average inflation in these economies was close to 7,6% in 2022, while the (simple) average inflation in the same year for the Eurozone, US, UK and Japan overall was about 7,0%.

Inflation, Annual Rate of Change of the Consumer Price Index

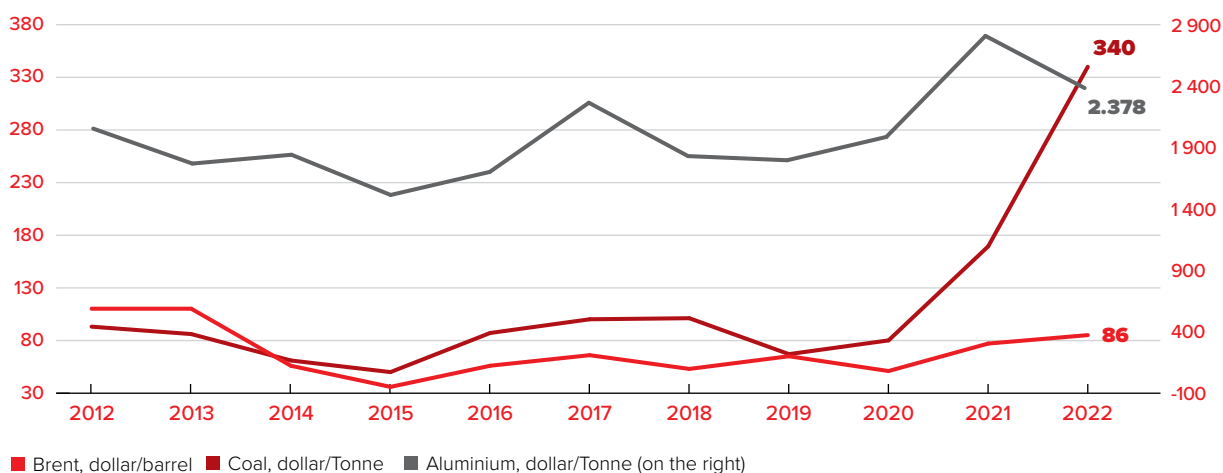
(%)



Source: AMECO Database, Commission European | Bloomberg Financial LP

Commodity prices increased sharply. Hence, for example, the prices of crude oil (Brent) and coal increased by around 10% and 100,2%, although the price of aluminium fell by about 15% in 2022 in relation to 2021.

Raw Material Prices in US Dollars



Source: Bloomberg Financial LP

According to data published by the Organization of the Petroleum Exporting Countries (OPEC), global oil production increased by approximately 5 million barrels per day in relation to 2021. The production increases are derived from countries of the Organization for Economic Co-operation and Development (OECD), OPEC and their allies.

Monetary policy and interest rates

The more advanced economies showed fairly high price indices. In order to mitigate the effect of the price rises, the central banks decided to implement tighter monetary policies, embodied in interest rate increases.

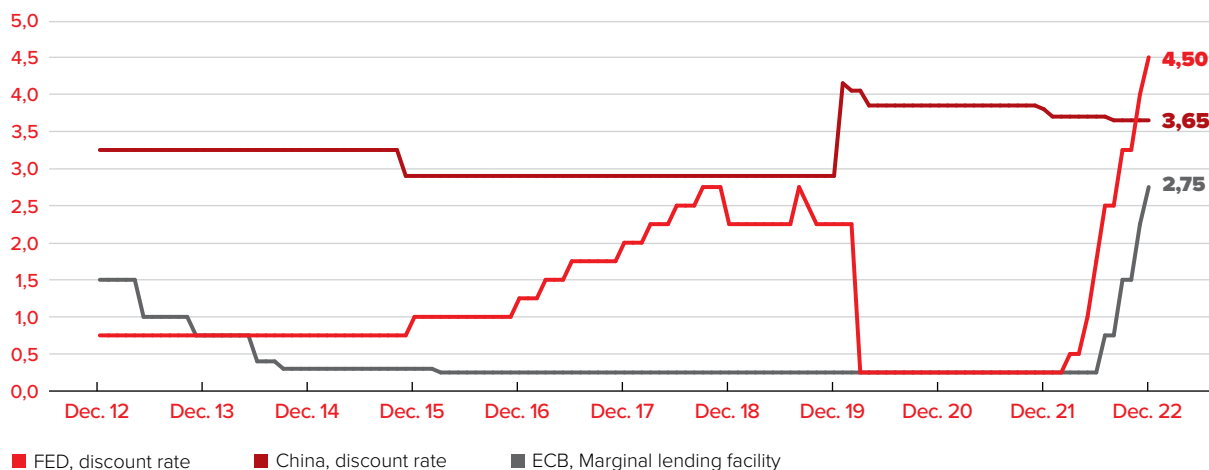
The Federal Reserve (Fed) in the USA increased its fed funds rate seven times consecutively in 2022, to an interval of 4,25% - 4,5%, a level unprecedented since the financial crisis of 2008.

In turn, the European Central Bank (ECB), which started to tighten monetary conditions later, elevated its main refinancing rate four times during the year, fixing it at 2,5% at the December meeting, the highest level since January 2009.

The Central Bank of China made adjusted the main interest rate slightly downwards, as the inflation level in that economy was controllable.

Interest Rates and Central Banks' Monetary Policy

(%)



Source: Bloomberg Financial LP

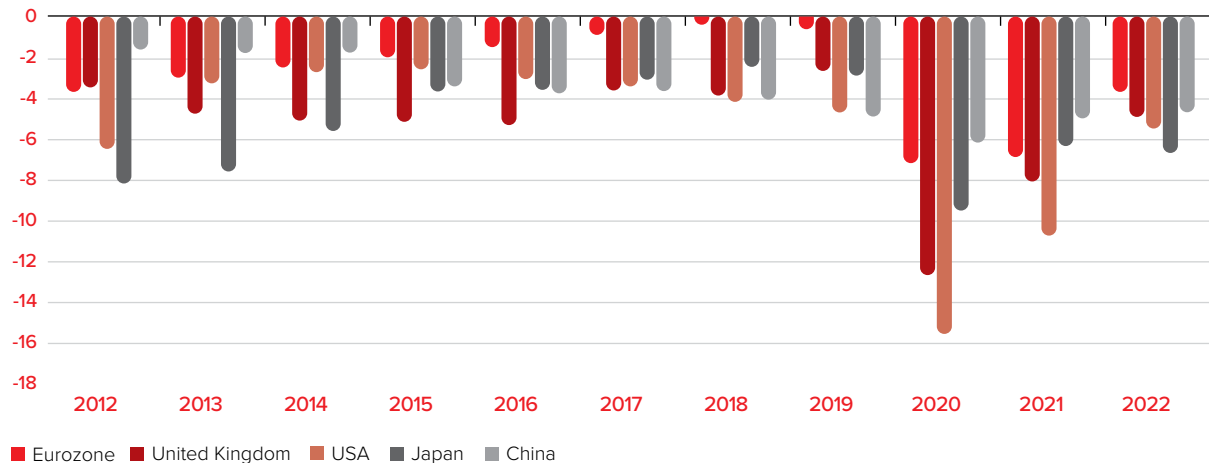
The uncertainties as to the less favourable monetary and financial conditions led to a deterioration in the outlook on growth of the world economy, as it continues to be difficult to anticipate the level that interest rates may reach.

Public accounts

Despite the need for governments to engage in expansionary fiscal policies in 2022 to meet public spending, budget deficits have declined very significantly given the recovery of global economies. Thus, while for the Eurozone, UK, Japan and USA as a whole the average budget balance in 2021 was around -8,03% of gross domestic product (GDP), in 2022 the average budget balance should have retreated to around -5,2% of GDP. A similar situation was observed in China, with -5% of GDP in 2021 and -4.7% of GDP in 2022.

Budget Balance

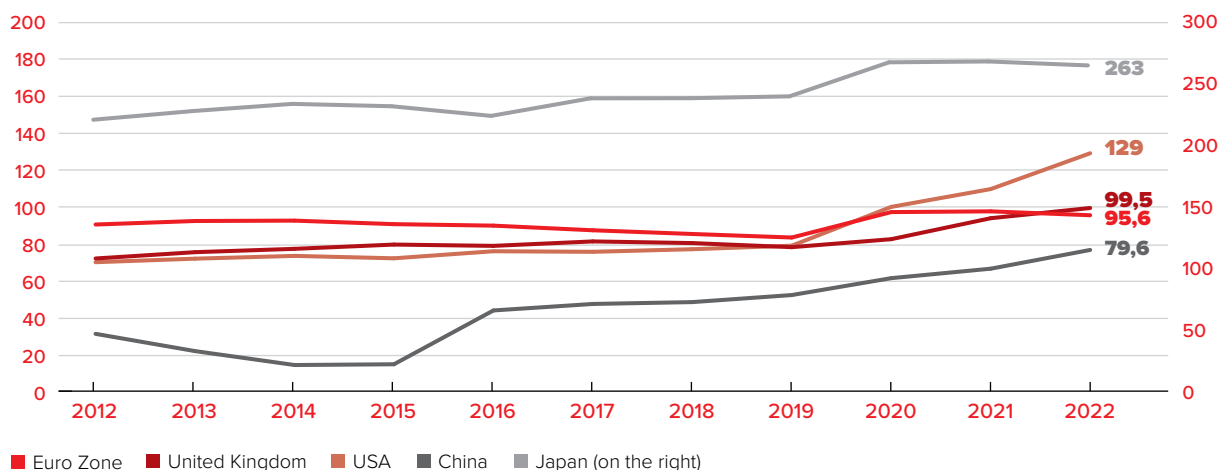
(% GDP)



Source: Bloomberg Financial LP

The expansionary nature of the fiscal policy followed in 2022 clearly contributed to the increase in public debt in different countries. Thus, debt-to-GDP ratios above 100% were observed in 2022 in the US and Japan, with the Eurozone and the UK close to 100% and China a little above 70% of GDP. Specifically, the change in the debt-to-GDP ratio in 2022 was -2,1 p.p., +5,5 p.p., +19,1 p.p., +10,1 p.p. and 3,2 p.p. of GDP in the Eurozone, United Kingdom, USA, China and Japan, respectively.

Public Debt (% GDP)



Source: Bloomberg Financial LP IOffice for National Statistics United Kingdom

4.2. ANGOLAN ECONOMY

Gross Domestic Product

The evolution of the world economy was strongly constrained in 2022 by the impacts of the war in Ukraine, reflected in the increased prices of energy and food. Although the military conflict implied adverse economic and financial circumstances for the global economy, Angola benefited from the rising price of oil and consequent impact on fiscal and external accounts, as well as on the confidence of entrepreneurs.

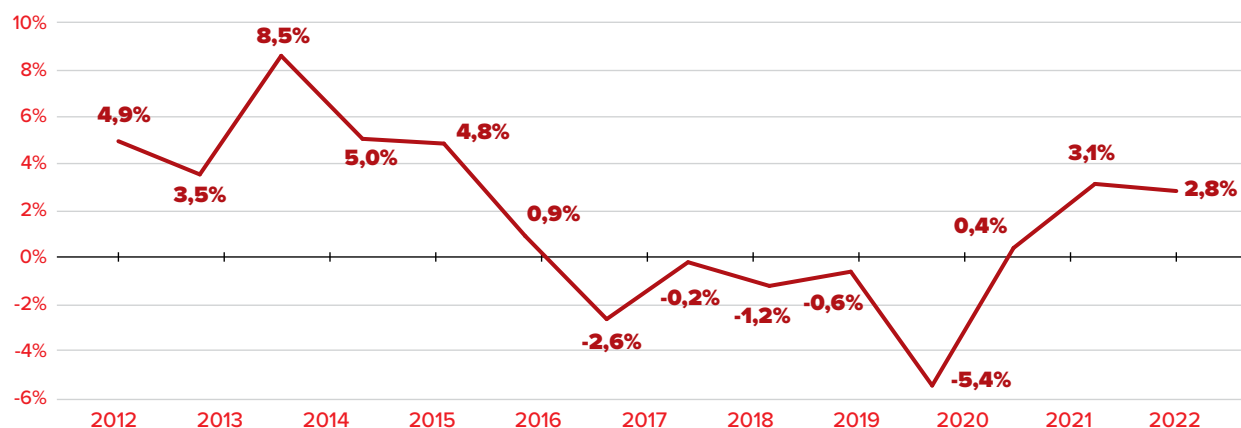
The Angolan economy showed strong signs of recovery, in the wake of having faced five consecutive years of recession, experienced up to the end of 2021. The strong dependence on oil (its main export commodity), and low levels of diversification of economic activity, continue to be the main constraints to sustained growth.

Based on the data disclosed by the National Statistics Institute (INE) indicate that the Angolan economy grew by 3,0% during 2022, essentially explained by the evolution of the price of the barrel of oil at an international level.

The World Bank's Global Economic Prospects estimates that the Angolan economy should have grown by 3,1% in 2022, and forecasts growth of around 2,8% in 2023. The General State Budget Substantiation Report (OGE 2022) estimates for 2022 that there will be real growth of 1,6% for the oil sector (including gas), while the projections for the non-oil sector point to growth of 3,1%. This breaks the recessive cycle that had been accumulating over the past five years. Despite the prospect of economic recovery, there are still major challenges to overcome, taking into account the imbalances caused in the national accounts, as well as different social and corporate fabrics, which should speed up the State reforms that have already begun, aimed at ensuring social welfare.

The estimated growth of the Angolan economy for 2022 (3,1%) is in line with the forecast population growth for the same period (3,1% to 33 086 278 inhabitants), which could produce some positive outcomes in terms of the population's income per capita, should this actually materialise.

Real Growth of GDP



Fonte: World Bank Group: Global Economic Prospects | Bloomberg Finance L.P

Based on the General State Budget Substantiation Report (OGE 2022), GDP performance in 2022 was primarily underpinned by growth in the agriculture, fisheries, manufacturing, energy, market services and other sectors, which together represent growth of about 53,9%.

In general terms, non-oil GDP showed positive growth of around 3,08%, and oil GDP 1,6%. The growth of non-oil GDP growth can be quite encouraging for the market, given the high level of unemployment (according to the National Statistics Institute (INE), the unemployment rate in the population aged 15 years old and older was estimated at close to 30,2% in the second quarter of 2022).

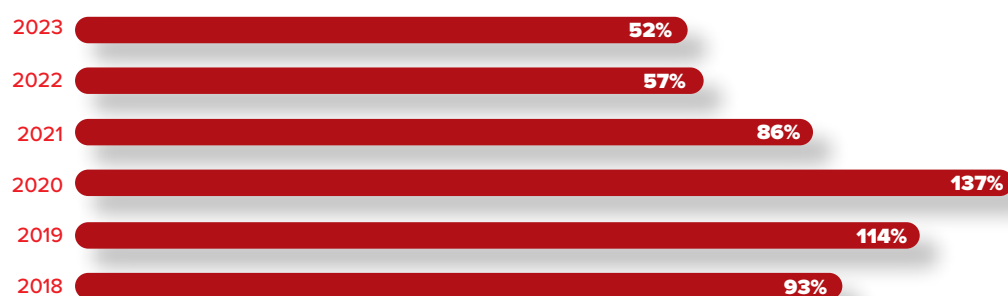
				GDP MP (%)
Real Growth of GDP				
	2019	2020	2021	2022
Oil sector	-6,50	-6,30	-10,60	1,60
Non-oil sector	-0,60	-2,00	5,20	3,08
Agriculture	0,80	5,50	4,60	4,30
Fisheries and derivatives	-14,80	-1,30	33,00	4,00
Diamonds and other	8,50	-12,30	-9,60	10,00
Manufacturing industry	0,80	-1,50	2,00	5,00
Construction	4,90	1,10	-10,00	2,35
Energy	5,40	7,80	5,00	4,00
Market services	1,30	-3,30	6,80	2,26
Other	2,30	-3,20	1,90	1,50

Source: General State Budget Substantiation Reports

In 2022, there was a 40% increase in the issuance of Treasury Bonds and 44% reduction in Treasury Bills. Overall, there was a modest increase of 3% in the issuance of domestic securitized debt in 2022, when compared with the previous year. On the reporting date, Public Debt stood at approximately 57% of GDP, which is considered by the International Monetary Fund (IMF) as sustainable.

Public Debt

(% GDP)



Source: FMI/Bloomberg LP

In general, the government carried out more redemptions than issuance of securities, giving rise to a negative net issuance of 1 043 billion kwanzas in the primary securities market, a scenario that explains the significant reduction of the yield rates of these instruments.

International Reserves and the Oil Sector

The considerable reforms undertaken in the foreign exchange market since 2018 have, to a certain extent, enabled the streamlining of the country's International Reserves. International Reserves stood at USD 14 479 million United States Dollars (USD) as at 31 December 2022, representing a reduction of approximately 6,6% in relation to December 2021. Compared to December 2018, there has been a reduction in reserves of close to 10% over the last five years.

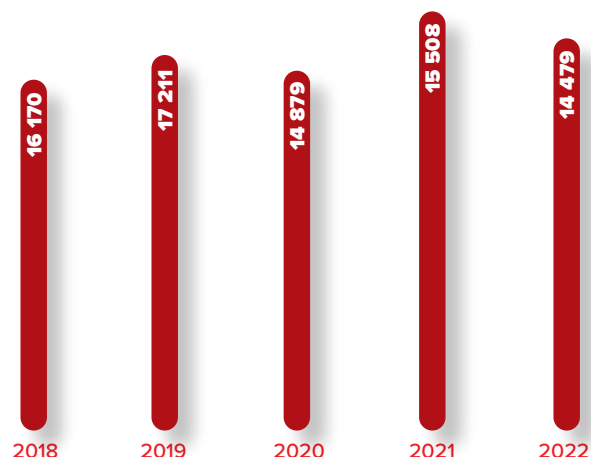
The preservation of the level of International Reserves depends to a large extent on the inflows and outflows of foreign currency. On the inflow side, flows are essentially dependent on crude oil and diamond exports, whose revenues have been volatile and dependent on the average prices of these commodities 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 2022, the volume of Net International Reserves guaranteed about 6 months of imports of goods and services, a level considered relatively comfortable. Despite the sharp reduction in domestic oil production levels, there has been a rise in the price that, in fact, made a positive contribution to foreign exchange inflows.

International Reserves

(Million USD)



Source: bna.ao

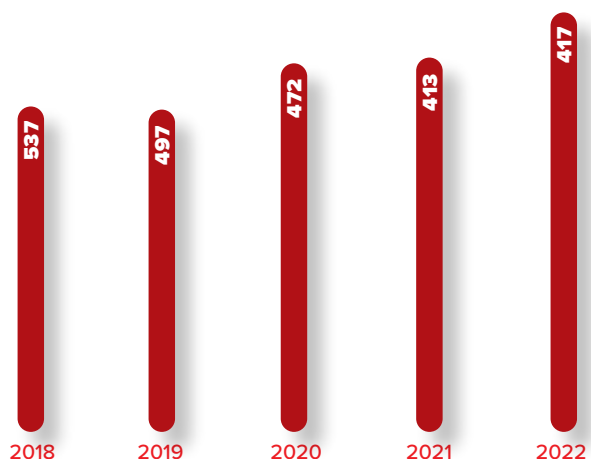
The General State Budget for 2022 forecast the average price of a barrel of oil at USD 59 (the closing price of the year stood at USD 85,91 per barrel).

Although the price per barrel of oil closed the year on a high in 2022, the lack of new investments in the oil sector in Angola has constrained increased production. There was actually a reduction in this period, with the volume of production having fallen by approximately 6% (to 1 080 thousand barrels/day), in relation to December 2021.

“2022 closed with the average price of the barrel of oil at USD 85,91.”

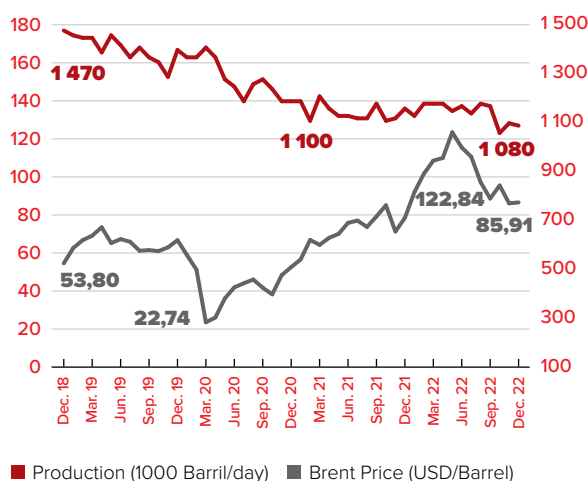
Oil Exports

(Million barrels)



Source: Ministry of Finance

Oil – Brent



Fontes: Bloomberg LP

Foreign Exchange Market

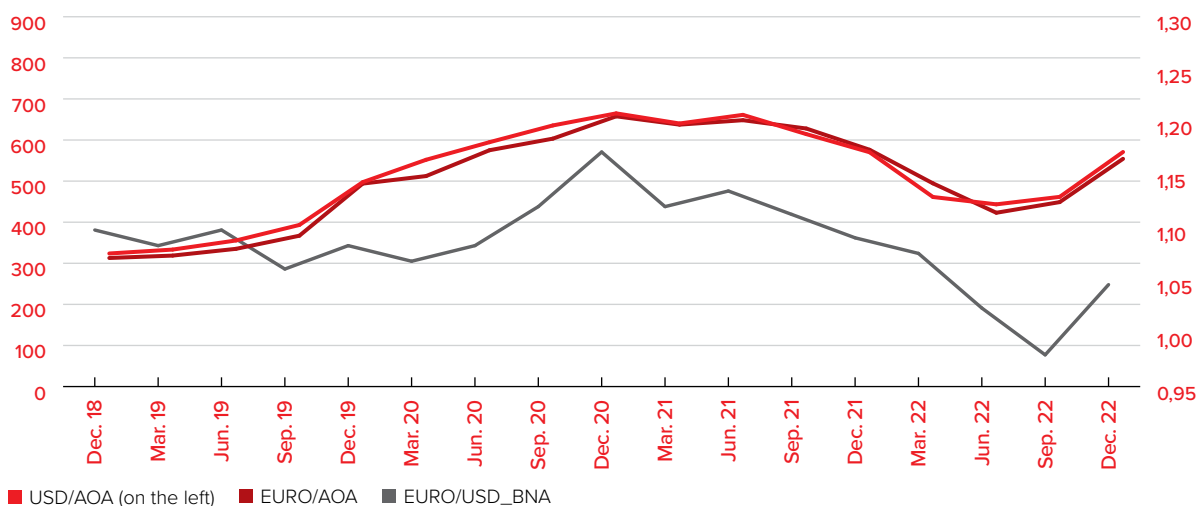
The favourable circumstances abroad enabled a period of greater regularity in the supply of foreign currency, which gave rise to an appreciation of the Kwanza in the year. There was a surplus supply of foreign currency in the first half of the year, which led BNA to intervene in the market in a one-off purchase operation. However, with the recent correction of the price of oil, a downward trend of depreciation was observed over the last few months of the year.

The performance of the foreign exchange market in the first half of 2022 was marked by a significant appreciation of the domestic currency in relation to the main international currencies, due to the increased supply of foreign currency and the implementation of a prudent monetary policy consistent with the economy's liquidity needs, thus enabling a deceleration of the prices of goods and services.

The Kwanza exchange rate in relation to the US Dollar and Euro maintained its upward trend of appreciation, having stood at USD/AOA 503,69 and EUR/AOA 537,44 at the end of December 2022, corresponding to a cumulative appreciation of 5,75% and 12,1%, respectively.

Although the closing exchange rate of the year (Kwanza in relation to the US Dollar) stood slightly above the average (USD/AOA moving average), we believe that the market will adjust in the short-term, with the trend of significant appreciation of the Kwanza being maintained, as observed in the post-pandemic period, in the event that the supply of foreign currency in the market remains stable.

Evolution of Exchange Rates



Source: bna.ao

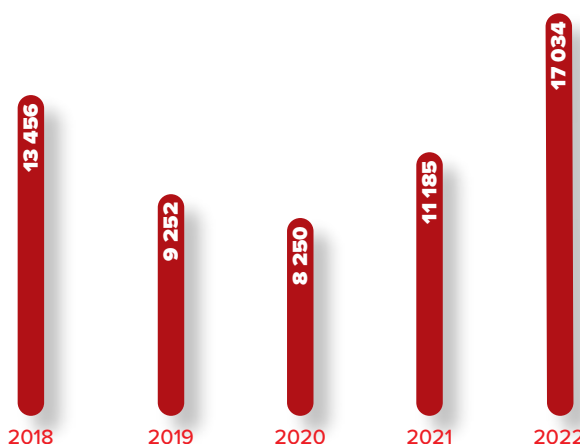
The foreign exchange market continued to operate closer to demand and supply mechanisms, allowing the market exchange rate to adjust largely via these mechanisms.

In 2022, the supply and demand of foreign currency in the foreign exchange market proved to be stable and balanced, in view of the diversity of sources of acquisition of foreign exchange on the Bloomberg platform (FXGO), specifically the National Treasury, Interbank, Oil Sector companies, Diamond Sector companies, airlines and insurance companies. However, whenever necessary, and on a one-off basis, BNA intervenes in this market to sell or purchase foreign currency, taking into account the need to preserve international reserves, in order to keep them at comfortable levels to fund the needs of the balance of payments and reduce the volatility of the domestic currency.

According to data extracted from Bloomberg, approximately USD 17 billion were sold to the market during 2022.

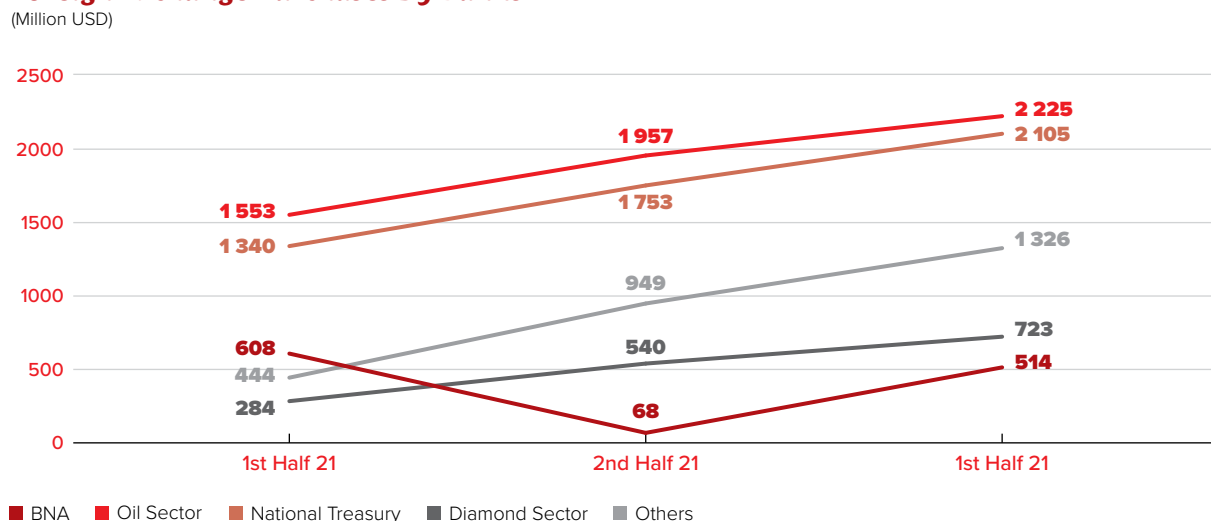
Considering the diversified sources of foreign currency and based on the information provided by BNA, the commercial banks purchased foreign currency amounting to USD 6,8 billion in the first half of 2022, via the Bloomberg FXGO platform, having surpassed the value purchased in the previous period by 30,9% and the value purchased in the same period of 2021 by 63,0%, which enabled greater consistency in the execution of the different foreign exchange transactions (goods, current invisibles and capital) in terms of the secondary market.

Sale of Foreign Currency to the Market (Billion USD)



Source: BNA | Bloomberg Finance L.P

Foreign Exchange Purchases by Banks (Million USD)



Source: BNA

The greater availability of foreign currency in the foreign exchange market was driven by the higher price of oil in international markets and consequent increase of export revenues, as well as by the capture of resources derived from external financing, particularly the issuance of sovereign debt securities in international markets (Eurobonds).

In the foreign exchange market, three noteworthy elements are highlighted:

- 🚩 Instruction No. 01/2022: assignment of access to large importers for purchase of foreign currency directly from the Bloomberg FXGO platform (Requirement: Inclusion in the group of large taxpayers of the General Tax Administration (AGT));
- 🚩 CPM_BNA_31/03/2022: increases the limit of the foreign exchange position from 5% to 10% of regulatory own funds, with impact on the increase of the foreign exchange position of banks; and
- 🚩 Notice No. 14/2022: eliminates the need for licensing by BNA of foreign exchange transactions of capital of resident legal persons, with that responsibility being shifted to the commercial banks.

Inflation and the Money Market

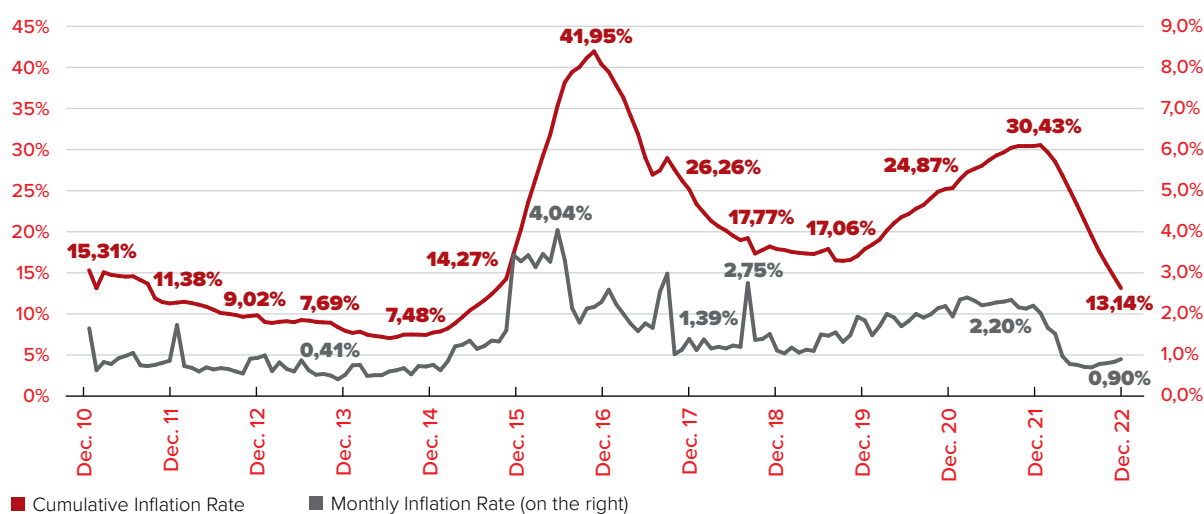
The restrictive monetary policy implemented by Banco Nacional de Angola proved consistent in halting the upward trend of inflation, measured by consumer price index. The strong dependence on imported goods and services and the increased prices observed in international markets, triggered by the armed conflict between Russia and Ukraine which generated an energy crisis and, primarily, a crisis in cereal markets, exerted some inflationary pressure during the first half of 2022. However, that pressure was somewhat dampened by the operationalization of the Strategic Food Reserve (REA), an initiative that seeks to regulate the market and drive down the prices of essential food products listed in the basic basket.

The expected inflation rate for 2022 corresponds to about 18%. In turn, the cumulative inflation rate observed in December of the same year was approximately 13,14%, standing close to 5 p.p. below the expected rate, which, in practice, could be reflected in an increase of the purchasing power of families.

The average monthly price variation was above 1,04% throughout the year, having reached its highest value in January (2,02%) and lowest value in the month of August (0,7%), to stand at 0,90% at the end of the fourth quarter of 2022.

The inflation levels observed in December 2022 were decisively influenced by the increases recorded in the health, clothing and footwear, alcoholic beverages and tobacco sectors.

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 4,3% in the month of December, leading to a cumulative increase of 1.3% and year-on-year contraction of 0,6%.

In turn, the monetary aggregate (M2) in domestic currency expanded by 0.40% in the month of December compared to the expansion of 1,36% in the previous month, having contracted by 1,05% in cumulative terms and by 1,37% year-on-year.

The stock of loans to the private sector in domestic currency contracted by 124 411,02 million kwanzas year-on-year, corresponding to a contraction of 2,8% of the stock of December 2021.

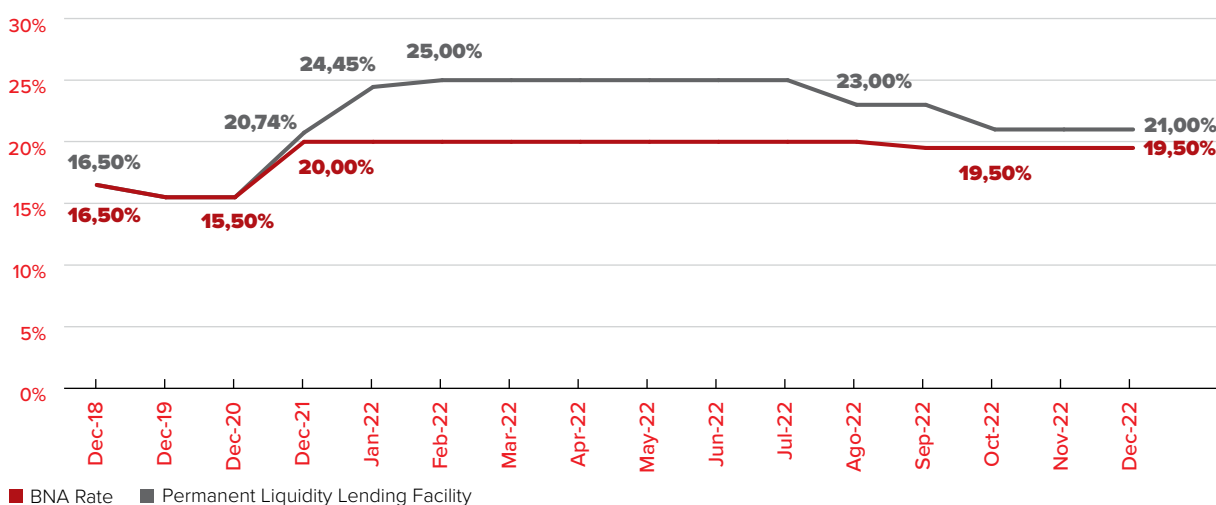
With a view to maintaining some price stability in the economy, combined with support for the exchange rate regime, Banco Nacional de Angola adopted an expansionary monetary policy throughout the year, having cut the basic interest rate by 0,5 p.p. (to 19,5%) in the second half of the year, while keeping in force the custody charge for surplus liquidity of commercial banks in relation to their mandatory reserve requirements.

The basic interest rate – BNA Rate – and the permanent liquidity lending rate were set at 19,5% and 21% respectively in December 2022, compared to 20% and 25% observed in December 2021.

On the other hand, BNA reduced the coefficient of mandatory reserves in domestic currency to 17%, compared to the previous 19%, thus increasing the bank's capacity to finance different investment projects of companies and individuals, in view of the increased liquidity.

“The stock of loans to the private sector contracted by 2.8% compared to 2021.”

Monetary Policy



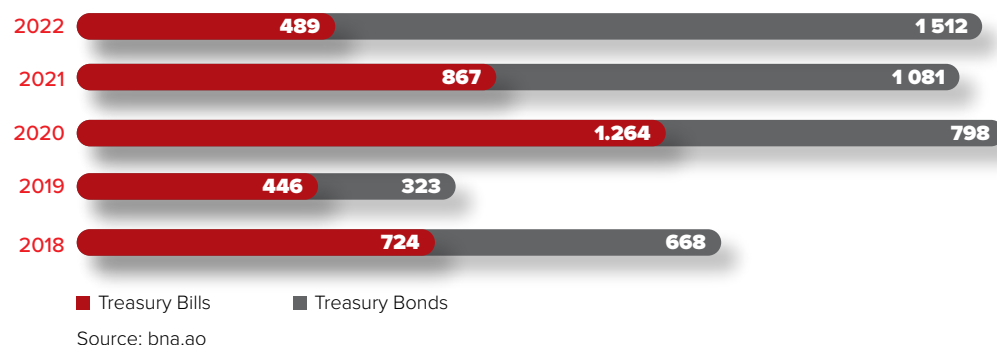
Source: bna.ao

Throughout 2022, the State once again resorted to the issuance of public debt securities to ensure its operations and to complete several public projects.

The domestic securitized debt issued in 2022 amounted to 2 000,25 billion kwanzas, slightly above the value issued in the same period of the previous year (1 948 billion kwanzas). Of this amount, 489 billion kwanzas were in Treasury Bills and 1 512 billion kwanzas were in Treasury Bonds.

Issuance of Treasury Securities

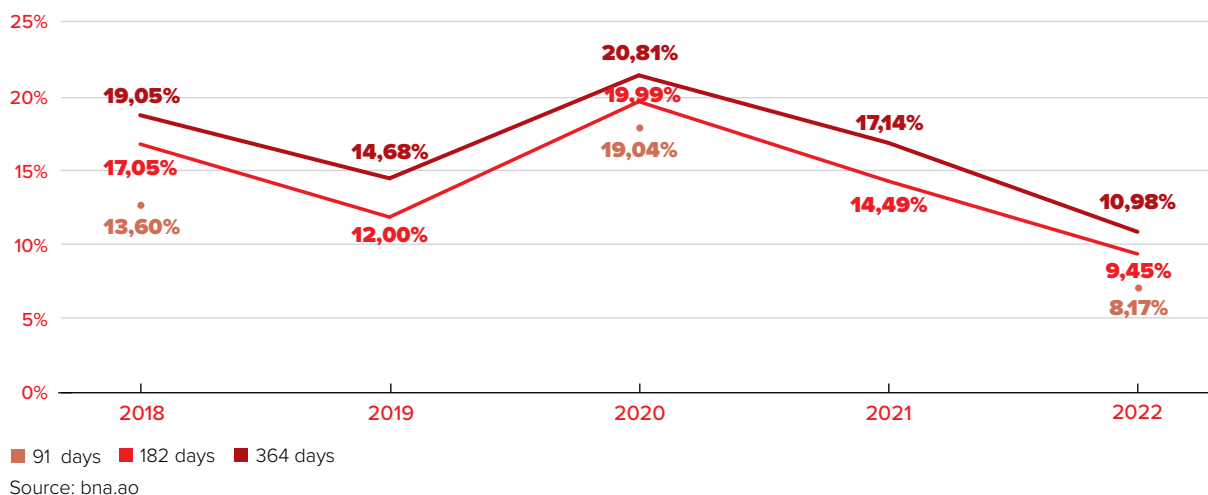
(Million AOA)



In 2022, the average interest rates on Treasury Bills stood at 10,98%, 9,45% and 8,17 for maturities of 364 182 and 91 days, respectively, lower than in the same period of the previous year, representing a reduction in the cost of debt.

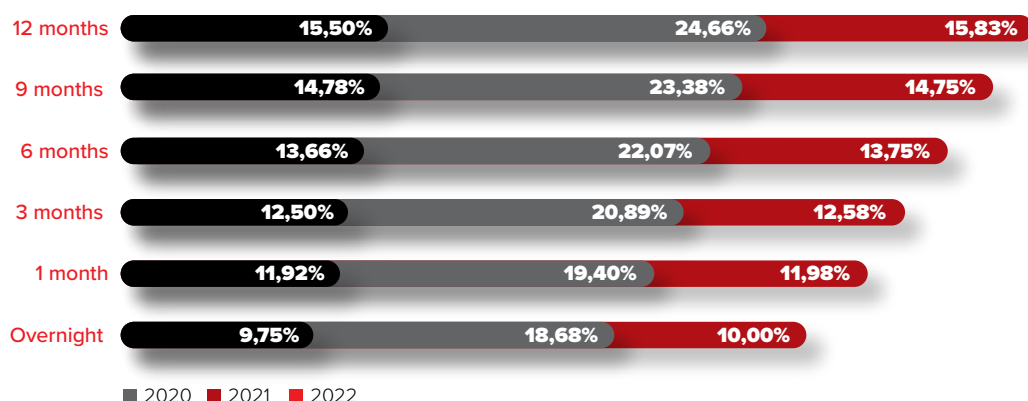
The high price of oil throughout the year of 2022 contributed positively to the balancing of public accounts, which enable the State to seek funding in the domestic market via issuance of securities (Treasury Bonds and Treasury Bills) at lower costs. Hence, the reason for the significant reduction of the interest rate of public securities.

Interest Rates - Treasury Bills



The LUIBOR rates for 3, 6 and 12 months ranged during the year, and stood at 12,58%, 13,75% and 15,83%, for 3, 6 and 12 months, respectively, as at 31 December 2022, while as at 31 December 2020 these rates were 20,89%, 22,07% and 24,66% respectively, for the same maturity periods. The fall in the reference interest rate makes loans between banks and credit to the economy cheaper, as the LUIBOR is increasingly the reference rate for the purpose of granting loans to corporate and private Customers.

Luibor



Source: bna.ao

4.3. POSITIONING OF BANCO BIC IN THE BANKING SECTOR

The Angolan economy returned to a path of growth, after having faced five years of recession. The strong dependence on oil (its main export commodity), and low levels of diversification of economic activity, continue to be the main constraints to sustained growth.

The evolution of the world economy was strongly constrained in 2022 by the impacts of the war in Ukraine, reflected in the increased prices of energy and food. Although the military conflict implied adverse economic and financial circumstances for the global economy, Angola benefited from the rising price of oil and consequent impact on fiscal and external accounts, and on the confidence of entrepreneurs.

The inflation rate moved on a downward trend, having stood at close to 5 p.p. below the desired target (18% in December 2022) of the Monetary Policy Committee (CPM) of Banco Nacional de Angola but, even so, at a level considered high (year-on-year inflation rate of 13,14% as at 31 December 2022).

The World Bank's Global Economic Prospects revised its growth outlook on growth of the Angolan economy to 3,1% in 2022 and projects growth of 2,8% in 2023. The General State Budget Substantiation Report (OGE 2022) foresees very positive growth for non-oil GDP of around 3,08%, and 1,6% for oil GDP.

The estimated growth of the Angolan economy for 2022 (3,1%) is in line with the forecast population growth for the same period (3,1% to 33 086 278 inhabitants), which could improve the population's income per capita, should this actually materialise.

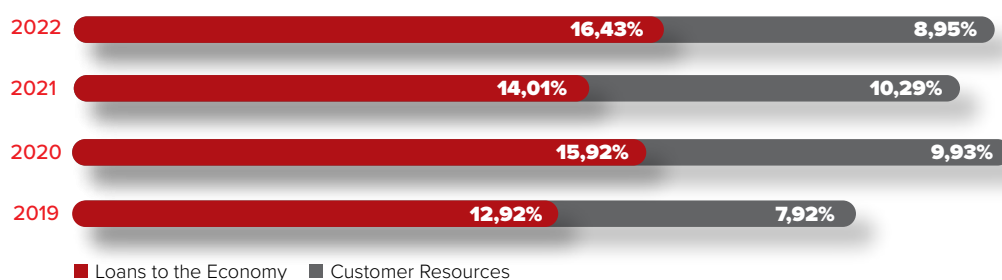
In this highly demanding context, Banco BIC presents high financial solidity, confirmed by a regulatory own funds ratio well above the minimum required (8%) defined in Notice No. 08/2021 of 18 June. As at 31 December 2022, the calculated Regulatory Own Funds Ratio reached 29,93%.

In view of the above, the performance of Banco BIC in 2022 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 Bank of trust, strengthening prudence and rigour in terms of the granting and analysis of new loans. This was only possible due to the focus on ensuring that its liquidity management was appropriate to the market imbalances, on the continuous strengthening 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, it ensured that it constantly adapted to meet compliance and accounting standard adoption requirements.

As at 31 December 2022, the loans granted to the economy by Banco BIC, including loans granted to the State, amounted to USD 2 738 million, which, when compared to December 2021 is equivalent to an increase of around USD 93 million (4%). This increase was particularly driven by the increase of USD 285 million in loans granted to the private sector and via the effect of the Kwanza's appreciation in relation to the US Dollar.

Banco BIC's market share in Loans granted to the Economy was approximately 16,43%, while it was approximately 8,59% for Customer Resources.

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 PRODESI, with permanent cooperation and loans granted.

BNA Notices No. 04/2019, 07/2019 and 10/2020 determined and imposed rules for the banking sector for granting loans to the real sector of the economy, which reinforced our reason for wanting to be part of the change, diversification and economic growth of the country.

As it was necessary to update the application of Notice No. 10/20, on granting loans to the real sector of the economy, BNA 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 Reserves Requirements.

Based on the statistics on credit, disclosed by Banco Nacional de Angola, as at 31 December 2022, the gross loans granted to the non-financial sector allocated to the real

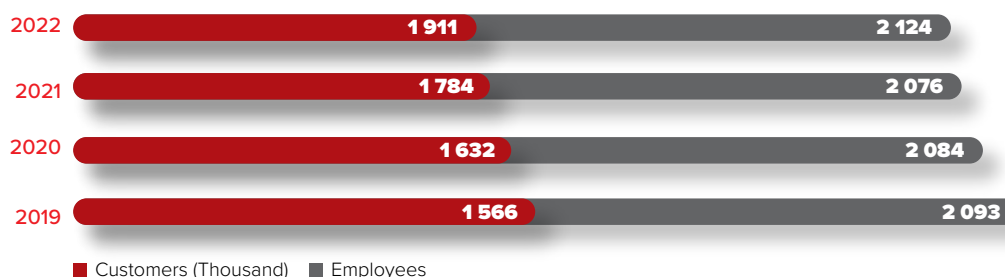
economy reached approximately 1,14 billion kwanzas, representing 24,63% of the gross total loans of the banking sector. Compared to the same period of the previous year, there was an increase of 244,26 billion kwanzas in 2022.

Gross loans granted in the context of the Notices fostering the real sector of the economy amounted to 691,45 billion kwanzas, corresponding to 60,65% of total loans to the real sector.

Maintaining its commitment of continuous support to the programme for diversification of the economy, Banco BIC, under BNA Notice No.10/22, analysed 30 new projects, of which 18 were approved for granting loans of the total value of approximately 36 billion kwanzas, of which 11 billion kwanzas were allocated to the Agriculture and Livestock sector, 23 billion kwanzas to Industry and 275 million kwanzas to Fisheries.

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 233 units throughout the country, serving a diverse Customer base. The staff remained stable amounting to a total of 2 124 Employees at the end of December 2022.

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 1,91 million Customers, including close to 59 thousand companies.

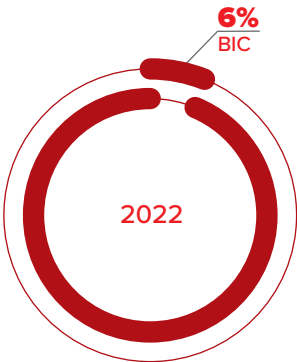
Banco BIC guarantees that the products and services that make up its value proposition are made available to its Customers, not only through digital channels, but also through its network of branches distributed throughout the country.

The number of automatic payment terminals (APT) in Angola continued to grow, both in terms of number of assets and registrations, by close to 16% and 18%, respectively. The number of ATMs of Angola showed growth of approximately 0,7% for assets, while registrations fell by 2%. It should also be noted that the market closed the year of 2022 with a total of 119 965 automatic payment terminals (APT) and 3 111 active automated teller machines (ATM), thus increasing the capacity and quality of service to national banking Customers.

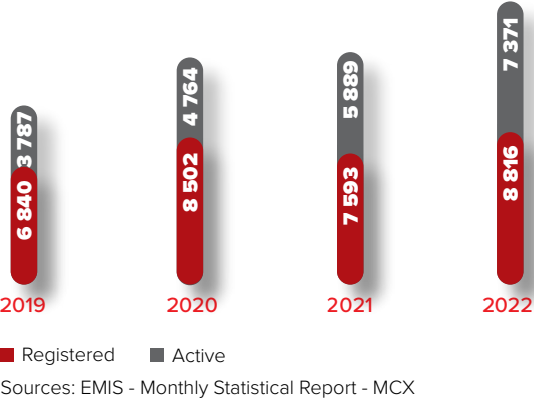
Banco BIC’s standing commitment to diversification and quality in the supply and provision of banking services is visible with a total of 300 ATMs made available to the network in 2022, with ATMs distributed throughout the country (78 municipalities), giving the population more ways of carrying out transactions at any time of day, avoiding the need to go to bank branches in person.

In terms of APT, a total of 7 371 assets were recorded by Banco BIC in 2022 among our Customers, representing around 5,5% of the total available on the market. The number of registered BIC automated payment terminals increased by 16,1% to stand at 8 816.

Active APT



BIC APT Evolution

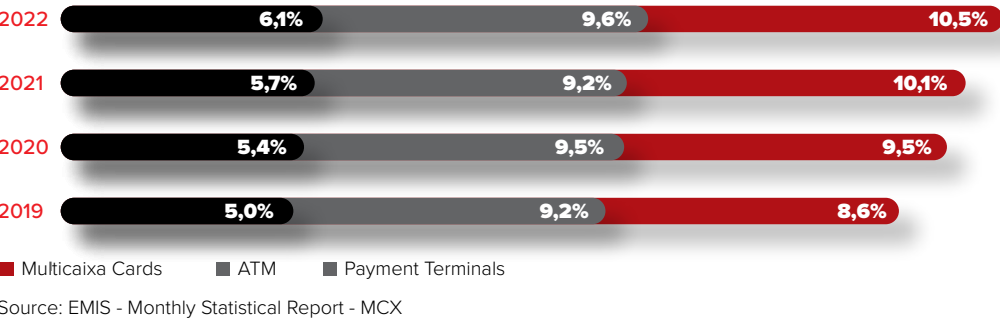


In the debit card segment, one of the segments of the products and services provided, a total of 652 573 cards had been issued in 2022, corresponding to a market share of 10,5%.

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 ATMs, where long queues have been reported. BNA suggests the use of Internet and mobile banking solutions by commercial banks, as well as the use of the Multicaixa card and the Multicaixa Express app.

4.4. CAPITAL MARKETS

The mission of the capital markets unit is to execute operations for the Bank and its Customers by means of transactions on the debt markets (BODIVA), as well as to manage the Bank's trading portfolios 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.

Pursuant to 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.

As at 31 December 2022, Banco BIC had a value under custody at the Stock Exchange (BODIVA) of 85 billion kwanzas, distributed over treasury bonds indexed to the US Dollar (OT-TX) and non-indexed treasury bonds (OT-NR), namely:

🔴 OT-TX – KZ 55 131 056 483

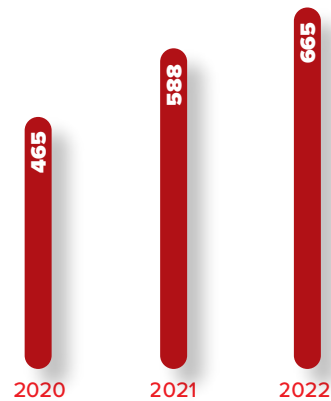
🔴 OT-NR – KZ 30 565 900 000

As at 31 December 2022, Banco BIC had 665 open and active accounts, representing a weight of 1,03% of the total accounts opened at the AngolanCentralSecuritiesDepository(CEVAMA).The evolution of the Customer portfolios and of the capital market turnover reflects a sustained growth of transactions and revenues in this business area.

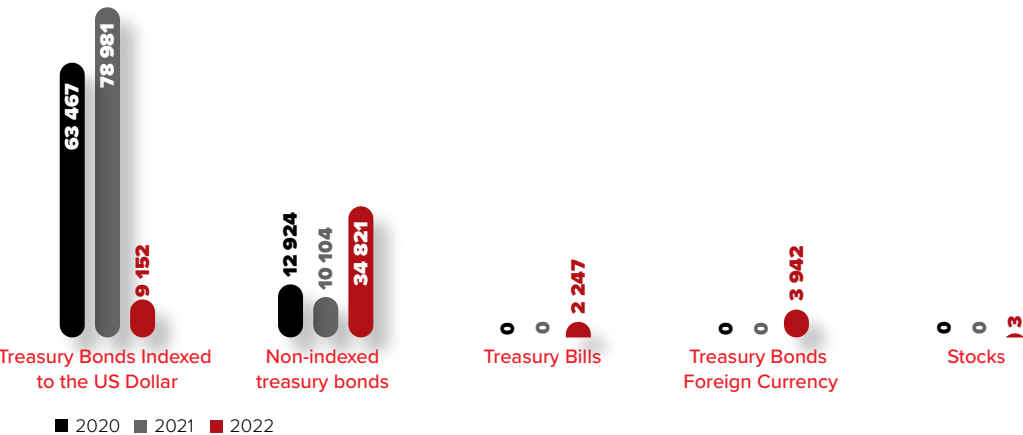
Compared to December 2021, the number of accounts opened by Banco BIC at the CEVAMA had increased by 13%, amounting to 665 accounts (77 new accounts opened).

During the period under review, the Capital Markets unit performed brokerage operations with public debt securities in domestic currency on the BODIVA markets, recording 110 transactions of a total value of 50,16 billion kwanzas.

Individualized – Cevama

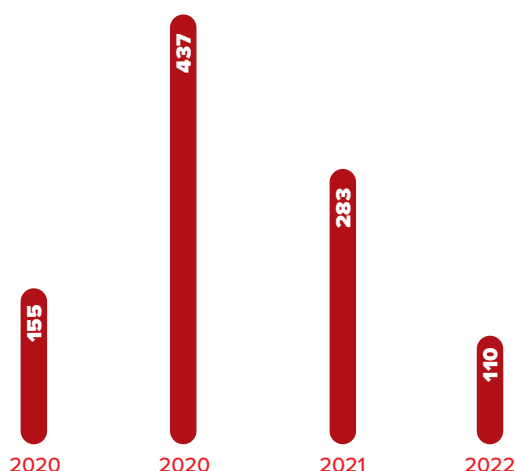


Turnover
(Million AOA)



In addition to the transactions carried out on the BODIVA regulated market, the International and Finance Department channelled a significant amount of purchases of Government Securities by Customers into investments in Treasury Bonds in Foreign Currency (OT-ME), through participation in primary market auctions, amounting to a total of USD 1,02 million.

Banco BIC Number of Transactions



In 2022, BODIVA activated trading on two new markets, the equity exchange market and the investment fund unit exchange market, which, even combined together, showed a timid start-up and are worth less than 2% of the total stock exchange trading.

BODIVA also launched new trading mechanisms such as the exchange of assets between investors and issuers, the famous swaps and repurchase agreements (REPO) which actually did have a positive impact on trading as they enabled expanding the volume of treasury bond transactions.

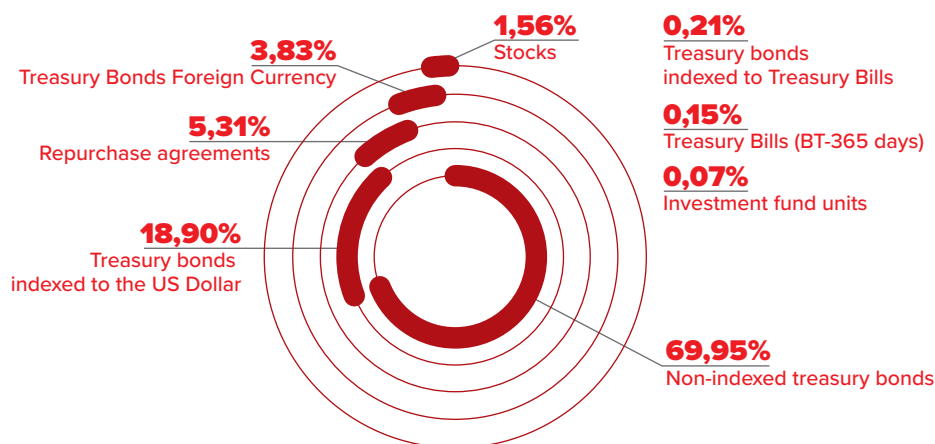
During 2022, 5 746 transactions were recorded on BODIVA, in regulated markets under its management, representing a 60% increase year-on-year, amounting to a total of 1 564,8 billion kwanzas traded. During the first half of the year, 490,4 billion kwanzas were recorded, where the second half of the year was the period that recorded most trading, amounting to approximately 1 074,4 billion kwanzas.

“

In 2022, BODIVA traded 1 564,8 billion kwanzas - a 60% increase year-on-year.

The amount traded by type showed the dominance of Treasury Bonds (92,89%) is confirmed, led by non-indexed treasury bonds (OT-NR with 69,95%) and followed by treasury bonds indexed to the US Dollar (OT-TX with 18,90%).

Amount Traded by Type







5.

Framework of the Activity

5. FRAMEWORK OF THE ACTIVITY

5.1. MAIN BUSINESS LINES

Since Banco BIC was founded, the provision of services characterized by excellence and continuous orientation towards the needs of each Customer has been one of its strategic and unique pillars enabling differentiation.

The Bank's commercial structure was defined by taking into account a better orientation towards Customer needs and is therefore divided into four main segments, specifically Individuals and Businesses, Private Banking, Investment and Companies.

The strengthening of international activity, specifically with Banco BIC Português, the Representation Office in South Africa and Bank BIC Namibia, have allowed us to focus on levels of efficiency and synergies between institutions, representing a source of growth and an increase in fundamental value for our Customers.

Department of Individuals and Businesses

The Department of Individuals and Businesses (PND) has, as at 31 December 2022, a total of 208 branches and six service points distributed throughout all the provinces of Angola and representing about 91% of the total commercial network of Banco BIC.

This Department, which supports Banco BIC's Branch Network, had a loan portfolio of 193 412 million kwanzas as at 31 December 2021 (a 10% increase in relation to 31 December 2021). Customer resources amounted to 553 359 million kwanzas as at 31 December 2021 (an increase of 3% compared to 31 December 2020).



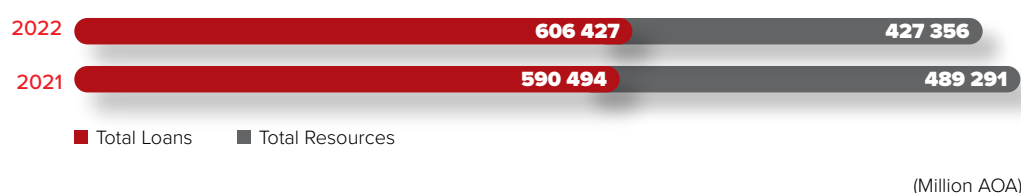
(Million AOA)

Companies Department

As at 31 December 2021, the Companies Department (DE) continued its Customer loyalty actions in the provision of qualified services. As at 31 December 2021, Banco BIC had 18 business centres.

As at 31 December 2021, the total funds raised by the Companies Department amounted to 427 356 million kwanzas (a 13% decrease compared to 31 December 2020). In terms of loans granted to Customers, as at 31 December 2021, the total managed by the Companies Department reached 606 427 million kwanzas, a 3% increase compared to 31 December 2021.

Always bearing in mind the Bank's solvency ratios, the solidity of the business and the quality of the loan portfolio, the Companies Department continued to closely monitor its Customer portfolio and, for those showing signs of greater difficulty, established a judicious policy of renewing operations. The reinforcement of guarantees associated with loan operations was one of the decisive management tools.



Private Banking

This department’s activity is performed by private managers with great technical and relationship skills, based on a relationship of trust in real time. As at 31 December 2022, the resources amounted to 216 203 million kwanzas, corresponding to a 5% reduction in relation to 31 December 2021. The loan portfolio amounted to approximately 40 734 million kwanzas as at 31 December 2022.

The Bank’s commitment is to continuously improve the service provided to its Customers, that it should have the highest and most unique level of banking service, providing a more personalized structure based on the sale of financial advisory products, in line with the risk profile identified for each Customer. Our main objective remains the sustained preservation of Customer wealth in detriment of performance in order to maintain the activity’s growth and consolidation.



(Million AOA)



Investment Department

The Investment Department follows the traditional banking segmentation model for its Customers, according to their investment/income level. Getting to know the Customer better and developing the best monitoring and prospecting practices to show a commitment to those who invest, aimed at achieving the successful completion of each project and building high-value strategic partnerships and synergies.

For investors who are willing to diversify their investment and invest in this segment, Banco BIC has several investment alternatives that go hand in hand with the evolution of the corporate situation to boost the commercial network of the economic agents that maintain financial relations with the Bank.

During the period ended 31 December 2021, this department had three Investment Centres, which provide ongoing specialized monitoring of both the daily management of the Customer portfolio and of investment decision-making. As at 31 December 2022, the balance in the portfolio of total resources amounted to 36 170 million kwanzas, corresponding to a 20% reduction in relation to 31 December 2021. On that same date, the portfolio of loans granted amounted to 8 320 million kwanzas, showing a 22% reduction in relation to 31 December 2021.



BIC Agro Department

In 2017, the Bank, in awareness of the importance of the Agriculture, Livestock and Fisheries sectors to Angola's economy, created the BIC Agro Department.

This Department's main activities are the promotion, technical support and monitoring of the Bank's Commercial Networks, regarding Credit products aimed at the primary sector, and ensuring the follow-up and monitoring of agreed credit lines (Angola Investe and the Credit Support Project).

In 2019, Presidential Decree No. 159/19 defined the Credit Support Project, part of the Program to Support Production, Export Diversification and Import Substitution, i.e., PAC/PRODESI. In addition to the primary sector of the economy, the BIC Agro Department also began to provide support for projects in the secondary/industrial sector of the economy.

BNA Notice 10/2020 and more recently Notice No. 10/2022, which gave a boost to the Granting of Credit to the Real Sector of the Economy, makes it compulsory for banks to grant credit, at least equivalent to 2,5% of their net assets from the previous year, to a set of products on the PAC/PRODESI list at a rate of 7,5% and, for the acquisition of raw materials and inputs at the rate of 10%, which underpinned the Bank's decision to create the BIC Agro Department, as a specialized department for granting this type of loan.

5.2. DISTRIBUTION NETWORK AND GEOGRAPHIC PRESENCE

208

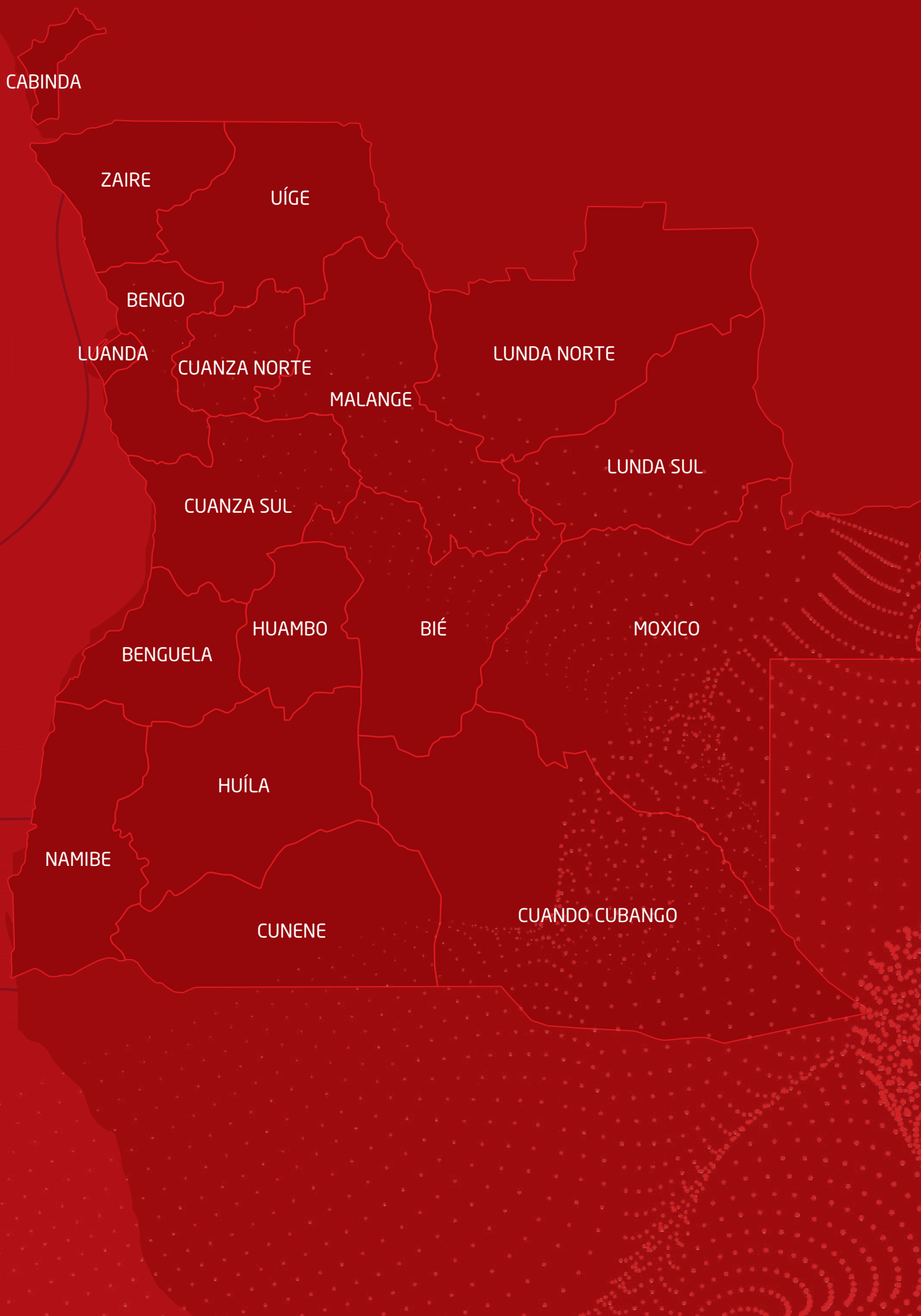
BRANCHES

18

COMPANY
CENTRES

 CABINDA 4	 CUANZA NORTE 5	 BIÉ 4	 NAMIBE 2
 ZAIRE 2	 MALANGE 3	 BENGUELA 17 2 1	 CUNENE 4
 UÍGE 6 1	 LUNDA NORTE 5	 HUAMBO 12	
 Bengo 1	 LUNDA SUL 4	 MOXICO 3	
 LUANDA 107 15 3 4 1	 CUANZA SUL 11	 HUÍLA 16 1	

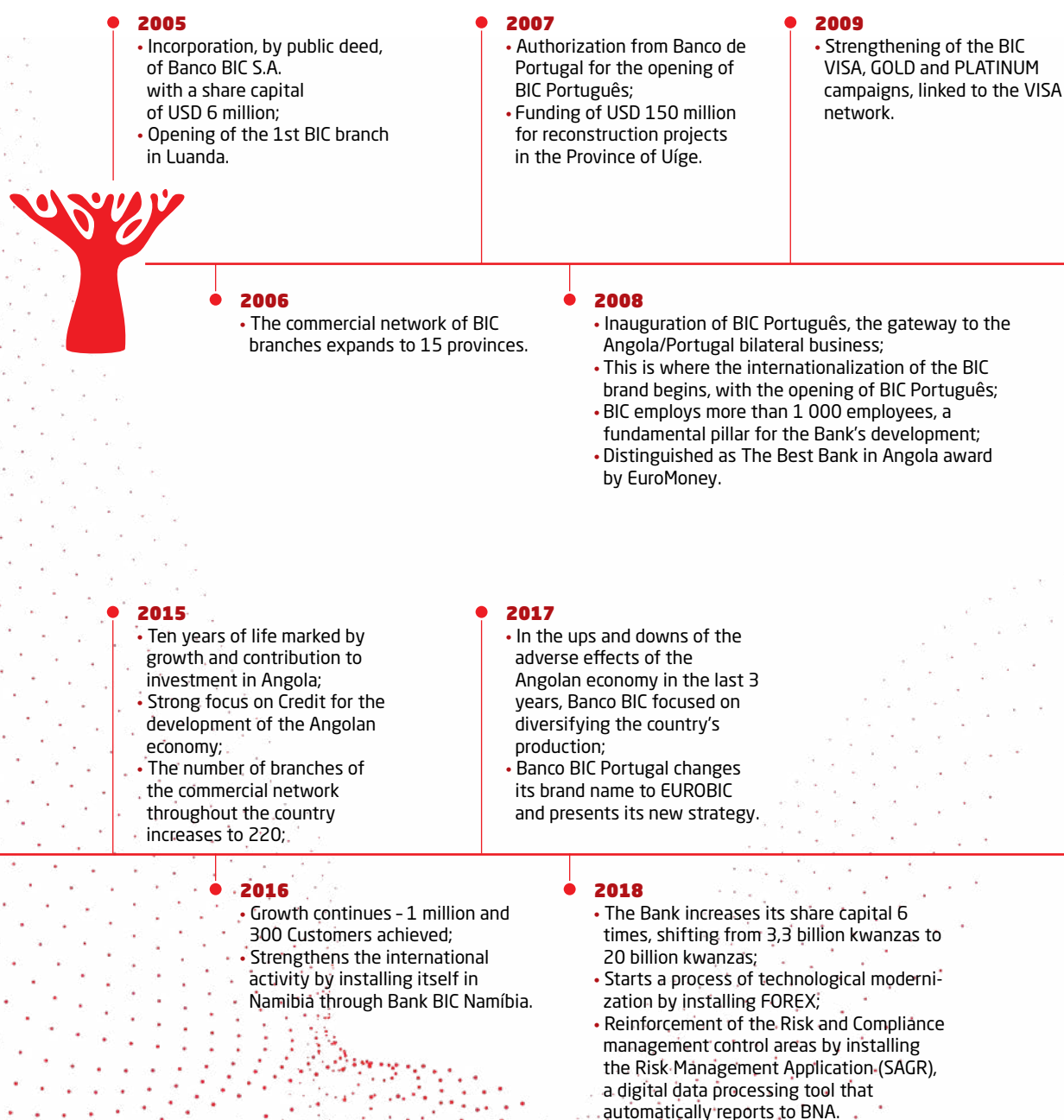
- Branches
- Company Centres
- Investment Centres
- Service Points
- Private Banking

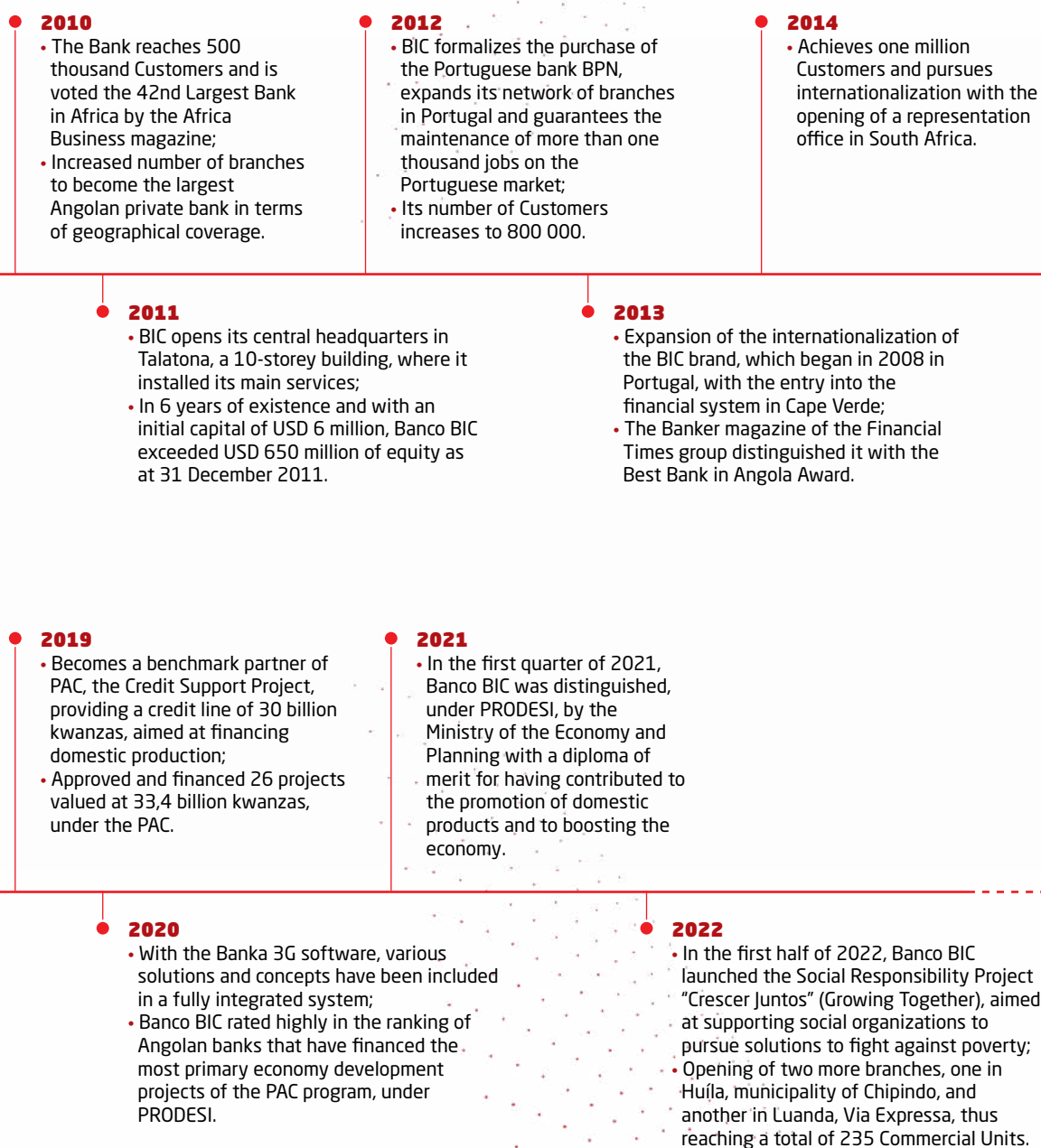


5.3. HISTORICAL MILESTONES

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 2 124 Employees, symbolized by the robustness of the baobab tree, the root of its growth.

This was how Banco BIC was born and grew.





5.4. 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 2022, 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 No. 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. We highlight the

continuity of our support to the “Adopt a Garden” project, under the slogan “Together for a greener city”, an action that focused on the recovery and landscaping of the garden located on Avenida Ho Chi Minh in Luanda.

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

- 🏆 Staff Meeting
- 🏆 BIC Anniversary
- 🏆 Angola Oil&Gas Conference
- 🏆 FILDA/Huila Fair/Benguela Fair
- 🏆 Mangais – BIC AGRO
- 🏆 Banking and Insurance Forum
- 🏆 Chipindo Branch Opening
- 🏆 MDC Branch Opening
- 🏆 DP Junta +

Banco BIC renewed its partnership with LS Republicano, thus associating itself to Angolan music, through the musician Rui Orlando who gave his voice and lent his image to the Bank's campaigns and was part of FESTISUMBE. The Bank also established a partnership with Clube S, through its support to the performances held there, and sponsored Rally Raid – Angola Rally Team.

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.



5.5. INFORMATION TECHNOLOGY

The Department of Information Systems (DSI) implemented, upgraded and promoted the adoption of new technologies in digital solutions provided to the Employees and Customers, making them simpler, integrated in modern architectures, with agile development approaches. This included the improvement of the applications which supported the business processes with comprehensive information, and efficiency in the execution of operatives, through new functionalities and a better experience for the user provided on the remote channels.

From the technological point of view, and as a way of preventing impacts caused by failures in the IT infrastructures, the Department of IT Systems implemented recovery mechanisms based on high-availability solutions both for the equipment and for the software and data they support, and defined criteria related to criticality for the business, which enable inventorying the critical assets in the context of technological risk. Following an annual test plan, the promptness and efficacy of response of these mechanisms applied to critical assets is systematically tested, with technological recovery conditions in real time, and warnings associated with the unavailability of critical services, for a Recovery Time Objective of two hours, based on response plans, underpinned by the internal regulations and controls in the different spheres of Information Security – availability, integrity and confidentiality.

Concerning the protection of information, the Department of IT Systems continued the investment in the mitigation of cybersecurity risks, adding value and strengthening the Customer's confidence in pursuing their activities. These initiatives lead to the promotion of a cyber-culture in which the Bank intends to take an increasingly active role in collaboration and information sharing, including external financial and government entities. The dissemination of new technologies and services provided to the Customers opens the door

to easier access for cybercrime and, therefore, to a sophistication of criminal operations. This ongoing evolution of criminal vectors and techniques exerts pressure to ensure the constant reappraisal of the model of prevention, management and response to cyber attacks, in order to respond in an effective manner to the emerging risks. Aware of the importance and existing level of threat, the Department of IT Systems maintains an ongoing review of the technological environment and software, the availability of systems and business continuity, both through planned reviews and through continuous auditing by monitoring the defined risk indicators.

Furthermore, the security protocols and mechanisms are kept up to date in order to adapt them to threats that emerge in the current context, constantly monitoring the emerging risks. The evolution of the security protocols and measures is included in the strategic plan for information security, aligned with the Bank's strategic goals to maintain the protection of information in accordance with the market's best standards.

In alignment with the business and digital transformation areas to deliver solutions that meet Customer and Employee expectations, secure systems development processes, including automation techniques, continued to be a focus of the Department's activity, promoting secure and more robust deliveries. Alongside the development and evolution of technological solutions, the Department of IT Systems remained sharply focused on the compliance dimension, ensuring the implementation of initiatives to ensure compliance with legal and regulatory requirements. The implementation of the strategy initiatives of the Department of Information Systems will accelerate the transformation of IT systems, the creation of processes for digital transformation and the promotion of a more streamlined and automated development model.

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 2 124 Employees as at 31 December 2022 (48 more than as at 31 December 2020), maintaining the trend towards greater representation of the female gender, with women representing 50,5% and men 49,5%.

The total of 2 124 Employees are distributed throughout the Bank's different areas, with 11 being in Luanda, 679 are distributed in the other provinces of the country and one (1) is in the representation office in South Africa.

84% of the Bank's total Employees are assigned to the commercial area, continuing the trend seen in previous years.

The ratios of experience in banking, age and higher education indicate that 61% of the Bank's Employees have more than 8 years of banking experience and approximately 79% have attended university.

After 17 years at the service of the Angolan people, the average age of our Employees is 35 years old, with 19% of them aged between 18 and 30 years old.

Talent Training and Retention

Training has always been considered as a priority for the development of the professional and personal skills of our employees. In terms of training numbers, as at 31 December 2022, we have over 56 000 hours of training and 27 hours per Employee.

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 2022, 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 2022.

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 2021, 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

1 052

in 2022

1 009

in 2021



1 072

in 2022

1 067

in 2021

Age Group

18-24 years

41

25-30 years

372

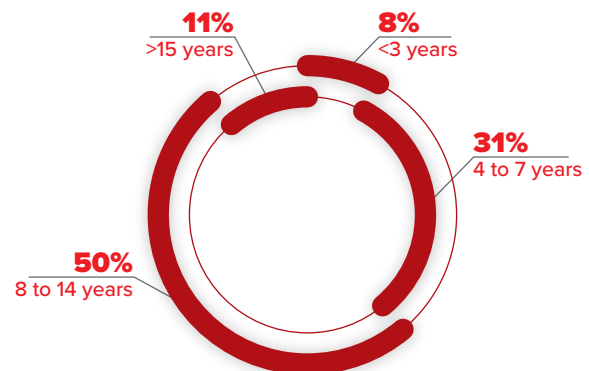
31-45 years

1.585

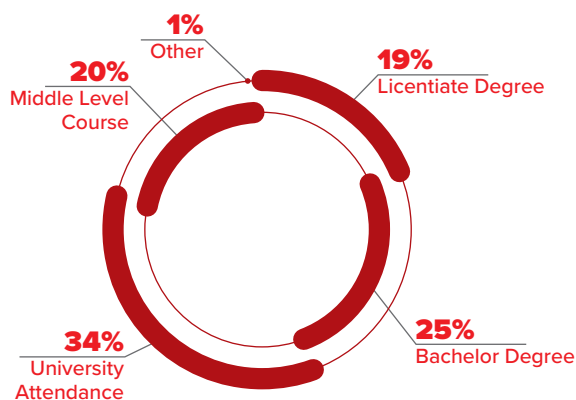
>45 years

126

Banking Experience



Education Level



Training Activity

Number of Hours of Training



56.737

 in 2022

43.012

 in 2021

Per Employee



27h

 in 2022

21h

 in 2021



A woman with dark braided hair is looking down at a document. The image is overlaid with a blue tint and a network of white hexagons and dots. On the right side, there are white, stylized, leaf-like shapes.

6.

Risk Management System

6. RISK MANAGEMENT SYSTEM

6.1. RISK MANAGEMENT

In pursuing its activity, Banco BIC is subject to a variety of risks, arising from external and internal factors, in particular, according to the characteristics of the market in which it operates.

The Bank's risk management model covers a series of policies and procedures, which enable the appropriate and integrated identification, assessment, monitoring, mitigation and reporting of risks derived from the activities developed in the different business lines in which the Bank operates. Risk management is framed in the overall strategy, embodied in the Risk Appetite Statement, which is composed of a broad 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.

Banco BIC, in line with the recent guidelines published by the regulator and supervisor, has carried out its activity in a prudent and sustainable manner, and throughout 2022, reinforced the mechanisms to control, monitor and assess the risks that affect the business activities pursued.

In this context, the Bank's risk management culture is ensured internally by the reinforcement of consistent methodologies and processes which consider all the events that could affect the business model. The Bank believes that the implemented risk management system must maintain an appropriate relationship and constant balance between the risks incurred during the course of the activity and levels of equity, liquidity and profitability.

The senior manager of the Risk Management Function is the "Chief Risk Officer" ("CRO"), a member of the Bank's executive committee. The CRO has overall responsibility for monitoring the risk management framework and,

in particular, for ensuring the adequate and effective operation of the Risk Management Function, and 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 distributed among several organizational structures, according to the type of risk, specifically:

- ✚ Credit risk is monitored by the Credit Risk Analysis Department (DARC);
- ✚ Risk management from an integrated perspective and operational risk is performed by the Risk Department (DR) and the Internal Audit Department (DAI);
- ✚ IT systems risk is handled by the Department of Information Systems (DSI);
- ✚ Market risks are managed by the International and Financial Department (DIF), monitored by the Risk Department and discussed at the level of the Board of Directors and senior managers by an assets and liabilities management committee (ALCO);
- ✚ Compliance risk and Reputation risk are managed by the Compliance Office (GC).

Throughout 2022, the Bank continued to strengthen its commitment to ensure compliance with the regulatory rules and the implementation of a holistic control structure for the entire Bank. The Risk Department ensured full compliance with the regulatory and supervisory requirements, and ensured that the internal regulatory structure continued to be appropriate 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:

- ✔ Completion of the internal capital adequacy self-assessment process (ICAAP) and Internal liquidity adequacy assessment process (ILAAP) reports, ensuring the ongoing adequacy of capital and liquidity;
- ✔ 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;
- ✔ Monitoring of the Plan to reduce non-performing exposures, review of the Operational Plan and development of mechanisms for periodic reporting to the Regulator, pursuant to the new requirements introduced;
- ✔ Adjustment of the data and technological infrastructure supporting the risk management processes;
- ✔ Strengthening of the tools and methodologies for the stress testing process;
- ✔ Development of mechanisms to ascertain the quantitative information established in Instruction No. 05/2022, concerning Public Disclosure of Prudential Information;
- ✔ Preparation of the plan to integrate sustainability topics (environment, social and governance or ESG) in

the Bank's risk management framework, expected to start in 2023;

- ✔ Review of the metrics and systems of limits associated with risks that are considered materially relevant, aligned with the published regulations during 2022;
- ✔ Enhancement of the robustness of the Operational Risk Management Process, including the development of mechanisms to ensure the operationalization of the different stages of the management process, including identification, assessment, monitoring and reporting;
- ✔ 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;
- ✔ Ongoing review of internal regulations on policies and procedures related to risk management and control;
- ✔ Technical and analytical capacity-building of the control functions.

Risk Management Governance

The Bank's risk management function is supported by a governance model that aims to simultaneously comply with the best practices set out in regulatory standards and to ensure the robustness and effectiveness of the system for identifying, measuring, monitoring, reporting and controlling any credit, market, liquidity and operational risks that are incurred by the Bank throughout its activity. The powers and duties of the bodies involved in the governance of risk management and internal supervision of the Bank, other than the Board of Directors and the Executive Committee, are as follows:

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 includes 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 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 (BNA) 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 as described in the Bank's internal regulations, in line with Article 184 of the Legal Framework of Financial Institutions, Law No. 14/21, and BNA 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 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) manager, 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 Credit Monitoring Meetings 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 Litigation Department (DJC) 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 made up of all 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

The Compliance Office (GC) 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 Office is endowed with all the features that qualify it as an independent, permanent and effective unit.

Accordingly, pursuant to its corporate responsibility to raise awareness on the institution's compliance culture, the Board of Directors has delegated the responsibility of compliance and reputational risk management to the Compliance Office.

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.

Under its functions, the Compliance Office is responsible for the definition of the strategies, policies and processes related to the entire compliance risk management activity, in particular the activities associated with Anti-Money Laundering and Countering the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction. This includes the responsibility for monitoring and disclosing relevant legislation and regulations, issuing guidelines and recommendations on compliance, regulatory reporting, and ensuring the suitability of control procedures, managing risks and promoting effective governance processes.

Alongside the general powers and duties described in the paragraphs above, and more particularly, the

following specific powers and duties are assigned to the Compliance Office:

- ✔ Advise the Management, according to its regular monitoring and assessment of the suitability and effectiveness of the measures and procedures adopted to detect any risk of non-compliance with the legal obligations and duties to which the Bank is subject, as well as the measures taken to correct any flaws in their compliance;
- ✔ Periodically monitor and assess the internal control procedures for Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT), and detect and report suspicious transactions to the competent authorities, in the context of the duties associated with the AML/CFT model;
- ✔ Implement and monitor international best practices concerning Anti-Money Laundering and Countering the Financing of Terrorism, to the full extent of its associated duties;
- ✔ Act as a communication channel to receive, register and forward questions and requests for clarification on compliance matters to the competent services, for their analysis and resolution;
- ✔ Collaborate in the preparation, promotion, approval and publication of compliance regulations, rules and standards, with the Bank's various units;
- ✔ Participate in the process of identifying and assessing the Compliance Risk exposure of each of the Bank's areas, as well as in the planning and safeguarding of its management;
- ✔ Centralise 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 (DRH) in the identification/preparation of training programmes on compliance issues (risk and function).

6.3. RISK MANAGEMENT POLICIES AND PROCESSES

In compliance with its mission as regulator and supervisor of the banking system, Banco Nacional de Angola institutes prudential and conduct regulations for the action of financial institutions, establishing a robust framework, considering the risk management functions, policies and processes.

Taking into account the internationally accepted best practices aimed at ensuring a regulatory framework that is able to meet the current challenges in terms of financial stability and strengthen the legal framework of the regulation and supervision of institutions involved in the financial sector, Banco Nacional de Angola has made significant changes to the current legal system in force. These changes refer to the corporate governance of institutions, internal control system, internal audit and supervisory processes, with a view to ensuring the solidity and stability of the financial system.

In line with the recent guidelines published by the Regulator and supervisor, Banco BIC 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 maintains a continuous process of developing and implementing formal processes for recording and processing information, which enable strengthening the assessment, monitoring and control of each type of risk. These processes are guided by 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.

The Bank's risk management policy aims to contribute to the pursuit of the respective 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. 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 25,1 million kwanzas, equivalent to USD 50 thousand;
- ✦ Retail – area responsible for the analysis of all credit operations or clients with general debt levels below 25,1 million kwanzas, equivalent to USD 50 thousand.

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;
- Projects 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 us with a timely alert 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 USD 5 thousand 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 25,1 million kwanzas, equivalent to USD 50 thousand. 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).

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

During the year ended 31 December 2022, 95 restructuring operations were identified in a balanced sectoral diversity covering Services (Agriculture and Fisheries, Trade, Construction, Education, Industry) and among individual Customers.

In comparative terms, we can observe that during 2021, there was a higher number of restructuring of loans, with 129 restructured operations having been identified, a situation caused by the pandemic that ravaged the world, Covid-19.

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) as at 31 December 2022 stood at 415 434 million kwanzas, as illustrated in the table below (information about the portfolio and historical record of restructured operations).

		Dec.22 AOA
Restructured Loads	Contracts	Expoxures
1	390	354 997 754 783
2	16	31 455 971 174
More than 2	53	28 980 436 424
	457	415 434 162 381

When compared with the figures for 2021, it is evident that there was a reduction, both concerning the number of restructured operations and in terms of values. As at 31 December 2021, the number of restructured operations amounted to 415 820 million kwanzas, covering a total of 483 operations.

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

6.3.2. Market risk

Market risk, by definition, is the possibility of a loss that a portfolio may undergo due to fluctuation of rates, maturity mismatches, currencies and indexers of the asset and liability portfolios held by the Bank.

In this context, and as Market Risk is identified as a materially relevant risk for the Bank, a Market Risk management process has been established, which comprises robust processes and procedures of mechanisms for the continuous monitoring of the evolution of risk, in line with the Bank's risk appetite.

In terms of market risks, the Bank has a policy of not leveraging its activity by trading financial instruments, in recognition of the fact that the activity must be fundamentally based on the commercial and retail segment. The Trading Room's activity must focus on prudent cash flow management, by investing and earning profit on surplus liquidity.

To this end, the Bank has implemented mechanisms to control the market risks to which it is exposed and monitors their management, in structural terms, through the Asset and Liability Management Committee (ALCO).

Portfolio acquisitions with longer maturities reflect financial investments subject to a combined analysis of credit risk, market risk and optimization of risk-weighted assets in order to maximize the profitability/risk ratio.

The portfolio's investments prioritize assets with adequate levels of profitability and liquidity. The vast majority of the portfolio is invested in public debt securities eligible for Banco Nacional de Angola's monetary policy operations and for purposes of the liquidity coverage ratio.

The Risk Department is responsible for monitoring these investments, in accordance with the policies, and for reporting any deviations to the senior management.

6.3.3. Interest Rate Risk

Interest rate risk can be defined as the impact on earnings and equity of an adverse change in market interest rates. The Bank automatically assumes that an interest rate risk exists whenever, during

the course of its business, it contracts operations with financial flows that are sensitive to possible changes in interest rates.

Interest rate risk from operations in the banking portfolio is assessed through a risk sensitivity analysis process, for certain items on the Bank's Balance Sheet, in conformity with Notice No. 08/2021 Interest Rate Risk in the banking portfolio.

6.3.4. Exchange Rate Risk

Exchange rate risk arises from changes in the exchange rate affecting structural balance sheet positions in foreign currency. The aim of its management is to minimize the impact of this structural risk on the Bank's position and capital.

The foreign exchange risk in the Bank's portfolio is in a set of small scale and low risk portfolio positions, which are specifically managed by the International and Financial Department. The respective risk is controlled on a daily basis by metrics and limits defined for controlling market risks.

The Bank monitors its exposure to foreign exchange risk by controlling and reassessing on a daily basis the exposure of the overall open positions taken for each currency, and uses hedging strategies to ensure that these positions remain within approved limits.

6.3.5. Liquidity risk

Liquidity risk is fundamental to the Bank's treasury management, and is subject to periodic analyses that are presented to the Asset and Liability Management Committee.

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

The International and Financial Department has a suitable structure for monitoring liquidity, market and foreign exchange risks, with prudential limits defined for exposure to these risks, which guide the Bank's activity in the interbank money and foreign exchange markets.

For short-term investments in the Bank's own portfolio (market risk in the Bank's own portfolio), the Bank's objective is to make a return on surplus liquidity to supplement investments in the Interbank Money Market, thereby making a positive contribution to the financial margin. This includes investments in Treasury Bills, the acquisition of Repurchase Agreements (REPO) and the Central Bank's Permanent Liquidity Lending Facility.

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. The DIF also determines the evolution of the Bank's liquidity position.

Additionally, pursuant to Instruction No. 19/2021 of 27 August 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 (LCP) 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.

The LCP defines a set of action plans to be triggered in a liquidity crisis scenario

Crisis Identification

The Liquidity Contingency Plan defines metrics that establish the Bank's "minimum liquidity" condition. Failure to comply with these parameters is defined as a liquidity crisis situation and consequently triggers the Liquidity Contingency Plan.

A liquidity crisis can be classified in terms of its level of severity as not very severe, severe or very severe, and

also in terms of its nature, as temporary (one-off) or prolonged (structural).

Once a liquidity crisis situation has been identified, the International and Financial Department jointly with the Risk Department, classifies it according to its severity and nature.

Internal Communication

The Liquidity Contingency Plan establishes communication circuits between stakeholders, seeking to ensure that all those involved in the corrective actions are properly alerted to the measures to be taken.

Corrective Measures and Action Plans

The Liquidity Contingency Plan defines the set of measures and actions to suppress or mitigate the effects of the liquidity crisis. Corrective measures and actions should be adjusted depending on the classification of the crisis.

Liquidity Stress Test

Liquidity management requires the analysis of financial scenarios in which possible problems with liquidity are assessed, requiring the construction and study of crisis situation scenarios. The model used for this analysis is the stress test, which assesses the Bank's financial structure and its ability to withstand and react to more extreme situations. The purpose of the liquidity stress test is to enable the simulation of adverse market conditions, enabling the assessment of the Bank's liquidity and payment capacity, thus seeking to anticipate solutions or even avoid positions that excessively jeopardize liquidity in turbulent scenarios.

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. The analysis of the stress models demonstrates that the Bank complies with the liquidity ratios, supporting the liquidity losses for a given horizon of days, in all simulated crisis scenarios.

Internal liquidity adequacy assessment process (ILAAP)

The Bank performed the internal liquidity adequacy self-assessment process exercise in April 2022, based on the audited financial statements as at 31

December 2021, in compliance with instruction No. 11/2021 of 21 June, according to which all banking financial institutions that perform credit activities must ensure and be able to demonstrate that they have an internal process that enables them to identify, measure, manage and monitor their liquidity risk.

The purpose of the Internal Liquidity Adequacy Assessment Process (ILAAP) is to provide a risk management tool for the Bank to ensure that internally defined liquidity risk limits are complied with, and that adequate operational and governance processes are in place for managing and controlling these limits.

During the ILAAP exercise relative to the financial year of 2021, no significant changes were identified in terms of liquidity risk management, although the Bank's 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 identifying additional responsibilities of 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.

“The Internal Liquidity Adequacy Assessment Process (ILAAP) exercise did not identify any significant changes in terms of the liquidity risk management.

6.3.6. Operational Risk

Operational risk materializes due to the occurrence of losses resulting from failures or inadequate of processes, systems or people, or even external events.

Operational risk management is based on a decentralized model, where its scope and disclosure can be seen at 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 controls.

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 significant increase of the complexity of Operational Risk, meaning that it is increasingly necessary for financial institutions to establish effective and efficient 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. In this context, and through the publication of Notice No. 08/2021, Banco Nacional de Angola reinforced its intention to elevate the robustness and prudential rules of the Angolan Financial System to the highest international standards, focusing in particular on Operational Risk. This Notice is supplemented by Instruction No.13/2021, concerning the calculation of Capital Requirements to hedge Operational Risk, in which the Regulator establishes the different dimensions of assessment of Operational Risk.

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, ensuring compliance with the Regulatory Framework and alignment with best practices, at all times. 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

Banco BIC recognizes the need and relevance of the maintenance of robust and appropriate processes and procedures for Operational Risk management, in particular, taking into account its growing materialization and potential impacts for the Bank's activity. In this context, Operational Risk management is based on a decentralized model, where its scope and disclosure can be seen at all levels of the hierarchical structure.

In view of the above, the Bank carried out a transversal review of its Operational Risk management processes during 2022, in order to ensure the existence of processes and tools for the management of the present 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.

Main Guidelines for Operational Risk Management

The effective implementation of the Operational Risk management cycle at Banco BIC is ruled by a series of main guidelines, which including the following:

🔥 **Objectiveness:** the information supporting the management of Operational Risk should be obtained in a clear and assertive manner, enabling the data to be processed and compared, and simultaneously ensuring coherence between the different collection methods and sources of information;

🔥 **Full scope and up-to-dateness:** in the management of Operational Risk, the manager responsible for the process should take into account the

Bank's reality as a whole. Accordingly, all the processes, risks and controls should be identified, documented and up to date;

🔥 **Timeliness:** the identification, quantification and assessment of Operational Risks should be carried out in a timely manner pursuant to the established deadlines;

🔥 **Comprehensiveness:** the effective management of Operational Risk assumes the involvement of all the Bank's Employees, which requires the fostering and securing of a strong risk culture.

Operational Risk Management Framework

The Operational Risk management framework establishes the main procedures, guidelines and activities applicable to the management of Operational Risk, ensuring the correct articulation between the different relevant functions. In this context, the framework is based on the identification and association of risks and controls with the processes, and on the analysis of the collected data through quantitative and qualitative methodologies. It also entails monitoring the risk management activities and control, and possible production of reports with information concerning Operational Risk.

It is important to stress that, in order to ensure the adequacy, comprehensiveness and efficacy of the Operational Risk management, the Bank endeavours to ensure, on a continuous basis, the establishment of an updated information database which fully reflects the Bank's entire reality.

To this end, and considering the different stages of the Operational Risk management process, the Bank aims to maintain a complete and updated inventory in relation to the Processes and Risks to which each is exposed. Complementing the above, it is crucial to ensure the mapping of the risks to which each process is exposed, and identify the relevant controls for their mitigation, which includes Operational Risk.

It is important to highlight the training component as a preponderant factor for the efficacy of Operational Risk management, with a view to developing the necessary skills for performing these functions, in conformity with the Bank's objectives.

Accordingly, continuous training contributes to compliance with the rules and regulations, to the strengthening of the risk and control culture and, consequently, to the continuous improvement of the risk management system. These attributions are extremely relevant with respect to Operational Risk, in view of the transversal role and contributions of the different Departments and Offices, in particular the Process Owners

Definition of Indicators

The Bank defines a set of key risk, control and performance indicators (KRI, KCI and KPI, respectively), aimed at monitoring Operational Risk, including the establishment of a system of limits for control.

The monitoring of the evolution of the more significant risks requires the definition of tolerance limits proposed by the first line of defence, validated by the Risk Department and subsequently approved by the Board of Directors.

The defined indicators should be reviewed periodically in order to ensure the ongoing enhancement of the robustness of the Bank's management procedures and ensure that the defined indicators enable the effective assessment of the Bank's exposure to risk.

Key Control Indicators (KCI)

The Key Control Indicators (KCI) constitute metrics that enable investigating the sound execution of the controls established for the mitigation of Operational Risk. As in the case of the key risk indicators, the KCI should be applied to the principal controls of Banco BIC and be preventive, in order to detect trends. These indicators are particularly relevant in situations in which the intrinsic risk is high, but after application of effective controls, their residual risk is low.

Key Performance Indicators (KPI)

Key Performance Indicators (KPI) seek to assess the performance of functions over time, with respect to the follow-up and monitoring of Operational Risk, creating a historical record of data to enable determining the progress and achievement of the strategic objectives.

Key Risk Indicators (KRI)

Key Risk Indicators (KRI) constitute metrics that enable measuring the Bank's exposure to risk, in

particular, in this context, to Operational Risk. Therefore, they should be applied to the main sources of risk, according to the Bank's reality, seeking to act in a preventive perspective and anticipate their materialization.

Hence, they are an important tool in the decision-making process and in the identification of the need to boost the robustness of the instituted controls. Moreover, they focus on monitoring situations in which the intrinsic and residual risk are high, where the application of controls is not effective or non-existent.

Business Continuity Management

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 the normal functioning of the business.

In this context, the importance of securing the resilience of institutions has been recognized internationally, and is embodied in the publication of regulatory standards. In particular, and in a perspective of the stability of the financial system, Business Continuity Management should be perceived as an integral part of a well-structured internal control system, underpinned by principles that should be continuously observed, and in conformity with international best practices and principles.

Demonstrating the relevance of this matter in the financial sector, Banco Nacional de Angola published Notice No. 01/2022, on the Corporate Governance Code of Banking Financial Institutions, which establishes the need for the Internal Control System enforced in these institutions to ensure their business continuity and survival, highlighting the role of the Risk Management System in the supervision, control and provision of information on risks through the design and implementation of Business Continuity Plans, incident on information systems, physical infrastructures and human resources.

Furthermore, Notice No. 01/2022 establishes the need for information and communications systems to be supported by formal and transparent processes

“During 2022, the Bank reviewed its Business Continuity Management process, to ensure the continuous functioning of the business or its timely recovery.

and by technological applications that ensure the up-to-dateness and full scope of the financial situation, privacy and continuity under contingency or incident scenarios.

In particular, during 2021, BNA published Directive No. 11/DSB/DRO/2021, named “Implementation Guide for Business Management and Continuity”, which provides guidelines to institutions on the implementation of a Business Management and Continuity System in their organizational structures, based on international best practices.

This Guide aims to present solutions to financial institutions that not only promote the stability of the Angolan Financial System, but also boost the adoption of good management practices in a prudent, ethical and diligent manner, focused on risk management and mitigation.

In view of the above, and considering the challenge imposed by the Regulator, as well as the relevance of this matter, the Bank, as a financial institution and an integral part of the Angolan Financial System, acknowledges the need to be prepared to respond to events that compromise its ability to render services in conformity with the principles 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.

In this context, the Bank reviewed its Business Continuity Management process during 2022, based on best practices, with a view to ensuring the continuous functioning of the business or its timely recovery, as a consequence of an adverse event that compromises the regular operation of its activities.

This review was embodied in the development of activities aimed at ensuring an appropriate, complete and efficient process. These majority of these activities were promoted and developed by the Risk Department, where we highlight the following:

- ✔ Review of the Business Continuity Management Policy of Banco BIC;
- ✔ Execution of the Risk Assessment exercise;
- ✔ Preparation and implementation of the Business Impact Assessment process, with the transversal participation of the Bank's different Departments and Offices;
- ✔ Review of the Manual of Business Continuity Management, Recovery Strategies and Crisis Management Process;
- ✔ Review and, when applicable, drafting of the complementary Plans for Business Continuity Management, including the Communication Policy, Plan Against Pandemics, Disaster Recovery Plan, Operational Continuity Plan, Customer Routing Plan and Plan Against Cyber Attacks;
- ✔ Preparation and administration of training and capacity-building of the Bank's Employees, ensuring the participation of the different Departments and Offices with responsibilities in the context of Business Continuity Management, significant disruption of the Bank's activity, in order to ensure the continuous functioning of the business or its timely recovery and return to normal operating activity.

6.3.7. Solvency Risk

Solvency risk is the risk of negative impacts on results or capital resulting from changes in regulatory or fiscal frameworks, including the risk of a mismatch between the adequacy of capital and the risk profile.

Financial institutions, including 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 they are or may be exposed.

During 2021 and 2022, Banco Nacional de Angola promoted a transversal review of the Regulatory and Prudential Framework in force, with a view to the need for the alignment of the prudential rules in the Angolan Financial System with the highest standards and guidelines issued by the international reference bodies, in order to ensure the convergence of the supervisory process with international best practices.

With a view to full compliance with the regulatory obligations to which the Bank is subject, the Bank developed a series of initiatives during 2021 and 2022, aimed at the adoption of the new Regulatory Framework.

In order to promote the robustness of financial institutions and the financial market, this process constituted a challenge with respect to solvency and liquidity across the board in the Angolan Financial System, and included, in particular, the calculation of the Regulatory Statements, the strengthening of the Capital Structure of Financial Institutions, with the introduction, in addition to the Pillar 1 Requirements, the Pillar 2 Own Fund Requirements and Macro Prudential Requirements (conservation capital buffer, countercyclical capital buffer and capital buffer applicable to Systemic Banks).

Regulatory capital requirements

In 2021, Banco Nacional de Angola published Notice No. 08/2021 of 18 June, which revised the elements comprising Regulatory Own Funds. Considering the robust structure, centralized in Common Equity Tier 1, no substantial changes were detected in relation to the Own Funds estimated in light of Notice No. 02/2016. In this context, we highlight the change promoted in terms of overrunning the Prudential Limits to Major Risks, which consist of a negative element in Own Funds (deduction) and are considered, under the review of the Regulatory Framework, as an element included in the calculation of Own Fund Requirements.

Internal capital requirements

Under 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 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, internal risk methodologies and/or 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, sub-categories.

In this context, Banco BIC's ICAAP process is based on a series of fundamental principles for its execution, with a view to ensuring that the risks to which it is exposed are properly assessed and that its Internal Capital is adequate in view of its Risk Profile.

Banco BIC 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.

In particular, from a regulatory viewpoint, the Capital quantification methodology is defined by the Regulator and standardized for all financial institutions. In turn, from an economic viewpoint, this process is defined by each financial institution, taking into account their internal vision of the available Capital to cover the risks to which they are or may be exposed, in a business continuity perspective.

It should be noted that, pursuant to best practices, the Bank may estimate the Internal Capital based on the level of Regulatory Own Funds, provided that the Balance Sheet headings that cannot be considered to cover losses are excluded, based on the assumption of the business as a going concern.

The ICAAP exercise with reference to 31 December 2021, concluded that the Bank is able to allocate internal capital for the identified capital requirements and that it has an additional risk absorption capacity, for the forecasts made in both a baseline scenario and in a stress scenario.

Leverage Ratio

The inclusion of the Leverage Ratio in the Regulatory Framework was a response at a worldwide level to the challenges and difficulties that emerged during the most recent financial crises, during which it became evident that the capital held by financial institutions was insufficient to absorb unexpected losses, despite their compliance with the Regulatory Own Fund Requirements.

In view of the above, and initially in an international perspective, the Basel Committee on Banking Supervision introduced this new regulatory requirement, aimed at mitigating the risks of excessive leverage, being supplementary to the risk-based Own Fund adequacy requirements.

With a view to alignment with regulatory best practices, under Notice No. 08/2021 of 18 June, Banco Nacional de Angola introduced the Leverage Ratio, establishing that financial institutions should maintain a minimum ratio of 3%, in line with the guidelines in force in other geographies.

Notice No. 08/2021 is supplemented by Instruction No. 20/2021 of 27 October, which establishes the technical specificities for calculating the Leverage Ratio. In this context, the Leverage Ratio is defined as the ratio between Common Equity Tier 1 and Total Exposure

6.3.8. 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, such as 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.

The DR performs a half yearly analysis of the credit concentration risk, based on internal criteria, determining the Individual Concentration Index (ICI) and the Sector Concentration Index (ICS) for this purpose. The Risk Department includes further analysis at the sector concentration level by grouping sectors of economic activity, and in terms of the individual concentration level, considering the 100 largest counterparties.

In portfolio concentration risk, the Bank's objective is the diversification of counterparties, based on methodologies for assessing, monitoring and controlling credit limits for institutions, as well as

complying with the prudential limits for major risks in accordance with Banco Nacional de Angola Notice No. 08/2021 and Instruction No. 21/2021.

6.3.9. 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 to convey the principles and values associated with the Bank.

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

The Bank's reputation policy is to constantly convey the vision, mission and values that guide its activity and its relationship with Customers, counterparties, shareholders, investors and the Supervisory Entity.

6.3.10. 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 Office 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 by Employees.

Conduct risk management is built 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.

6.3.11. Strategy Risk

The control and mitigation of this risk is carried out through the monthly analysis of the Bank's financial performance, comparison with the budget and assessment of deviations, in order to appraise the adequacy of the strategic decisions taken and ensure the 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.

6.3.12. Compliance Risk

Thus, the Bank's objective concerning Compliance risk is to comply with applicable legal and regulatory provisions, including those for anti-money laundering and countering the financing of terrorism, as well as for professional and ethical standards and practices, internal and statutory rules, rules of conduct and Customer relations, and guidelines from the Governing Bodies, in order to protect its reputation and avoid penalties.

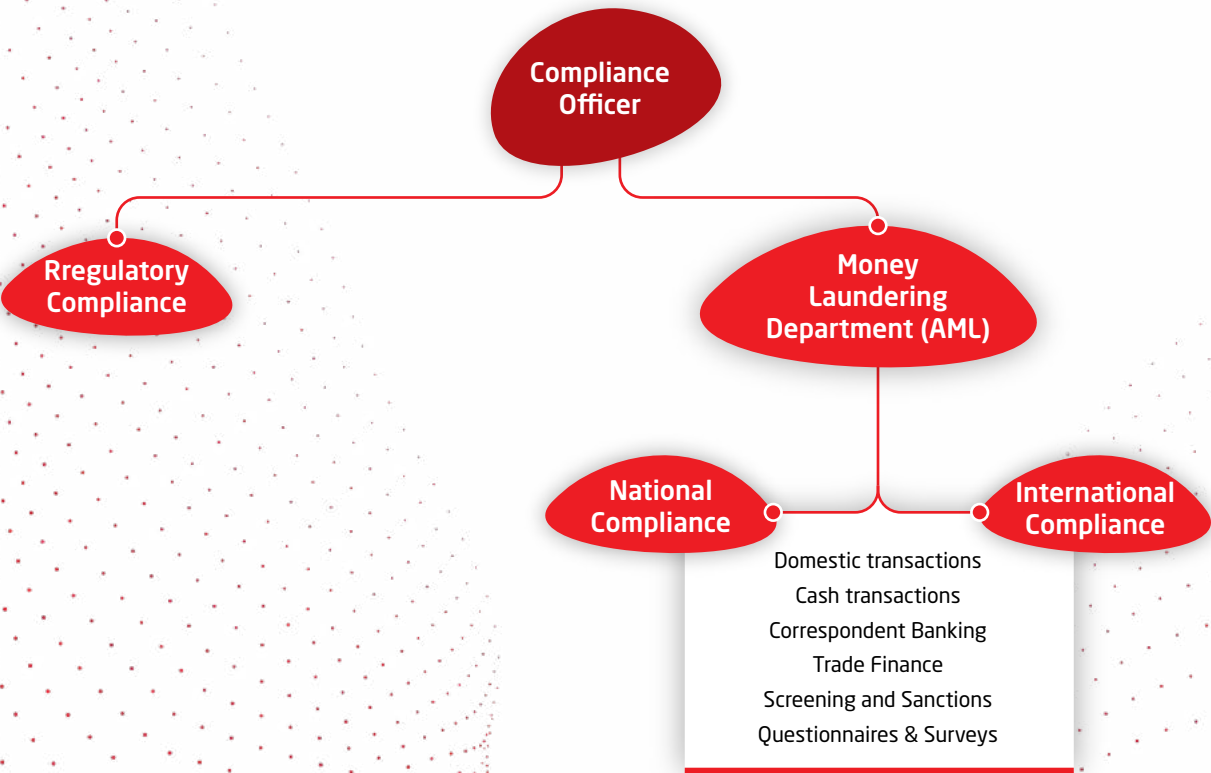
Banco BIC has implemented methodologies and tools that enable preventive action to be taken against the occurrence of compliance and repu-

tational risk, as indicated in this chapter, in chapters 6.2 Compliance and 7. Money Laundering and Financing of Terrorism.

These methodologies ensure regular monitoring and evaluation of the suitability and effectiveness of the measures and procedures adopted to detect any risk of non-compliance with the legal obligations and duties to which the institution is subject. The Bank is also equipped with procedures and tools that enable the constant monitoring and assessment of risks relating to anti-money laundering and countering the financing of terrorism, and not only does it adopt standards in accordance with current legal provisions, but also with the best international standards.

The Bank's current institutional Compliance risk management model is based on several factors, including but not limited to the functional organizational chart presented below.

The management of control of compliance with the national and international regulatory framework is also a part of Compliance risk management, and is performed by the Compliance Office.



“The Compliance Office has been monitoring different projects aimed at systematization of tasks

The Compliance Office is responsible for controlling and disclosing the regulatory framework (including anti-money laundering and countering the financing of terrorism) within the Bank, among other aspects, in order to ensure the mitigation of reputational risk arising from non-compliance with the legal requirements of regulators and other relevant institutions.

Furthermore, the Compliance Office is also responsible for assessing the implementation and observance of the code of conduct, assurance of ethical behaviour among all the Employees of Banco BIC, and is called to participate in the process of management and follow-up of complaints submitted to the Bank.

Thus, and due to the need for the continuous adaptation of the implemented procedures, the Compliance Office has progressively followed different projects aimed at systematization of tasks, such as the control of the price list in force or the mere implementation of a Whistleblowing model. All these tasks are followed at the Regulatory Compliance structural level.

Risk associated with money laundering (ML) and the financing of terrorism (FT) has gained marked prominence within the compliance function ever since the adoption of the first legal mechanisms, with the entry into force of the former legislation related to anti-money laundering and countering the financing of terrorism (AML/CFT) in 2011, as required by the main international organizations monitoring ML/FT risk in countries (particularly the Financial Action Task Force (FATF) and Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG)).

The management of money laundering risk is a key component of the Compliance risk management carried out by our institution's Compliance Office, as presented in point 7 above.

6.4. INTERNAL CONTROL

In January 2022, under its powers to regulate the Angolan Financial System, Banco Nacional de Angola issued Notice No. 01/2022, which, in view of the former regulations, introduced a series of new requirements concerning the structure of banking financial institutions, the responsibilities of the management body and the supervisory body, in addition to new requirements or the internal audit function. Accordingly, Banco BIC has also followed-up on the successive adaptations in the development of the internal control system.

As a consequence of the development of the Angolan Financial System, specifically the increased complexity of the operations, products and financial services offered, and simultaneously considering the most recent guidelines issued by international benchmark organizations on accepted international supervisory practices, the existence of an effective internal control system is a fundamental component of banking management, and in particular for Banco BIC, in support to ensure appropriate administrative organization and control of operational, reputational and financial risks.

Thus, in its definition of the Internal Control System, Banco BIC includes an integrated set of policies and processes, of permanent nature and 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 to ensure their fulfilment and that the necessary measures are taken 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.

Likewise, the Internal Control System is ruled by a series of principles, applied in a transversal manner

across the Bank and independent from the perspective of its analysis. In other words, the independent from the departmental unit, business line, branch, etc. Thus, the Internal Control System is adapted to the dimension, 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 relevant documents supporting the modelling of the Internal Control System are duly disclosed through the effective means and channels and generally available, and are known to all the Bank's Employees, in order to ensure their widespread knowledge and compliance.

In this context, 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.

Thus, the Board of Directors is the body transversally responsible for the Internal Control System, being entrusted to define, implement, supervise and periodically review the implemented governance model and ensure its optimization and efficacy. It holds the primary responsibility 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.

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.

In order to ensure an assessment more focused on the functioning of the Internal Control System, the Board of Directors has set up different committees for control which, in addition to providing the actual Board of Directors with support to fulfil its duties, monitor the system both from the perspective of ensuring its effective implementation and its efficient operation.

The governance model of the Internal Control System also includes 3 organizational units, differentiated by type of function and with distinct responsibilities, namely (i) a Compliance Function; (ii) a Risk Management Function; and (iii) an Internal Audit Function.

The Compliance Function is embodied in the Compliance Office, which is responsible for the detection, prevention and mitigation of compliance risks. These are reflected in the risk of incurring legal or regulatory penalties, financial or reputational loss as a consequence of failure to comply with laws, regulations, codes of conduct and good practices for the banking sector.

This function is also responsible for promoting the culture of compliance, within the Bank and among its Employees, with the entire set of applicable regulations through independent intervention, together with all the other organizational units of the Bank.

The Risk Management Function is embodied in the Risk Department, which is responsible for defining, monitoring and assessing risks and risk mitigation measures, maintaining an alignment with the approved policies and strategies, taking into account the nature, dimension and complexity of the Bank's activity at any given time. Likewise, it should ensure the consistency of the principles, concepts, methodologies and adequacy of the risk management assessment models.

This function is also responsible for reporting the risk monitoring to the Board of Directors, promoting the implementation of a risk management system and risk culture in close collaboration with the Board of Directors and Risk Committee.

The Internal Audit Function is tasked to the Internal Audit Department, which is responsible for ensuring the assessments, in an independent manner, of the appropriate functioning of the Internal Control

System, as well as the efficiency and efficacy of the implementation of controls and mitigation actions, and for reporting the results of the monitoring function to the Board of Directors and Internal Control Committee.

On a final note, it should also be mentioned that the governance model of the Internal Control System of the Bank is based on an approach of three lines of defence, comprising the following:

🌳 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. Moreover, the Bank's Internal Control System considers, in the second line of defence, 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**, ensured by the Internal Audit function which is 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..



The background of the slide features a person in a dark suit and glasses, seen from the chest up, working on a laptop. The image is heavily overlaid with a dark blue tint and a network of white hexagonal lines and dots, suggesting a digital or financial theme. On the right side, there are white, stylized, overlapping leaf-like shapes. The overall aesthetic is professional and tech-oriented.

7.

Money Laundering and the Financing of Terrorism

MONEY LAUNDERING AND THE FINANCING OF TERRORISM

“During the reference period, the Compliance Office validated close to 60 657 operations using the interface between the core AML tool (EAGLE SYSTEM) and the extra AML tool (FOREX).

MONEY LAUNDERING, THE FINANCING OF TERRORISM AND THE PROLIFERATION OF WEAPONS OF MASS DESTRUCTION

As a result of the high probability of the use of credit institutions 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.

As a consequence of the entry into force of the new Law No. 05/2020 on AML/CFT, the Bank embarked on a process of reviewing its core AML mechanisms, culminating in the implementation of a new solution known as “PORTAL PFS-SOLUÇÃO DE AML” or “EAGLE SYSTEM”.

This new 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 allowed the Compliance Office 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 the International Sanctions Lists;
- ✔ Following a set of predefined variables, 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 allows a considerable number of account transaction rules to be entered.

During the reference period of this report, our statistics revealed that 162 766 warnings were analysed, which triggered the obligation 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 Office, reported on a daily basis an average of approximately 150 statements of cash transactions (DTN) to the Financial Information Unit (UIF).

Also in the context of this duty, approximately 60 statements of suspicious operations (DOS) and 2 spontaneous disclosure statements (DCE) were submitted to the Financial Information Unit.

The level of exposure to money laundering risk of our Customer portfolio was also assessed by the Compliance Office during 2022, under money laun-

dering risk management. The percentage of entities associated with a high-risk profile was ascertained.

The monitoring of correspondent banking relations is another aspect of institutional compliance risk management.

The Compliance Office is responsible for responding to all requests and clarifications about foreign payment operations that involve our correspondents, whether of legal or transactional nature.

Forex Workflow has been the channel used by the Compliance Office to mitigate the risk of money laundering and financing of terrorism in transactions, through an automated mechanism in this tool that enables making an interface with the anti-money laundering (AML) central system.

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 the other related areas, in order to ensure better follow-up and monitoring of the execution status of the operations, in other words, it seeks to ensure that the operations in the pipeline meet the assumptions and necessary compliance requirements.

During the reference period, the Compliance Office validated close to 60 657 operations using the interface between the AML core tool (EAGLE SYSTEM) and the extra AML tool (FOREX), with a view to ensuring the application of the compliance assumptions established for execution of operations..

The Compliance Office is responsible for articulating matters related to the topic of money laundering 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).





8

Financial Analysis

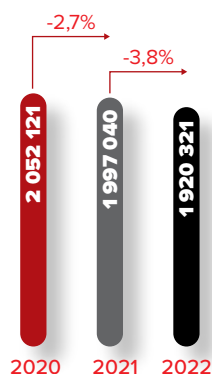
FINANCIAL ANALYSIS

8.1. FINANCIAL ANALYSIS

The Bank's Net Assets reached 1 920 321 million kwanzas as at 31 December 2022, a decrease of 76 719 million kwanzas in relation to 31 December 2021, corresponding to a reduction of approximately 3,8%. This reduction was driven, on the one hand, by the Investments at amortized cost which shifted from 561 475 million kwanzas, as at 31 December 2021, to 325 705 million kwanzas (securities portfolio) and, on the other hand, by the increase of the headings of Deposits at other credit institutions, Investments at Central Banks and other credit institutions, and Loans granted to Customers, amounting to 74 671 million kwanzas, 73 550 million kwanzas and 18 112 million kwanzas, respectively.

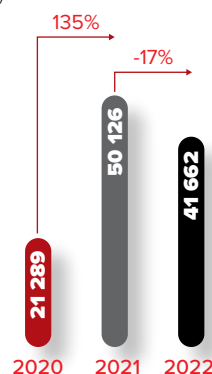
The Assets are essentially financed by Customer resources and other loans, which showed a reduction of 68 785 million kwanzas in relation to 31 December 2021. In 2022, Customer resources amounted to 1 233 088 million kwanzas.

Net Assets (Million AOA)



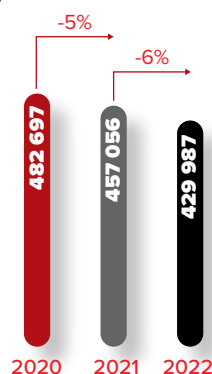
The net income of Banco BIC amounted to 41 662 million kwanzas as at 31 December 2022, compared to the net income of 50,126 million kwanzas as at 31 December 2021, corresponding to a 17% decline year-on-year.

Net Income (Million AOA)



As at 31 December 2022, the Bank's equity stood at 429 987 million kwanzas, representing a reduction of 27 069 million kwanzas, in relation to the 457 056 million kwanzas observed as at 31 December 2021. This variation is primarily explained by the reversal of the Reserve for monetary updating of equity and by the lower net income for 2022, when compared with the previous year.

Equity (Million AOA)



It should be highlighted that, when analysed in foreign currency, the Bank's equity shifted from USD 824 million as at 31 December 2021, to USD 854 million as at 31 December 2022.

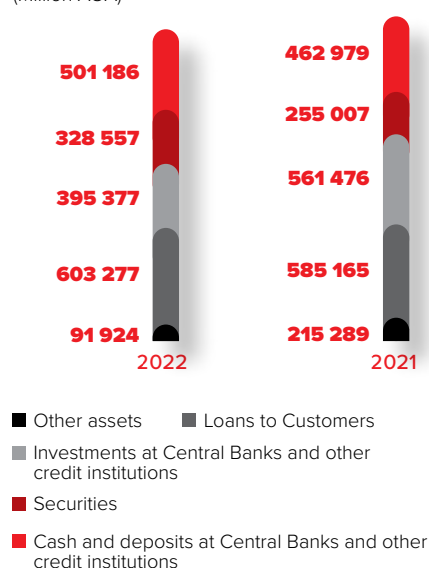
8.2. BALANCE SHEET

Assets

As at 31 December 2022, the Bank's Net Assets reached 1 920 321 million kwanzas, having fallen by 3,8% in relation to 31 December 2021. This variation is explained by the reduction of the heading of Investments at amortized cost (securities portfolio) which decreased by 235 771 million kwanzas. This reduction is due to the maturity of securities not reinvested and to the impact of the exchange rate variation in balances indexed to the US dollar and denominated in foreign currency. On the other hand, there was an increase of Deposits at other credit institutions, Investments at Central Banks and other credit institutions, and Loans to Customers, amounting to 74 671 million kwanzas, 73 550 million kwanzas and 18 112 million kwanzas, respectively.

Net Assets

(Million AOA)



	2022		2021		In Millions Variação
	AOA	USD	AOA	USD	%
Cash and deposits at Central Banks	391 337	777	427 801	771	-9%
Deposits at other credit institutions	109 849	218	35 178	63	212%
Investments at Central Banks and other credit institutions	328 557	652	255 007	459	29%
Financial assets at fair value through other comprehensive income	69 672	138	-	-	0%
Investments at amortized cost	325 705	647	561 476	1 012	-42%
Investments at amortized cost	603 277	1 198	585 165	1 054	3%
Non-current assets held for sale	11 938	24	55 291	100	-78%
Other tangible assets	23 898	47	19 930	36	20%
Intangible assets	2 132	4	3 175	6	-33%
Investments in subsidiaries, associates and joint ventures	396	1	684	1	-42%
Deferred tax assets	13 364	27	13 364	24	0%
Other assets	40 196	79	39 969	72	1%
Total	1 920 321	3 812	1 997 040	3 598	-3,8%

Loans Granted to Customers

The portfolio of loans granted to Customers (including signature loans) showed a total of 873 772 million kwanzas as at 31 December 2022, entailing a 1% reduction in relation to the previous year.

	2022		2021		In Millions Variação
	AOA	USD	AOA	USD	%
1. Total Loans	873 772	1 736	886 669	1 596	-1%
1.1. Loans to Customers	522 320	1 037	525 516	946	-1%
Loans in Domestic Currency	355 661	706	288 863	520	23%
Loans in Foreign Currency	166 659	331	236 653	426	-30%
1.2. Loans and interest overdue	287 743	571	274 441	494	5%
Loans and interest overdue in Domestic Currency	65 093	129	54 618	98	19%
Loans and interest overdue in Foreign Currency	222 650	442	219 823	396	1%
1.3. Interest receivable	25 299	51	19 773	36	28%
Interest receivable in Domestic Currency	25 031	50	19 276	35	30%
Interest receivable in Foreign Currency	268	1	497	1	-46%
1.4. Signature loans	39 656	79	68 390	123	-42%
Guarantees and sureties provided	34 354	68	60 985	110	-44%
Open documentary credit	5 302	11	7 405	13	-28%
1.5. Associated fees at amortized cost	(1 246)	(2)	(1 451)	(3)	-14%
2. Impairment and provisions for credit risk	(238 451)	(473)	(240 998)	(434)	-1%
Loans granted	(230 839)	(458)	(233 114)	(420)	-1%
Provision of guarantees	(7 612)	(15)	(7 884)	(14)	-3%
3. Loans Granted, Net of Impairment and Provisions	635 321	2 209	645 671	2 030	-2%
OVERDUE / LOANS GRANTED	34%	34%	34%	34%	

The net loans granted to Customers at 31 December 2022 represented approximately 33% of total assets (32% as at 31 December 2021).

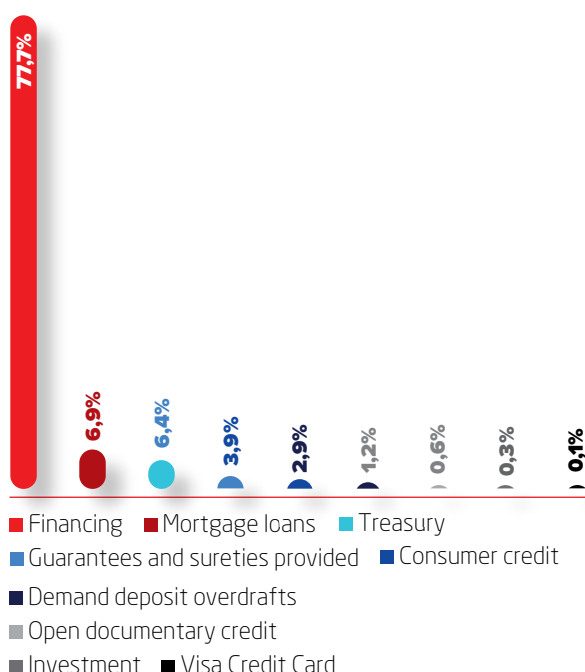
In the period under review, signature loans showed a decrease of 28 734 million kwanzas, equivalent to 42%, to stand at 39 656 million kwanzas as at 31 December 2022. Guarantees and sureties provided declined by 60 985 million kwanzas to 34 534 million kwanzas as at 31 December 2022, and Documentary Credit decreased by 2 103 million kwanzas, corresponding to a reduction of approximately 28%. The reductions observed are explained by the settlement or maturity of operations.

As at 31 December 2022, the Bank maintained its conservative policy in the classification of the risk of the granted loan operations.

In 2022, Banco BIC has total impairments and provisions amounting to 238 451 million kwanzas, representing a reduction in terms of absolute value of approximately 2 547 million kwanzas (1%), year-on-year.

In 2022, approximately 85% of the loan portfolio corresponded to loans granted to Companies, while the remaining 15% refer to Individual Customers.

As at 31 December 2022, the loan portfolio is broken down by type of product as follows:

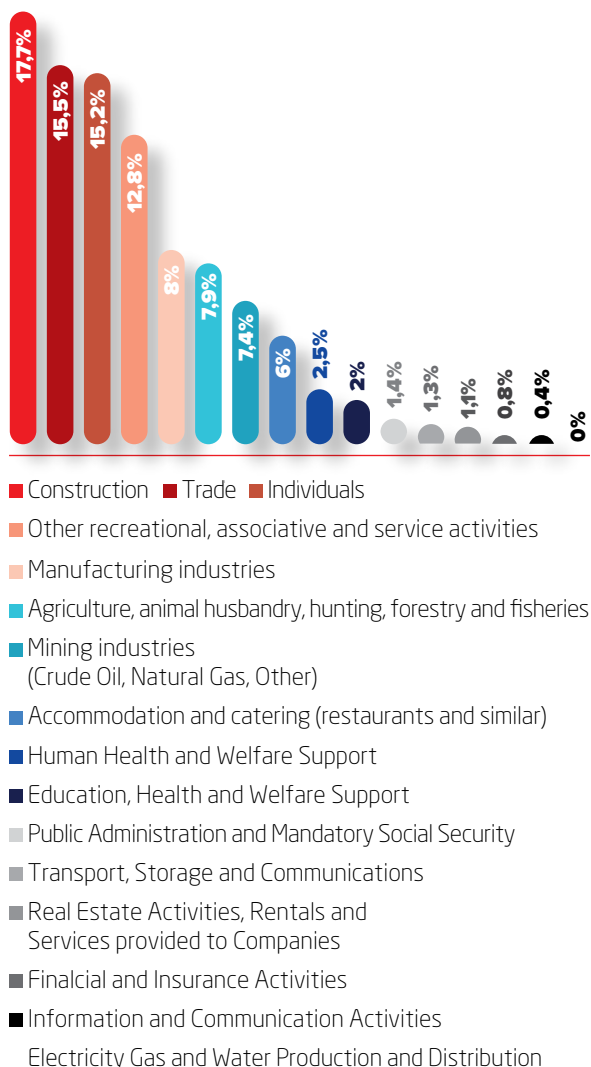
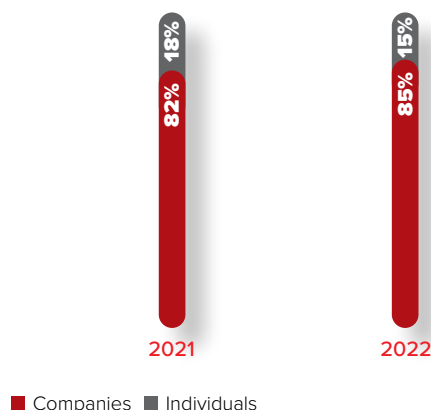


The breakdown of the loan portfolio by type of products reveals a great diversity of activities supported by Banco BIC. The products most sought after by the Bank's Customers correspond to Financing, accounting for 77.7%, Mortgage Loans with 6.9%, Credit to support Treasury needs with 6.4%, Guarantees and sureties provided with 3.9%, and Consumer credit with a weight of 2.9%.

In 2022, the construction and trade sectors, accounting for 17.7% and 15.5%, respectively, were those that, in terms of loans granted, received the greatest support from Banco BIC, in line with the contribution of these sectors to Angolan GDP. Loans granted to Individual Customers also stood out, having absorbed 15.2% of the total loans granted.

Breakdown of Loans by Beneficiaries

%



As at 31 December 2022, there was an increase of loans overdue of 13 302 million kwanzas (approximately 5%), in relation to the values presented at the end of 2021, with the Bank maintaining an adequate coverage of credit risk by impairments and provisions.

In the period under review, there was a slight reduction of the ratio of impairment and provisions for loans over loans granted, as well as in the coverage of loans overdue by impairment by approximately 5 p.p. and 0,82 p.p., respectively.

LOANS OVERDUE	2022		2021		In Millions Variation
	AOA	USD	AOA	USD	%
Loans to Customers	834 116	1 657	818 279	1 473	2%
Loans Overdue	287 743	571	274 441	494	5%
Loans Overdue / Loans to Customers	34,50%		33,54%		3%
Coverage of Loans Overdue by Impairment	80%		85%		-6%
Impairment for Loans / Loans to Customers	27,67%		28,49%		-3%

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.

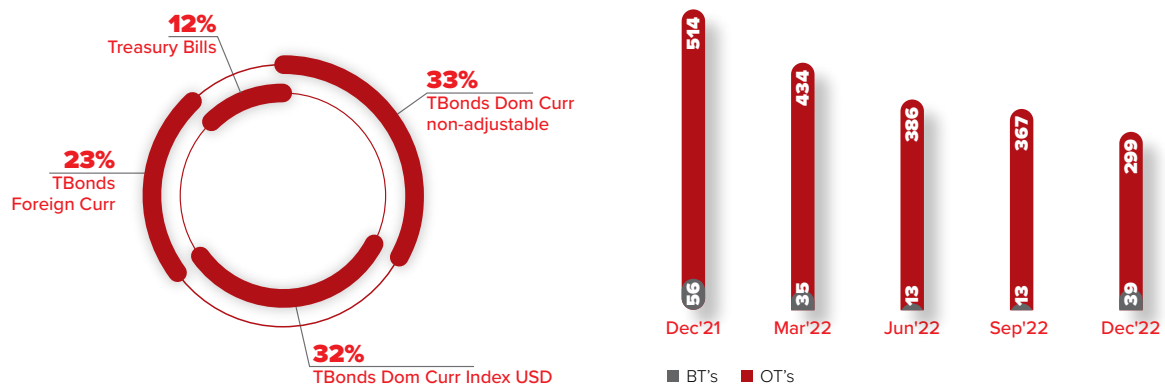
The portfolio is entirely classified as "Investments at amortized cost", as the securities in portfolio comply with the Solely Payment of Principal and Interest (SPPI) tests and due to the business model associated with the holding of these securities

SECURITIES PORTFOLIO	2022		2021		In Millions Variation
	AOA	USD	AOA	USD	%
Investments at Amortized Cost	351 881	698	605 270	1 091	-42%
Treasury Bonds	298 700	670	513 890	1 043	-42%
In Domestic Currency (USD Index)	108 435	215	222 992	402	-51%
In Foreign Currency (USD)	77 997	155	130 859	236	-40%
In Domestic Currency (non-adjustable)	112 268	223	160 039	288	-30%
Treasury Bills	38 952	77	56 348	102	-31%
Other Securities (Commercial paper)	-	-	8 428	15	-100%
Interest Receivable	14 229	28	26 604	48	-47%
Impairment	(26 176)	(52)	(43 794)	(79)	-40%
Total	325 705	646	561 476	1 012	-42%

The breakdown of the portfolio of investments at amortized cost with reference to 31 December 2022 is as follows:

The Bank's securities portfolio as at 31 December 2022 recorded a reduction of approximately 235 771 million kwanzas (42%), in relation to the position as at 31 December 2021. This variation was influenced, on the one hand, by the maturity of securities in portfolio, especially Treasury Bonds in national currency, Treasury Bonds indexed to the US dollar and Treasury Bills, and on the other hand, by the impact of the exchange rate appreciation observed in operations indexed to the US dollar and in foreign currency.

The reduction of the securities portfolio, observed in 2022, led to a consequent reversal of the impairment constituted for those assets.



(Billion AOA)



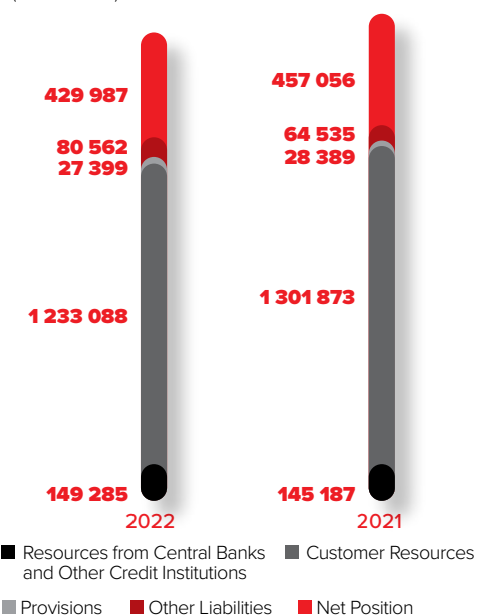
Liabilities and Net Position

As at 31 December 2022, the Bank's liabilities recorded a reduction of approximately 49 650 million kwanzas in relation to 31 December 2021, corresponding to a negative variation of 3,2%. This variation was due, on the one hand, to the reduction of the heading of Customer resources and other loans by approximately 68 785 million kwanzas. On the other hand, it was also driven by the increase of the headings of Other liabilities and Resources from Central Banks and other credit institutions, amounting to 14 757 million kwanzas and 4 098 million kwanzas, respectively.

The reduction observed in the Bank's equity amounting to 27 069 million kwanzas was due to the reversal of the Reserve for monetary updating of equity of the value of 56 199 million kwanzas, arising from the exchange rate variation during the period under review, the distributions of dividends related to the previous year of 12 532 million kwanzas, and the net income for the period of 41 662 million kwanzas.

Liabilities and Net Position

(Million AOA)



LIABILITIES AND NET POSITION	2022		2021		In Millions
	AOA	USD	AOA	USD	Variation %
Resources from Central Banks and other credit institutions	149 285	296	145 187	262	3%
Customer resources and other loans	1 233 088	2 448	1 301 873	2 346	-5%
Provisions	27 399	54	28 389	50	-3%
Current tax liabilities	2 193	4	923	2	138%
Other liabilities	78 369	156	63 612	114	23%
Net position	429 987	854	457 056	824	-6%
Total	1 920 321	3 812	1 997 040	3 598	-3,8%

Customer resources and other loans

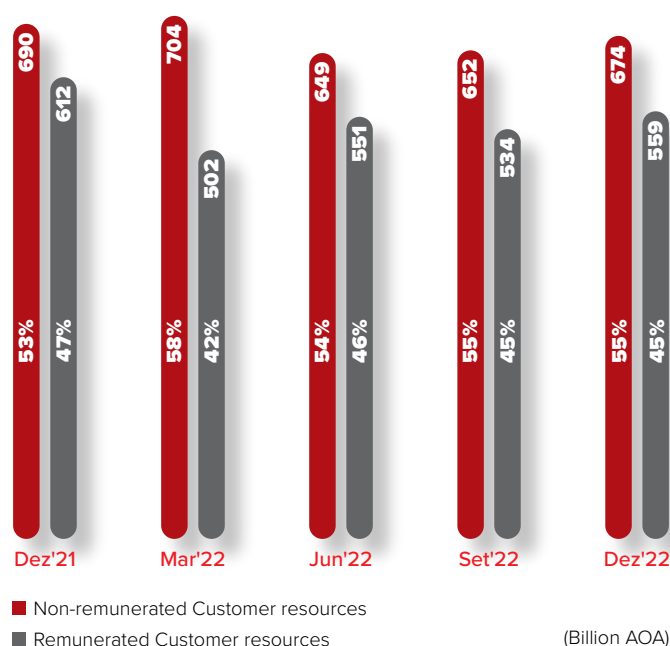
The portfolio of total Customer resources and other loans stood at 1 233 088 million kwanzas as at 31 December 2022, corresponding to a reduction of 68 785 million kwanzas, in relation to 31 December 2021.

In 2022, total Customer resources and other loans include demand deposits of the value of 674 347 million kwanzas and term deposits of the value of 558 741 million kwanzas.

TOTAL CUSTOMER RESOURCES AND OTHER LOANS	2022		2021		In Millions Variation
	AOA	USD	AOA	USD	%
Customer deposits					
Demand deposits	674 347	1 339	690 255	1 244	-2%
Domestic Currency	605 808	1 203	599 530	1 081	1%
Foreign Currency	68 539	136	90 725	163	-24%
Term deposits	558 741	1 109	611 618	1 102	-9%
Domestic Currency	240 924	478	220 315	397	9%
Foreign Currency	317 817	631	391 303	705	-19%
Total	1 233 088	2 448	1 301 873	2 346	-5,3%

As at 31 December 2022, approximately 55% of the deposits correspond to non-remunerated resources equivalent to 674 347 million kwanzas (690 225 million kwanzas as at 31 December 2021), with the remaining 558 741 million kwanzas (611 618 million kwanzas as at 31 December 2021) referring to remunerated resources.

The Bank's loan-to-deposit ratio stood at 95% as at 31 December 2022, representing a reduction of approximately 14 p.p. when compared to the previous year. This reduction is primarily explained by the fact that the 5,3% decrease of Customer resources is lower than the decrease observed in Loans to the State (securities portfolio) by more than 40%.



LEVERAGE RATIO	2022		2021		In Millions
	AOA	USD	AOA	USD	
Customer Resources	1 233 088	2 448	1 301 873	2 346	
Total Loans (including Loans to the State)	1 172 729	2 328	1 415 035	2 550	
Total	95%		109%		

Provisions

As at 31 December 2022, the balance of the heading of Provisions for probable liabilities amounts to approximately 27 399 million kwanzas (28 389 million kwanzas as at 31 December 2021). Of this total amount, 16 471 million kwanzas refer to provisions for retirement pensions, 7 612 million kwanzas refer to provisions for guarantees provided, and the remaining 3 316 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 2022, the Bank's equity amounted to 429 987 million kwanzas, with a reduction of 27 069 million kwanzas having occurred, equivalent to approximately 6% in relation to 31 December 2021.

EQUITY	2022		2021	
	AOA	USD	AOA	USD
Capital	20 000	40	20 000	36
Reserves and Retained earnings	368 325	730	386 930	697
Net Income for the Year	41 662	83	50 126	91
Total	429 987	854	457 056	824

In Millions

The heading of Reserves fell by 18 605 million kwanzas as at 31 December 2022, of which 56 199 million kwanzas correspond to the reversal of the Reserve for monetary updating of equity, combined with the reinforcement of 37 595 million kwanzas corresponding to the allocation of 75% of the net income for 2021 to reserves, as approved by the General Meeting of Shareholders.

As at 31 December 2022, the Bank's Regulatory Own Funds, calculated pursuant to Banco Nacional de Angola Notice No. 02/2016, Instruction No. 18/2016 of 8 August, were approximately 414 491 million kwanzas, equivalent to a Regulatory Solvency Ratio of approximately 29,9%..



8.3. INCOME STATEMENTS

As at 31 December 2022, Banco BIC shows a net profit of 41 662 million kwanzas, corresponding to a 17% reduction year-on-year.

OPERATING ACCOUNT	2022		2021	
	AOA	USD	AOA	USD
1. Net interest income (MF)	86 831	172	102 722	185
2. Complementary margin (MC)	48	-	(33 542)	(60)
3. Operating income (PAB)=(MF)+(MC)	86 879	172	69 180	125
5. Administrative and marketing costs (CAC)	(79 891)	(159)	(80 208)	(145)
6. Impairment and provisions (IP)	(19 332)	(37)	(9 167)	(17)
7. Result on net monetary position and Other (RO)	56 199	112	69 380	125
8. Pre-tax result (RAI) = (PAB)-(CAC)-(IP)+(RO)	43 855	87	49 185	89
9. Taxes on profits (IL)	(2 193)	(4)	941	2
10. Net Income for the Year (RLE) = (RAI)-(IL)	41 662	83	50 126	87
11. Cash Flow After Tax (CF)	66 450	132	63 177	114

As at 31 December 2022, net interest income showed a reduction of 15 891 million kwanzas, year-on-year. This variation was due, on the one hand by the reduction of the heading of Interest on securities and Interest on loans by 37 487 million kwanzas and 2 131 million kwanzas, respectively. On the other hand, this reduction was attenuated by the increase of the headings of Interest on liquidity investments amounting to 13 717 million kwanzas, and by the reduction of the Interest on financial instrument liabilities amounting to 10 261 million kwanzas.

NET INTEREST INCOME	2022		2021	
	AOA	USD	AOA	USD
Interest on loans	49 917	99	52 048	94
Interest on securities	51 983	103	89 470	161
Interest on liquidity investments	17 822	35	4 105	7
Associated fees received at amortized cost	893	2	1 144	2
Interest on financial instrument liabilities	(33 784)	(67)	(44 045)	(79)
Total	86 831	172	102 722	185

As at 31 December 2022, the Complementary margin shows a positive result when compared to the same period of the previous year.

COMPLEMENTARY MARGIN			In Millions	
	2022		2021	
	AOA	USD	AOA	USD
Service and fee income and charges	9 206	18	8 550	15
Results of investments at amortized cost	-	-	6	-
Results of foreign exchange operations	(5 902)	(12)	(35 336)	(64)
Results of the sale of other assets	309	1	291	2
Other operating results	(3 565)	(7)	(7 053)	(13)
Total	48	-	(33 542)	(60)

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 negative 5 902 million kwanzas as at 31 December 2022, representing an increase of approximately 29 434 million kwanzas, year-on-year.

Additionally, during 2022, the Bank carried out a reversal of the Reserve for monetary updating of equity of the value of 56 199 million kwanzas.

RESULTS FINANCIAL OPERATIONS			In Millions	
	2022		2021	
	AOA	USD	AOA	USD
Foreign exchange results	(5 902)	(12)	(35 336)	(64)
Result of the net monetary position	56 199	112	69 380	125
Total	50 297	100	34 044	61

Consequently, the results of financial operations increased by 46%, having shifted from 34 044 million kwanzas in 2021, to 50 297 million kwanzas in 2022.

The Bank's administrative expenses, which aggregate staff costs amounting to 51 842 million kwanzas, third-party supplies and services amounting to 22 593 million kwanzas, and depreciation and amortization for the year of 5 456 million kwanzas, decreased slightly by approximately 0,40% in relation to 31 December 2021.

ADMINISTRATIVE AND MARKETING COSTS			In Millions	
	2022		2021	
	AOA	USD	AOA	USD
Staff	(51 842)	(103)	(50 530)	(91)
Third-party supplies and services	(22 593)	(45)	(25 794)	(45)
Depreciation and amortization	(5 456)	(11)	(3 884)	(7)
Total	(79 891)	(159)	(80 208)	(143)

This variation is primarily explained by the reduction of costs incurred with third-party supplies and services of approximately 3 201 million kwanzas, and the increased costs incurred with staff and depreciation and amortization of 1 572 million kwanzas and 1 312 million kwanzas, respectively.

	Million AOA	
COST-TO-INCOME	2022	2021
Administrative and marketing costs	79 891	80 208
Operating income (less net monetary position)	143 078	138 560
Cost-to-income	56%	58%

As at 31 December 2022, the cost-to-income ratio fell by 2 p.p., year-on-year. This variation is essentially explained by the minor reduction of Administrative and marketing costs in relation to the increase observed in Operating income during 2022.

In 2022, taxes on profits amounted to 2 193 million kwanzas, corresponding to an effective industrial tax of approximately 5%.

The income from public debt securities gained in Treasury Bonds and Treasury Bills issued by the Angolan State is excluded from taxation under the 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%.

Presidential Legislative Decree No. 5/11 of 30 December introduced a rule subjecting Treasury Bills, Treasury Bonds and other financial investments to Capital Gains Tax (IAC). However, as mentioned above, this is only applicable to securities issued after 1 January 2013.

The Capital Gains Tax rate 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 2022 and 2021, the costs of this tax which is recorded in the income statement, under the heading of Other operating results amount to 6 355 million kwanzas and 6 595 million kwanzas, respectively.

8.4. Proposed Appropriation of Net Income

Pursuant to the legal provisions related to the constitution of reserves, and bearing in mind the indications of Banco Nacional de Angola for consolidation of the Bank's solvency indicators, the Board of Directors proposes that the positive net income for the year ended 31 December 2022, amounting to 41 662 million kwanzas, should be appropriated as follows:

Legal reserve 20%

8 332 Million Kwanzas

Other reserves and retained earnings 80%

33 330 Million Kwanzas







9. Financial Statements and Notes

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022 AND 2021

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

In mAOA

INDIVIDUAL BALANCES SHEETS AS AT 31 DECEMBER 2022 AND 2021		31/12/2022			31/12/2021
Assets	Notes	Assets gross	Impairment and amortizations	Assets net	Assets net
Cash and deposits at central banks	3	391 336 987	-	391 336 987	427 800 941
Deposits at other credit institutions	4	109 879 842	(30 909)	109 848 933	35 177 756
Investments at central banks and other credit institutions	5	331 554 566	(2 997 445)	328 557 121	255 006 782
Financial assets at fair value through other comprehensive income	6	69 672 602	-	69 672 602	-
Investments at amortized cost	7	351 880 343	(26 175 675)	325 704 668	561 475 517
Loans to Customers	8	834 116 576	(230 839 390)	603 277 186	585 165 619
Non-current assets held for sale	9	21 167 292	(9 229 577)	11 937 715	55 290 626
Other tangible assets	10	46 132 266	(22 234 244)	23 898 022	19 930 497
Intangible assets	10	6 210 417	(4 078 664)	2 131 753	3 174 932
Investments in subsidiaries, associates and joint ventures	11	395 901	-	395 901	684 320
Deferred tax assets	25	13 364 446	-	13 364 446	13 364 446
Other assets	12	41 471 539	(1 275 772)	40 195 767	39 968 946
Total Assets		2 217 182 777	(296 861 676)	1 920 321 101	1 997 040 382
Liabilities and equity					
Liabilities					
Resources from central banks and other credit institutions	13			149 284 857	145 187 459
Customer resources and other loans	14			1 233 087 802	1 301 873 017
Provisions	15			27 398 708	28 388 739
Current tax liabilities	25			2 192 717	922 987
Other liabilities	16			78 369 596	63 612 239
Total Liabilities				1 490 333 680	1 539 984 441
Equity					
Share capital	17			20 000 000	20 000 000
Revaluation reserves	17			199 778 282	255 976 892
Other reserves and retained earnings	17			168 547 439	130 952 602
Net income for the year	17			41 661 700	50 126 447
Total Equity				429 987 421	457 055 941
Total Liabilities and Equity				1 920 321 101	1 997 040 382

These Notes are an integral part of these statements.

		In mAOA	
INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021	Notes	31/12/2022	31/12/2021
Interest and similar income	19	120 615 385	146 767 070
Interest and similar charges	19	(33 784 075)	(44 044 724)
Net interest income		86 831 310	102 722 346
Income from services and fees	20	15 814 338	12 658 616
Charges related to services and fees	20	(6 608 847)	(4 109 234)
Results of investments at amortized cost		-	6 333
Foreign exchange results	21	(5 901 806)	(35 335 920)
Results of the sale of other assets		309 260	291 167
Other operating results	22	(3 565 571)	(7 053 675)
Operating income		86 878 684	69 179 633
Staff costs	23	(51 841 878)	(50 530 408)
Third-party supplies and services	24	(22 592 660)	(25 794 367)
Depreciation and amortization for the year	10	(5 456 367)	(3 884 462)
Provisions net of annulments	15	(1 627 298)	(2 100 732)
Impairment for Loans to Customers net of reversals and recoveries	15	(31 716 226)	(22 826 807)
Impairment for other financial assets net of reversals and recoveries	15	16 008 708	14 960 006
Impairment for other assets net of reversals and recoveries	15	(1 955 981)	-
Results of subsidiaries, associates and joint ventures (equity method)	11	(41 175)	801 613
Result of the net monetary position	17	56 198 610	69 380 554
Pre-tax result		43 854 417	49 185 030
Taxes on profits			
Current	25	(2 192 717)	-
Deferred	25	-	941 417
Profit after taxes		41 661 700	50 126 447
Net income for the year		41 661 700	50 126 447
Average number of ordinary shares issued	17	20 000 000	20 000 000
Earnings per basic share (kwanzas)	17	2 083,09	2 506,32
Earnings per diluted share (kwanzas)	17	2 083,09	2 506,32

These Notes are an integral part of these statements.

INDIVIDUAL STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

	In mAOA	
	31/12/2022	31/12/2021
Net income for the year	41 661 700	50 126 447
Other comprehensive income		
Result not included in the income statement	-	-
	-	-
Comprehensive income for the year	41 661 700	50 126 447

These Notes are an integral part of these statements.

INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

In mAOA

	Other Reserves and Retained Earnings					Net income for the year	Total Equity
	Share capital	Revaluation reserves	Legal reserve	Other reserves	Total		
Balance as at 31 December 2020	20 000 000	325 357 446	66 899 200	49 151 390	116 050 590	21 288 589	482 696 625
Appropriation of the net income for 2020:							
Transfer to legal reserve	-	-	4 257 718	-	4 257 718	(4 257 718)	-
Transfer to other reserves	-	-	-	10 644 294	10 644 294	(10 644 294)	-
Distribution of dividends	-	-	-	-	-	(6 386 577)	(6 386 577)
Updating of equity (Note 17)	-	(69 380 554)	-	-	-	-	(69 380 554)
Net income for the year	-	-	-	-	-	50 126 447	50 126 447
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 (Note 17)	-	(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

These Notes are an integral part of these statements.

INDIVIDUAL STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

	Notes	31/12/2022	In mAOA 31/12/2021
Cash flows of operating activities			
Interest, fees and other equivalent income received		124 657 415	133 160 618
Interest, fees and other equivalent costs paid		(34 409 613)	(43 523 941)
Payments to Employees and suppliers		(75 143 453)	(74 734 042)
Other results		20 305 535	15 977 152
Cash flow of changes in operating assets and liabilities		35 409 884	30 879 787
(Increases)/reductions of operating assets:			
Investments at central banks and other credit institutions		(88 537 259)	(104 930 756)
Investments at amortized cost		201 694 577	245 391 252
Loans to Customers		(64 799 203)	5 096 942
Non-current assets held for sale		49 816	1 184
Other assets		6 710 530	(13 514 956)
Net flow from operating assets		55 118 461	132 043 666
Increases/(reductions) of operating liabilities:			
Resources from central banks and other credit institutions		(21 536 512)	43 564 715
Customer resources and other loans		(15 924 487)	54 068 873
Other liabilities		10 815 981	(3 751 199)
Net flow from operating liabilities		(26 645 018)	93 882 389
Net cash of operating activities before income taxes		63 883 327	256 805 842
Income taxes paid		415 371	-
Net cash of operating activities		64 298 698	256 805 842
Cash flows of investing activities			
Acquisition of other tangible assets, net of disposals		(2 739 369)	(2 781 869)
Acquisition of intangible assets, net of disposals		(558 435)	(2 451 038)
Acquisition of holdings in subsidiaries, associates and joint ventures, net of disposals		-	77 513
Net cash of investing activities		(3 297 804)	(5 155 394)
Cash flows of financing activities			
Distribution of dividends		(7 424 980)	(3 784 047)
Net cash of financing activities		(7 424 980)	(3 784 047)
Variation of cash and cash equivalents		53 575 914	247 866 401
Cash and cash equivalents at the beginning of the year		462 892 426	229 202 852
Effects of exchange rate variation on cash and cash equivalents		(15 251 511)	(14 176 827)
Cash and cash equivalents at the end of the year		501 216 829	462 892 426
Cash and cash equivalents comprise:			
Cash and deposits at central banks	3	391 336 987	427 800 941
Deposits at other credit institutions	4	109 879 842	35 213 840
Demand deposit overdrafts	13	-	(122 355)
		501 216 829	462 892 426

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 214 branches and service points in Angola (212 branches and service points private banking unit, as at 31 December 2020), 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 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 23 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 2022 and 2021 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 2021 and 2022, the exchange rates of the kwanza (“Kz”) against the American Dollar (“USD”) and the Euro (“EUR”) were as follows:

	31/12/2022	31/12/2021
1 USD	503,691	554,981
1 EUR	537,438	629,015

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 2022:

- 🔴 Amendment to IFRS 3: This amendment corresponds to the updating of the reference to the 2018 conceptual framework, additional requirements for analysing liabilities under IAS 37 or IFRIC 31 at the acquisition date and explicit clarification that contingent assets are not recognized in a business combination;
- 🔴 Amendment to IAS 16: Proceeds before intended use – This corresponds to an amendment to IAS 16 prohibiting the deduction from the expense of a tangible asset any proceeds from selling items produced before the asset is ready for use;
- 🔴 Amendment to IAS 37: Onerous contracts – This amendment refers to clarification that expenses of fulfilling a contract correspond to expenses directly related to the contract;
- 🔴 Annual improvements 2018-2020: Essentially correspond to amendments to the following standards:
 - IFRS 1 – a practical expedient which permits a subsidiary that adopts IFRS for the first time on a date after that of its parent company to be able to choose to measure cumulative translation differences relative to all its foreign operating units using the amounts reported in its parent company's financial statements, based on the parent company's date of transition to IFRS;
 - IFRS 9 – clarifies which fees should be included in the 10 per cent test in paragraph, for purposes of derecognition of a financial liability;
 - IAS 41 – removes the requirement of excluding taxation cash flows related to taxes when measuring fair value.

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:

- 🔴 IFRS 17 – Insurance Contracts: 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. Applicable to financial years starting on or after 1 January 2023;
- 🔴 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. Applicable to financial years starting on or after 1 January 2023;

- Y 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 changes the definition of accounting estimate to a monetary amount in the financial statements subject to measurement uncertainty. Applicable to financial years starting on or after 1 January 2023;
- Y Amendment to IAS 12 – Income Taxes – Deferred Taxes: 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. Applicable to financial years starting on or after 1 January 2023;
- Y 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. Applicable to financial years starting on or after 1 January 2023;
- Y 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;
- Y 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 2023.

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) Investments 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 not withstanding 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, corporate bonds, and commercial paper).

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.

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).

Commercial paper is a short-term debt security issued by trading companies for the purpose of financing short-term cash flow needs. The accrued interest on these securities is reflected under the heading "Interest and similar income from investments 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"). 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 2022, the Bank classified financial assets in this category (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 2022 and 2021, 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 appraisal value should be adjusted based on the specific discount rates, depending on the age of the valuation. Therefore, the following discount rates are used, based on the age of the property appraisal:

Age of the valuation	Base case scenario		Favourable scenario		Adverse scenario	
	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"), with no subsequent guidelines having been issued.

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, 1983-2021" 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 Taxes

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 20.

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 previous wording).

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%. Notwithstanding the foregoing, with regard to income from public debt securities, according to the latest understanding of the tax authorities conveyed to the Angolan Banking Association ("ABANC"), only those deriving from securities issued on or after 1 January 2012 are subject to this tax. Furthermore, it should be noted that, according to the position of the tax authorities also conveyed to ABANC, foreign exchange revaluations of government debt securities issued in domestic currency but indexed to foreign currency, issued since 1 January 2012, should be subject to Industrial Tax.

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 new 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, approved by Law No. 7/19 of 24 April, and amended by Law No. 17/19 of 13 August, introduced a new excise duty in the Angolan legislation, which 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 deferred tax was ascertained based on a rate of 35%.

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 currency. 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, which began in May 2016 and ended in November 2022.

The amount resulting from the monetary updating of the Bank's equity is reflected, on a monthly basis, as a debit 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 2022 and 2021 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 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 19).

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.

Operations that present sovereign guarantees as collateral are properly formalized and recognized by the Angolan State. In this context, in default scenarios that give rise to the foreclosure of these guarantees, the Bank believes that they should be honoured by the Angolan State.

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:

	31/12/2022		31/12/2021	
	Foreign currency (in units)	Domestic currency	Foreign currency (in units)	Domestic currency
Cash				
Domestic notes and coins				
In vaults		12 404 976		15 349 054
In ATM		4 821 027		3 938 001
Foreign notes and coins				
In United States Dollars	12 665 835	6 379 667	8 948 447	4 966 209
In Euros	1 625 701	873 713	1 778 631	1 118 786
In other currencies		139 119		46 545
		24 618 502		25 418 595
Demand deposits at Banco Nacional de Angola				
In domestic currency		253 801 370		317 595 278
In United States Dollars	224 179 338	112 917 115	152 774 997	84 787 068
		366 718 485		402 382 346
		391 336 987		427 800 941

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 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.

As at 31 December 2021, 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. 05/DMA/2021 of 5 May, in Directive No. 06/DMA/DSP/2021 of 21 May, and in Directive No. 07/DMA/2021 of 6 July.

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 2022 and 2021, the mandatory minimum reserve requirement in demand deposits at Banco Nacional de Angola is determined by applying the quotients summarised in the following table:

	31/12/2022			31/12/2021	
		Domestic currency	Foreign currency	Domestic currency	Foreign currency
Rate on the Basis of Assessment					
Governo Central	Daily Determination	100%	100%	100%	100%
GLocal Governments and Municipal Administrations	Daily Determination	17%	100%	22%	100%
Other sectors	Weekly Determination	17%	22%	22%	22%

As at 31 December 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, animal husbandry, forestry and fisheries sectors, granted up to 14 April 2021, provided that they are of residual maturity equal to higher 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 10 of Notice No. 09/2022 of 6 April, concerning mortgage loans, regardless of their residual maturity.

As at 31 December 2021, 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, animal husbandry, forestry and fisheries sectors, granted up to 14 April 2021, provided that they are of residual maturity equal to higher than 24 months, as well as the entirety of loans defined pursuant to the provisions in Article 6 of Notice No. 10/2020 of 3 April, concerning loans granted to the real economy, regardless of their residual maturity.

As at 31 December 2021, the mandatory minimum reserves in foreign currency can be 20% composed of the amounts deposited at Banco Nacional de Angola and 80% of Treasury Bonds in foreign currency, belonging to the Bank's own portfolio and relative to the special issuance of 10 December 2015.

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:

	31/12/2022	31/12/2021
Demand deposits at correspondent banks abroad		
Banco Atlântico Europa, S.A.	31 647 517	996 114
Banco BIC Português, S.A.	20 347 470	1 465 052
Banco BAI Europa, S.A.	17 004 843	-
Banco BIC Cabo Verde, S.A.	15 722 432	9 648 243
Commerzbank AG	7 324 024	1 341 656
Bank BIC Namibia, Limited	6 157 322	2 840 767
Zhejiang Chouzhou Commercial Bank Co, Ltd	4 775 823	3 183 290
FirstRand Bank, Limited	2 642 080	6 740 049
Byblos Bank Europe, S.A.	2 612 572	2 534 269
Aktif Yatirim Bankasi A.S.	666 297	531 285
Banca Popolare di Sondrio, S.A.	560 829	5 633 691
South African Reserve Bank	5 654	-
Other	408 042	288 892
	109 874 905	35 203 308
Cheque clearance	4 937	10 532
	109 879 842	35 213 840
Impairment (Note 15)	(30 909)	(36 084)
	109 848 933	35 177 756

As at 31 December 2022 and 2021, the balance of the heading "Cheque clearance" refers to cheques presented for clearance at sessions of 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:

	31/12/2022	31/12/2021
Interbank money market operations	188 608 090	180 614 244
Income receivable	1 038 153	64 245
	189 646 243	180 678 489
Third-party securities purchase operations with reverse repurchase agreement	139 145 589	75 626 185
Income receivable	2 762 734	1 254 186
	141 908 323	76 880 371
	331 554 566	257 558 860
Impairment (Note 15)	(2 997 445)	(2 552 078)
	328 557 121	255 006 782

In mAOA

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

	Currency	31/12/2022		31/12/2021	
		Foreign currency (in units)	Domestic currency	Foreign currency (in units)	Domestic currency
At domestic credit institutions					
Banco Nacional de Angola	AOA		65 300 000		-
			65 300 000		-
At credit institutions abroad					
Banco BIC Português, S.A.	USD	90 175 000	45 420 336	162 300 000	90 073 416
Banco BIC Português, S.A.	EUR	2 000 000	1 074 876	2 000 000	1 258 030
			46 495 212		91 331 446
Aktif Yatirim Bankasi A.S.	USD	8 000 000	4 029 528	13 500 000	7 492 244
Aktif Yatirim Bankasi A.S.	EUR	-	-	6 000 000	3 774 090
			4 029 528		11 266 334
Byblos Bank Europe, S.A.	USD	98 500 000	49 613 564	68 000 000	37 738 708
Commerzbank AG	USD	30 000 000	15 110 730	20 000 000	11 099 620
Banco BAI Europa, S.A.	USD	11 000 000	5 540 601	-	-
Banco Atlântico Europa, S.A.	USD	5 000 000	2 518 455	36 000 000	19 979 316
Banco BIC Cabo Verde, S.A.	USD	-	-	14 388 578	7 985 388
Banca Popolare di Sondrio, S.A.	EUR	-	-	1 929 100	1 213 432
			72 783 350		78 016 464
			188 608 090		180 614 244
Income receivable			1 038 153		64 245
			189 646 243		180 678 489

A significant 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 2022 and 2021, the interbank money market operations, excluding income receivable and impairment, show the following structure, by residual maturity periods:

	In mAOA	
	31/12/2022	31/12/2021
Up to one month	61 340 834	118 203 757
One to three months	91 188 688	42 067 484
Three to six months	36 078 568	20 343 003
	188 608 090	180 614 244

As at 31 December 2022 and 2021, the interbank money market operations earn interest at the following annual average rates, weighted by the respective par value of the investments:

	In mAOA	
	31/12/2022	31/12/2021
In kwanzas	9,22%	-
In United States dollars	3,84%	0,21%
In euros	1,25%	0,01%

As at 31 December 2022 and 2021, 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 2022 and 2021, third-party securities purchase operations with reverse repurchase agreement mature in the quarter following the reference date of the financial statements.

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

6. Financial assets at fair value through other comprehensive income

	In mAOA	
	31/12/2022	31/12/2021
Investment Fund Units	69 672 602	-
	69 672 602	-

As at 31 December 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 the investment fund units of BIC Capital Prime I, to the value of mAOA 69 672 602, by contribution in kind in the form of real estate properties of the value of mAOA 68 093 604 and a cash contribution of the value of mAOA 1 578 998.

7. Investments at amortized cost

This heading has the following composition:

In mAOA				
	31/12/2022		31/12/2021	
	Interest rate	Value	Interest rate	Value
Treasury Bonds				
In domestic currency				
Non-adjustable	16,97%	112 267 995	15,69%	160 038 740
Indexed to the United States Dollar	7,54%	108 434 597	7,29%	222 991 960
		220 702 592		383 030 700
In foreign currency	4,88%	77 996 552	5,19%	130 858 970
		298 699 144		513 889 670
Treasury Bills	12,62%	38 952 044	18,20%	56 347 673
Other securities (commercial paper)	-	-	4,00%	8 428 801
		337 651 188		578 666 144
Income receivable		14 229 155		26 603 686
		351 880 343		605 269 830
Impairment (Note 15)		(26 175 675)		(43 794 313)
		325 704 668		561 475 517

As at 31 December 2022 and 2021, 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 2022 and 2021, the financial assets are remunerated at a fixed rate.

As at 31 December 2022 and 2021, the Treasury Bonds in portfolio, excluding income receivable and impairment, show the following structure, by residual maturity periods:

In mAOA		
	31/12/2022	31/12/2021
Up to three months	32 470 145	20 186 157
Three to six months	49 436 222	38 469 344
Six months to one year	69 442 240	254 194 270
More than one year	147 350 537	201 039 899
	298 699 144	513 889 670

As at 31 December 2022 and 2021, the Treasury Bills in portfolio, excluding income receivable and impairment, show the following structure, by residual maturity periods:

	In mAOA	
	31/12/2022	31/12/2021
Up to three months	11 619 432	25 285 129
Three to six months	9 341 331	21 713 833
Six months to one year	17 991 281	9 348 711
	38 952 044	56 347 673

As at 31 December 2021, the other securities with a par value of mEUR 13 400 correspond to commercial paper issued by an entity of the media sector which matured three months after the reference date of the financial statements (Note 26).

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	
	31/12/2022	31/12/2021
Domestic currency		
Loans	292 719 749	231 774 439
Loans in current accounts	49 519 764	45 797 514
Loans to Employees	11 847 921	10 467 833
Demand deposit overdrafts	1 574 444	834 168
	355 661 878	288 873 954
Foreign currency		
Loans	147 840 709	197 708 384
Loans to Employees	17 492 212	34 302 656
Loans in current accounts	1 325 438	4 630 770
Demand deposit overdrafts	1 187	40
	166 659 546	236 641 850
Total outstanding loans	522 321 424	525 515 804
Loans and interest overdue		
Domestic currency	65 093 085	54 617 389
Foreign currency	222 649 427	219 823 763
Total loans and interest overdue	287 742 512	274 441 152
Total loans granted	810 063 936	799 956 956
Interest receivable - Domestic currency	25 030 457	19 276 181
Interest receivable - Foreign currency	268 427	496 954
Total income receivable	25 298 884	19 773 135
	835 362 820	819 730 091
Associated fees at amortized cost	(1 246 244)	(1 450 744)
	834 116 576	818 279 347
Impairment (Note 15)	(230 839 390)	(233 113 728)
	603 277 186	585 165 619

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 determination 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 2022 and 2021, the outstanding exposure of loans granted to Customers shows the following structure, by residual maturity periods:

	In mAOA	
	31/12/2022	31/12/2021
Up to three months	20 973 982	26 998 804
Three to six months	26 777 990	32 277 499
Six months to one year	30 443 413	26 553 240
One to three years	87 787 546	64 185 659
Three to five years	103 556 906	126 622 401
Five to ten years	169 281 183	143 152 974
More than ten years	83 500 404	105 725 227
	522 321 424	525 515 804

As at 31 December 2022 and 2021, the outstanding and overdue loans granted to Customers, excluding income receivable, is detailed as follows, by currency and annual average rates, weighted by exposure:

	31/12/2022			31/12/2021		
	Interest rate	Foreign currency (in units)	Domestic currency	Interest rate	Foreign currency (in units)	Domestic currency
In kwanzas	12,87%	-	420 754 963	17,50%	-	343 491 343
In United States dollars	9,30%	733 747 499	369 582 011	9,13%	780 877 216	433 378 424
In euros	1,75%	36 705 557	19 726 962	1,75%	36 703 718	23 087 189
		810 063 936			799 956 956	

As at 31 December 2022 and 2021, the distribution of the outstanding and overdue loans granted to Customers, excluding income receivable, between companies and individuals is detailed as follows:

In mAOA

	31/12/2022			31/12/2021		
	Outstanding	Overdue	Total	Outstanding	Overdue	Total
Companies	433 809 786	252 859 861	686 669 647	417 189 309	239 197 204	656 386 513
Individuals	88 511 638	34 882 651	123 394 289	108 326 495	35 243 948	143 570 443
	522 321 424	287 742 512	810 063 936	525 515 804	274 441 152	799 956 956

As at 31 December 2022 and 2021, the distribution of the outstanding and overdue loans granted to Customers, excluding income receivable, by interest rate is detailed as follows:

In mAOA

	31/12/2022	31/12/2021
	552 755 089	556 681 695
Luibor 1M	127 275 754	95 396 963
Luibor 3M	19 341 044	35 609 438
Luibor 6M	55 057 364	53 002 729
Luibor 12M	35 711 052	36 829 936
Libor 1M	763 724	14 926
Libor 3M	2 128 917	1 968 270
Libor 6M	157 574	186 170
Libor 12M	9 777 271	11 961 531
Euribor 6M	7 096 147	8 305 298
	257 308 847	243 275 261
	810 063 936	799 956 956

As at 31 December 2022 and 2021, 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

	31/12/2022		31/12/2021	
	Total exposure	Impairment (Note 15)	Total exposure	Impairment (Note 15)
Loans granted	835 362 820	(230 839 390)	819 730 091	(233 113 728)
Guarantees provided and documentary credit	39 656 289	(6 419 840)	68 389 835	(6 105 933)
Unused limits	58 476 329	(1 191 980)	56 675 177	(1 778 208)
	933 495 438	(238 451 210)	944 795 103	(240 997 869)

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

As at 31 December 2022 and 2021, the loan portfolio by segment and stage is detailed as follows:



Segment	31/12/2022						
	Exposure						
	Total exposure	Loan at stage 1	Of which remedied	Of which restructured	Loan at stage 2	Of which forborne	Of which restructured
Service and Other	543 851 142	313 551 549	14 597 751	84 004 958	10 264 862	11 890	5 590 164
Trade and Repairs	146 745 537	8 523 596	2 225 781	1 072 969	439 724	436 679	-
Construction	76 921 964	25 247 276	8 892 999	1 726 233	6	-	-
Residential	61 327 733	26 555 327	2 010 538	3 642 936	2 040 001	111 984	793 646
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	237 892
	933 495 438	412 827 876	29 849 693	91 123 019	16 985 263	573 344	6 621 702

Segment	31/12/2021						
	Exposure						
	Total exposure	Loan at stage 1	Of which remedied	Of which restructured	Loan at stage 2	Of which forborne	Of which restructured
Service and Other	505 950 914	279 849 391	5 695 252	64 528 972	3 456 754	267	2 431 555
Trade and Repairs	164 298 004	84 063 675	4 581 610	64 346 027	2 627	131	-
Construction	81 110 243	41 459 718	2 960 403	2 751 427	1 841 007	220 330	1 491 144
Residential	75 761 410	17 193 748	7 016 366	-	277	-	-
Industry	32 316 966	18 628 171	5 419	2 007 980	349	6	-
Revolving	11 104 869	10 883 999	60 672	229 603	16 679	-	-
Employees	10 986 296	7 437 896	319 831	-	148 640	8 950	-
Other Loans	63 266 401	19 685 324	443 408	676 182	121 841	3 157	21 404
	944 795 103	479 201 922	21 082 961	134 540 191	5 588 174	232 841	3 944 103

As at 31 December 2022 and 2021, the loan portfolio by segment and year that the operations were granted is detailed as follows:

In mAOA

31/12/2022

Impairment						
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
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)
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)
46 748 820	-	10 411 921	(29 365 802)	(1 209 080)	(119 382)	(28 037 340)
503 682 299	4 659 360	317 689 443	(238 451 210)	(16 610 884)	(1 540 542)	(220 299 784)

In mAOA

31/12/2021

Impairment						
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
222 644 769	18 017 440	147 404 691	(87 046 429)	(15 760 088)	(506 177)	(70 780 164)
80 231 702	-	63 445 139	(63 909 527)	(6 973 383)	(54)	(56 936 090)
37 809 518	-	8 028 162	(23 205 965)	(3 000 132)	(280 512)	(19 925 321)
58 567 385	-	41 984 927	(25 170 800)	(2 793 962)	(3)	(22 376 835)
13 688 446	-	4 916 122	(10 136 547)	(1 228 454)	(10)	(8 908 083)
204 191	-	5 024	(54 149)	(15 462)	(919)	(37 768)
3 399 760	-	-	(2 502 869)	(345 053)	(15 040)	(2 142 776)
43 459 236	-	11 552 539	(28 971 583)	(5 815 922)	(24 031)	(23 131 630)
460 005 007	18 017 440	277 336 604	(240 997 869)	(35 932 456)	(826 746)	(204 238 667)

As at 31 December 2022 and 2021, the value of the gross exposure of the loans and the

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)

impairment constituted for the exposures individually and collectively, by segment, are detailed as follows:

Segment	2021			2020			2019		
	Number of operations	Value	Constituted impairment	Number of operations	Value	Constituted impairment	Number of operations	Value	Constituted impairment
Service and Other	461	166 545 089	(4 249 918)	254	105 064 334	(4 331 048)	233	72 324 146	(7 026 327)
Trade and Repairs	28	8 863 807	(181 683)	-	-	-	2	59 763	(49 829)
Construction	85	7 112 884	(563 692)	64	4 159 768	(434 044)	258	5 613 037	(195 341)
Residential	34	26 258 536	(6 173 408)	2	456 632	(4 908)	4	88 502	(35 951)
Industry	8	4 334 127	(93 695)	-	-	-	5	478 085	(463 226)
Revolving	969	6 290 079	(13 117)	697	3 232 901	(14 500)	657	1 025 770	(4 719)
Employees	536	4 813 287	(387 654)	3 357	155 997	(5 432)	1 714	78 087	(1 359)
Other Loans	3 107	20 379 498	(5 685 424)	2 768	3 074 665	(150 905)	2 778	2 033 459	(191 386)
	5 228	244 597 307	(17 348 591)	7 142	116 144 297	(4 940 837)	5 651	81 700 849	(7 968 138)

In mAOA

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)

In mAOA

2018			2017			2016 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
158	26 875 086	(7 459 245)	81	3 613 466	(1 295 846)	912	131 528 793	(62 684 045)	2 099	505 950 914	(87 046 429)
-	36	-	36	8 100 487	(4 028 998)	646	147 273 911	(59 649 017)	712	164 298 004	(63 909 527)
50	4 476 362	(409 578)	33	3 466 140	(638 119)	663	56 282 052	(20 965 191)	1 153	81 110 243	(23 205 965)
5	39 323	(2 181)	17	2 139 822	(19 369)	229	46 778 595	(18 934 983)	291	75 761 410	(25 170 800)
-	-	-	13	4 242 020	(1 280 827)	163	23 262 734	(8 298 799)	189	32 316 966	(10 136 547)
322	175 715	(1 163)	209	57 559	(1 382)	1 236	322 845	(19 268)	4 090	11 104 869	(54 149)
1 520	70 501	(911)	1 343	71 984	(13 508)	19 065	5 796 440	(2 094 005)	27 535	10 986 296	(2 502 869)
1 030	1 726 770	(943 991)	120	898 462	(129 126)	915	35 153 547	(21 870 751)	10 718	63 266 401	(28 971 583)
3 085	33 363 793	(8 817 069)	1 852	22 589 940	(7 407 175)	23 829	446 398 917	(194 516 059)	46 787	944 795 103	(240 997 869)

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)

In mAOA

Segment	31/12/2021					
	Individual impairment		Collective impairment		Total	
	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment
Service and Other	381 883 504	(58 983 408)	124 067 410	(28 063 021)	505 950 914	(87 046 429)
Trade and Repairs	139 329 631	(47 689 105)	24 968 373	(16 220 422)	164 298 004	(63 909 527)
Construction	-	-	81 110 243	(23 205 965)	81 110 243	(23 205 965)
Residential	58 670 240	(19 260 237)	17 091 170	(5 910 563)	75 761 410	(25 170 800)
Industry	18 660 351	(4 686 597)	13 656 615	(5 449 950)	32 316 966	(10 136 547)
Revolving	-	-	11 104 869	(54 149)	11 104 869	(54 149)
Employees	4 914 996	(875 091)	6 071 300	(1 627 778)	10 986 296	(2 502 869)
Other Loans	24 299 992	(12 435 069)	38 966 409	(16 536 514)	63 266 401	(28 971 583)
	627 758 714	(143 929 507)	317 036 389	(97 068 362)	944 795 103	(240 997 869)

As at 31 December 2022 and 2021, 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						
31/12/2022						
	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)
Agriculture, animal husbandry, hunting, forestry and fisheries	46 758 170	(14 399 774)	23 266 587	(2 510 260)	70 024 757	(16 910 034)
Manufacturing industries	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)
Transport and storage	8 282 987	(5 280 773)	3 316 578	(1 880 337)	11 599 565	(7 161 110)
Public Administration and Defence, mandatory Social Security	11 006 785	(167 721)	38 907	(6 297)	11 045 692	(174 018)
Real estate activities	7 173 820	(550 856)	1 370 946	(727 284)	8 544 766	(1 278 140)
Information and communication activities	539 723	(89 407)	6 520 250	(2 104 404)	7 059 973	(2 193 811)
Financial and insurance 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)
Activities of international bodies	-	-	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)

In mAOA

	31/12/2022					
	Individual impairment		Collective impairment		Total	
	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment
Companies						
Construction	127 914 991	(49 843 564)	59 770 605	(18 174 065)	187 685 596	(68 017 629)
Wholesale and retail trade, vehicle repair	129 162 592	(24 113 306)	24 587 142	(7 293 295)	153 749 734	(31 406 601)
Mining industries	52 925 516	(4 677 060)	27 963 557	(5 147 777)	80 889 073	(9 824 837)
Agriculture, animal husbandry, hunting, forestry and fisheries	73 809 890	(2 103 797)	1 461 919	(432 763)	75 271 809	(2 536 560)
Manufacturing industries	56 659 537	(3 622 860)	18 309 273	(4 464 787)	74 968 810	(8 087 647)
Accommodation, restaurants and similar	49 459 576	(23 344 658)	433 203	(3 073 648)	49 892 779	(26 418 306)
Human health and welfare support	22 375 934	(12 754 282)	203 533	(1 535 586)	22 579 467	(14 289 868)
Education	6 657 623	(19 774)	7 817 894	(2 421 365)	14 475 517	(2 441 139)
Transport and storage	11 850 130	(66 070)	1 859 631	(10 734)	13 709 761	(76 804)
Public Administration and Defence, mandatory Social Security	2 434 977	(80 272)	8 797 882	(1 581 603)	11 232 859	(1 661 875)
Real estate activities	6 838 692	(72 019)	2 848 402	(2 961 321)	9 687 094	(3 033 340)
Information and communication activities	2 935 423	(54 117)	4 021 625	(2 089 373)	6 957 048	(2 143 490)
Financial and insurance activities	-	-	325 018	(6 265)	325 018	(6 265)
Water capture, treatment and distribution	-	-	5 166	(19)	5 166	(19)
Electricity, gas, steam, hot and cold water, and cold air	-	-	2 636	(12)	2 636	(12)
Activities of international bodies	-	-	400	(1)	400	(1)
Other service activities	55 518 847	(9 867 568)	21 375 290	(6 451 342)	76 894 137	(16 318 910)
	598 543 728	(130 619 347)	179 783 176	(55 643 956)	778 326 904	(186 263 303)
Individuals	29 214 986	(13 310 160)	137 253 213	(41 424 406)	166 468 199	(54 734 566)
	627 758 714	(143 929 507)	317 036 389	(97 068 362)	944 795 103	(240 997 869)

As at 31 December 2022 and 2021, the total loan exposure refers to Customers based in Angola.

As at 31 December 2022 and 2021, the restructured loan portfolio is detailed as follows:

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
Restructuring	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)

In mAOA

Measure applied	31/12/2021											
	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
Restructuring	146	134 540 191	(3 799 854)	27	3 944 103	(566 963)	310	277 336 604	(125 832 149)	483	415 820 898	(130 198 966)
	146	134 540 191	(3 799 854)	27	3 944 103	(566 963)	310	277 336 604	(125 832 149)	483	415 820 898	(130 198 966)

As at 31 December 2022 and 2021, the inflow and outflow movement of the restructured loan portfolio is detailed as follows:

In mAOA

	31/12/2022	31/12/2021
Opening balance of the restructured loan portfolio (gross of impairment)	415 820 898	448 040 834
Restructured loans in the period	52 665 719	29 972 012
Accrued interest of the restructured loan portfolio	4 525 057	1 026 385
Settlement of restructured loans (partial or total)	(30 607 773)	(1 086 112)
Exchange rate variation	(26 969 737)	(53 300 136)
Other	-	(8 832 085)
Closing balance of the restructured loan portfolio (gross of impairment)	415 434 164	415 820 898

As at 31 December 2022 and 2021, 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	31/12/2022					
	Companies				Construction and real estate development	
	Real estate properties		Other asset-backed collateral		Real estate properties	
	Number of properties	Value	Number of properties	Value	Number of properties	Value
< 50 MAOA	269	196 336	34	516 590	22	30 710
≥ 50 MAOA and < 100 MAOA	10	705 988	11	717 850	-	-
≥ 100 MAOA and < 500 MAOA	17	5 917 533	28	7 036 972	1	280 545
≥ 500 MAOA and < 1 000 MAOA	18	12 776 319	15	10 463 576	10	6 203 937
≥ 1 000 MAOA and < 2 000 MAOA	19	27 507 774	21	28 356 972	20	22 999 260
≥ 2 000 MAOA and < 5 000 MAOA	22	66 833 199	13	39 059 079	4	11 641 795
≥ 5 000 MAOA	15	245 738 709	2	164 612 739	3	89 525 924
	370	359 675 858	124	250 763 778	60	130 682 171

Fair value	31/12/2021					
	Companies				Construction and real estate development	
	Real estate properties		Other asset-backed collateral		Real estate properties	
	Number of properties	Value	Number of properties	Value	Number of properties	Value
< 50 MAOA	51	796 405	31	366 254	13	69 942
≥ 50 MAOA and < 100 MAOA	23	1 599 208	12	761 136	-	-
≥ 100 MAOA and < 500 MAOA	70	17 458 668	27	7 615 462	6	1 392 768
≥ 500 MAOA and < 1 000 MAOA	42	31 290 261	14	9 891 235	3	2 614 943
≥ 1 000 MAOA and < 2 000 MAOA	35	46 550 756	18	25 153 782	20	21 980 867
≥ 2 000 MAOA and < 5 000 MAOA	49	157 037 574	7	21 445 613	9	25 549 068
≥ 5 000 MAOA	36	1 153 454 391	2	181 374 975	7	138 317 800
	306	1 408 187 263	111	246 608 457	58	189 925 388

In mAOA

31/12/2022

Construction and real estate development		Residential			
Other asset-backed collateral		Real estate properties		Other asset-backed collateral	
Number of properties	Value	Number of properties	Value	Number of properties	Value
2	1 800	369	94 753	39	862 353
-	-	6	375 326	2	112 725
1	120 934	18	3 646 859	2	277 030
-	-	2	1 226 060	-	-
1	1 359 966	1	1 303 955	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4	1 482 700	396	6 646 953	43	1 252 108

In mAOA

31/12/2021

Construction and real estate development		Residential			
Other asset-backed collateral		Real estate properties		Other asset-backed collateral	
Number of properties	Value	Number of properties	Value	Number of properties	Value
5	6 632	117	3 461 548	41	875 245
-	-	100	7 333 060	2	118 316
-	-	147	28 367 209	2	305 240
-	-	8	5 815 234	-	-
1	1 498 449	2	2 674 342	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6	1 505 081	374	47 651 393	45	1 298 801

As at 31 December 2022 and 2021, the loan-guarantee ratio of the companies, construction, real estate development and residential segments is detailed as follows:

Segment / Ratio	31/12/2022					
	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	37	137 464 729	8 317 928	198 366 774	(93 451 690)
≥ 50% and < 75%	20	24	17 495 620	-	16 676 101	(2 818 834)
≥ 75% and < 100%	20	21	32 585 540	-	4 960 119	(66 913)
≥ 100%	78	42	31 195 566	8 575	90 055 985	(24 468 120)
	370	124	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	171	376 589 453	16 427 936	453 837 141	(206 965 018)

In mAOA

In mAOA

31/12/2021						
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.	154 182 643	1 186 004	63 642 325	(34 977 043)
< 50%	26	13	81 361 323	35 080	37 235 810	(21 264 412)
≥ 50% and < 75%	21	18	146 987 268	2 238 646	213 880 933	(86 247 536)
≥ 75% and < 100%	38	15	-	-	1 798 319	(1 240 767)
≥ 100%	221	65	10 003	-	7 530	(17 362 745)
	306	111	382 541 237	3 459 730	316 564 917	(161 092 503)
Construction and real estate development						
No associated guarantee	n.a.	n.a.	14 597 611	77	3 157 898	(1 588 344)
< 50%	1	-	-	-	6 921 284	(3 556 342)
≥ 50% and < 75%	-	-	2 596 198	200	50 090 253	(17 326 749)
≥ 75% and < 100%	2	1	-	-	-	-
≥ 100%	55	5	(61)	-	(1 602 050)	(2 699 365)
	58	6	17 193 748	277	58 567 385	(25 170 800)
Residential						
No associated guarantee	n.a.	n.a.	24 641 934	769 835	17 968 294	(11 194 494)
< 50%	15	9	990 111	-	611 187	(366 259)
≥ 50% and < 75%	18	-	15 827 673	1 071 172	19 128 512	(9 110 459)
≥ 75% and < 100%	30	1	-	-	101 525	(46 102)
≥ 100%	311	35	-	-	-	(2 488 651)
	374	45	41 459 718	1 841 007	37 809 518	(23 205 965)
	738	162	441 194 703	5 301 014	412 941 820	(209 469 268)

As at 31 December 2022 and 2021, the distribution of the loan portfolio measured by internal risk level is detailed as follows:

In mAOA

Segment	31/12/2022							
	Low risk level			Medium risk level	High risk level			Total
	A	B	C	D	E	F	G	
Service and Other	3 023 838	173 162 139	377 701	2 314 889	4 587 046	20 521	360 365 008	543 851 142
Trade and Repairs	-	5 171 390	69 867	-	12 218	-	141 492 062	146 745 537
Construction	2 100 000	17 026 251	5 036 912	6	-	-	52 758 795	76 921 964
Residential	-	14 731 864	345 448	5 504	630 046	240 473	45 374 398	61 327 733
Industry	-	351 470	3 683 362	-	-	229	13 973 093	18 008 154
Revolving	3 770 627	7 323 964	57 020	3 840	1 986	283	3 516 062	14 673 782
Employees	-	5 784 164	-	2 714	11 391	194	6 025 428	11 823 891
Other Loans	-	7 162 578	47 832	13 529 542	102 714	15 049	39 285 520	60 143 235
	8 894 465	230 713 820	9 618 142	15 856 495	5 345 401	276 749	662 790 366	933 495 438

In mAOA								
Segment	31/12/2021							
	Low risk level			Medium risk level	High risk level			Total
	A	B	C	D	E	F	G	
Service and Other	100 026 293	215 648 209	86 828 378	25 014 097	62 952 729	6 388 664	9 092 544	505 950 914
Trade and Repairs	86 630 578	537 412	6 757 696	2 699 183	8 583 798	47 257 179	11 832 158	164 298 004
Construction	12 489 072	29 244 168	12 988 931	7 052 077	8 720 154	5 770 330	4 845 511	81 110 243
Residential	18 345 587	2 442 936	13 673 696	18 457 116	21 336 093	183 620	1 322 362	75 761 410
Industry	17 276 999	1 918 367	3 042 535	1 606 613	4 255	4 328 140	4 140 057	32 316 966
Revolving	10 853 279	7 387	219 803	16 777	2 902	1 264	3 457	11 104 869
Employees	3 498 116	4 026 049	1 073 777	601 793	279 647	1 234 623	272 291	10 986 296
Other Loans	2 184 892	10 573 294	9 584 113	23 271 045	8 074 001	6 174 584	3 404 472	63 266 401
	251 304 816	264 397 822	134 168 929	78 718 701	109 953 579	71 338 404	34 912 852	944 795 103

As at 31 December 2022 and 2021, the risk factors associated with the impairment model by segment are as presented below:

In mAOA

Segment	31/12/2022			31/12/2021		
	Probability of default (%)			Probability of default (%)		
	Stage 1	Stage 2	Loss given default (%)	Stage 1	Stage 2	Loss given default (%)
Service and Other	11,88%	85,14%	26,42%	7,96%	87,42%	19,42%
Trade and Repairs	20,26%	77,72%	33,80%	10,13%	71,29%	10,70%
Construction	10,29%	53,83%	26,09%	6,35%	63,36%	13,98%
Residential	6,72%	94,31%	36,90%	7,57%	96,96%	18,28%
Industry	14,81%	57,51%	56,54%	9,37%	66,10%	19,53%
Revolving	6,19%	42,20%	36,79%	8,30%	63,17%	31,36%
Employees	1,10%	86,27%	11,71%	0,89%	55,55%	11,26%
Other Loans	5,47%	70,37%	71,15%	7,26%	62,95%	33,09%
	10,84%	85,69%	31,60%	7,76%	87,86%	18,39%

In the year ended 31 December 2022 and 2021, the Bank recorded write-offs from the assets of the value of mAOA 451 013 and mAOA 32 309, 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

This heading has the following composition:

In mAOA

	31/12/2022	31/12/2021
Real estate properties		
Real estate received in lieu of payment	16 835 709	73 347 227
Real estate projects - Employees	4 331 583	4 331 583
	21 167 292	77 678 810
Impairment (Note 15)		
Real estate received in lieu of payment	(5 101 771)	(22 388 184)
Real estate projects - Employees	(4 127 806)	-
	(9 229 577)	(22 388 184)
	11 937 715	55 290 626

As at 31 December 2022 and 2021, 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.

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 2022 and 2021, 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 2022 and 2021 is detailed as follows:

In mAOA

	Gross Assets			31/12/2022
	31/12/2021	Increases	Write-offs	
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
	77 678 810	982 055	(57 493 573)	21 167 292

In mAOA

	Gross Assets			31/12/2022
	31/12/2021	Increases	Write-offs	
Real estate received in lieu of payment	70 782 256	2 564 971	-	73 347 227
Real estate projects - Employees	4 356 583		(25 000)	4 331 583
	75 138 839	2 564 971	(25 000)	77 678 810

As at 31 December 2022 and 2021, 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	31/12/2022			31/12/2021		
	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	5 136 843	3 900 615	3	6 776 976	4 543 027
Constructed buildings						
Commercial	7	9 568 294	6 204 188	1	1 748 602	1 748 602
Residential	6	2 130 572	1 629 135	9	64 821 649	44 667 414
	23	16 835 709	11 733 938	13	73 347 227	50 959 043

As at 31 December 2022 and 2021, the net book value of the real estate properties received in lieu of payment or foreclosure, by age, are detailed as follows:

In mAOA

Time elapsed since received in lieu of payment / foreclosure	31/12/2022				31/12/2021			
	≥ 1 year & < 2 year	≥ 2 years & < 5 years	≥ 5 years	Total	< 1 year	≥ 1 year & < 2 year	≥ 2 years & < 5 years	Total
Land								
Urban	1 174	205 625	3 693 816	3 900 615	1 410	4 541 617	-	4 543 027
Constructed buildings								
Commercial	1 473 272	980 111	3 750 805	6 204 188	-	1 748 602	-	1 748 602
Residential	222 558	109 056	1 297 521	1 629 135	2 626 773	40 874 558	1 166 083	44 667 414
	1 697 004	1 294 792	8 742 142	11 733 938	2 628 183	47 164 777	1 166 083	50 959 043

10. Other tangible and intangible assets

The movement under these headings in the year ended 31 December 2022 is detailed as follows:

In mAOA

	Gross Assets						31/12/2022
	31/12/2021	Increases	Sales & Write-offs	Transfers	Regularizations	Exchange rate variation	
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
Incorporation expenses	4 383	-	-	-	-	-	4 383
Multiannual costs	35 289	-	-	-	-	-	35 289
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

In mAOA

	Accumulated depreciation and amortization						31/12/2022
	31/12/2021	Value for the year	Sales & Write-offs	Transfers	Regularizations	Exchange rate variation	
Other tangible assets							
Properties for own use	2 095 476	260 884	-	-	-	-	2 356 360
Works in rented buildings	2 294 987	173 964	-	-	-	-	2 468 951
Equipment	10 785 864	2 335 285	(7 278)	-	-	-	13 113 871
Right-of-use assets	-	1 084 620	-	-	3 470 358	(259 916)	4 295 062
	15 176 327	3 854 753	(7 278)	-	3 470 358	(259 916)	22 234 244
Intangible assets							
Automatic data treatment system software	2 286 883	1 601 614	-	-	-	-	3 888 497
Key money	149 815	-	-	-	-	-	149 815
Incorporation expenses	4 383	-	-	-	-	-	4 383
Multiannual costs	35 289	-	-	-	-	-	35 289
Other intangible assets	680	-	-	-	-	-	680
	2 477 050	1 601 614	-	-	-	-	4 078 664
	17 653 377	5 456 367	(7 278)	-	3 470 358	(259 916)	26 312 908

The movement under these headings in the year ended 31 December 2021 is detailed as follows:

In mAOA

	Gross Assets					
	31/12/2020	Increases	Sales & Write-offs	Transfers	Regularizations	31/12/2021
Other tangible assets						
Properties for own use/próprio	15 799 663	253 285	-	-	(3 374 375)	12 678 573
Works in rented buildings	2 315 887	11 741	-	329 172	-	2 656 800
Equipment	16 221 689	2 271 965	(9 053)	92 229	-	18 576 830
Artworks	4 269	-	-	-	-	4 269
Tangible assets in progress	1 100 707	511 046	-	(421 401)	-	1 190 352
	35 442 215	3 048 037	(9 053)	-	(3 374 375)	35 106 824
Intangible assets						
Automatic data treatment system software	3 010 777	2 451 038	-	-	-	5 461 815
Key money	149 815	-	-	-	-	149 815
Incorporation expenses	4 383	-	-	-	-	4 383
Multiannual costs	35 289	-	-	-	-	35 289
Other intangible assets	680	-	-	-	-	680
	3 200 944	2 451 038	-	-	-	5 651 982
	38 643 159	5 499 075	(9 053)	-	(3 374 375)	40 758 806

In mAOA

	Accumulated depreciation and amortization					Balance as at 31-12-2021
	Balance as at 31-12-2020	Value for the year	Sales & Write-offs	Transfers	Regularizations	
Other tangible assets						
Properties for own use	1 862 012	317 464	-	(84 000)	2 095 476	2 356 360
Works in rented buildings	2 178 588	116 399	-	-	2 294 987	2 468 951
Equipment	8 681 128	2 110 931	(6 195)	-	10 785 864	13 113 871
	12 721 728	2 544 794	(6 195)	(84 000)	15 176 327	22 234 244
Intangible assets						
Automatic data treatment system software	947 215	1 339 668	-	-	2 286 883	3 888 497
Key money	149 815	-	-	-	149 815	149 815
Incorporation expenses	4 383	-	-	-	4 383	4 383
Multiannual costs	35 289	-	-	-	35 289	35 289
Other intangible assets	680	-	-	-	680	680
	1 137 382	1 339 668	-	-	2 477 050	4 078 664
	13 859 110	3 884 462	(6 195)	(84 000)	17 653 377	26 312 908

As at 31 December 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), with the effect of previous years recognized under "Regularizations".

As at 31 December 2022 and 2021, 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 2022 and 2021, the heading "Equipment" is detailed as follows:

	31/12/2022			31/12/2021		
	Gross value	Accumulated depreciation	Net value	Gross value	Accumulated depreciation	Net value
Machinery and tools	6 010 275	(2 592 422)	3 417 853	5 217 111	(2 093 228)	3 123 883
Computer equipment	5 391 627	(4 632 542)	759 085	5 235 266	(3 585 384)	1 649 882
Interior facilities	4 593 033	(2 467 274)	2 125 759	3 746 405	(2 168 568)	1 577 837
Transport material	2 002 701	(1 371 913)	630 788	1 625 701	(1 055 309)	570 392
Furniture and material	2 038 765	(1 565 864)	472 901	1 951 412	(1 470 086)	481 326
Other equipment	973 301	(483 856)	489 445	800 935	(413 289)	387 646
	21 009 702	(13 113 871)	4 477 978	18 576 830	(10 785 864)	4 667 083

In mAOA

11. Investments in subsidiaries associates and joint ventures

This heading has the following composition:

	31/12/2022		31/12/2021	
	Holding	Value	Holding	Value
Treasury bonds indexed to Treasury Bills (GI10)				
Financial holding	28,85%	91 016	28,85%	379 435
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
		395 901		684 320

In mAOA

As at 31 December 2022 and 2021, the Bank has a 28.85% equity holding 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 years ended 31 December 2022 and 2021, the Bank recognized a devaluation of EUR 92 294 (mAOA 41 175) and an appreciation of EUR 1 134 793 (mAOA 801 613), respectively, under the heading “Results of subsidiaries, associates and joint ventures (equity method)”. In the year ended 31 December 2021, the Bank reduced its holding by the value of EUR 540 000 (mAOA 339 668), via capital amortization. In the year ended 31 December 2022 and 2021, the Bank received dividends of the value of EUR 337 500 (mAOA 181 385) and EUR 625 000 (mAOA 393 134). In the year ended 31 December 2022 and 2021, the value of the holding in foreign currency is EUR 169 350 and EUR 603 221, respectively

As at 31 December 2022 and 2021, 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 2022 and 2021, 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	
	31/12/2022	31/12/2021
BIC Capital Prime I		14 612 054
Other assets		
PAC/ Angola Invests subsidies	17 129 432	13 701 845
Deferral of Employee benefits (Note 8)	13 531 081	-
Visa collateral	4 948 225	5 350 877
Taxes on interbank fees	1 931 819	1 190 834
Visa	1 433 492	1 298 089
Taxes recoverable	825 948	1 241 320
Origination fees receivable	777 588	610 258
Cash discrepancies	183 260	181 238
Office supplies	108 467	134 631
Clinical services	98 722	109 642
EDEL advance	35 085	38 657
Mastercard collateral	13 298	14 430
Hire and rental charges	9 476	260 443
Advance	1 737	1 737
Other	443 918	1 222 891
	41 471 539	25 356 892
	41 471 539	39 968 946
Impairment (Note 15)	(1 275 772)	-
	40 195 767	39 968 946

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 2022, the subsidies of interest receivable for the last four months of 2019 and the financial years of 2020 to 2022 have yet to be collected. As at 31 December 2022, impairment was constituted for the balance of the value of mAOA 1 274 224.

Under the terms of 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), where its value is determined according to the transactions carried out. As at 31 December 2022 and 2021, the balance of the heading "Visa collateral" stands at a value equivalent to approximately USD 9 823 930 (mAOA 4 948 225) and USD 9 641 568 (mAOA 5 350 877), respectively, being remunerated at the annual interest rate of 0.15%.

As at 31 December 2022 and 2021, 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 2022 and 2021, the balance of the heading "Taxes recoverable" cor-

responds to provisional settlements of Industrial Tax made in previous years.

As at 31 December 2021, the balance of the heading "BIC Capital Prime I" corresponds to the amounts related to the valuation of real estate properties for subscription in kind under the constitution of the real estate investment fund. In the year ended 31 December 2022, pursuant to the guidelines of Banco Nacional de Angola, the balance was regularized with the reclassification of the heading "Other assets" to the heading "Non-current assets held for sale", with subsequent subscription of the BIC Capital Prime I investment fund units (Note 6).

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	
	31/12/2022	31/12/2021
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.	117 700 441	72 003 356
Bank BIC Namibia, Limited	151 898	-
	117 852 339	72 003 356
Interbank money market operations		
Banco BIC Cabo Verde, S.A.	7 504 996	49 948 290
Interest payable	92 281	232 554
	7 597 277	50 180 844
Demand deposit overdrafts		
Banco BIC Português, S.A.	-	122 355
	129 451 808	122 306 555
Resources linked to		
Prepaid Visa	16 686 092	16 112 706
Imports - Foreign currency	2 013 698	6 483 655
Other	739 247	(167 440)
	19 439 037	22 428 921
Certified cheques - Domestic currency	394 012	451 983
	394 012	451 983
	19 833 049	22 880 904
	149 284 857	145 187 459

As at 31 December 2022 and 2021, the interbank money market operations, excluding interest payable, show the following structure, by residual maturity periods::

In mAOA		
	31/12/2022	31/12/2021
Up to one month	4 000 000	-
One to three months	7 504 996	49 948 290
	11 504 996	49 948 290

As at 31 December 2022 and 2021, 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:

Em mkz						
	31/12/2022			31/12/2021		
	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	4,03%	14 900 000	7 504 996	2,84%	90 000 000	49 948 290
		11 504 996				49 948 290

The heading "Resources linked to Prepaid Visa" refers to the values deposited by Customers of prepaid cards of the Visa network.

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

This heading has the following composition:

	In mAOA	
	31/12/2022	31/12/2021
Demand deposits of residents		
In domestic currency		
Companies	281 017 098	248 181 322
Individuals	164 225 423	150 337 475
Administrative public sector	150 845 376	192 140 665
Corporate public sector	3 589 799	3 246 720
	599 677 696	593 906 182
In foreign currency		
Companies	36 751 993	48 617 953
Individuals	29 175 305	39 837 184
Corporate public sector	2 182 725	1 162 690
Administrative public sector	126 789	166 756
	68 236 812	89 784 583
Demand deposits of non-residents		
In domestic currency	6 130 545	5 624 511
In foreign currency	302 259	940 165
	6 432 804	6 564 676
Total demand deposits	674 347 312	690 255 441
Term deposits of residents		
In domestic currency		
Companies	142 313 837	142 442 313
Individuals	74 319 352	65 620 595
Administrative public sector	14 860 615	5 388 048
Corporate public sector	3 821 840	1 749 221
Interest payable	5 248 971	4 788 317
	240 564 615	219 988 494
In foreign currency		
Individuals	211 576 589	246 557 572
Companies	93 512 270	125 994 305
Corporate public sector	9 610 838	14 270 399
Interest payable	2 410 729	3 731 049
	317 110 426	390 553 325
Term deposits of non-residents		
In domestic currency		
Value applied	353 520	321 021
Interest payable	5 816	5 018
	359 336	326 039
In foreign currency		
Value applied	704 199	747 814
Interest payable	1 914	1 904
	706 113	749 718
Total term deposits	558 740 490	611 617 576
	1 233 087 802	1 301 873 017

As at 31 December 2022 and 2021, 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 2022 and 2021, Customer term deposits, excluding interest payable, show the following structure, by residual maturity periods:

	In mAOA	
	31/12/2022	31/12/2021
Up to three months	316 800 953	402 922 607
Three to six months	175 090 233	136 501 084
Six months to one year	59 160 177	63 625 759
One to three years	20 254	41 404
More than three years	1 443	434
	551 073 060	603 091 288

As at 31 December 2022 and 2021, Customer term deposits, excluding interest payable, show the following structure by currency and annual average rates, weighted by the respective value applied:

	31/12/2022			31/12/2021		
	Interest rate	Foreign currency (in units)	Domestic currency	Interest rate	Foreign currency (in units)	Domestic currency
In kwanzas	10,54%	-	235 669 163	10,07%	-	215 521 197
In United States dollars	2,88%	596 649 177	300 526 821	3,40%	666 335 515	369 803 551
In euros	1,35%	27 681 474	14 877 076	1,65%	28 245 017	17 766 540
			551 073 060			603 091 288

As at 31 December 2022 and 2021, the term deposits of residents in national currency include the values of mAOA 22 344 839 and mAOA 40 968 634, 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 2022 is detailed as follows:

	Balance as at 31-12-2021	Top-ups	Refunds and write-backs	Exchange rate variation	Uses	Regularizations	In mAOA 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 movement of provisions and impairment in the year ended 31 December 2021 is detailed as follows:

	Balance as at 31-12-2020	Top-ups	Refunds and write-backs	Exchange rate variation	Uses	Regularizations	In mAOA Balance as at 31-12-2021
Impairment							
Deposits at other credit institutions (Note 4)							
Investments at central banks and other credit institutions (Note 5)	10 209	33 276	(5 048)	(2 353)	-	-	36 084
Investments at amortized cost (Note 7)	1 498 434	1 628 084	(407 724)	(166 716)	-	-	2 552 078
Loans to Customers (Note 8)	61 556 891	459 808	(16 668 402)	(1 553 984)	-	-	43 794 313
Non-current assets held for sale (Note 9)	247 843 797	22 826 807	-	(34 424 567)	(32 309)	(3 100 000)	233 113 728
Other Assets (Note 12)	22 388 184	-	-	-	-	-	22 388 184
	333 297 515	24 947 975	(17 081 174)	(36 145 267)	(32 309)	(3 100 000)	301 884 387
Provisions							
Retirement pensions	18 123 951	1 484 616	-	(2 792 644)	-	-	16 815 923
Provision of guarantees	5 287 652	-	-	(503 511)	-	3 100 000	7 884 141
Other provisions	3 684 734	616 116	-	(598 967)	(51 687)	38 479	3 688 675
	27 096 337	2 100 732	-	(3 895 122)	(51 687)	3 138 479	28 388 739
	360 393 852	27 048 707	(17 081 174)	(40 040 389)	(83 996)	38 479	330 273 126

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).

As at 31 December 2022 and 2021, the provision for retirement pensions amounts to approximately USD 32 700 000 (mAOA 16 470 695) and USD 30 300 000 (mAOA 16 815 923), 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 2022 and 2021 and projections for the following year.

As at 31 December 2022 and 2021, 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 2022 and 2021 is detailed as follows:

Total number as at 31 December 2020	2 075
Departures:	
Of active Employees	(23)
Due to death	(1)
Recruitment	25
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

As at 31 December 2022 and 2021, 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	31/12/2022	31/12/2021
Liabilities due to past services of active Employees	10 492 834	10 994 572
Total liabilities due to past services	10 492 834	10 994 572
Provision for retirement pensions	16 470 695	16 815 923
Excess/ (Insufficient) coverage	5 977 861	5 821 351
Coverage level of the liabilities	157%	153%

The evolution of the coverage level of the liabilities as at 31 December 2022, and in the years of 2021, 2020, 2019, 2018 and 2017, is detailed as follows:

	31/12/2022	31/12/2021	31/12/2020	31/12/2019	31/12/2018	31/12/2017
Total liabilities due to past services	10 492 834	10 994 572	12 343 478	8 776 109	5 306 192	2 647 465
Provision for retirement pensions	16 470 695	16 815 923	18 123 951	12 296 789	7 128 822	3 434 627
Excess/ (Insufficient) coverage	5 977 861	5 821 351	5 780 473	3 520 680	1 822 630	787 162
Coverage level of the liabilities	157%	153%	147%	140%	134%	130%

As at 31 December 2022 and 2021, 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:

	31/12/2022	31/12/2021
In mAOA		
Liabilities of corporate or statutory nature		
Dividends payable	10 944 061	5 837 429
Liabilities of tax nature		
Taxation on remunerations	1 744 772	1 586 581
Capital Gains Tax	1 589 015	1 764 968
Industrial Tax - Taxation of Services	1 343 776	1 310 429
Value Added Tax	799 962	1 309 346
Stamp Duty	88 725	85 656
Other taxes	210	8 652
	5 566 460	6 065 632
Liabilities of civil nature		
Lease liabilities	4 000 021	-
Deferred revenues - Guarantees provided	63 857	25 993
Other	63 159	128 988
	4 127 037	154 981
Liabilities of administrative and marketing nature		
Staff - Salaries and other remunerations		
Staff charges	4 530 396	2 951 461
Holidays and holiday and Christmas allowance	2 824 845	4 890 950
Other	8 717	8 717
	7 363 958	7 851 128

(continua)

(continuation)

	31/12/2022	In mAOA 31/12/2021
Visa cards	2 876 360	2 677 862
Commercial and industrial suppliers	1 414 623	1 539 101
Specialized services		
Banco BIC Português, S.A. (Note 26)	353 152	991 164
Other	330 872	453 398
	684 024	1 444 562
Communication and postage expenses		
Data circuit	387 138	298 794
Communications	15 601	26 615
	402 739	325 409
ATM clearance	247 804	172 563
Deferred fees	-	51 897
Security and surveillance	-	27 339
Other administrative costs	44 742 530	37 464 336
	57 732 038	51 554 197
	78 369 596	63 612 239

As at 31 December 2022 and 2021, 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 2022 and 2021, 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 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 2022 and 2021, the balance of the heading "Other administrative costs" includes the estimated tax for previous years of the value of mAOA 12 613 261 and mAOA 12 438 190, respectively.

As at 31 December 2022 and 2021, 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.

As at 31 December 2021, the balance of the heading "Other administrative costs" includes the value payable related to a series of commercial and organizational supporting services and other services provided by entities related to the Bank amounting to mAOA 2 003 209.

17. Equity

The movement which occurred in the equity headings in the years ended 31 December 2022 and 2021 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 2020	20 000 000	325 357 446	66 899 200	49 151 390	116 050 590	21 288 589	482 696 625
Appropriation of the net income for 2020:							
Transfer to legal reserve	-	-	4 257 718	-	4 257 718	(4 257 718)	-
Transfer to other reserves	-	-	-	10 644 294	10 644 294	(10 644 294)	-
Distribution of dividends	-	-	-	-	-	(6 386 577)	(6 386 577)
Updating of equity	-	(69 380 554)	-	-	-	-	(69 380 554)
Net income for the year	-	-	-	-	-	50 126 447	50 126 447
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

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 2022 and 2021, 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%

Pursuant to 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 should be disclosed. As at 31 December 2022, the Bank does not have any shareholders performing duties in the management and supervisory bodies.

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	
	31/12/2022	31/12/2021
Net income attributable to the Bank's shareholders	41 661 700	50 126 447
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)	2 083,09	2 506,32

The basic earnings per share are equivalent to the diluted earnings per share.

Appropriation of net income

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, 75% was transferred to the heading "Other reserves and retained earnings", amounting to mAOA 37 594 837, and 25% was allocated for distribution of dividends to the shareholders, amounting to mAOA 12 531 610.

The General Meeting held on 29 April 2021 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 2020, standing at mAOA 21 288 589, 70% was transferred to the heading "Other reserves and retained earnings", amounting to mAOA 14 902 012, and 30% was allocated for distribution of dividends to the shareholders, amounting to mAOA 6 386 577.

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, a minimum of 10% of the net income for the previous year is annually transferred to this reserve (20% up to the publication of Law No. 12/2015 – Basic Law of Financial Institutions on 17 June 2015, maintained as the Bank's procedure), amended by Law No. 14/21 – General Regime Law of Financial Institutions on 19 May 2021. This reserve can only be used to cover accumulated losses, when all other constituted reserves have been depleted.

Revaluation reserves

Revaluation reserves represent the equity updating reserves (Note 2.3(i)).

18. Off-balance sheet headings

These headings have the following composition:

	In mAOA	
	31/12/2022	31/12/2021
Guarantees provided and other contingent liabilities		
Guarantees and sureties provided	34 354 270	60 985 160
Irrevocable commitments	21 131 553	30 826 454
Open documentary credit	5 302 019	7 404 675
	60 787 842	99 216 289
Liabilities due to services rendered		
Services provided by the institution		
Custody of securities	90 507 068	136 695 831
Collection of values - Domestic	23 672 709	26 487 510
Collection of values - Abroad	1 494 715	748 635
Shares	2 794	-
	115 677 286	163 931 976
Services rendered by third parties		
Collection of values	(151 136)	(73 391)
	115 526 150	163 858 585

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 2022 and 2021, "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 7 611 820 and mAOA 7 884 141, respectively.

19. Net interest income

These headings have the following composition:

	In mAOA	
	31/12/2022	31/12/2021
Interest and similar income		
Of loans to Customers		
Interest	49 916 705	52 047 989
Fees	893 387	1 143 701
	50 810 092	53 191 690
Of investments at amortized cost		
Treasury Bonds		
Indexed to the United States Dollar	18 266 444	37 134 847
Non-adjustable	23 948 695	24 755 938
Foreign currency	5 536 088	7 508 132
	47 751 227	69 398 917
Treasury Bills	4 125 257	19 622 669
Other	106 652	447 939
	4 231 909	20 070 608
	51 983 136	89 469 525
Of investments at central banks and other credit institutions		
Third-party securities purchase operations with reverse repurchase agreement	13 868 380	3 172 762
Domestic	1 194 694	536 104
Abroad	2 759 083	396 989
	17 822 157	4 105 855
Total interest and similar income	120 615 385	146 767 070
Interest and similar charges		
Of Customer resources and other loans		
Term	(31 989 032)	(41 336 902)
Demand	(74 404)	(57 834)
	(32 063 436)	(41 394 736)
Of resources from central banks and other credit institutions	(1 510 069)	(2 649 988)
Of lease liabilities	(210 570)	-
Total interest and similar charges	(33 784 075)	(44 044 724)
Net interest income	86 831 310	102 722 346

20. Service and fee income and charges

These headings have the following composition:

	In mAOA	
	31/12/2022	31/12/2021
Income from services and fees		
Fees for EMIS transactions	10 797 383	6 878 681
Fees for guarantee and sureties	1 452 372	2 222 154
Fees on payment orders issued	1 295 291	1 641 649
Fees for automatic payment terminals	822 138	521 500
Fees for operations with securities	250 147	424 414
Visa fees	238 883	211 146
Fees for escrow account management	179 325	177 234
Origination fees - Ministry of Finance	167 330	250 601
Fees for documentary credit and remittances	23 728	62 015
Other fees	587 741	269 222
	15 814 338	12 658 616
Charges related to services and fees		
Fees for EMIS transactions	(6 417 682)	(3 884 396)
Visa fees	(62 361)	(41 121)
Other fees	(128 804)	(183 717)
	(6 608 847)	(4 109 234)
	9 205 491	8 549 382

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:

	31/12/2022			31/12/2021		
	Gains	Losses	Net	Gains	Losses	Net
Results in foreign currency	487 930 344	(473 871 329)	14 059 015	315 039 617	(307 161 476)	7 878 141
Results in notes and coins	3 107 820	(3 259 473)	(151 653)	2 819 847	(1 757 903)	1 061 944
Foreign exchange revaluation of financial instruments indexed to the USD						
Foreign exchange revaluation of Treasury Bonds	-	(25 999 579)	(25 999 579)	-	(50 867 912)	(50 867 912)
Foreign exchange revaluation of term deposits	6 190 411	-	6 190 411	6 591 907	-	6 591 907
	497 228 575	(503 130 381)	(5 901 806)	324 451 371	(359 787 291)	(35 335 920)

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	
	31/12/2022	31/12/2021
Reimbursement of expenses		
On payment orders	883 602	1 367 592
Other	224 837	268 102
	1 108 439	1 635 694
Income from provision of miscellaneous services		
Sale of currency/withdrawals	172 261	172 343
Issuance of cheques	13 555	17 971
Other	1 050 626	951 374
	1 236 442	1 141 688
Multicaixa card	1 224 756	906 430
Postage and maintenance expenses	644 234	853 777
Other miscellaneous income and profits	625 247	680 133
	2 494 237	2 440 340
	4 839 118	5 217 722
Taxes and rates not incident on profit or loss		
Capital gains tax (Note 25)	(6 355 265)	(6 594 806)
Other taxes and rates	(1 146 226)	(1 027 289)
	(7 501 491)	(7 622 095)
Regularization of debit balances	(385 952)	(242 605)
Other miscellaneous expenses and losses	(517 246)	(4 406 697)
	(903 198)	(4 649 302)
	(8 404 689)	(12 271 397)
	(3 565 571)	(7 053 675)

The heading "Other miscellaneous income and profits" corresponds to the surpluses of ATMs, 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	
	31/12/2022	31/12/2021
Remunerations		
Monthly remuneration		
Basic retribution	18 760 149	17 881 266
Fixed working hours exemption	5 182 008	5 027 776
Transport expenses complement	2 020 065	1 948 995
Wage complement	1 686 408	1 627 534
Allowance for failures	829 492	825 558
Seniority payments	787 182	701 184
	29 265 304	28 012 313
Additional remunerations		
Lunch allowance	4 603 046	4 495 355
Holiday allowance	2 603 583	2 276 455
Christmas allowance	2 374 709	2 278 807
	9 581 338	9 050 617
Other remunerations	1 547 277	1 469 523
	40 393 919	38 532 453
Variable distribution - Performance bonus		
To be settled	1 796 905	3 600 443
Settled in the year	4 786 509	4 697 761
	6 583 414	8 298 204
Mandatory social charges	3 240 793	2 862 273
Optional charges	580 549	574 035
Other staff costs	1 043 203	263 443
	51 841 878	50 530 408

24. THIRD-PARTY SUPPLIES AND SERVICES

This heading has the following composition:

	31/12/2022	31/12/2021
Security and surveillance	4 030 616	4 086 787
Office supplies	2 416 888	2 425 754
Specialized services		
Related to IT	1 752 645	2 188 657
Related to consulting and audit	1 365 004	1 828 420
Other	200 697	210 848
	3 318 346	4 227 925
Communication and postage expenses	3 588 782	3 278 960
Maintenance and repair	1 970 802	2 608 576
Insurance	1 853 512	1 831 008
Levies and donations	1 302 663	1 910 595
Gratuities	733 919	578 516
Advertising	701 128	534 962
Water, energy and fuel	564 457	554 910
Travel and hotel	396 960	430 712
Cleaning services	307 926	347 584
Hire and rental charges	189 539	1 595 051
Other	1 217 122	1 383 027
	12 826 810	15 053 901
	22 592 660	25 794 367

25. Income taxes

As at 31 December 2022 and 2021, 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:

	31/12/2022	31/12/2021
Total Industrial Tax recognized through profit or loss	2 192 717	-
Pre-tax profit	43 854 417	49 185 030
Effective Industrial Tax rate	5,00%	0,00%

As at 31 December 2022 and 2021, the reconciliation between the nominal rate and the effective rate is detailed as follows:

	31/12/2022		31/12/2021	
	Rate	Tax	Rate	Tax
Pre-tax result		43 854 417		49 185 030
Tax calculated based on the nominal rate	35,00%	15 349 046	35,00%	17 214 761
Tax benefits on income from public debt securities or equivalent				
Interest and similar income	-49,65%	(21 774 174)	-60,69%	(29 849 695)
Costs not accepted for tax purposes				
Provisions	26,82%	11 761 572	15,32%	7 537 578
Taxes	5,16%	2 263 333	7,84%	3 854 808
Other	1,27%	558 415	0,61%	301 131
	18,60%	8 158 192	n.a.	(941 417)
Use of tax losses		5 965 475		-
Estimated Industrial Tax	5,00%	2 192 717	n.a.	(941 417)

As at 31 December 2022, the estimated tax has an implicit 5% effective tax rate, which is recognized under the heading "Current tax liabilities".

As at 31 December 2022 and 2021, 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 6 355 265 and mAOA 6 594 806, respectively (Note 22).

In the years ended 31 December 2021 and 2020, 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 2022 and 2021, the main balances maintained by the Bank with related entities are as follows:

	31/12/2022					In mAOA
	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 Supervisory 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	-	-	125 297 718
Customer resources and other loans (Note 14)	-	-	-	54 805 893	1 457 453	56 263 346
Other liabilities (Note 16)	353 152	-	-	12 430 795	-	12 783 947
	353 152	125 297 718	151 898	67 236 688	1 457 453	194 345 011
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	964 945	-	7 692 449	48 467	9 383 417

In mAOA

	31/12/2021					
	Banco BIC Português, S.A.	Banco BIC Cabo Verde, S.A.	Bank BIC Namibia, Limited	Accionistas e entidades detidas pelos Accionistas	Membros do Conselho de Administração e do Conselho Fiscal	Total
Assets						
Deposits at other credit institutions (Note 4)	1 465 052	9 648 243	2 840 767	-	-	13 954 062
Investments at central banks and other credit institutions (Note 5)	91 340 265	8 033 117	-	-	-	99 373 382
Investments at amortized cost (Note 7)	-	-	-	8 514 962	-	8 514 962
Loans to Customers (Note 8)	-	-	-	97 604 683	159 118	97 763 801
Other assets (Note 12)	1 737	-	-	27 367	-	29 104
	92 807 054	17 681 360	2 840 767	106 147 012	159 118	219 635 311
Liabilities						
Resources from central banks and other credit institutions (Note 13)	122 355	122 184 200	-	-	-	122 306 555
Customer resources and other loans (Note 14)	-	-	-	51 226 912	2 888 995	54 115 907
Other liabilities (Note 16)	4 713 684	-	-	7 045 974	-	11 759 658
	4 836 039	122 184 200	-	58 272 886	2 888 995	188 182 120
Off-balance Sheet						
Guarantees and sureties provided (Note 18)	-	-	-	2 673 143	-	2 673 143
Open documentary credit (Note 18)	-	-	-	1 103 232	-	1 103 232
	-	-	-	3 776 375	-	3 776 375
Income statement						
Interest on liquidity investments and loans (Note 19)	61 290	243 406	-	12 070 954	7 013	12 382 663
Interest on liquidity resources and deposits (Note 19)	-	2 203 932	-	1 883 420	130 011	4 217 363
Fees for guarantees and sureties provided (Note 20)	-	-	-	191 003	-	191 003
Third-party supplies and services (Note 24)	461 028	-	-	-	-	461 028
	522 318	2 447 338	-	14 145 377	137 024	17 252 057

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 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 17 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 18 June, 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 complying with the prudential limits for major risks in accordance with Banco Nacional de Angola Notice No. 08/2021 of 18 June.

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.

IT systems risk

IT systems risk monitoring is fundamental, as it includes processes that ensure the operability and performance of the systems, information security, and strict access and profiles control appropriate to the needs of each function. Recovery plans must be developed and maintained for the Bank's different software, in accordance with their level of criticality for the activity, and the risk of outsourcing services must be duly safeguarded.

As regards information protection, emphasis should be placed on personal data processing processes, for which specific controls must be implemented to ensure compliance with the defined regulations.

In order to mitigate the risks arising from extreme events operational risk, IT systems and communication risk, the Bank has developed a programme to implement business continuity management, aimed at ensuring the continuous functioning of the business or its timely recovery, as a consequence of an adverse event that compromises the regular conduct of its activities.

Compliance risk

This risk is characterized by the probability of the occurrence of negative impacts on results or equity arising from breaches or non-compliance with laws and regulations, which lead to legal sanctions.

The Bank mitigates the compliance risk level in order to ensure anti-money laundering and countering the financing of terrorism and the proliferation of weapons of mass destruction, through the current regulatory framework. The Bank's objectives are full respect for the applicable legal and regulatory provisions, including anti-money laundering, countering the financing of terrorism and the proliferation of weapons of mass destruction, as well as for professional and ethical standards and customs, internal and statutory rules, conduct and Customer relations rules, and management guidelines, in order to protect the Bank's reputation and avoid it being subject to sanctions.

Banco BIC has implemented methodologies and tools that enable actions to be taken to prevent the occurrence of compliance and reputational risk events. These methodologies must ensure the regular monitoring and assessment of the appropriateness and effectiveness of the measures and procedures adopted to detect any risk of non-compliance with the legal obligations and duties to which the institution is subject, as well as the monitoring and assessment of internal control procedures for anti-money laundering and countering the financing of terrorism and proliferation of weapons of mass destruction.

Balance Sheet

Categories of financial instruments

As at 31 December 2022 and 2021, the different categories of financial instruments are detailed as follows:

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
Other assets	-	41 471 539	(1 275 772)	40 195 767
	69 672 602	2 060 239 853	(261 319 191)	1 868 593 264
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)
Other liabilities	-	(78 369 596)	-	(78 369 596)
	-	(1 460 742 255)	-	(1 460 742 255)
	69 672 602	599 497 598	(261 319 191)	407 851 009

In mAOA			
	31/12/2021		
	Measured at amortized cost	Impairment	Net value
Assets			
Cash and deposits at central banks	427 800 941	-	427 800 941
Deposits at other credit institutions	35 213 840	(36 084)	35 177 756
Investments at central banks and other credit institutions	257 558 860	(2 552 078)	255 006 782
Investments at amortized cost	605 269 830	(43 794 313)	561 475 517
Loans to Customers	818 279 347	(233 113 728)	585 165 619
Other assets	39 968 946	-	39 968 946
	2 184 091 764	(279 496 203)	1 904 595 561
Liabilities			
Resources from central banks and other credit institutions	(145 187 459)	-	(145 187 459)
Customer resources and other loans	(1 301 873 017)	-	(1 301 873 017)
Other liabilities	(63 612 239)	-	(63 612 239)
	(1 510 672 715)	-	(1 510 672 715)
	673 419 049	(279 496 203)	393 922 846

Income statement and statement of comprehensive income

Headings of income, expenses, gains or losses

As at 31 December 2022 and 2021, the net gains and losses on financial instruments are detailed as follows:

In mAOA			
	31/12/2022		
	Against profit or loss		
	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
	137 785 816	(32 448 477)	105 337 339
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)
	137 785 816	(66 021 982)	71 763 834
Off-balance Sheet			
Guarantees provided and documentary credit	1 476 100	-	1 476 100
	1 476 100	-	1 476 100

In mAOA			
	31/12/2021		
	Against profit or loss		
	Gains	Losses	Net
Assets			
Deposits at other credit institutions	-	(28 228)	(28 228)
Investments at central banks and other credit institutions	4 105 855	(1 220 360)	2 885 495
Investments at amortized cost	106 102 533	-	106 102 533
Loans to Customers	53 368 924	(22 826 807)	30 542 117
	163 577 312	(24 075 395)	139 501 917
Liabilities			
Resources from central banks and other credit institutions	-	(2 649 988)	(2 649 988)
Customer resources and other loans	-	(41 394 736)	(41 394 736)
	-	(44 044 724)	(44 044 724)
	163 577 312	(68 120 119)	95 457 193
Off-balance Sheet			
Guarantees provided and documentary credit	2 284 169	-	2 284 169
	2 284 169	-	2 284 169

As at 31 December 2022 and 2021, 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

	31/12/2022			31/12/2021		
	Income	Expenses	Net	Income	Expenses	Net
Assets						
Investments at central banks and other credit institutions	17 822 157	-	17 822 157	4 105 855	-	4 105 855
Investments at amortized cost	51 983 136	-	51 983 136	89 469 525	-	89 469 525
Loans to Customers	49 916 705	-	49 916 705	52 047 989	-	52 047 989
	119 721 998	-	119 721 998	145 623 369	-	145 623 369
Liabilities						
Resources from central banks and other credit institutions	-	(1 510 069)	(1 510 069)	-	(2 649 988)	(2 649 988)
Customer resources and other loans	-	(32 063 436)	(32 063 436)	-	(41 394 736)	(41 394 736)
	-	(33 573 505)	(33 573 505)	-	(44 044 724)	(44 044 724)
	119 721 998	(33 573 505)	86 148 493	145 623 369	(44 044 724)	101 578 645

In the years ended 31 December 2022 and 2021, 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 2022 and 2021, the comparison between the fair value and book value of the main assets and liabilities is detailed as follows:

In mAOA

	31/12/2022				
	Book value (net)	Fair value of financial instruments recorded on the balance sheet		Total	Difference
		Fair value	Amortized cost		
Assets					
Cash and deposits at central banks	391 336 987	-	391 336 987	391 336 987	-
Deposits at other credit institutions	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	-
Financial assets at fair value through other comprehensive income	69 672 602	69 672 602	-	69 672 602	-
Investments at amortized cost	325 704 668	-	325 704 668	325 704 668	-
Loans to Customers	603 277 186	-	603 277 186	603 277 186	-
	1 828 397 497	69 672 602	1 758 724 895	1 828 397 497	-
Liabilities					
Resources from central banks and other credit institutions	(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)	-
	(1 382 372 659)	-	(1 382 372 659)	(1 382 372 659)	-
	446 024 838	69 672 602	376 352 236	446 024 838	-

In mAOA

31/12/2022						
	Book value (net)	Fair value of financial instruments recorded on the balance sheet		Total	Difference	Total book value
		Fair value	Amortized cost			
Activo						
Cash and deposits at central banks	427 800 941	-	427 800 941	427 800 941	-	427 800 941
Deposits at other credit institutions	35 177 756	-	35 177 756	35 177 756	-	35 177 756
Investments at central banks and other credit institutions	255 006 782	-	255 006 782	255 006 782	-	255 006 782
Investments at amortized cost	561 475 517	-	561 475 517	561 475 517	-	561 475 517
Loans to Customers	585 165 619	-	585 165 619	585 165 619	-	585 165 619
	1 864 626 615	-	1 864 626 615	1 864 626 615	-	1 864 626 615
Liabilities						
Resources from central banks and other credit institutions	(145 187 459)	-	(145 187 459)	(145 187 459)	-	(145 187 459)
Customer resources and other loans	(1 301 873 017)	-	(1 301 873 017)	(1 301 873 017)	-	(1 301 873 017)
	(1 447 060 476)	-	(1 447 060 476)	(1 447 060 476)	-	(1 447 060 476)
	417 566 139	-	417 566 139	417 566 139	-	417 566 139

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 2022, the valuation hierarchy of the financial instruments at fair value is detailed as follows:

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 2022 and 2021, the maximum exposure to credit risk by type of financial instrument is detailed as follows:

	31/12/2022			31/12/2021		
	Gross book value	Impairment	Net book value	Gross book value	Impairment	Net book value
On-balance Sheet						
Cash and deposits at central banks	391 336 987	-	391 336 987	427 800 941	-	427 800 941
Deposits at other credit institutions	109 879 842	(30 909)	109 848 933	35 213 840	(36 084)	35 177 756
Investments at central banks and other credit institutions	331 554 566	(2 997 445)	328 557 121	257 558 860	(2 552 078)	255 006 782
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	605 269 830	(43 794 313)	561 475 517
Loans to Customers	834 116 576	(230 839 390)	603 277 186	818 279 347	(233 113 728)	585 165 619
	2 088 440 916	(260 043 419)	1 828 397 497	2 144 122 818	(279 496 203)	1 864 626 615
Extrapatrimonials						
Guarantees provided and documentary credit	39 656 289	(6 419 840)	33 236 449	68 389 835	(6 105 933)	62 283 902
Unused limits	58 476 329	(1 191 980)	57 284 349	56 675 177	(1 778 208)	54 896 969
	98 132 618	(7 611 820)	90 520 798	125 065 012	(7 884 141)	117 180 871
	2 186 573 534	(267 655 239)	1 918 918 295	2 269 187 830	(287 380 344)	1 981 807 486

As at 31 December 2022 and 2021, the financial assets show the following composition according to the reference rating used by the Bank:

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
			2 088 440 916	(260 043 419)	1 828 397 497

In mAOA

Assets	Rating origin	Rating level	31/12/2021		
			Gross exposure	Impairment	Net exposure
Cash and deposits at central banks	Internal rating	Minimum	427 800 941	-	427 800 941
Deposits at other credit institutions	Internal rating	Minimum	35 213 840	(36 084)	35 177 756
Investments at central banks and other credit institutions	Internal rating	Minimum	11 100 329	(3 597)	11 096 732
		Very low	123 801 472	(345 688)	123 455 784
		Low	122 657 059	(2 202 793)	120 454 266
			257 558 860	(2 552 078)	255 006 782
Investments at amortized cost	Internal rating	Very low	8 514 962	(8 021)	8 506 941
		Low	596 754 868	(43 786 292)	552 968 576
			605 269 830	(43 794 313)	561 475 517
Loans to Customers	Internal rating	Minimum	211 319 795	(551 040)	210 768 755
		Very low	201 684 202	(3 827 307)	197 856 895
		Low	127 166 139	(26 062 050)	101 104 089
		Moderate	63 810 900	(26 702 048)	37 108 852
		High	109 001 279	(72 560 080)	36 441 199
		Very high	70 384 179	(68 648 260)	1 735 919
		Maximum	34 912 853	(34 762 943)	149 910
			818 279 347	(233 113 728)	585 165 619
			2 144 122 818	(279 496 203)	1 864 626 615

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 2022 and 2021, the geographic concentration of credit risk is detailed as follows:

In mAOA

	31/12/2022				
	Angola	Other African countries	Europe	Other	Total
Cash and deposits at central banks	391 336 987	-	-	-	391 336 987
Deposits at other credit institutions	49 381	24 886 638	79 501 350	5 442 473	109 879 842
Investments at central banks and other credit institutions	209 791 020	-	117 770 437	3 993 109	331 554 566
Financial assets at fair value through other comprehensive income	69 672 602	-	-	-	69 672 602
Investments at amortized cost	351 880 343	-	-	-	351 880 343
Loans to Customers	834 116 576	-	-	-	834 116 576
	1 856 846 909	24 886 638	197 271 787	9 435 582	2 088 440 916

In mAOA

	31/12/2021				
	Angola	Other African countries	Europe	Other	Total
Cash and deposits at central banks	427 800 941	-	-	-	427 800 941
Deposits at other credit institutions	10 531	19 517 951	11 970 783	3 714 575	35 213 840
Investments at central banks and other credit institutions	76 880 371	8 033 117	161 378 326	11 267 046	257 558 860
Investments at amortized cost	605 269 830	-	-	-	605 269 830
Loans to Customers	818 279 347	-	-	-	818 279 347
	1 928 241 020	27 551 068	173 349 109	14 981 621	2 144 122 818

As at 31 December 2022 and 2021, loans present the following composition:

In mAOA

in mAOU

	Outstanding loans and income receivable	31/12/2022			Net exposure
		Non-performing loans			
		Stage 1	Stage 2	Stage 3	
Loans to Customers					
Loans without impairment	-	-	-	-	-
With impairment assigned based on individual analysis					
Loans and interest	349 559 196	10 650 996	-	224 229 502	584 439 694
Impairment	(43 941 137)	(2 703 815)	-	(121 668 824)	(168 313 776)
	305 618 059	7 947 181	-	102 560 678	416 125 918
With impairment assigned based on collective analysis					
Loans and interest	198 061 116	12 983	627 096	52 221 935	250 923 130
Impairment	(30 058 730)	(93)	(86 488)	(32 380 303)	(62 525 614)
	168 002 386	12 890	540 608	19 841 632	188 397 516
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

In mAOA

	Outstanding loans and income receivable	31/12/2021			Net exposure
		Non-performing loans			
		Stage 1	Stage 2	Stage 3	
Loans to Customers					
Loans without impairment	52 933 329	22 744 582	-	6 143 517	81 821 428
With impairment assigned based on individual analysis					
Loans and interest	303 490 982	9 572 267	-	176 229 358	489 292 607
Impairment	(44 175 102)	(1 842 348)	-	(113 747 398)	(159 764 848)
	259 315 880	7 729 919	-	62 481 960	329 527 759
With impairment assigned based on collective analysis					
Loans and interest	188 864 630	31 462	292 896	59 427 070	248 616 058
Impairment	(31 239 477)	(221)	(44 185)	(42 064 997)	(73 348 880)
	157 625 153	31 241	248 711	17 362 073	175 267 178
Associated fees at amortized cost	(1 450 746)	-	-	-	(1 450 746)
	468 423 616	30 505 742	248 711	85 987 550	585 165 619

As at 31 December 2022, there are no loans overdue recorded without impairment.

As at 31 December, the loans overdue without impairment show the following composition:

In mAOA				
31/12/2021				
Default class				
	Stage 1	Stage 2	Stage 3	Total
Loans to Customers				
Loans and interest overdue				
Without impairment assigned based on individual analysis	22 744 582	-	-	22 744 582
Without impairment assigned based on collective analysis	-	-	6 143 517	6 143 517
	22 744 582	-	6 143 517	28 888 099

As at 31 December 2021, loans overdue without impairment essentially correspond to exposures secured by asset-backed collateral.

As at 31 December 2022 and 2021, the loans overdue with impairment show the following composition:

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	-	224 229 502	234 880 498
With impairment assigned based on collective analysis	12 983	627 096	52 221 935	52 862 014
	10 663 979	627 096	276 451 437	287 742 512

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	9 572 267	-	176 229 358	185 801 625
With impairment assigned based on collective analysis	31 462	292 896	59 427 070	59 751 428
	9 603 729	292 896	235 656 428	245 553 053

In the year ended 31 December 2022 and 2021, the Banco renegotiated operations due to their deteriorating credit risk or risk of default.

As at 31 December 2022 and 2021, the value of renegotiated loans (excluding unused limits) shows the following composition:

In mAOA					
31/12/2022					
	Loans				Impairment
	Outstanding	Income receivable	Overdue	Total	
Companies	197 102 087	5 481 058	187 952 583	390 535 728	(125 866 535)
Individuals					
Mortgage loans	776 013	1 638	340 455	1 118 106	(577 628)
Consumer credit	12 328 302	40 045	1 204 349	13 572 696	(4 621 209)
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)

In mAOA					
31/12/2021					
	Loans				Impairment
	Outstanding	Income receivable	Overdue	Total	
Companies	213 027 554	2 533 177	175 504 683	391 065 414	(120 286 029)
Individuals					
Mortgage loans	11 433 404	38 086	799 242	12 270 732	(3 989 755)
Consumer credit	920 096	2 326	360 978	1 283 400	(450 686)
Other purposes	1 356 548	12 456	9 832 348	11 201 352	(5 472 496)
	13 710 048	52 868	10 992 568	24 755 484	(9 912 937)
	226 737 602	2 586 045	186 497 251	415 820 898	(130 198 966)

As at 31 December 2022 and 2021, the guarantees or other collateral foreclosed under loan operations are detailed as follows:

In mAOA						
	31/12/2022			31/12/2021		
	Gross assets	Impairment	Net assets	Gross assets	Impairment	Net assets
Non-current assets held for sale						
Real estate received in lieu of payment	16 835 709	(5 101 771)	11 733 938	73 347 227	(22 388 184)	50 959 043
	16 835 709	(5 101 771)	11 733 938	73 347 227	(22 388 184)	50 959 043

Liquidity risk

As at 31 December 2022 and 2021, the capital associated with the financial instruments, excluding interest and loans overdue, according to their contractual maturity, is detailed as follows:

In mAOA

	31/12/2022									
	Residual contractual periods									Total
	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	
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	-	114 003 266	124 756 751	73 577 204	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	88 449 018	77 922 448	58 338 473	10 074 513	-	337 651 581
Loans to Customers	-	8 009 023	12 964 959	26 777 990	30 443 413	87 787 546	103 556 906	252 781 587	-	522 321 424
Other assets	41 471 539	-	-	-	-	-	-	-	-	41 471 539
	542 657 459	143 922 598	159 900 977	159 132 747	134 308 889	165 709 994	161 895 379	262 856 100	69 672 602	1 800 056 745
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)	(120 873 391)	(195 927 562)	(175 090 233)	(59 160 177)	(20 254)	(1 196)	(247)	-	(1 225 420 372)
Other liabilities	(78 369 596)	-	-	-	-	-	-	-	-	(78 369 596)
	(890 402 296)	(124 873 391)	(203 432 558)	(175 090 233)	(59 160 177)	(20 254)	(1 196)	(247)	-	(1 452 980 352)
	(347 744 837)	19 049 207	(43 531 581)	(15 957 486)	75 148 712	165 689 740	161 894 183	262 855 853	69 672 602	347 076 393

In mAOA

	31/12/2021									
	Residual contractual periods									Total
	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	
Assets										
Cash and deposits at central banks	427 800 941	-	-	-	-	-	-	-	-	427 800 941
Deposits at other credit institutions	35 213 840	-	-	-	-	-	-	-	-	35 213 840
Investments at central banks and other credit institutions	-	136 241 426	99 656 000	20 343 003	-	-	-	-	-	256 240 429
Investments at amortized cost	-	7 885 040	47 366 240	60 183 831	262 191 134	182 877 206	14 351 543	3 811 150	-	578 666 144
Loans to Customers	-	7 041 796	19 957 008	32 277 499	26 553 240	64 185 659	126 622 401	248 878 201	-	525 515 804
Other assets	39 968 946	-	-	-	-	-	-	-	-	39 968 946
	502 983 727	151 168 262	166 979 248	112 804 333	288 744 374	247 062 865	140 973 944	252 689 351	-	1 863 406 104
Liabilities										
Resources from central banks and other credit institutions	(95 006 615)	-	(49 948 290)	-	-	-	-	-	-	(144 954 905)
Customer resources and other loans	(690 255 441)	(165 936 699)	(236 985 908)	(136 501 084)	(63 625 759)	(41 404)	(141)	(293)	-	(1 293 346 729)
Other liabilities	(63 612 239)	-	-	-	-	-	-	-	-	(63 612 239)
	(848 874 295)	(165 936 699)	(286 934 198)	(136 501 084)	(63 625 759)	(41 404)	(141)	(293)	-	(1 501 913 873)
	(345 890 568)	(14 768 437)	(119 954 950)	(23 696 751)	225 118 615	247 021 461	140 973 803	252 689 058	-	361 492 231

Market risk

Market risk corresponds to the risk of variation of the fair value or cash flows of the financial instruments as a result of changes in market prices, including the following risks: instruments, exchange rate and price.

Exchange rate risk

As at 31 December 2022 and 2021, the distribution of the financial instruments, net of impairment, by currency, is detailed as follows:

In mAOA						
31/12/2022						
	Kwanza	Indexed to the United States Dollar	Other countries in Africa	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
Non-current assets held for sale	11 937 715	-	-	-	-	11 937 715
Other tangible assets	23 898 022	-	-	-	-	23 898 022
Intangible assets	2 131 753	-	-	-	-	2 131 753
Investments in subsidiaries, associates and joint ventures	304 885	-	-	91 016	-	395 901
Deferred tax assets	13 364 446	-	-	-	-	13 364 446
Other assets	23 548 066	-	16 642 523	-	5 178	40 195 767
	1 201 054 313	110 376 549	554 626 251	49 271 485	4 992 503	1 920 321 101
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)
Provisions	(5 865 766)	-	(20 247 217)	(1 285 616)	(109)	(27 398 708)
Current tax liabilities	(2 192 717)	-	-	-	-	(2 192 717)
Other liabilities	(51 918 397)	-	(24 905 960)	(1 545 239)	-	(78 369 596)
	(900 753 802)	(22 344 839)	(474 664 655)	(92 399 942)	(170 442)	(1 490 333 680)
	300 300 511	88 031 710	79 961 596	(43 128 457)	4 822 061	429 987 421

In mAOA

	31/12/2021					
	Kwanza	Indexed to the United States Dollar	Other countries in Africa	Euro	Other currencies	Total
Assets						
Cash and deposits at central banks	336 882 332	-	51 219 206	39 652 859	46 544	427 800 941
Deposits at other credit institutions	10 422	-	7 471 435	27 013 415	682 484	35 177 756
Investments at central banks and other credit institutions	76 880 371	-	171 978 250	6 148 161	-	255 006 782
Investments at amortized cost	220 809 836	210 533 753	122 233 067	7 898 862	-	561 475 517
Loans to Customers	353 848 608	-	217 627 805	13 689 206	-	585 165 619
Non-current assets held for sale	55 290 626	-	-	-	-	55 290 626
Other tangible assets	19 930 497	-	-	-	-	19 930 497
Intangible assets	3 174 932	-	-	-	-	3 174 932
Investments in subsidiaries, associates and joint ventures	304 885	-	-	379 435	-	684 320
Deferred tax assets	13 364 446	-	-	-	-	13 364 446
Other assets	34 394 601	-	5 505 607	62 656	6 082	39 968 946
	1 114 891 556	210 533 753	576 035 370	94 844 594	735 110	1 997 040 382
Liabilities						
Resources from central banks and other credit institutions	(15 010 823)	-	(61 726 946)	(68 352 449)	(97 241)	(145 187 459)
Customer resources and other loans	(778 876 591)	(40 968 634)	(451 825 315)	(29 914 531)	(287 946)	(1 301 873 017)
Provisions	(5 819 211)	-	(21 064 721)	(1 504 679)	(128)	(28 388 739)
Current tax liabilities	(922 987)	-	-	-	-	(922 987)
Other liabilities	(42 278 929)	-	(13 112 371)	(8 220 939)	-	(63 612 239)
	(842 908 541)	(40 968 634)	(547 729 353)	(107 992 598)	(385 315)	(1 539 984 441)
	271 983 015	169 565 119	28 306 017	(13 148 004)	349 795	457 055 941

As at 31 December 2022 and 2021, the balance of the heading "Investments at amortized cost" includes the values of mAOA 110 376 549 and mAOA 210 533 753, respectively, related to Treasury Bonds in domestic currency indexed to the United States Dollar.

As at 31 December 2022 and 2021, the balance of the heading "Customer resources and other loans" includes the values of mAOA 22 344 839 and mAOA 40 968 634, 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 AOA/USD exchange rate of Banco Nacional de Angola and, therefore, are subject to exchange rate adjustment.

As at 31 December 2022 and 2021, 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

	31/12/2022					
	-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)

In mAOA

	31/12/2021					
	-20%	-10%	-5%	+5%	+10%	+20%
Currency						
United States Dollars	42 831 642	21 415 821	10 707 910	(10 707 910)	(21 415 821)	(42 831 642)
Euros	(2 583 770)	(1 291 885)	(645 943)	645 943	1 291 885	2 583 770
Other currencies	69 960	34 980	17 490	(17 490)	(34 980)	(69 960)
	40 317 832	20 158 916	10 079 457	(10 079 457)	(20 158 916)	(40 317 832)

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 2022 and 2021, the financial instruments, excluding interest and loans overdue, by exposure to exchange rate risk, is detailed as follows:

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	-	-	109 848 933	109 848 933
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	337 651 581	-	-	337 651 581
Loans to Customers	299 632 194	222 689 230	-	522 321 424
Other assets	-	-	41 471 539	41 471 539
	965 037 454	222 689 230	612 330 061	1 800 056 745
Liabilities				
Resources from central banks and other credit institutions	(129 357 335)	-	(19 833 049)	(149 190 384)
Customer resources and other loans	(551 073 060)	-	(674 347 312)	(1 225 420 372)
Other liabilities	-	-	(78 369 596)	(78 369 596)
	(680 430 395)	-	(772 549 957)	(1 452 980 352)
	284 607 059	222 689 230	(160 219 896)	347 076 393

In mAOA

	31/12/2021			
	Exposure to		Not subject to interest rate risk	Total
	Fixed rate	Variable rate		
Assets				
Cash and deposits at central banks	-	-	427 800 941	427 800 941
Deposits at other credit institutions	-	-	35 213 840	35 213 840
Investments at central banks and other credit institutions	256 240 429	-	-	256 240 429
Investments at amortized cost	578 666 144	-	-	578 666 144
Loans to Customers	312 795 792	212 720 012	-	525 515 804
Other assets	-	-	39 968 946	39 968 946
	1 147 702 365	212 720 012	502 983 727	1 863 406 104
Liabilities				
Resources from central banks and other credit institutions	(122 074 001)	-	(22 880 904)	(144 954 905)
Customer resources and other loans	(603 091 288)	-	(690 255 441)	(1 293 346 729)
Other liabilities	-	-	(63 612 239)	(63 612 239)
	(725 165 289)	-	(776 748 584)	(1 501 913 873)
	422 537 076	212 720 012	(273 764 857)	361 492 231

As at 31 December 2022 and 2021, 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:

	31/12/2022							
	Interest-fixing dates / Maturity dates							Total
	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	
Assets								
Investments at central banks and other credit institutions	114 003 266	124 756 751	73 577 204	15 416 458	-	-	-	327 753 679
Investments at amortized cost	21 910 309	22 179 267	58 777 553	88 449 018	77 922 448	58 338 473	10 074 513	337 651 581
Loans to Customers	8 009 023	12 964 959	26 777 990	30 443 413	87 787 546	103 556 906	252 781 587	522 321 424
	143 922 598	159 900 977	159 132 747	134 308 889	165 709 994	161 895 379	262 856 100	1 187 726 684
Liabilities								
Resources from central banks and other credit institutions	(4 000 000)	(7 504 996)	-	-	-	-	-	(11 504 996)
Customer resources and other loans	(120 873 391)	(195 927 562)	(175 090 233)	(59 160 177)	(20 254)	(1 196)	(247)	(551 073 060)
	(124 873 391)	(203 432 558)	(175 090 233)	(59 160 177)	(20 254)	(1 196)	(247)	(562 578 056)
	19 049 207	(43 531 581)	(15 957 486)	75 148 712	165 689 740	161 894 183	262 855 853	625 148 628

	31/12/2021							
	Interest-fixing dates / Maturity dates							Total
	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	
Assets								
Investments at central banks and other credit institutions	136 241 426	99 656 000	20 343 003	-	-	-	-	256 240 429
Investments at amortized cost	7 885 040	47 366 240	60 183 831	262 191 134	182 877 206	14 351 543	3 811 150	578 666 144
Loans to Customers	7 041 796	19 957 008	32 277 499	26 553 240	64 185 659	126 622 401	248 878 201	525 515 804
	151 168 262	166 979 248	112 804 333	288 744 374	247 062 865	140 973 944	252 689 351	1 360 422 377
Liabilities								
Resources from central banks and other credit institutions	-	(49 948 290)	-	-	-	-	-	(49 948 290)
Customer resources and other loans	(165 936 699)	(236 985 908)	(136 501 084)	(63 625 759)	(41 404)	(141)	(293)	(603 091 288)
	(165 936 699)	(286 934 198)	(136 501 084)	(63 625 759)	(41 404)	(141)	(293)	(653 039 578)
	(14 768 437)	(119 954 950)	(23 696 751)	225 118 615	247 021 461	140 973 803	252 689 058	707 382 799

As at 31 December 2022 and 2021, 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:

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)

In mAOA

In mAOA

	31/12/2021					
	Interest rate variation					
	-200 bp	-100 bp	-50 bp	+50 bp	+100 bp	+200 bp
Assets						
Investments at central banks and other credit institutions	577 471	288 736	144 368	(144 368)	(288 736)	(577 471)
Investments at amortized cost	11 499 923	5 749 961	2 874 981	(2 874 981)	(5 749 961)	(11 499 923)
Loans to Customers	41 291 651	20 645 826	10 322 913	(10 322 913)	(20 645 826)	(41 291 651)
	53 369 045	26 684 523	13 342 262	(13 342 262)	(26 684 523)	(53 369 045)
Liabilities						
Resources from central banks and other credit institutions	(233 096)	(116 548)	(58 274)	58 274	116 548	233 096
Customer resources and other loans	(3 378 432)	(1 689 216)	(844 608)	844 608	1 689 216	3 378 432
	(3 611 528)	(1 805 764)	(902 882)	902 882	1 805 764	3 611 528
	49 757 517	24 878 759	12 439 380	(12 439 380)	(24 878 759)	(49 757 517)

For the preparation of these tables, the Bank used the methodology and assumptions described in Banco Nacional de Angola Notice No. 08/2021 of 18 June.

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 2022 and 2021, the distribution of the main assets and liabilities by business lines is detailed as follows:

Business lines

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

In mAOA					
31/12/2021					
	Trading and sales	Retail banking	Commercial banking	Other	Total
Assets					
Cash and deposits at central banks	427 800 941	-	-	-	427 800 941
Deposits at other credit institutions	35 177 756	-	-	-	35 177 756
Investments at central banks and other credit institutions	255 006 782	-	-	-	255 006 782
Investments at amortized cost	561 475 517	-	-	-	561 475 517
Loans to Customers	-	145 482 087	439 683 532	-	585 165 619
Other assets	-	-	-	132 413 767	132 413 767
Total Assets	1 279 460 996	145 482 087	439 683 532	132 413 767	1 997 040 382
Liabilities					
Resources from central banks and other credit institutions	145 187 459	-	-	-	145 187 459
Customer resources and other loans	-	812 582 003	489 291 014	-	1 301 873 017
Other liabilities	-	-	-	92 923 965	92 923 965
Total Liabilities	145 187 459	812 582 003	489 291 014	92 923 965	1 539 984 441

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 2022 and 2021, the distribution of the main assets and liabilities by geographic markets is detailed as follows:

Geographic markets

	31/12/2022					In mAOA
	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	7 597 277	117 852 338	-	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	10 252 078	124 286 998	18 392 630	1 490 333 680	

In mAOA

	31/12/2021				
	Angola	Other African countries	Europe	Other	Total
Assets					
Cash and deposits at central banks	427 800 941	-	-	-	427 800 941
Deposits at other credit institutions	10 532	19 504 513	11 949 077	3 713 634	35 177 756
Investments at central banks and other credit institutions	76 880 371	8 033 117	159 043 657	11 049 637	255 006 782
Investments at amortized cost	552 968 576	-	8 506 941	-	561 475 517
Loans to Customers	585 165 619	-	-	-	585 165 619
Other assets	126 669 025	-	379 435	5 365 307	132 413 767
Total Assets	1 769 495 064	27 537 630	179 879 110	20 128 578	1 997 040 382
Liabilities					
Resources from central banks and other credit institutions	22 880 905	122 306 554	-	-	145 187 459
Customer resources and other loans	1 270 317 298	3 219 621	6 882 186	21 453 912	1 301 873 017
Other liabilities	91 932 801	-	991 164	-	92 923 965
Total Liabilities	1 385 131 004	125 526 175	7 873 350	21 453 912	1 539 984 441

29. SUBSEQUENT EVENTS

There are no subsequent events to disclose.



9.3. AUDITOR'S 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.

Introduction

1. We have audited the accompanying financial statements of Banco BIC, S.A., which comprise the financial position as of 31 December 2022 (that shows a total assets of tAOA 1.920.321.101 and a net equity of tAOA 429.987.421 including a net profit for the period of tAOA 41.661.700), the statements of income, other comprehensive income statement, changes in equity and cash flows for the year then ended, and the corresponding Notes to the financial statements.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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**Unqualified Opinion**

6. In our opinion, the financial statements referred in paragraph 1 above, present fairly, in all material respects, the financial position of Banco BIC, S.A., as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards.

Emphasis of Matter

7. According to the detailed note 2.3.i), the Bank had as accounting policy, to adjust, every accounting year, the net equity based on the evolution of the US dollar exchange rate against Angolan Kwanza (partially applying the IAS 29 dispositions). This adjustment on the net equity was recognized in the year's net profit. However, the Bank's management has decided to suspend the application of this policy from November 2022 and onwards. This policy, during the current year, had a positive effect of tAOA 56.198.610, on the net profit.

Luanda, April 20, 2023

CROWE ANGOLA
Represented by João Martins de Castro
Perito Contabilista inscrito na OCPA com n.º 20140123

9.4. REPORT AND OPINION OF THE SUPERVISORY BOARD

REPORT AND OPINION OF THE SUPERVISORY 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 2022.
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 2022, 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 2022 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 2022,
 - 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, 21 April 2023

The Supervisory Board



Sérgio Henrique Borges Serra
Chair



José Nelson Rodrigues Carmelino
Member

Annual Report 2022

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