ANNUAL REPORT 2023

BCA
Banco Comercial Angolano







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Approval by the Board of Directors

Approval by the board of Directors

The members of the Board of "Banco Comercial Angolano, S.A." are responsible for the preparation, integrity and objectivity of the financial statements and other information contained in this report.

To satisfy this responsibility the Bank has put in place systems of internal accounting and administrative control, to ensure that its assets are safeguarded and that transactions are executed and recorded in accordance with the rules and procedures adopted.

The audited financial statements for the year ended on the 31st of December 2023, presented herewith were approved by the Board of Directors and are signed on its behalf by:

Francisco da Silva Cristovão
Chairman

Mateus Filipe Martins
Chief Executive Officer

Luanda, 22 April 2024


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Management Report

Management Report

The financial year 2023 ('FY2023') was mainly characterised and shaped by two key factors that had a substantial impact on the business activity of the economic players worldwide and on the business operations of the economic participants within Angola's financial landscape in particular, namely:

1. The impact of the Russia-Ukraine military conflict on the global economy, which is showing no signs of coming to an end any time soon;
2. The escalation of the full-scale war in the Middle East between Israel and HAMAS.

Over the course of the financial year of 2023 ('FY2023'), the Angolan national economy was severely affected and shaken due to the depreciation of the national currency Kwanza against the US Dollar and the Euro – the two global leading currencies used by national economic players in the Angolan financial landscape (USD: 65% and EUR: 70%). This adverse event for the Angolan economy was primarily caused by a shortage of foreign currency supply. As far as Inflation is concerned, throughout the financial year 2023 ('FY2023'), the inflation rate stood at 20%, when compared with the 13% inflation rate recorded during the FY2022 (up +7%, yoy).

The shortage of foreign currency supply was a critical factor and a major contributor to the Bank's modest results from foreign exchange operations, which, coupled with the downward trend witnessed in the main financial instruments return rates used to acquire sovereign public debt, put enormous pressure on the financial performance of the Angolan banking sector as a whole, and on BCA's financial results for the year under review in particular, given that a significant portion of the banking sector's assets in general, including those included in BCA's assets portfolio, is comprised of the country's public debt securities. The expansion of lending to the real economy remained rather modest, despite the mandatory regulatory instruments introduced and implemented by the regulatory body (BNA), largely due to the fact that the overall risk of lending to both households and corporations is still high. On the other hand, the competitive environment within the Angolan banking sector, coupled with increased financial awareness among customers, has led to a sharp rise in deposit rates. These factors combined (lower return on assets and higher deposit rates) have made a significant impact on reducing profitability margins. It was against this backdrop that BCA was forced, at the start of FY2023, to take appropriate measures to adjust its investment strategy to the current financial environment, which ultimately led to the fulfilment of a positive net profit for the financial year 2023.

The FY2023 was also featured by the implementation of BNA's Notice no. 17/2022, which stipulates the minimum share capital of commercial banks at fifteen billion kwanzas (Kz 15 000 000 000). BCA's compliance with this regulatory framework is discussed in note No. 18.

The Bank's primary focus remains on the enhancement of key operational elements and business processes in order to improve its revenue profitability, efficiency gains and business activity growth. A higher degree of attention and effort will be given to BCA's corporate strategic guidelines aimed at boosting the Bank's financial results, reducing costs, diversifying the distribution channels of its financial products and services, with a view to increasing and diversifying its customer base and improving customer satisfaction and loyalty.

Over the last few years, BCA has displayed a Tier 1 Capital and a liquidity position level in accordance with its risk profile. Concurrently, it has also proven to have the capacity to maintain its liquidity position and ensure the sustainability and continuity of its businesses, thus not foreseeing any difficulties in complying with its financial obligations.

In the realm of Human Resources, being a service-providing institution, BCA considers that the key to differentiating its brand lies in the efficiency and qualification of its human capital. Against this backdrop, the Bank has carried out a variety of training courses, among which the following stand out: the training related to the prudential requirements framework (Anti-Money Laundering and Terrorist Financing, as well as Anti-Corruption), the training in the fiscal area, as well as English language training, which are understood as being key working tools/resources within the scope of BCA's relationship and daily interaction with its partners.

Alongside with its human capital training activities, the Bank has refocused its attention and efforts on the development of a customer-centric approach and strategy, with the aim of improving and enhancing the provision of financial services to the general public, transferring powers to the commercial branches and improving customers' perception of the BCA Brand.

In terms of corporate social responsibility, significant attention is being given to solve social problems directly affecting the workers and their families, and the society in general, with emphasis on social, health, and sporting initiatives.

The bank's vision continues to be "A universal bank in Angola focusing mainly on corporate and institutional banking yet maintaining a close eye on the prospects offered by the retail segment".

The bank's mission continues to be to "Create value for our stakeholders by providing world class banking services to our clients through maintaining excellent relationships with all those who contribute to the bank's growth, consolidating the banks image, reputation and prestige and ultimately by increasing our market share".

Financial indicators

Assets

In 2023, the bank´s assets increased by 38%. Interest-bearing assets increased from 73% in 2022 to 76% in 2023. Furthermore, the following situations occurred:

- An increase in "Financial assets at fair value through Other Comprehensive Income" (47%), "Cash and Balances at Central Banks" (40%), "Loans and Advances" (54%) and "Placements with Central Banks and other Credit Institutions" (24%). An increase was also observed in "Other Tangible Assets" (14%) and "Other Assets" (53%).
- On the other hand, "Intangible Assets" and "Balances at other credit institutions" reduced by 44% and 15%, respectively.

Liabilities

The liabilities increased nearly 53%, as a result of the increase observed in all headings, such as: clients "Term Deposits" (88%) and "Demand deposits" (39%), "Other liabilities" (17%). The interest-bearing liabilities were 37% of the total of liabilities (2022: 30%).

Equity

Shareholders' Equity grew up by 15%, because of the increase in "Revaluation Reserves" (Kz 3,11 billion) and in net income for the year 2023 (33%). The share capital tripled by incorporation of free reserves, a consequence of applying BNA's Notice no. 17/2022, which stipulates the minimum share capital of commercial banks at Kz 15 billion.

Management Report

Income statement

The Bank's Net Profit for the fiscal year grew by +33% due to the threefold increase recorded in the Non-Interest Income, which rose from Kz 1,07 billion in FY2022 to Kz 3,50 billion in FY2023. This growth mainly stems from the foreign exchange gains recorded in FY2023 (Kz 2,09 billion), when compared to the FX financial performance recorded in FY2022 when the Bank experienced FX losses totalling Kz 649,46 million.

Over the course of financial year 2023 ('FY2023'), Net Interest Income rose by 4%. The sizeable increase in Interest-bearing assets, up by +44% to Kz 30,63 billion, played a key role in driving the substantial growth in "Interest and similar income" (+16%). Additionally, the growth witnessed in interest-bearing liabilities (88%) led to a two-fold increase in "Interest and similar charges", with an overall impact on the growth of the Net Interest Income.

Throughout FY2023, BCA also experienced a +22% increase in the expenditure heading "Third-Party Supplies and Services", as a result of the exchange rate adverse effects of the Kwanza sharp depreciation against the global leading currencies (USD and EUR), given that payments for licences and support services for the main IT solutions currently operating at the Bank are made to their non-resident providers in foreign currency.

Proposal for the appropriation of the 2023 profits

In accordance with the Angolan financial Institutions laws and BCA statutory rules, we propose that the whole after tax profit be appropriated as follows:

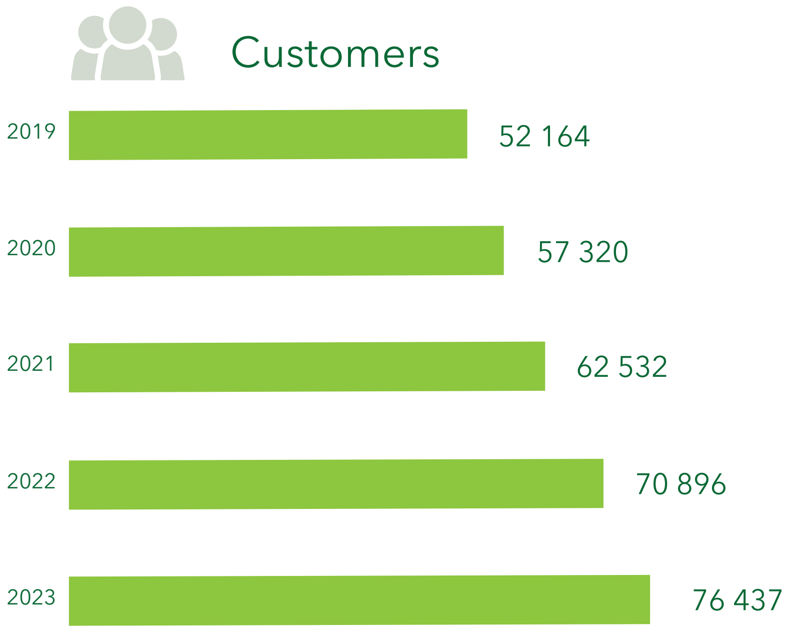
- To be distributed – 1 000 000 thousand of Kwanzas;
- Statutory reserves (10% of net income) – 346 803 thousand of Kwanzas; and
- Free reserves (remaining) – 2 121 230 thousand of Kwanzas.

Francisco da Silva Cristóvão
Chairman

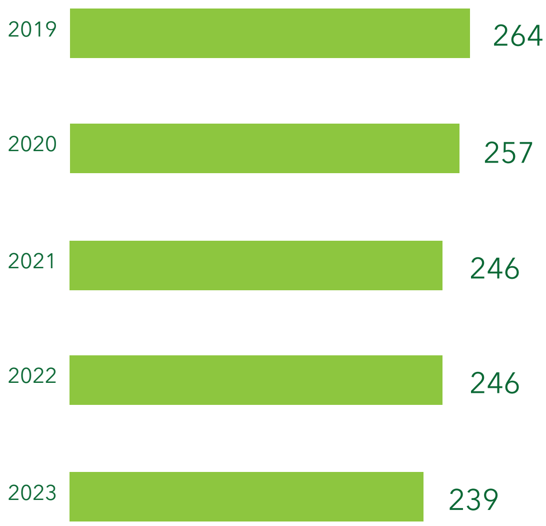
Mateus Filipe Martins
Chief Executive Officer

Growth of BCA

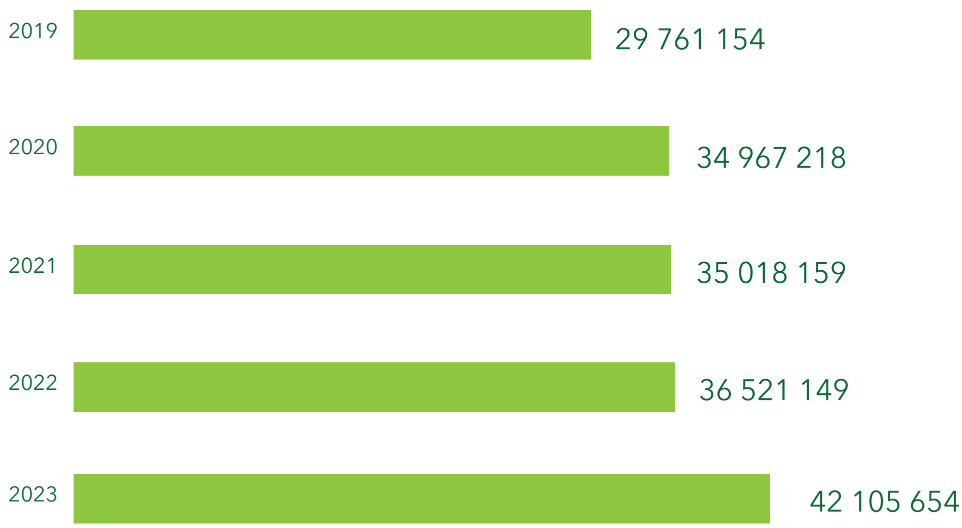
Growth of BCA



Total Employees

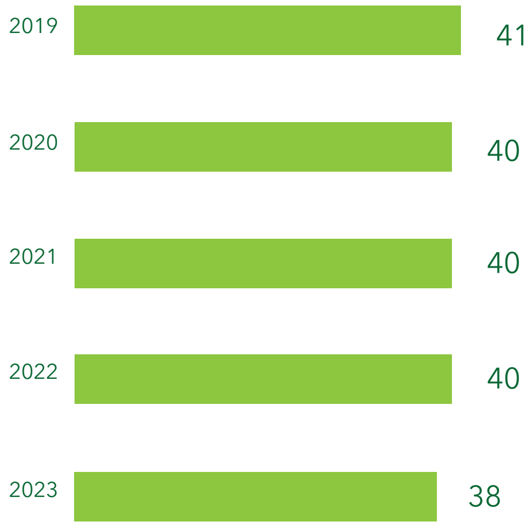


Equity (Kz'000)

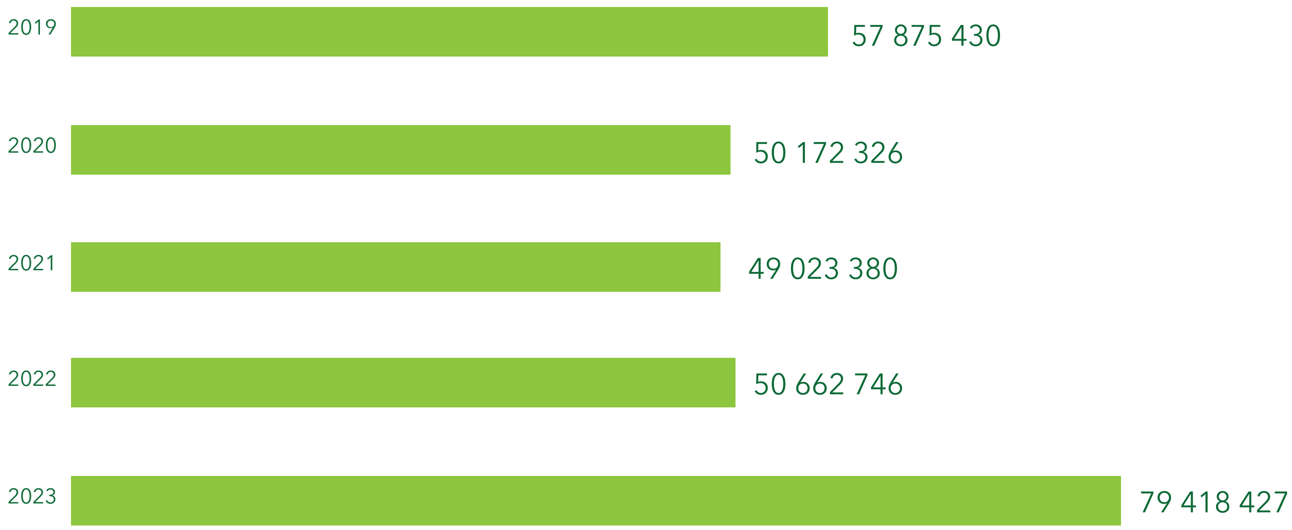


Growth of BCA

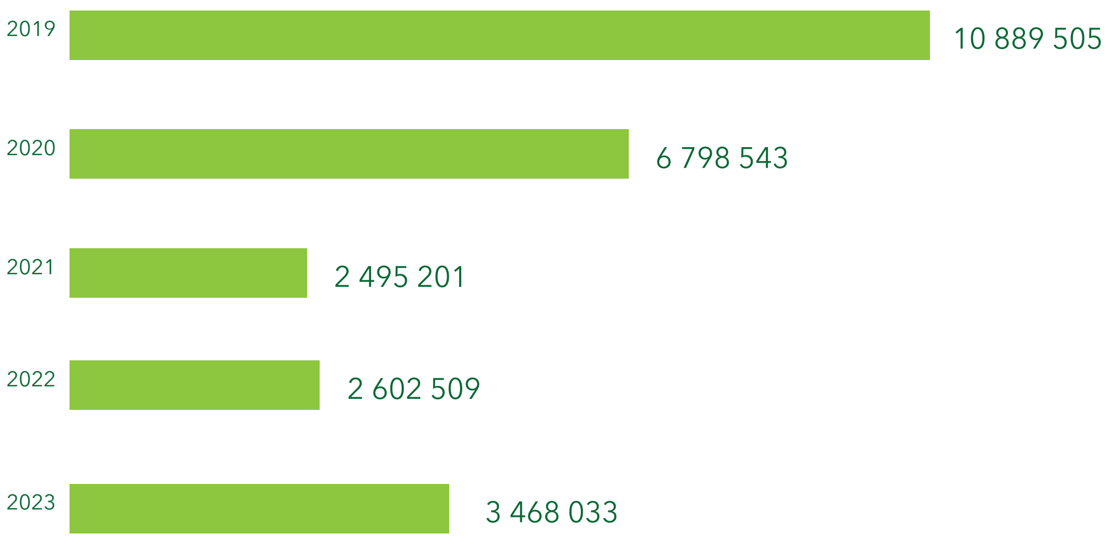
Branches



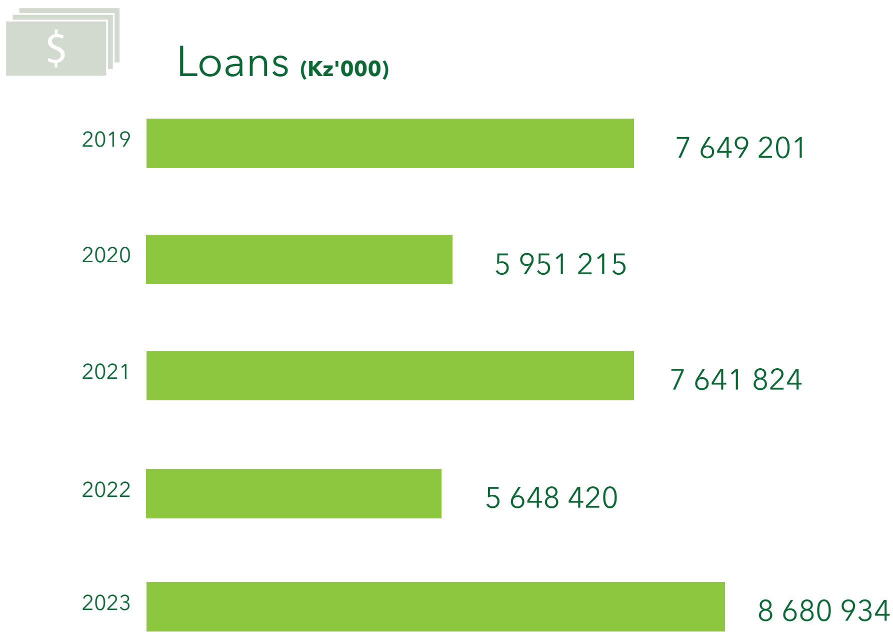
Customers Assets (Kz'000)



Net Profit (Kz'000)



Growth of BCA

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Key Indicators

Key Indicators

	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000	2021 Kz'000	2021 USD'000
Balance Sheet						
Total Assets	133 010 764	160 486	96 071 159	190 734	94 199 199	169 736
Loans and Advances	8 680 934	10 474	5 648 420	11 214	7 641 824	13 770
Customers Liabilities	79 418 427	95 824	50 662 746	100 583	49 023 380	88 333
Shareholders´ Equity	42 105 654	50 803	36 521 149	72 506	35 018 159	63 101
Activity						
Net Interest Margin (NIM)	9 590 356	13 723	9 223 640	20 049	8 025 068	12 973
Net Operating Margin (NOM)	13 091 874	18 733	10 295 589	22 379	10 100 352	16 328
Operating Costs (OC)	8 980 608	12 589	7 875 562	16 940	8 418 452	13 782
Operating Profit (OP)	3 771 713	5 733	1 933 791	4 473	3 431 360	5 699
Net Profit (NP)	3 468 033	5 367	2 602 509	5 801	2 495 201	4 012
NIM/NOM	73,3%	73,3%	89,6%	89,6%	79,5%	79,5%
Non Interest Margin/ NIM	38,3%	38,3%	12,7%	12,7%	25,9%	25,9%
Cost-to-Income	68,6%	68,6%	76,5%	76,5%	83,3%	83,3%
Operating Costs/Average Assets	6,8%	6,8%	8,2%	8,2%	8,9%	8,9%
Solidity						
Non-Performing Loans/ Total Loans	2,4%	2,4%	6,9%	6,9%	5,7%	5,7%
Provisions/ Non-Performing Loans	261,9%	261,9%	180,4%	180,4%	146,8%	146,8%
Return On Average Assets (ROAA)	2,6%	2,6%	2,7%	2,7%	2,6%	2,6%
Return On Equity (ROE)	8,8%	8,8%	7,3%	7,3%	7,1%	7,1%
Capital Adequacy Ratio	70,0%	70,0%	73,0%	73,0%	73,8%	73,8%
Other Tangible Assets and Intangible Assets Ratio	22,0%	22,0%	20,4%	20,4%	22,6%	22,6%

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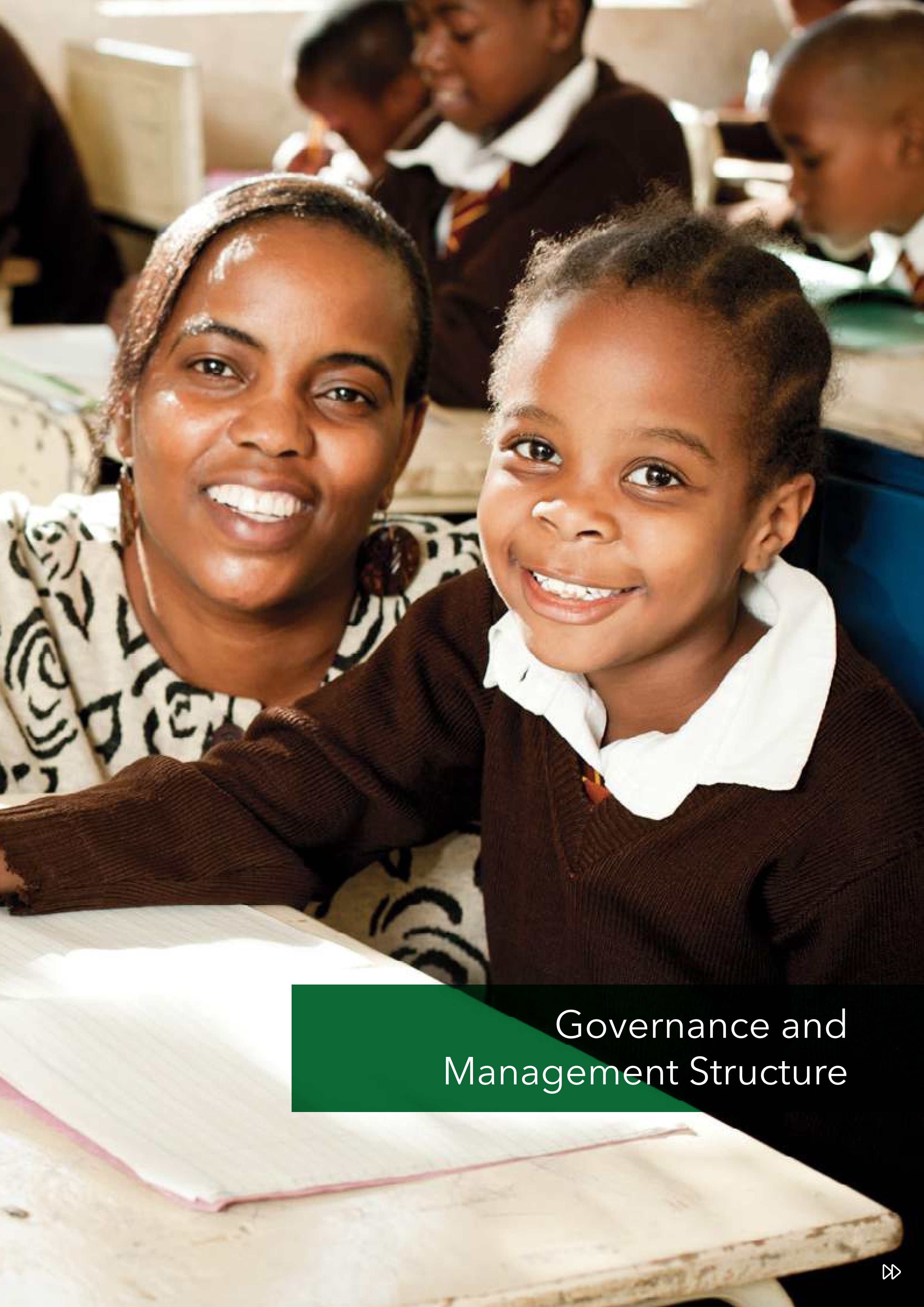

Governance and Management Structure

Governance and Management Structure

FISCAL COUNCIL
Chairman
João Paulo Borges de Sousa

Members
Esperança Cahango and António Sebastião

GENERAL ASSEMBLY
Chairman
Guiomar Dias

Secretary
João Muatonguela

EXTERNAL AUDIT
Deloitte & Touche - Auditores Limitada

BOARD OF DIRECTORS
Chairman (Non Executive)
Francisco da Silva Cristóvão

Independent Director (Non Executive)
Maria Lizete Silva e Lemos

Director
Mateus Filipe Martins

Director
Hernani L. A Cambinda

Director
Tatiana M. P. Muhongo

Director
Helder N. A. Lisboa

Director
Mário T. S. N. Leitão

INTERNAL CONTROL AND AUDIT
Chairman
Maria Lizete Silva e Lemos

Executive Director
Tatiana Muhongo

Executive Director
Helder Lisboa

Head of Risk Management Department

Head of Internal Audit Department

Compliance Officer

EXCO CONSULTANCY OFFICE
Mathias Nleya and Bo Kronback

EXECUTIVE COMMITTEE
Chief Executive Officer
Mateus Filipe Martins

Tatiana Moreira Paiva Muhongo
Hernani Lúcio André Cambinda
Helder Nacossengue A. Lisboa
Mário Tarana S. N. Leitão

INTERNAL AUDIT OFFICE
Head
Madalena Salvador Matias

DISTRIBUTION OF PORTFOLIOS

Chief Executive Officer Mateus Filipe Martins	Executive Director Hernani Lúcio A. Cambinda	Executive Director Helder N. A. Lisboa	Executive Director Tatiana M. P. Muhongo	Executive Director Mário T.S.N. Leitão
Human Capital	**Corporate Governance Office**	**Accounting**	**Risk Management**	**Retail Banking**
Soque Caricoco (Head)	Fernando Muturi (Head)	Carlos António (Deputy Head)	Madalena Arsénio Saituma (Head)	Hirondina Ferreira (Deputy Head)
Corporate Banking	**Legal and Litigation Office**	**Treasury**	**Compliance Office**	**National Operations**
Cesaltina Pinto (Head)	Elias Chipalavela	Baptista Paulo Fumuassuca (Head)	Simão Barbosa (Deputy Head)	Marisa Ribeiro (Deputy Head)
Infrastructure	**Credit Recovery Department**	**Credit**	**Forex Control and Reconciliations Office**	**Marketing and Social Responsability**
Domingos Muhongo (Head of Department)	Nzuzi Sampaio Joni (Head of Department)	Evanilda Marimba Mate (Head)	Úlpia Nunes (Head of Department)	Leonor Cadete (Head of Department)
IT	**Organisation, Policies and Procedures Office**			
Fernando Chimuco (Head)	Jorge Lourenço			
Foreign Operations				
Mauro Lourenço (Deputy Head)				

Corporate Governance Statement

Corporate Governance Statement

The corporate governance comprises the comprehensive set of relationships, policies and processes involving the Bank's shareholders, governing bodies and personnel in connection with supervisory bodies, external auditors and other financial market players, with the aim of achieving strategic objectives, promoting organisational transparency, as well as the control and oversight of the Financial Institution.

BCA's governance model is based on a "one-tier" system comprising a Shareholders' General Meeting, within which were incorporated, in addition to the Board of the General Meeting, a Senior Board and a Remuneration Committee of the Governing Bodies.

The Bank's oversight is carried out by a Supervisory Board and by the External Auditor certified by the National Bank of Angola.

The BCA's Board of Directors is the statutory body with the broadest company management and governance powers, as provided for in Article 23 of BCA statutory rules. BCA's Board of Directors is comprised of seven members, two of whom are Non-Executive Directors and the remaining five are Executive Directors. The Board of Directors currently includes the following members:

- **Non-Executive Director and Chairman of the Board of Directors:** Francisco da Silva Cristóvão
- **Non-Executive and Independent Director:** Maria Lizete Silva e Lemos
- **Executive Director and Chief Executive Officer (CEO):** Mateus Filipe Martins
- **Executive Director:** Hernani Lúcio André Cambinda
- **Executive Director:** Tatiana Moreira Paiva Muhongo
- **Executive Director:** Mário Leitão
- **Executive Director:** Helder Lisboa

By resolution of the Board of Directors dated May 17th, 2022, considering BCA's organisation's size and features, the Internal Control and Audit Committee (ICAC) was formally established, chaired by the non-executive and independent director Maria Lizete Silva e Lemos, which includes the Executive Directors Hélder Lisboa and Tatiana Muhongo, as well as the managers of the Bank's internal control business units/departments.

The Board of Directors has a properly approved Operating Regulation that complies with the provisions of Notice 1/2022 dated January 23rd.

The Internal Control and Audit Committee has likewise been given formal status and approval for its operating regulations.

The Executive Committee of the Board of Directors is comprised of five Executive Directors, one of whom is the Chairman. In accordance with BCA's Articles of Association and in compliance with the Board of Directors' Regulations, the Executive Committee has been assigned the powers of the **financial institution 's business and operational activities management**.

The scope of action for the five members of the Executive Committee is laid down in BCA's Articles of Association, and their portfolio assignments, powers, and duties were stipulated in a Board of Directors resolution dated May 17th, 2022:

- **Chief Executive Officer (Chairperson) (Mateus Filipe Martins)**: Human Capital Department; Corporate Banking Department; Infrastructures Department; IT Department and Foreign Operations Department;

- **Executive Director - Hernani Cambinda:** Corporate Governance Office; Legal, Policies and Procedures Office; Credit Recovery Department; Organisation, Policies and Procedures Office;

- **Executive Director - Tatiana Muhongo:** Risk Management Department; Compliance Office; Foreign Exchange Control and Reconciliations Office;

- **Executive Director - Helder Lisboa:** Accounting Department; Treasury Department and Credit Department;

- **Executive Director - Mário Leitão:** Retail Banking Department; National Operations Department; Marketing and Social Responsibility Department.

Notwithstanding the portfolio assignment and allocation of powers and duties, the Executive Directors discuss all matters within the Executive Committee (EXCO) during their board meetings. The Executive Committee meets on a monthly basis and whenever convened by its respective Chairperson, to discuss and approve matters relating to the Bank's day-to-day management.

Assuming the corporate role of support, assessment and decision-making governing bodies, the following committees (sub-committees of the Executive Committee) stand out:

- **Credit and Investments Committee:** It comprises all the Executive Committee members together with the General Operations, Risk Management, Legal and Corporate Governance, Retail Banking and Corporate Banking Departments, as well as with the Treasury Department. The Credit and Investments Committee (CIC) assesses, discusses and approves credit processes up to USD 2 000 000 and recommends the submission of the dossiers for approval by the Board of Directors for loan applications over USD 2 000 000. In addition, the CIC also assesses and deliberates on the allocation of the bank's liquidity in markets such as the Interbank Money Market (IMM) and Public Debt Securities Market. The Committee meets whenever there are credit applications for approval and/or the need to decide on investments in the IMM and public debt securities market. The Credit and Investments Committee (CIC) is chaired by the President of the Executive Committee/ Chief Executive Officer (CEO);

- **Assets and Liabilities Management Committee (ALCO):** The Asset and Liability Committee (ALCO) is composed by the Executive Directors and the heads of Accounting, Credit, Market Risk, Corporate Banking, Retail banking and Treasury departments. The ALCO has the responsibility of assessing, recommending, and supporting the bank's operations by adding value to the business through the effective management of liquidity and market risks, determining risk appetite for these classes, managing assets mix and maximising the bank's income. This committee meets ordinarily every month and is chaired by the Executive Director for the financial area;

- **Loans Recovery Committee:** It is comprised of all EXCO members and the Credit, Risk Management, Legal, Retail Banking, Corporate Banking Departments. This Committee assesses, discusses and approves the measures and credit files tiers/stages under recovery process, decision-making on financial restructuring procedures and/or sending to litigation problematic loan dossiers classified as "difficult to recover". This Committee meets as a rule once a month and is chaired by the Chief Executive Officer (CEO);

Corporate Governance Statement

- **Assistance Committee for the Supporting and Advisory Bodies:** It comprises the Chief Executive Officer (Chairperson), the Executive Director with the financial control function/portfolio, and the Heads of Infrastructure, Retail, Corporate, and Information Technology Departments. This Committee assesses the level and status of operational performance and implementation of the expansion and modernization plan regarding BCA's commercial branches network. At the same time, it provides strategic guidance and monitors the operational performance of the business supporting bodies.

The Bank has an internal organisational chart that has been duly endorsed and approved by the Board of Directors and within the scope of the adoption and implementation of the in-house regulations and corporate good practices in matters of corporate governance and internal control, the following policies, among others, have been approved and implemented:

i. Branches' Procedures Handbook;

ii. Directorates/Offices Procedures Handbooks;

iii. Fixed Assets Policy;

iv. BCA's Trial Balance Control Policy;

v. Supplies and Resources Handbook and Policy;

vi. Employees' Benefits Policy;

vii. Leasing Policy;

viii. Identification, and Management of Conflicts of Interest Policy;

ix. Confidentiality, insider information and conflicts of interest Policy;

x. Anti-bribery and corruption Policy;

xi. Transactions with Related Parties Policy;

xii. Code of Conduct of the Treasury Department;

xiii. Employees' and Governing Bodies' Remuneration Policy;

xiv. Overtime Policy;

xv. Performance Assessment Process Regulation;

xvi. Employees' financial benefits policy;

xvii. Code of Conduct;

xviii. BCA's Disciplinary Procedure Policy;

xix. HIV/AIDS and Other Serious Epidemics Policy;

xx. Reputational Risk Policy;

xxi. Information Disclosure Policy;

xxii. International Sanctions Compliance Policy ("Sanctions Policy") of the Banco Comercial Angolano ("BCA" or the "Bank");

xxiii. Internal Control Policy;

xxiv. Irregularities Reporting Policy (Whistleblowing Channel);

xxv. Risk Management and Outsourcing Policy.

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Macroeconomic Overview

Macroeconomic Overview

GLOBAL ECONOMY

Over the course of the financial year 2023 ('FY2023'), the global economy recorded a growth rate of 3,0%. When compared to the figures reported in FY2022, the world's economy growth pace fell by 0,50 percentage points, as the economic growth rate stood at 3,5% in FY2022. Underlying this economic performance are the effects of imposing tight-handed monetary policies by the vast majority of the world's leading economies with the aim of curbing and decreasing inflation, which ultimately led to a slowdown in global economic activity.

Global GDP real growth (%)

Zona	2019	2020	2021	2022	2023*
World	2,8	-2,8	6,3	3,5	3,0
Advanced economies	1,7	-4,2	5,6	2,6	1,5
Euro Area	1,6	-6,1	5,6	3,3	0,7
Emerging markets and developing economies	3,6	-1,8	6,9	4,1	4,0

Source: IMF

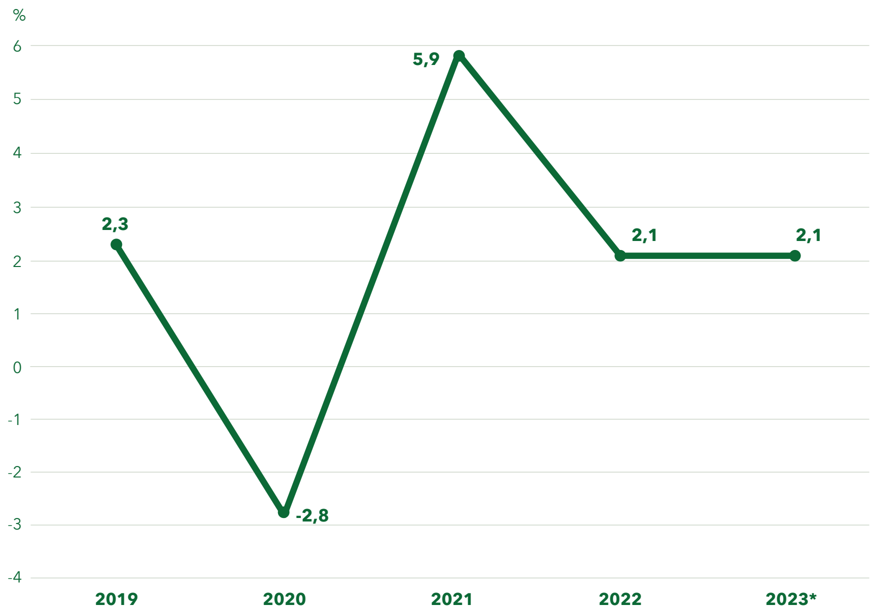
(*) Forecasts published in the World Economic Outlook, October 2023

The Euro Area was the economic region most affected and hit hardest, recording a decrease of 2,6 percentage points (p.p.) in its GDP growth, followed by the advanced economies, which in general terms experienced a decrease of 1,1 percentage points (p.p.).

As far as emerging markets and developing economies are concerned, they nearly maintained the same economic growth rate recorded during FY2022, falling by just 0,1 percentage point, once these emerging markets and developing economies experienced an overall GDP growth of 4,0% over the course of FY2023.

United States of America (US)

GDP real growth (%) – US



Source: IMF

* World Economic Outlook October 2022 growth projections.

It's worth to highlight that despite having adopted and implemented, like almost every other country worldwide, a tight-handed monetary policy to bring the inflation rate close to the 2,0% target, the US has managed to maintain last year's pace of economic growth, recording a 2,1% GDP growth rate over the course of the financial year 2023.

One has to go back to the 70s and 80s decades of the 20th century to find a tight-handed monetary policy like the one applied by the US Federal Reserve during FY2022 and FY2023. Notwithstanding this events, solid domestic demand and the strength of the labour market have acted as an anchor to keep the US economy growing.

Unemplyment rate – USA

2019	2020	2021	2022	2023*
3,7	8,1	5,4	3,6	3,6

Source: IMF

(*) Forecasts published in the World Economic Outlook, October 2023

The strength of the US labour market can be explained by three key factors:

- The fall in unemployment among women and African-Americans;

Macroeconomic Overview

- The increase in the participation of 'first-timers' in the labour force, i.e. prime-age labour, referred to by the U.S. Bureau of Labour Statistics as the 'prime-age labour force'; and
- The increase in immigration at the end of FY2022, which has minimised the problem of labour shortages that had mainly affected the services and wholesale trade sectors, which counterbalanced the population's ageing issue and the problem posed by the rise in holiday rates.

Development of Fed Funds, SOFR & US Inflation

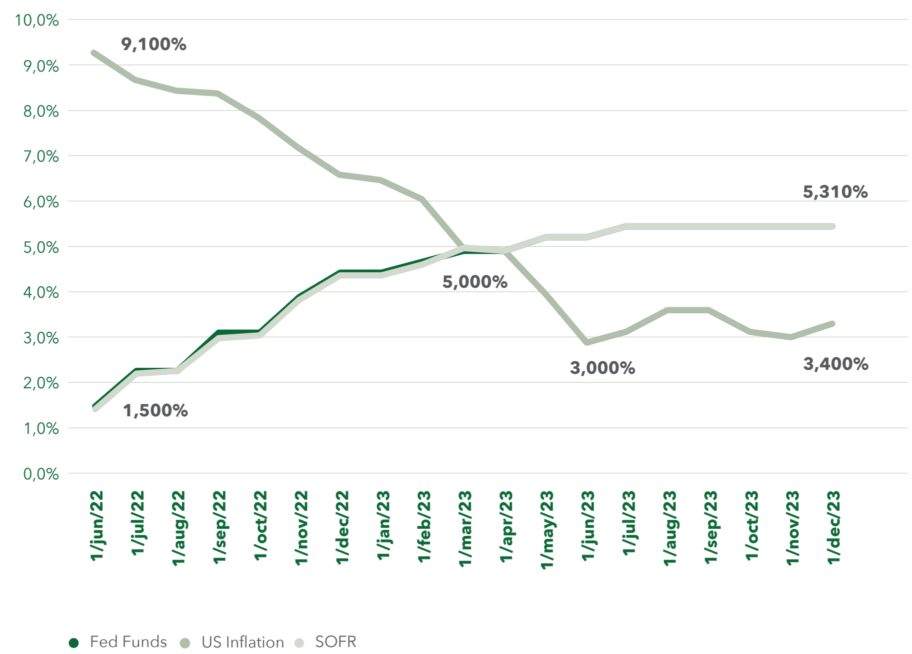


Figure 1 - Source: newyorkfed.org/markets/reference-rates/effr

The US Federal Reserve continued to actively intervene and provide an immediate response by raising Fed funds rates in an attempt to bring inflation closer to the target of 2,0%.

In January 2022, the Fed fund rate stood at 0,080%. Such figure was subsequently increased to 4,33% in December of the same year. The Fed Funds rate is closely akin to the SOFR (*Secured Overnight Financing Rate*).

In July 2023, the Federal Reserve's key interest rate reached 5,33% and remained stable until the end of the year. As a result, the inflation rate ended the year at approximately 3,4%.

Euro Area

Real GDP growth (%) – Euro Area					
Country	**2019**	**2020**	**2021**	**2022**	**2023***
Ireland	5,3	6,6	15,1	9,4	2,0
Lithuania	4,6	0,0	6,0	1,9	-0,2
Luxembourg	2,9	-0,9	7,2	1,4	-0,4
Finland	1,2	-2,4	3,2	1,6	-0,1
Estonia	4,0	-1,0	7,2	-0,5	-2,3
Latvia	2,6	-2,3	4,3	2,8	0,5
Netherlands	2,0	-3,9	6,2	4,3	0,6
Germany	1,1	-3,8	3,2	1,8	-0,5
Cyprus	5,5	-4,4	6,6	5,6	2,2
Slovak Republic	2,5	-3,3	4,9	1,7	1,3
Slovenia	3,5	-4,2	8,2	2,5	2,0
Belgium	2,3	-5,4	6,3	3,2	1,0
Austria	1,5	-6,5	4,6	4,8	0,1
Malta	7,1	-8,1	12,3	6,9	3,8
Portugal	2,7	-8,3	5,5	6,7	2,3
France	1,9	-7,7	6,4	2,5	1,0
Greece	1,9	-9,0	8,4	5,9	2,5
Italy	0,5	-9,0	7,0	3,7	0,7
Spain	2,0	-11,2	6,4	5,8	2,5
Euro Area	**1,6**	**-6,1**	**5,6**	**3,3**	**0,7**

Source: IMF

(*) Forecasts published in the World Economic Outlook, October 2023

The Euro Area region experienced a sharp economic slowdown recording a decrease of 2,7 percentage points in its growth rate.

The five leading economies in the Euro Area region in terms of GDP - Germany, France, Italy, Spain and the Netherlands - witnessed their economic growth rates fall somewhere in the range of 1,6 to 3,8 percentage points. The Netherlands, Spain and Italy were the hardest hit and suffered the steepest year-over-year declines in economic growth, down from 4,3% to 0,6%, from 5,8% to 2,5% and from 3,7% to 0,7%, respectively.

On the other hand, despite the drop in their respective economic growth rates, Malta, Spain, Greece, Portugal, and Cyprus were able to sustain an economic growth pace above 2,0%. For all of them collectively, the main reason for this outcome was the cooling effect on economic activity caused by the implementation of tight-handed monetary policies aimed at curbing, reducing, and containing inflation levels, as well as the imposition of stronger and tighter fiscal consolidation measures.

Macroeconomic Overview

Unemployment rate (%) – Euro Area countries					
Country	**2019**	**2020**	**2021**	**2022**	**2023***
Spain	14,1	15,5	14,8	12,9	11,8
Greece	17,3	16,3	14,8	12,4	10,8
Italy	9,9	9,3	9,5	8,1	7,9
France	8,4	8,0	7,9	7,3	7,4
Finland	6,7	7,8	7,6	6,8	7,3
Cyprus	7,1	7,6	7,5	6,8	6,7
Latvia	6,3	8,1	7,6	6,9	6,7
Estonia	4,4	6,8	6,2	5,6	6,7
Portugal	6,7	7,1	6,6	6,1	6,6
Lithuania	6,3	8,5	7,1	5,9	6,5
Slovak Republic	5,7	6,6	6,8	6,2	6,1
Belgium	5,4	5,6	6,3	5,6	5,7
Luxembourg	5,4	6,4	5,7	4,8	5,2
Austria	4,8	5,5	6,2	4,8	5,1
Ireland	5,0	5,8	6,3	4,5	4,1
Netherlands	4,4	4,9	4,2	3,5	3,7
Slovenia	4,5	5,0	4,7	4,0	3,6
Germany	3,0	3,6	3,6	3,1	3,3
Malta	3,6	4,4	3,4	2,9	3,1
Euro Area	**7,6**	**8,0**	**7,7**	**6,7**	**6,6**

Source: IMF

(*) Forecasts published in the World Economic Outlook, October 2023

Unemployment in the Euro Area economic region fell slightly from 6,7% to 6,6 % YoY.

Unemployment has fallen in almost half of the countries of the Euro Area region, while in the other half it has risen marginally.

The most widespread explanation for such outcome, which is almost common throughout the entire European region, concerns the decline recorded in the number of jobs available to young people (i.e. decrease in youth employment) and the lingering effects and adverse negative impacts caused by the full-scale war between Russia and Ukraine.

Within the Euro Area economic region, three subgroups stand out:

In the first group, we find Spain and Greece at the top with the highest unemployment rate in the Euro Area region, as has been the case for several years.

In the second subgroup, with unemployment rates ranging from 6 to 8%, the highlights are Italy and France with figures of 7,9% and 7,4%, which also includes Portugal with 6,6%.

The third and final subgroup has the lowest unemployment rate, ranging from 3 to 5%, with the highlight going to Germany, where the unemployed rate of the labour force currently stands at 3,3%.

Inflation – End of Period						
Country	**2019**	**2020**	**2021**	**2022**	**2023***	**Dez 2023 Eurostat#**
Slovak Republic	3,3	1,7	5,0	15,0	6,3	6,6
Austria	1,8	1,0	3,8	10,5	5,6	5,7
Latvia	2,1	-0,5	7,9	20,7	4,6	4,3
France	1,7	-0,3	3,3	7,0	4,0	4,1
Estonia	1,8	-0,9	12,0	17,5	5,2	4,0
Germany	1,7	-0,6	5,8	9,8	4,1	3,8
Slovenia	1,9	-1,0	4,9	10,3	4,8	3,8
Malta	1,4	0,2	2,6	7,5	4,7	3,7
Greece	1,1	-2,4	4,4	7,6	2,9	3,7
Spain	0,8	-0,6	6,6	5,5	4,0	3,3
Ireland	1,1	-1,0	5,6	8,1	3,4	3,2
Luxembourg	2,0	-0,2	5,6	6,3	4,2	3,2
Portugal	0,4	-0,3	2,8	9,8	3,3	1,9
Cyprus	0,7	-0,8	4,8	7,6	2,2	1,9
Lithuania	2,7	-0,1	10,7	20,0	3,5	1,6
Finland	1,1	0,2	3,2	8,8	4,5	1,3
Netherlands	2,7	0,9	6,4	11,1	1,4	1,0
Belgium	0,9	0,4	6,6	10,2	0,4	0,5
Italy	0,5	-0,3	4,2	12,3	1,1	0,5
Euro Area	**1,3**	**-0,3**	**5,0**	**9,2**	**3,3**	**2,9**

Source: IMF

(*) Forecasts published in the World Economic Outlook, October 2023

Eurostat

The annual change in the Harmonised Index of Consumer Prices (HICP), which is used to measure consumer price inflation in the Euro Area, dropped from 9,2% in December 2022 to 2,9% in December 2023.

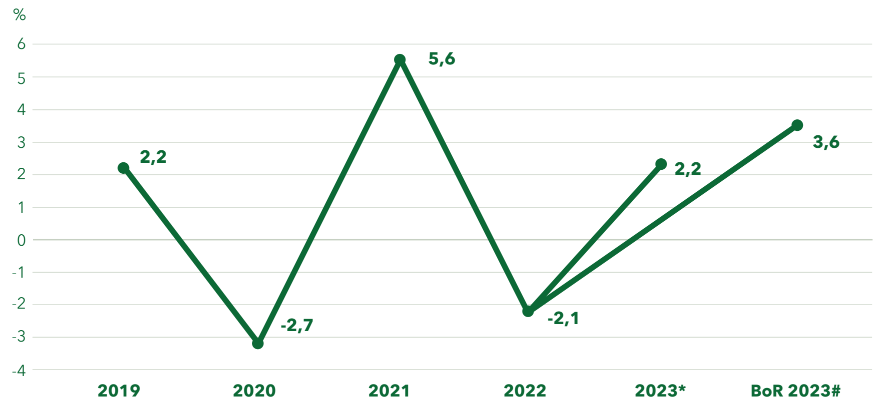
The IMF's forecasts disclosed within the scope of the World Economic Outlook (WEO), made in October 2023, indicated an annual inflation rate of 3,3 % for the Euro Area Economic Region.

Updated data from Eurostat as at December 2023, disclosed that the financial year 2023 ('FY2023') ended with an inflation rate of 2,9%, thus demonstrating the effectiveness and successful implementation of tight-handed monetary policy measures on the part of the European Central Bank, as well as by all the Euro Area member countries' central banks.

Macroeconomic Overview

Russia

GDP Growth (%) – Russia



Source: IMF

(*) Forecasts published in the World Economic Outlook, October 2023

Statistics Published by the Bank of Russia

In October 2023, the IMF's forecasts concerning the Russian economy growth pace was set at 2,2%, as opposed to a downturn of 2,1% recorded in FY2022.

Economic data published by the Central Bank of Russia indicate that Russian economic growth pace stood at 3,6% in FY2023, as opposed to a downturn of 1,2% recorded in FY2022.

The growth of the Russian economy is widely associated with the expansion of public spending on construction and industry as part of the government's efforts to maintain the war against Ukraine.

Russian exports fell 27% from USD 641 billion in FY2022 to USD 465 billion in FY2023. Furthermore, the recorded 26% depreciation of the rouble against the US dollar proved to be a positive factor helping to balance the deficit.

Inflation end of period – Russia

2019	2020	2021	2022	2023*	BoR 2023#
3,0	4,9	8,4	12,2	5,7	7,4

Source: IMF

(*) Forecasts published in the World Economic Outlook, October 2023

Statistics Published by the Bank of Russia

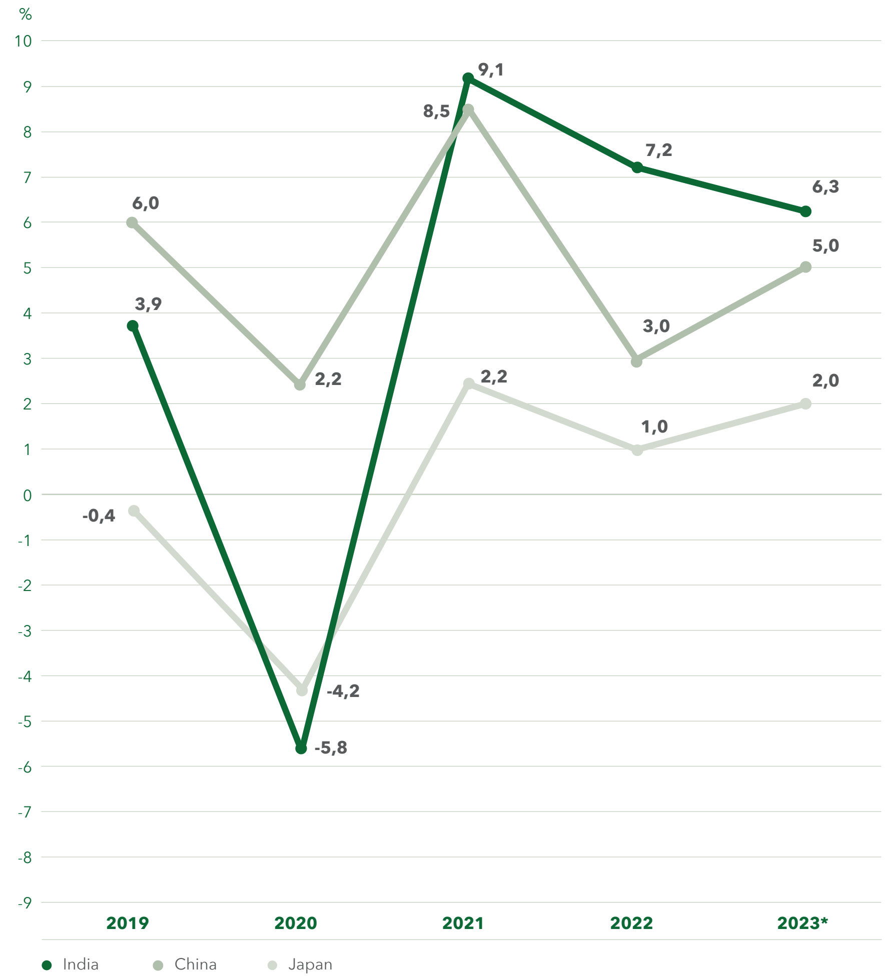
Like almost all countries, Russia is also struggling to control rising inflation rates and has embarked on the implementation of a tight-handed monetary policy.

Over the course of FY2021, the Central Bank of Russia ('BoR') benchmark interest rate stood at 5,7%. This rate subsequently rose to 10,6% in FY2022 and ended FY2023 at 9,9%, which brought year-over-year inflation to 7,4% at year-end, according to the macroeconomic survey of the Bank of Russia published in March 2024.

IMF's October 2023 forecasts indicated an inflation rate of 5,7% at the end of FY2023.

Asia

Real GDP growth (%) – Asia



Source: IMF

(*) Forecasts published in the World Economic Outlook, October 2023

The Chinese economy's growth rate rose from 3,0% in FY2022 to 5,0% in FY2023.

Economic data published by the National Bureau of Statistics of China on 17th January 2024, disclose that China's GDP growth stood at 5,2%, driven mainly by the 5,8% growth recorded in the services sector, 4,1% growth recorded in the mining and quarrying industry and 4,7% growth recorded in the manufacturing and processing industry. China's economic growth would have been much higher if it hadn't been for the steady downturn experienced in the Chinese real estate sector, which by the end of the financial year 2022 accounted for nearly two-thirds of China's urban households' combined wealth.

The Indian economy's growth rate fell from 7,2% in FY2022 to 6,3% in FY2023, according to the IMF's October 2023 forecasts, driven mainly by a strong consumer spending, increased investment, and high levels of public spending.

The IMF's October 2023 forecasts indicated that Japan's GDP growth rate would stand at 2,0% in FY2023, as opposed to 1,0% recorded in FY2022.

Economic data released by the Bank of Japan reveals that the country's economic growth over the course of the financial year 2023 stood at 1,8%, as opposed to 1,5% recorded in FY2022, which is also primarily explained by major improvements recorded in consumer spending. However, the country currently faces a high level of economic uncertainty, mainly caused by short-term adverse effects of the current monetary policy, which is trying to move towards negative interest rates with the aim of boosting investment, but which is causing the depreciation of the Japanese Yen.

Latin America and the Caribbean

Real GDP growth – Latin America					
Country	**2019**	**2020**	**2021**	**2022**	**2023***
Chile	4,0	-1,8	8,0	4,1	3,4
Peru	1,2	-3,3	5,0	2,9	3,1
Dominican Republic	0,7	-6,1	11,7	2,4	-0,5
Colombia	5,1	-6,7	12,3	4,9	3,0
Argentina	3,2	-7,3	11,0	7,3	1,4
Mexico	0,0	-7,8	4,2	2,9	1,4
Guatemala	-0,3	-8,7	5,8	3,9	3,2
Brazil	-2,0	-9,9	10,7	5,0	-2,5
Ecuador	2,2	-11,0	13,4	2,7	1,1

Source: IMF

(*) Forecasts published in the World Economic Outlook, October 2023

IMF's World Economic Outlook (WEO) forecasts published in October 2023, indicated that the Brazilian Economy growth pace would contract by 2,5% in FY2023, as opposed to an economic growth rate of 5,0% experienced in FY2022.

Economic data published by the Brazilian Institute of Geography and Statistics (IBGE) at the beginning of FY2024, indicates that the Brazilian economy grew by 2,9% in FY2023, the same economic growth pace as the one reported in FY2022, largely driven by the increase in the levels of both consumer spending and exports balance, which represents a massive difference between the IMF's forecasts and the IBGE's economic data.

According to the IMF's World Economic Outlook forecasts, Peru proved to have the best economic growth prospects within the South American Region, experiencing an economic growth pace of 3,1% during FY2023.

On the other hand, Mexico witnessed its economic growth rate fall to 1,4% in FY2023.

Sub-Saharan Africa

Nominal GDP in Billion USD – Sub-Saharan Africa					
Country	**2019**	**2020**	**2021**	**2022**	**2023***
Nigeria	448	429	441	477	390
South Africa	389	338	420	405	381
Ethiopia	93	97	99	120	156
Kenya	100	101	110	114	113
Angola	85	57	75	123	94
Tanzania	61	66	70	77	84
Côte d'Ivoire	60	63	72	70	79
Ghana	68	70	80	72	77
Democratic Rep. of Congo	51	49	57	66	68
Uganda	38	38	43	48	52

Source: IMF

(*) Forecasts published in the World Economic Outlook, October 2023

The Sub-Saharan African region comprises ten (10) leading economies, whose weight accounts for just over three-quarters of the region's entire GDP.

Nigeria continues to be the leading country, accounting for 24% of the Sub-Saharan Africa region total GDP, followed by South Africa with 20%, both of which combined account for 44% of the region's GDP.

Ethiopia and Kenya occupy the third and fourth positions in the top 10 of the region's largest economies.

Angola is ranked in fifth place among the largest economies in the Sub-Saharan Africa region.

Macroeconomic Overview

Real GDP Growth (%) - Sub-Saharan Africa					
Country	**2019**	**2020**	**2021**	**2022**	**2023***
Mozambique	2,3	-1,2	2,4	4,2	7,0
Democratic Rep. of Congo	4,5	1,7	6,2	8,9	6,7
Côte d'Ivoire	6,5	1,7	7,0	6,7	6,2
Rwanda	9,5	-3,4	10,9	8,2	6,2
Ethiopia	9,0	6,1	6,3	6,4	6,1
Equatorial Guinea	5,6	4,7	5,0	4,3	5,9
Gambia	6,2	0,6	5,3	4,9	5,6
Benin	6,9	3,8	7,2	6,3	5,5
Togo	4,9	2,0	6,0	5,8	5,4
Tanzania	7,0	4,8	4,9	4,7	5,2
Mauritius	2,9	-14,6	3,4	8,7	5,1
Kenya	5,1	-0,3	7,6	4,8	5,0
Uganda	7,6	-1,2	5,7	6,4	4,6
Nigeria	2,2	-1,8	3,6	3,3	2,9
Angola	-0,7	-5,6	1,2	3,0	1,3
South Africa	0,3	-6,0	4,7	1,9	0,9

Source: IMF

(*) Forecasts published in the World Economic Outlook, October 2023

As far as annual GDP growth is concerned, Mozambique, the Democratic Republic of Congo and Côte d'Ivoire are regarded as the economies with the highest economic growth prospects, according to IMF's forecasts.

Among the five largest economies, the highlight in terms of GDP percentage growth is given to Ethiopia which experienced an economic growth rate of 6,1%, followed by Kenya with an annual growth rate of 5,0%.

The region's largest economy, Nigeria, is projected to record an economic growth pace of 2,9%, as opposed to the economic growth figure of 3,3% reported during FY2022. At the end of the Q3 2023, the annual GDP growth published by the National Bureau of Statistics stood at 2,54%, with the services sector accounting for almost 53% of total GDP. On the other hand, the Oil & Gas economic sector accounted for just 5,48% of total GDP.

The IMF World Economic Outlook disclosed in October 2023 forecasted that the South African economy would grow by 0,9% during FY2023, corresponding to a 1,0% decrease in the country's economic growth rate year-over-year (YoY).

In Q4 2023, economic data figures released by the South African statistics bureau (Stats South Africa), revealed that the South African economy grew by 0,6%, down 0,3 p.p. year-on-year against the IMF's forecast.

The economic downturn witnessed in the agriculture, forestry and fishing sectors, along with the decline in the trade and services sector, as well as the poor economic performance of the construction sector, and the lacklustre performance of South Africa's electrical energy sector, all factors combined explain the reasons underlying South Africa's economic growth downfall in what was once the region's largest economy.

ANGOLAN ECONOMY

As far as the Angolan economy is concerned, which in the financial year 2022 began to show some signs of breaking out of the recessionary cycle, the IMF has downgraded its economic growth outlook to the same level as the one recorded in FY2021. The IMF's forecasts disclosed within the October 2023 World Economic Outlook, suggest that the Angolan economy would experience an economic growth rate of +1,3% during FY2023, as opposed to the 3,0% recorded in FY2022.

Real GDP growth (%) – Angola

Source: IMF

(*) Forecasts published in the World Economic Outlook, October 2023

Recently published data from the National Statistics Institute (INE - Instituto Nacional de Estatística), reveal that Angola's economy grew by merely +0,9% year-on-year

This lacklustre economic performance, when compared to the economic growth pace recorded during FY2022, is primarily explained by the weak economic performance displayed by both the oil economic sector and the non-oil economic sector relative to the Angolan government's forecast disclosed within the General State Budget for FY2023.

Macroeconomic Overview

The 2023 General State Budget (GSB) forecasted an economic growth rate of +2,98% for the oil & gas economic sector and +3,42% for the non-oil economic sector. However, INE data from Q4 2023 reveal that the oil & gas economic sector grew by only +2,2% and that the non-oil economic sector fell just short of the expected 3,42%, mainly due to the contraction experienced in the other economic activity sectors, namely: financial intermediation, insurance and related services (-7,4%), construction (-1,5%) and public administration, defence and compulsory social security (-0,2%).

Notwithstanding the fact that the average crude oil barrel price was higher than forecasted in the 2023 GSB for almost the entire year, the oil and gas economic sector was adversely affected due to 'emergency scheduled and unscheduled maintenance stoppages on oil platforms and the resolution of breakdowns, some of which took longer than expected, in several oil blocks, namely blocks 0, 14, 15, 15/06, 17, and 18.', taking place mainly in Q1 and Q2 of 2023, and ultimately impacted negatively their overall performance[1].

Oil & Gas

Average Crude Oil Barrel Price & Oil Exports

Year	Average Barrel Price - USD	Change	Export - millions of barrels	Change	Oil Tax Revenue	Change
2016	40,43	-22%	632	-2%		
2017	52,03	29%	596	-6%		
2018	70,34	35%	537	-10%	3 331	
2019	62,61	-11%	497	-7%	3 908	17%
2020	42,60	-32%	472	-5%	3 751	-4%
2021	66,99	57%	413	-13%	6 051	61%
2022	100,55	50%	417	1%	9 108	51%
2023*	80,40	-20%	401	-4%	6 486	-29%

Sources: Ministry of Finance, General Tax Authority, National Agency for Oil, Gas and Biofuels (ANPG) and Bloomberg

(*) Some data for the months of February, November and December are estimated.

Due to the aforementioned constraints experienced on the national crude oil output in FY2023, the volume of barrels exported in 2023 fell by 4% year-over-year.

The average crude oil barrel price exported by the country in FY2023 stood at $80,40, down 20% from the average export crude oil barrel price recorded in FY2022, but 7,2% higher than the $75,0 crude oil barrel price forecast published in the Government's General State Budget (GSB) for 2023.

Economic data on oil tax revenues, including the rights of the state-owned concessionaire 'SONANGOL - EP', for the months of February, November and December are not available. Despite this fact, the crude oil outputs for these months, provided through the ANPG (National Agency of Oil, Gas and Biofuels) reports, have made it possible to forecast the average revenue for these months, which indicates that the country has received an estimated -29% less on oil tax revenues in FY2023 than it did in FY2022.

[1] According do the explanatory report of the 2024 General State Budget (OGE 2024), page 45

Exchange Rate

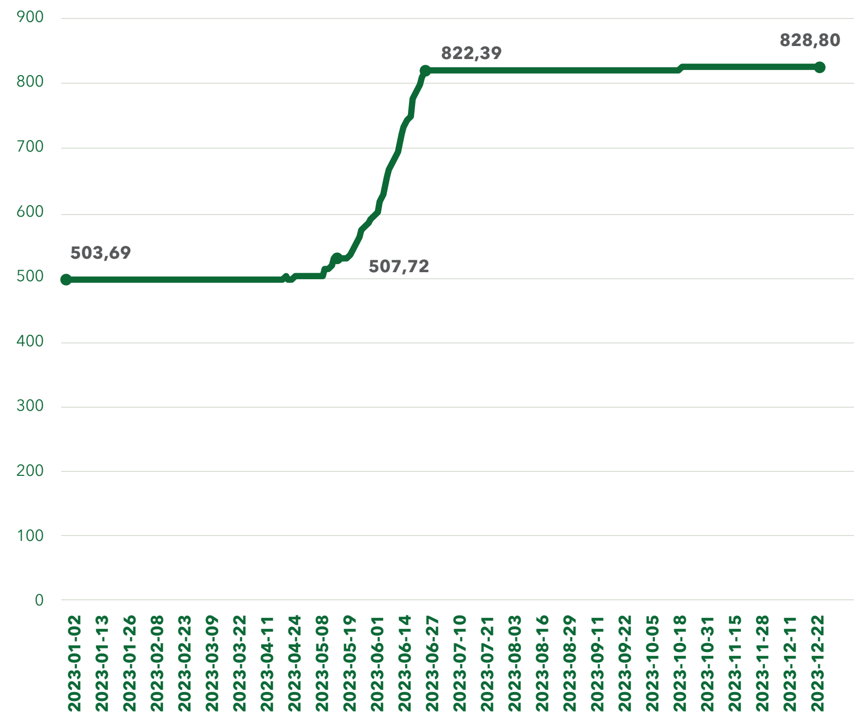
USD/Kz Exchange Rate - Primary Market (Year-End)					
	2019	2020	2021	2022	2023
BNA Sales Rate	487,098	649,604	554,981	503,691	828,800
Bloomberg Rate					842,500
BNA Rate - Δ YoY	57%	33%	-15%	-9%	65%
BNA/Bloomberg Gap					2%

Source: BNA & Bloomberg

During Q1 2023, the National Bank of Angola (BNA) maintained the exchange rate between the national currency Kwanza and the US Dollar at approximately 503 Kz/USD.

It took a whole calendar quarter for financial institutions to realise the real reason for the lack of currency on the foreign exchange market - the limited amounts received from oil & gas revenues were being used to pay off foreign debt, mainly to China, after the end of the moratorium achieved during the Covid-19 period.

BNA Exchange Rate



Macroeconomic Overview

As a result of the response to the shortage of foreign currency, the exchange rate began to rise in May 2023, until reaching a high of 822 in June of the same year.

The BNA's benchmark exchange rate remained stable, ranging from 822 to 828, until the end of the year.

On balance, the national currency Kwanza, depreciated 65% year-over-year, ranging from and exchange rate of 503,69 against the US Dollar at the end of FY2022 to 828,80 in December 2023.

International Reserves

International Reserves (USD millions)					
	2019	2020	2021	2022	2023
Net Int. Reserves	17 211	14 879	15 508	14 477	14 433
Annual Variation	6%	-14%	4%	-7%	2%

Source: BNA (*) preliminary data

Since 2022, the BNA has discontinued publishing Net International Reserves, as they had been called until then, to refer to gross international reserves minus related liabilities (generally short-term liabilities only), and now publishes only International Reserves (gross), made up of the Central Bank's foreign assets and commercial banks' deposits in foreign currency with the BNA, excluding the National Treasury's resources.

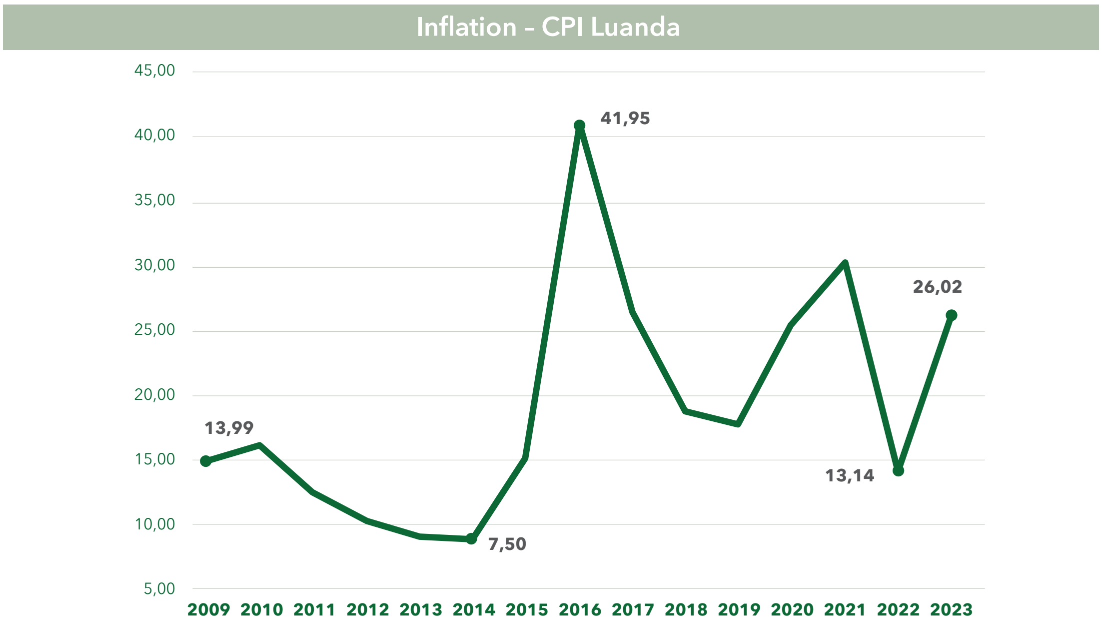
Imports Coverage by International Reserves (USD millions)							
	2017	2018	2019	2020	2021	2022	2023*
Reserves	18 228	16 170	17 211	14 879	15 508	14 477	14 733
Imports (including services)	2 355	2 157	1 858	1 262	1 570	2 279	1 973
Import coverage (months)	7,7	7,5	9,3	11,8	9,9	6,4	7,5

Source: BNA

Preliminary economic data disclosed by the National Bank of Angola (BNA) as of December 2023, reveal a 2,0% year-over-year increase in the country's international reserves.

The figure of USD 14,7 billion of the country's international reserves recorded at year-end, when related to the annual volume of imports referred to in section Balance of Payments (BoP) of the table, including services, covers approximately 7 ½ months of national imports.

Inflation



As the local currency depreciated by 65% over the course of FY2023, and being an economy that imports almost everything, the inflation rate as measured by the Luanda CPI - the most representative Consumer Price Index (CPI) in Angola - skyrocketed from 13,14% in December 2022 to 26,02% in December 2023.

The year-on-year change in the national CPI in 2023 stood at 20,00%, which represents an increase of +6,14 percentage points when compared to the national inflation rate at the end of 2022 (13,.86%).

During this challenging economic backdrop, there were very few instances where one perceived a clear intervention by the Monetary Policy Committee (MPC) of the National Bank of Angola (BNA) aimed at bringing down inflation.

In addition to the monetary policy measures that were implemented, it is necessary to reassess the real impacts of the different programmes to support national oil output, so that the diversification of the economy can actually take place and be properly expressed in overall prices. For these and other reasons, the Angolan government restructured its economic team in June 2023, appointing the former governor of the BNA, José de Lima Massano, to the position of Minister of State for Economic Coordination. Six months later, it abolished the Ministry of the Economy, while maintaining the Government's comprehensive planning and trying to ensure full coordination of all the economic measures, whose outcomes are still being expected.

Macroeconomic Overview

Interest Rates

T-Bills – yields					
Maturity	**2019**	**2020**	**2021**	**2022**	**2023**
TB 3 M	n/a	19,35%	n/a	7,30%	10,50%
TB 6 M	12,00%	20,50%	13,98%	9,20%	11,13%
TB 12 M	14,68%	21,00%	16,99%	11,00%	18,00%

Source: Debt Management Unit (DMU) and BODIVA

With the drop recorded in oil revenues as described in the previous paragraph Oil & Gas, the Angolan government was forced to raise the Treasury Bills rates in a bid to secure funds for the General State Budget (GSB).

There were more government debt auctions carried out in FY2023 than in FY2022, although they were more focused on the 12-month maturity period, in line with the government strategy of minimizing short-term debt.

As a result, the 3-month Treasury Bill (TB) rate increased from 7,30% in FY2022 to 10,50% in FY2023.

The 6-month maturity, which at the last debt auction in FY2022 had a yield of 9,20%, ended FY2023 with a rate of 11,13%.

The yield on the 12-month Treasury Bill rose by 7,0%, rising from 11,00% in FY2022 to 18,00% in FY2023.

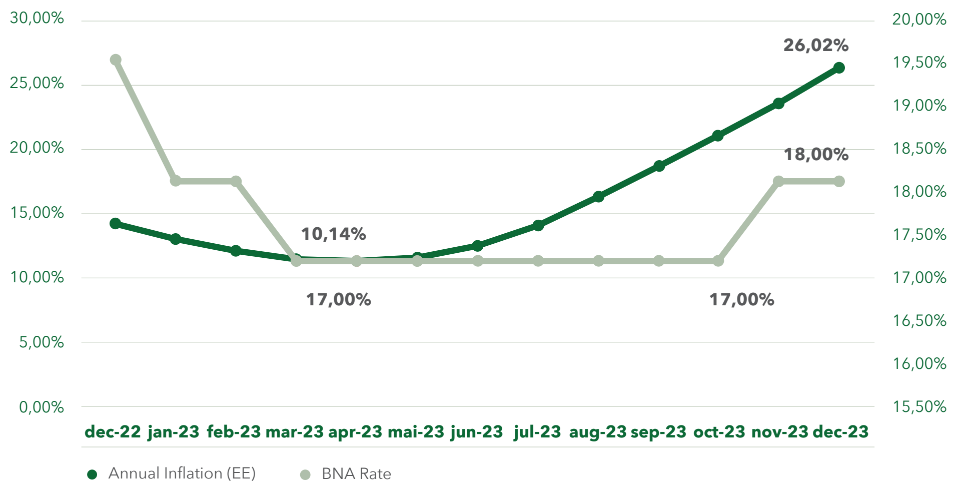
BNA Basic Interest Rate					
	2019	**2020**	**2021**	**2022**	**2023**
BNA Basic Interest Rate	15,50%	15,50%	20,00%	19,50%	18,00%
Marginal Lending Facility Rate (overnight)	15,50%	15,50%	25,00%	21,00%	18,50%
Overnight deposit facility	0,00%	0,00%	0,00%	0,00%	18,50%
Deposit facility 7 days	10,00%	7,00%	15,00%	15,00%	17,50%
Rediscount rate	20,00%	20,00%	20,00%	21,00%	21,00%
Coefficient of Minimum Statutory Reserves in local currency	22,00%	22,00%	22,00%	17,00%	18,00%
Coefficient of Minimum Statutory Reserves in foreign currency	15,00%	17,00%	22,00%	22,00%	22,00%

Source: BNA

The Central Bank's key interest rates followed the inflation and market rate trends in a rather half-hearted way.

The National Bank of Angola's basic interest rate, which signals the course of the domestic monetary policy, ended FY2023 at 18,00%, as opposed to the 19,50% recorded in FY2022. In January 2023, when inflation rate fell from 13,14% to 11,82%, the BNA's basic interest rate was cut to 18,00%. In March 2023, the inflation rate dropped to 10,14% and the BNA basic interest rate fell to 17,00%. It remained at this level from March to November, even though the inflation rate rose by almost 13% from March to November 2023, revealing an apparent lack of monitoring/oversight over the comprehensive economic environment and of a clear purpose concerning price stability.

Inflation - CPI Luanda vs. BNA Rate



Monetary Aggregates

The M1 monetary aggregate increased by +49%, rising from Kz 5 776 billion in FY2022 to Kz 8 512 billion in FY2023.

M2 expanded by 39% in FY2023, rising from Kz 11 356 billion in FY2022 to Kz 15 744 billion in FY2023.

In the absence of other comparable instruments to deposits, the M3 also rose by 39%.

Macroeconomic Overview

Monetary Aggregates (Kz million)						
	2019	2020	2021	2022	2023*	Δ % 22/23
Banknotes and coins in circulation	418 993	404 595	401 789	494 514	664 013	34%
Demand Deposit in Local Currency (LC)	2 773 605	3 269 836	3 229 953	3 514 491	5 012 054	43%
Demand Deposit in Foreign Currency (FC)	1 732 977	2 669 431	2 088 673	1 767 393	2 835 411	60%
M1	4 925 575	6 343 861	5 720 415	5 776 398	8 511 478	47%
Term Deposit in Local Currency (LC)	1 646 926	2 166 097	2 269 597	2 990 744	3 651 577	22%
Term Deposit in Foreign Currency (FC)	3 627 906	4 187 778	3 523 235	2 588 121	3 580 449	38%
M2 (M1 + Near Money)	10 200 407	12 697 737	11 513 247	11 355 262	15 743 504	39%
Other Deposit-like Instruments	4 746	4 746	5 066	-	-	-
M3 (M2 + Other Deposits)	10 205 153	12 702 483	11 518 313	11 355 262	15 743 504	39%
Total Deposits in Foreign Currency	5 360 883	6 857 208	5 611 908	4 355 513	6 415 860	47%
Economy's Level of Dollarisation (3)	55%	56%	51%	40%	43%	

Source: BNA

This pattern showcased in the monetary aggregates once again highlights the apparent lack of an appropriate monitoring/oversight over the comprehensive economic environment and of a clear purpose concerning price stability. Hence, over the course of FY2023, the country's economy experienced an ever-increasing inflation rate, caused in part by an unresponsive monetary policy.

As far as Angola's economy dollarisation level is concerned, which dropped considerably in FY2022 due to the sharp depreciation of the local currency Kwanza, it rose to 43% over the course of FY2023. Accordingly, it showcases the growing willingness of domestic economic players to increase and maintain deposits in foreign currency in order to protect themselves from exchange rate losses.

Lending to the Real Economy

Lending to the Real Economy (Kz billion) - Balance at the end of the period					
	2019	2020	2021	2022	2023
Loans granted	4 930	4 602	4 797	4 616	6 111
Variation	19%	-7%	4%	-4%	32%

Source: BNA

Lending to the real economy rose by +32% YoY. The balance of the active loans' portfolio at the end of FY2023 stood at Kz 1 495 billion, well in excess of the balance recorded at the end of FY2022.

Lending by Economic Activity Sector – amounts in Kz billion							
Sector	**2020**	**2021**	**2022**	**2023**	**Sector %**	**Cum.%**	**Sector Growth**
Wholesale and retail trade; Repair of motor vehicles and motorbikes	1 025	1 222	1 007	1 276	21%	21%	27%
Households	806	844	930	1 204	20%	41%	29%
Construction	368	465	539	626	10%	51%	16%
Agriculture, Livestock, Hunting, Forestry and Fishing	543	598	383	578	9%	60%	51%
Mining and Quarrying Industry	56	173	186	387	6%	67%	108%
Other related Service Activities	280	223	234	373	6%	73%	60%
Information and Communication Activities	230	202	203	354	6%	78%	74%
Manufacturing Industry	288	311	397	331	5%	84%	-17%

Source: BNA

The BNA economic data reveals that three economic activity sectors, disclosed in the table above, account for more than half of all loans granted to the real economy. These sectors are wholesale and retail trade and repair of motor vehicles and motorbikes, households and construction.

The economic activity sectors that followed were agriculture, livestock, hunting, forestry and fishing, and mining and quarrying.

As far as lending growth by economic activity sector is concerned, the highlights include mining and quarrying with 108%, information and communication with 74%, as well as agriculture, animal production, hunting, forestry and fishing with 51%.

Lastly, loans granted to the manufacturing industry fell by 17% over the course of FY2023.

General State Budget

The 2023 general state budget included revenue amounting to Kz 13 462 billion and expenditure of Kz 12 902 billion, almost the same amount between the two primary headings, with an overall surplus from a budgetary standpoint of Kz 560 billion.

These forecasts were based on a daily crude oil output of approximately 1 180 thousand barrels of oil, priced at USD $75,00 each.

Macroeconomic Overview

The table hereunder reveals a general state budget that is still heavily reliant on oil output, which accounts for 53% of the Angola's general state budget revenue.

General State Budget (Kz billion)										
	2019		2020		2021		2022		2023	
Revenue from the oil sector	3 953	60%	2 952	48%	4 059	50%	6 118	53%	7 196	53%
Revenue from non-oil sectors	2 122	32%	2 329	38%	3 428	42%	4 612	40%	4 804	36%
Other Revenue	473	7%	845	14%	617	8%	908	8%	1 463	11%
Total Revenue	6 547		6 125		8 105		11 637		13 462	
Total Expenditure	6 336		7 393		9 087		11 636		12 902	
Surplus/Deficit	211		- 1 268		- 982		2		560	

Source: Ministry of Finance

Public Debt

Direct Government Debt (Kz billion)					
	2020	2021	2022	2023*	Var %
Direct Government Debt	41 278	36 758	29 444	51 132	74%
Domestic Debt	11 612	10 786	9 392	13 031	39%
External Debt	29 666	25 972	20 052	38 101	90%

Source: Ministry of Finance/DMU

*Debt Stock Q3 2023

GDP	33 041	47 270	56 778	64 149	13%
Debt/GDP	125%	78%	52%	80%	

Source of GDP: IMF

Economic data released by Angola's Public Debt Management Unit (UGD), a specialised public debt management unit under the aegis of the Ministry of Finance, indicates that the direct public debt stock at the end of Q3 2023 stood at Kz 51 132 billion, with foreign debt accounting for the vast majority (Kz 38 101 billion).

The Debt-to-GDP ratio stood at 80% over the course of the fiscal year 2023.

The +74% year-on-year increase in government debt measured in Kwanzas has the 'imprint' of the sharp depreciation experienced by the local currency during the period under review. When the government debt is analysed and measured in US dollars, the total rise recorded is roughly 6%, while the surge in external debt is equal to 15%.

Direct Government Debt (USD billion)					
	2020	2021	2022	2023	Var %
Direct Government Debt	64	66	58	62	6%
Domestic Debt	18	19	19	16	-16%
External Debt	46	47	40	46	15%

Source: Ministry of Finance/DMU

When analysed and measured in US dollars, the domestic debt stock has experienced a sharp decrease of approximately 16% over the course of FY2023, as can be clearly appreciated in the table above.

Angola's Sovereign Credit Rating - Long term						
Rating Agencies	2021		2022		2023	
	Rating	Month	Rating	Month	Rating	Month
S & P	CCC+	sep-2021	B-	feb-2022	B-	feb-2022
Fitch	CCC	sep-2021	B-	jul-2022	B-	dec-2023
Moody´s	B3	sep-2021	B3	oct-2022	B3	dec-2023

Source: S&P, Fitch and Moody's

The Fitch and Moody's credit rating agencies maintained Angola's rating in December 2023 at 'B-' and 'B3', respectively.

Macroeconomic Overview

Balance of Payments (BoP)

Trade balance (USD million)	2019	2020	2021	2022	2023
Goods	20 599	11 394	21 787	34 756	21 800
Exports	34 726	20 937	33 581	51 727	36 885
Oil and Oil Derivatives	33 365	19 584	31 838	49 476	34 671
Diamond sector	1 215	1 070	1 550	1 993	1 572
Agriculture and other sectors	146	283	194	258	642
Imports	14 127	9 543	11 795	16 971	15 085
Consumer goods	9 639	7 160	8 866	13 416	11 396
Capital goods	4 488	2 383	2 929	3 555	3 689
Services	-7 718	-5 536	-6 958	-10 292	-8 515
Credit	455	67	86	80	76
Debt	8 172	5 603	7 044	10 372	8 591
Primary income	-7 516	-4 924	-5 784	-8 727	-8 590
Secondary income	-227	-63	-646	-1 139	-485
Current account	5 137	872	8 398	14 598	4 210

Source: BNA

The knock-on impact from falling oil tax revenues recorded in FY2023 due to the constraints caused by unforeseen and longer-than-expected stoppages in oil exploration blocks, is particularly noticeable in the country's goods account, which lost almost US$13 billion in FY2023, YoY.

As a direct result, the country's overall current account balance within the scope of Angola's balance of payments recorded a sharp downturn of -71%, dropping from USD 14,6 billion in FY2022 to USD 4,2 billion in FY2023.


BCA
Banco Comercial Angolano

Distribution Channels

Distribution Channels

1 - Direct:
Branches (38)

LUANDA

Head Office and Corporate Center of Edifício Kilamba
Avenida 4 de Fevereiro,
Edifício Kilamba, R/C
Tel: (+244) 222 641 386
E-mail: bca@bca.co.ao

Valódia
Av. Comandante Valódia, 83-A
Tel: (+244) 222 448 842/48/49
Fax: (+244) 222 449 516

Ngola Kiluanji
Rua Ngola Kiluanji, 183
São Paulo - Luanda
Tel: (+244) 222 384 508/40
Fax: (+244) 222 384 570

Rainha Ginga
Rua Rainha Ginga, 8 - B
Coqueiros - Luanda
Tel: (+244) 222 334 160/3289/3678
Fax: (+244) 222 330 189

Morro Bento
Rua Pedro Castro Van-Dúnem
Estrada Nacional - Talatona
Bairro Morro Bento

Torres da Imporáfrica
Rua Kwame N'Krumah,
Edifício Torres Imporáfrica, R/C
Bairro Maculusso
Tel/Fax: (+244) 222 208 222/01

Aeroporto Internacional 4 de Fevereiro
Área das Chegadas Internacionais
Bairro do Cassenda
Tel: (+244) 222 204 200/02

Porto de Luanda
Guiché Único das Alfândegas
Rua Padre José Maria Antunes
Tel: (+244) 222 206 000

Missão
Rua da Missão, 42
Tel: (+244) 222 641 313

ENDE Sambizanga
Comuna de Ngola Kiluanji
Avenida Ngola Kiluanji

Hipermercado Jumbo
Município da Maianga
Avenida Deolinda Rodrigues
Tel: (+244) 222 641 359

ENDE Viana
Município de Viana
Rua 11 de Fevereiro
Centro de Distribuição ENDE E.P.

Patriota
Município de Talatona
Comuna do Benfica
Bairro Honga
Rua Direita do Patriota

ENDE Patriota
Município de Talatona
Comuna do Benfica
Bairro Urbanização
"Lar do Patriota"
Rua Direita do Patriota

Rocha Pinto
Município da Maianga
Avenida 21 de Janeiro

ENDE Kilamba
Município de Kilamba
Comuna Centralidade de Kilamba
Bairro Nzinga Mbandi - Quarteirão L
Rua Amílcar Cabral, Loja 196 B R/C;
Prédio 15

CABINDA

ENDE Cabinda
Bairro da Resistência
Avenida Salazar
(Comando da Régia)

Porto de Cabinda
Rua do Comércio
Empresa Portuária de Cabinda
Tel: (+244) 222 641 364

BENGUELA

Benguela
Rua Comandante Kassanje, 1
Tel:(+244) 272 23704/42/43/44/71
Fax: (+244) 272 236 640

Lobito
Av. 25 de Abril, Bairro 28
Edifício da ENE
Tel: (+244) 272 226 606/7/8/9/10
Fax: (+244) 272 611

Porto do Lobito
Avenida da Independência

Catumbela
Rua Bernardino Correia RC
Junto ao Centro de Distribuição
da ENDE E.P.

Baía Farta
Rua Comandante Jika 2009 RC
Junto ao Centro de Distribuição
da ENDE E.P.

CUNENE

Ondjiva
Município de Ondjiva
Comuna de Bangula
Rua Comandante Cowboy

Santa Clara
Rua Principal de Santa Clara
Próximo da Alfândega Santa Clara
Tel: (+244) 222 641 361

HUAMBO

Huambo
Comuna Sede do Huambo
Av. da Independência
Tel: (+244) 222 641 353

ENDE Huambo
Comuna Sede do Huambo
Cidade Baixa
Av. Norton de Matos, 24

ENDE São João
Comuna Comandante Vilinga
Junto à Loja da ENDE E.P.

ENDE Caála
Município da Caála
Comuna Sede
Avenida Norton de Matos
Área Operacional do Centro
de Distribuição da Caala

UÍGE

Comércio Uíge
Convergência da Rua do Comércio,
23-A com a Rua da Ambuila, 20

ENDE Uíge
Rua Comandante Bula
Edifício Rimada
Centro de Distribuição ENDE E.P.
Uíge
Tel: (+244) 222 641 335

MALANGE

Malange
Rua António Dienes
Hotel Gigante
Tel:(+244) 222 641 331

HUILA

ENDE Lubango
Rua 11 de Novembro
Centro de Distribuição ENDE E.P.
Huíla
Tel: (+244) 927 561 111

CUANZA NORTE

ENDE Dondo
Comuna do Dondo
Bairro dos Cahoios, Zona 4
Próximo à Loja de Atendimento
ENDE E.P. Dondo

CUANZA SUL

Sumbe
Rua do Cabouqueiro, Nº 16, Zona 3
R/C do Edifício da Direcção da ENDE E.P.

Porto Amboim
Rua de Moçambique, Nº 1120
Edifício dos serviços da ENDE E.P.

BENGO

Caxito
Centro de Distribuição ENDE Caxito

ZAIRE

Soyo
Bairro 1º de Maio
Avenida 28 de Maio

2 - Indirect:
Limited Service Branches
ATM Machines (81)

POS (1 188)


BCA
Banco Comercial Angolano

Financial Statements

Financial Statements

Balance Sheet as at 31 December 2023 and 2022					
	Notes	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
Assets					
Cash and Balances at Central Banks	3	21 190 833	25 568	15 182 295	30 142
Balances at Other Credit Institutions	4	1 301 938	1 571	1 536 209	3 050
Placements with C. Banks and Other Credit Institutions	5	15 109 132	18 230	12 230 547	24 282
Financial Assets at FV through OCI	6	76 836 650	92 708	52 118 952	103 474
Loans and Advances	7	8 680 934	10 474	5 648 420	11 214
Other Tangible Assets	8	7 870 691	9 496	6 903 540	13 706
Intangible Assets	8	339 470	410	602 373	1 196
Current Taxes Receivable	9	111 660	135	110 514	219
Deferred Taxes Receivable	10	-	-	714 795	1 419
Other Assets	11	1 569 456	1 894	1 023 514	2 032
Total Assets		**133 010 764**	**160 486**	**96 071 159**	**190 734**
Liabilities					
Deposits from Other Credit Institutions	12	810 799	978	315 316	626
Deposits from Clients					
a) Demand	13	44 100 044	53 210	31 665 678	62 867
b) Term	13	33 390 376	40 288	17 787 670	35 315
Provisions	14	126 366	152	101 630	202
Deferred Taxes Payable	16	1 189 504	1 435	-	-
Other Liabilities	17	11 288 021	13 620	9 679 716	19 218
Total Liabilities		**90 905 110**	**109 683**	**59 550 010**	**118 228**
Equity					
Capital	18	22 500 000	66 248	7 500 000	48 071
Equity Premium	18.1	84 284	102	-	-
Revaluation reserves	18.1	3 016 179	3 639	(93 884)	(186)
Other Reserves and Retained Income	18.1	13 037 158	15 730	26 512 524	52 636
Foreign Currency Translation Reserve	18.1	-	(40 283)	-	(33 816)
Retained Income for the year	18.1	3 468 033	5 367	2 602 509	5 801
Total Equity		**42 105 654**	**50 803**	**36 521 149**	**72 506**
Total Liabilities and Equity		**133 010 764**	**160 486**	**96 071 159**	**190 734**
OFF BALANCE SHEET ITEMS					
Guarantees Issued	31	972	1	165 000	328
Letters of Credit	31	855 375	1 032	1 293 134	2 567
Undrawn Commitments	31	4 127 179	4 980	350 965	697
Guarantees Received	31	(43 374 064)	(52 334)	(24 604 940)	(48 849)
Custodial Assets	31	-	-	(17 208 557)	(34 165)

The accompanying notes form an integral part of these financial statements
The amounts presented in United States Dollars are submitted for reading purposes

Income Statement for the year ended 31 December 2023 and 2022					
	Notes	**2023 Kz'000**	**2023 USD'000**	**2022 Kz'000**	**2022 USD'000**
Interest and other similar Income	**21**	12 130 513	17 358	10 465 630	22 749
Interest and other similar Expenses	**22**	(2 540 157)	(3 635)	(1 241 990)	(2 700)
Net Interest Margin		**9 590 356**	**13 723**	**9 223 640**	**20 049**
Fee and Commission Income	**23**	3 415 923	4 888	3 190 494	6 935
Fee and Commission Expenses	**24**	(803 432)	(1 150)	(595 272)	(1 294)
Results of Financial Operations	**25**	2 088 612	2 989	(649 455)	(1 412)
Gains and Losses on Disposal of Repossessed Properties	**26**	-	-	(8 911)	(19)
Other Operating Expenses	**27**	(1 199 585)	(1 717)	(864 907)	(1 880)
		3 501 518	**5 010**	**1 071 949**	**2 330**
Operating Margin		**13 091 873**	**18 733**	**10 295 589**	**22 379**
Salaries and other Payroll Expenses	**28**	(4 139 434)	(5 923)	(3 904 619)	(8 487)
Third parties supplies	**29**	(3 678 908)	(5 264)	(3 021 988)	(6 569)
Depreciation and Amortisation	**8**	(1 162 266)	(1 402)	(948 955)	(1 884)
Impairment Losses on Loans[1]	**7/14**	(217 698)	(263)	(108 446)	(215)
Impairment Losses on FATOCI[2]	**6**	(137 486)	(166)	(280 950)	(558)
Impairment Losses on Other Fin. Assets[3]	**5**	3 695	4	3 125	6
Impairment Losses on Other Assets[4]	**11**	11 936	14	(99 965)	(199)
		(9 320 161)	**(13 000)**	**(8 361 798)**	**(17 906)**
Income before Taxes		**3 771 713**	**5 733**	**1 933 791**	**4 473**
Income taxes					
- Deferred	**10**	(303 680)	(366)	668 718	1 328
Net Income for the year		**3 468 033**	**5 367**	**2 602 509**	**5 801**
Earnings per share (Kz'000)	**30**				
- Basic		0,06		0,14	
- Diluted		0,06		0,14	

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[1] Impairment losses on loans and advances for clients, net of reversals and recoveries;
[2] Impairment losses on financial assets through other comprehensive income, net of reversals and recoveries – securities;
[3] Impairment losses on other financial assets, net of reversals and recoveries;
[4] Impairment losses on other assets, net of reversals and recoveries.

Financial Statements

Statement of Comprehensive Income for the year ended 31 December 2023 and 2022					
	Notes	**2023 Kz'000**	**2023 USD'000**	**2022 Kz'000**	**2022 USD'000**
Net Profit		3 468 033	5 367	2 602 509	5 801
Other Comprehensive Income					
Items that may be reclassified to Income Statement					
Change in the fair value of Financial Assets through other Comprehensive Income	6	4 573 195	5 518	(585 338)	(1 162)
Tax Effect		(1 600 618)	(1 931)	204 868	407
Transfer to Income of Impairment recognised in the year ended	6	137 486	166	280 950	558
Income (Expenses) not included in the income statement	18.1	3 110 063	3 753	(99 520)	(197)
Comprehensive Income for the Year		6 578 096	9 120	2 502 989	5 604

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Statement of Changes in Shareholders' Equity for the year ended 31 December 2023

Kz'000	Share Capital	Equity Premium	Fair Value Adjustment Reserves	Statutory Reserves	Free Reserves	Retained Income	Profit for the Year	Total of Equity
Balance at 31-12-2021	**7 500 000**	**-**	**5 636**	**3 859 443**	**21 623 135**	**(465 256)**	**2 495 201**	**35 018 159**
Appropriation of 2021 retained income	-	-	-	249 520	780 426	(465 256)	(1 495 201)	1
2021 Dividends	-	-	-	-	-	-	(1 000 000)	(1 000 000)
Fair Value Adjustments	-	-	(380 470)	-	-	-	-	(380 470)
Impairment Losses on Fin. Assets through OCI	-	-	280 950	-	-	-	-	280 950
Profit for the Year 2022	-	-	-	-	-	-	2 602 509	2 602 509
Balance at 31-12-2022	**7 500 000**	**-**	**(93 884)**	**4 108 963**	**22 403 561**	**-**	**2 602 509**	**36 521 149**
Appropriation of 2022 Retained Income	-	-	-	260 251	1 342 258	-	(1 602 509)	-
2022 Dividends	-	-	-	-	-	-	(1 000 000)	(1 000 000)
Sale of Own Shares	-	84 284	-	-	-	-	-	84 284
Increase of Share Capital	15 000 000	-	-	-	(15 000 000)	-	-	-
Charges of Share Capital Increase	-	-	-	-	-	(77 875)	-	(77 875)
Fair Value Adjustment	-	-	2 972 577	-	-	-	-	2 972 577
Impairment Losses on Fin. Assets through OCI	-	-	137 486	-	-	-	-	137 486
Profit por the Year 2023	-	-	-	-	-	-	3 468 033	3 468 033
Balance at 31-12-2023	**22 500 000**	**84 284**	**3 016 179**	**4 369 214**	**8 745 819**	**(77 875)**	**3 468 033**	**42 105 654**

The accompanying notes form an integral part of these financial statements
The amounts presented in United States Dollars are submitted for reading purposes.

Financial Statements

Statement of Cash Flows for the year ended 31 December 2023 and 2022	Notes	2023 Kz'000	2022 Kz'000
Profit before Tax		3 771 713	1 933 791
Add:			
Depreciations	8	1 162 266	948 955
Impairment Losses on Fin. Assets (excluding loans)	6	137 486	280 950
Impairment Losses on Loans	7	217 698	108 446
Less:			
Provision for potential responsibilities	5/11/14	(15 631)	96 840
Dividends paid	18.1	(850 000)	(1 000 000)
Tax paid	15/17	(1 901 653)	(2 090 670)
Cash Flows from Operating Activities		**2 251 879**	**278 312**
Decrease (increase) in Loans and Advances	7	(2 806 903)	1 879 068
Decrease (increase) in Other Assets	11	(246 862)	628 034
Increase (decrease) in Deposits from Other Banks	12	495 483	(10 561)
Increase (decrease) in otherLliabilities	17	1 809 505	(1 626 976)
		1 773 102	**1 147 877**
Investing Activities			
Purchase of Tangible and Intangible Assets	8	(1 866 514)	(566 598)
Purchase of Trading and Investment Securities	6	(20 144 502)	(8 842 191)
Placements with Central Banks and other Banks	5	(2 874 894)	4 212 048
		(24 885 910)	**(5 196 741)**
Financing Activities			
Demand Deposits	13	13 284 366	(2 520 376)
Term Deposits	13	15 602 706	6 766 057
		28 887 072	**4 245 681**
Increase (decrease) in Cash and Cash Equivalents		5 774 264	196 817
Opening Balance of Cash and Cash Equivalents		16 718 514	16 521 697
Closing Balance of Cash and Cash Equivalents		**22 492 778**	**16 718 514**
Cash and Equivalents comprises:			
Cash and Balances at Central Banks	3	21 190 833	15 182 295
Balances at other Credit Institutions	4	1 301 945	1 536 219
Closing Balance of Cash and Cash Equivalents		**22 492 778**	**16 718 514**

The accompanying notes form an integral part of these financial statements
The amounts presented in United States Dollars are submitted for reading purposes

NOTES TO THE FINANCIAL STATEMENTS

1. CONSTITUTION AND ACTIVITY

Banco Comercial Angolano, S.A. ("BCA" or "the Bank"), with its head office in Luanda, is a 100% Angolan owned private company.

The Bank was formed on the 17 March 1997 and started its business activity on the 23 March 1999. BCA's business goal is to operate as a bank and to provide loans, using any financial operations as appropriate and investing in bonds or other financial instruments, such as Money transfer, Insurance sales.

At the end of 2023, the Bank operated 38 branches throughout the country.

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

2.1. BASIS OF PRESENTATION

The BCA financial statements disclosed herewith, are related to the year ended 31 December 2023 and 2022.

The financial statements were prepared from the accounting records of BCA in conformity with International Accounting Standards/International Financial Reporting Standards (IAS/IFRS), as issued by the International Financial Reporting Standards Board (IASB) and interpreted by Internacional Financial Reporting Interpretation Committee (IFRIC), incorporated into the Angolan legislation through the Central Bank (Banco Nacional de Angola – BNA) Notice 5/2019 of 23 August. BCA adopted IFRS and mandatory interpretations for the years started on 01 January 2023 and 2022. Accounting policies were applied consistently as the year before.

Regarding the financial years of 2017 and 2018, the Central Bank of Angola issued an opinion to the extent that, not all the criteria required to classify an economy as hyperinflationary had been met and, therefore, conducted there was no need for "IAS 29 – Financial Reporting in Hyperinflationary Economies" to be applied by Angolan Banks. The Board of Directors decided to not apply any of IAS 29 dispositions in the referred years. Hence, the effects of applying this Accounting standard are not displayed in the financial statement for the year ended 31 December 2023.

The financial statements were prepared on the basis of continuity of operations, as by the books kept by the Bank, and on the historic cost basis, except for assets and liabilities recorded at fair value, such as the derivative financial instruments, financial assets and liabilities at fair value through profit and loss, financial assets through other comprehensive income.

The financial statement for the year ended 31 December 2023 were approved by the Board of Directors at 22 April 2023 and will be submitted to the Shareholders´ General Assembly, the body with a final power either to approve or not to approve them. However, the Board of Directors expects the General Assembly will approve them.

The preparation of the financial statements in accordance with IFRS requires the Board of Directors to make judgments, estimates and assumptions that affect the application of the accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances and form the basis for making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The issues involving a higher degree of judgment or complexity or for which assumptions and estimates are considered to be significant are presented in note 2.3.16.

Currency of presentation

The financial statements for the years ended 31 December 2023 and 2022, are prepared in thousand of Kwanza (Kz'000), as per Notice 05/2019, article 9° of BNA. The functional currency of the Bank is Kwanza (Kz). However, the Board has decided that the US Dollar (USD) is the Bank's reference currency as it is the currency most representative of the Bank's international operations. As a result, financial information is disclosed in both currencies in the most relevant notes, as per the Board of Directors' consideration. The Kz/USD exchange rates used in the preparation of this financial statement were as follows:

Year ended on	Average Rate	Closing Rate
31-12-2023	698,828	828,800
31-12-2022	460,058	503,691

The financial statements in Kz were converted to USD using the following rates:

- Historical – Shareholders' equity;
- Closing – All other assets and liabilities;
- Average – Income statement.

The financial information in the financial statements and the attached Appendix presented in United States dollars is submitted for reading purposes only. Consequently, it was converted based on the criteria described above, and should not be interpreted as representing that the amounts in kwanzas have been, could have been or may come to be converted into United States dollars. Additionally, these amounts are unaudited.

2.2. TRANSACTIONS IN FOREIGN CURRENCY

The transactions in foreign currency are converted to the functional currency (Kwanza) applying the exchange rate in use at the date of transaction. The monetary assets and liabilities expressed in foreign currency, are converted to the functional currency applying the exchange rate in use at the date of balance sheet.

The closing rates of the main foreign currencies used in the Bank dealings are:

Currencies	31-12-2023	31-12-2022
Dollars (USD)	828,800	503,691
European Union currency (EUR)	915,990	537,438

The foreign exchanges differences issued from this conversion are recognized in income statement. The monetary assets and liabilities expressed in foreign currency, recognized at their historic cost, are converted to functional currency at the exchange rate on the date of transaction. The non-monetary assets and liabilities recorded at fair value, are converted to the functional currency at the exchange rate in use on the date in which the fair value is estimated, and recognized in income statement, except for the financial assets at fair value through other comprehensive income, whose exchange rate differences are recognized in the revaluation reserves of equity.

2.3. ACCOUNTING POLICIES

The following accounting policies are applicable to the financial statements of BCA:

2.3.1. Financial Instruments

Business model

Nature of operations and main activities

BCA carries out a number of activities and banking services in Angola, offering a huge range of financial products and services: demand deposit accounts, low-cost accounts, means of payment, saving and investment products, private banking, asset management, investment banking, housing loans, consumer credit, commercial banking etc.

Distinctive features of the business model

a) Service quality

BCA as a brand stands for customer service, with excellent quality, efficiency and speed as the key factors in its response to client needs and in the execution of their transactions.

b) Market pioneer in compliance

BCA leads the market in building into its procedures all the processes needed to ensure full compliance with regulations and with the fight against money laundering and the financing of terrorism and has invested heavily in technological and human resources to achieve this aim.

c) Sustainability of business model

The robustness of BCA's business model has its main foundation on naturally more stable and less volatile corporate and retail banking. BCA has successfully introduced operational recovery into its core market, reinforcing its financial and equity position despite the challenging banking environment in Angola.

Recovery depends on three separate factors: a client-focused relationship model; market leadership in terms of efficiency; and sustainability. The Bank's efficiency ratios are above the market average and it has sufficient solvency to be able to withstand any negative shocks the market may produce.

BCA business model

The business model within which the Bank holds its financial instruments is reassessed each year at the reporting date. Portfolio objectives are always built into the business model, translating into a management strategy that focuses on how contractual cash flows are originated and received.

BCA's financial instruments are currently held within a held to collect business model.

2.3.1.1. Financial Assets

2.3.1.1.1. Classification, initial recognition, and subsequent measurement

At initial recognition, financial assets are classified as:

i) Financial assets at amortised cost;

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

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

Classification takes account of:

- the business model used by the Bank to manage the financial asset; and
- the features of the contractual cash flows on the asset.

Assessment of the business model

At 1 January 2018 BCA undertook a portfolio-level assessment of the business model under which the financial instrument is held since this is the best reflection of how assets are managed and how information is provided to management bodies. The information considered was:

- portfolio policies and objectives and how policies are implemented in practice, including how management strategy covers the receipt of contractual interest, maintaining a set interest rate profile, matching the duration of the financial assets to that of the financial liabilities funding the assets, or realising cash flow through the sale of assets;
- how portfolio performance is assessed and reported to the Bank's management bodies;
- assessment of the risks affecting the performance of the business model (and of the financial assets held within it) and how they are managed;
- the remuneration of business managers, e.g. the extent to which remuneration depends on the fair value of the assets under management or on contractual cash flows received; and
- the frequency, volume and timing of sales in previous periods, the reasons for those sales and expected future sales. Information on sales must not however be considered in isolation but as part of a general assessment of how the Bank sets management targets for financial assets and of how cash flows are obtained.

Financial assets held for trading and financial assets that by option are managed and assessed at fair value are measured at fair value through profit or loss on an SPPI (solely payments of principal and interest) basis.

For assessment purposes, "capital" is defined as the fair value of the financial asset at initial recognition. "Interest" is defined as the consideration given for the time value of money, the credit risk associated with the debt over a set period of time, and other risks and costs associated with the activity (e.g. liquidity risk and administrative expense) and for a profit margin.

When assessing the financial instruments to which contractual SPPI cash flows refer, the Bank takes account of the terms of the underlying original contracts for the investment concerned. The assessment includes analysis of any situations in which contract terms could alter the timing and amounts of cash flows to prevent them meeting SPPI requirements. During assessment BCA will look at:

i. contingencies that could alter cash flow timings and/or amounts;
ii. features resulting in leverage;
iii. clauses allowing early repayment or extended maturity;
iv. clauses that might restrict BCA's ability to claim cash flows on particular assets (e.g. non-recourse assets); and
v. features that can alter remuneration of the time value of money.

Early repayment is consistent with SPPI so long as:

i. the financial asset was acquired or originated at a premium or discount on the nominal value of the contract;
ii. early repayment is essentially the nominal value of the contract plus accrued contractual interest plus unpaid items (may include reasonable compensation for early repayment); and
iii. the fair value of the early repayment is not material at initial recognition.

2.3.1.1.1.1. Financial assets at amortised cost

Classification

Financial assets are classified as financial assets at amortised cost if they meet all the following conditions:

I. the financial asset is held within a business model whose principal objective is to hold the asset to collect the contractual cash flows; and
II. its contractual cash flows occur on specified dates and are solely payments of principal and interest on amounts outstanding (SPPI).

Financial assets at amortised cost include investments with lending institutions, loans and advances to clients and debt securities held within a business model whose objective is to collect the contractual cash flows (government bonds, corporate bonds and commercial paper).

Initial recognition and subsequent measurement

Investments with lending institutions and loans and advances to clients are recognised at the date the funds become available to the counterparty (settlement date). Debt securities are recognised at the trading date, i.e. the date on which the Bank undertakes to acquire them.

Financial assets at amortised cost are initially recognised at fair value plus transaction charges, and thereafter are measured at amortised cost. As of initial recognition they are also impaired for expected credit loss (note 2.3.1.1.4.1.1.).

Interest on financial assets at amortised cost is recognised in interest and similar income using the effective interest method and the criteria set out in Note 2.3.11.

Derecognition gains/losses are posted to gain/(loss) at derecognition of financial assets and liabilities at amortised cost.

2.3.1.1.1.2. Financial assets at fair value through other comprehensive income

Classification

Financial assets are classified at fair value through other comprehensive income if they meet all the following conditions:

I. they are held within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets; and
II. contractual cash flows occur on specified dates and are solely payments of principal and interest on the principal amount outstanding (SPPI).

In addition, at initial recognition of an equity instrument that is not held for trading and for which no contingent consideration is recognised by a purchaser in a concentration of business interests to which IFRS 3 applies, the Bank can make an irrevocable election to measure it at fair value through other comprehensive income (FVOCI). The option is exercised on a case-by-case and investment-by-investment basis and is available only for financial instruments that meet the IAS 32 definition of an equity instrument, which cannot apply to financial instruments that the issuer has classified as equity instruments under the exemptions allowed at 16A and 16D of IAS 32.

Initial recognition and subsequent measurement

Changes in the fair value of these financial assets are recognised in the revaluation reserves, while disposal gains/losses accumulated in other comprehensive income are reclassified as a separate item in profit or loss as a gain/loss on the derecognition of financial assets at fair value through other comprehensive income.

As of initial recognition, debt instruments at fair value through other comprehensive income are impaired for expected credit loss (ECL) (Note 2.3.1.1.4). ECL is carried to loss under impairment of financial assets at fair value through other comprehensive income in the revaluation reserves and does not reduce the recorded value of the financial asset on the balance sheet.

All interest, premiums and discounts on financial assets at fair value through other comprehensive income are recognised under interest and similar income under the effective interest method and the criteria described in Note 2.3.11.

Equity instruments at fair value through other comprehensive income are initially recognised at fair value plus transaction charges and thereafter are measured at fair value. Changes in the fair value of these financial assets are posted to the revaluation reserves. The dividends are carried to income when attributed and so long as they clearly do not represent recovery of part of the investment cost. Dividends that do represent recovery of part of the investment cost are recognised in other comprehensive income.

Equity instruments at fair value through other comprehensive income are not impaired since at derecognition the accumulated gain/loss recorded in changes in fair value is carried to profit/loss brought forward.

2.3.1.1.1.3. Financial assets at fair value through profit or loss

Classification

Financial assets are classified at fair value through profit or loss (FVPL) if the business model within which the Bank holds them, or their cash flows do not meet the above conditions for measurement at either amortised cost or fair value through other comprehensive income (FVOCI).

Even where a financial asset meets the requirements for measurement at amortised cost or FVOCI, at initial recognition the Bank can still make an irrevocable decision to designate it as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition mismatch (accounting mismatch) that would otherwise arise from measuring assets or liabilities or from recognising the gains and losses on them on different bases.

The Bank classifies financial assets at fair value through profit or loss as follows:

a) Financial assets held for trading

These financial assets have been acquired for sale in the short term. At initial recognition they form part of a portfolio of identified financial instruments that either present evidence of a pattern of recent short-term profit-taking or fall within the definition of a derivative (unless the derivative is used as a hedge).

b) Financial assets not held for trading necessarily at fair value through profit or loss

These are debt instruments on which the contractual cash flows are not only SPPI.

c) Financial assets designated at fair value through profit or loss (fair value option)

This item includes the financial assets that the Bank has opted to designate at fair value through profit or loss to eliminate an accounting mismatch.

Initial recognition and subsequent measurement

Since the transactions undertaken by the Bank during the normal course of business are at arm's length, financial assets at fair value through profit or loss are initially recognised at fair value while the costs and income associated with the transactions are carried to profit or loss at initial recognition. Subsequent changes in the fair value of these financial assets are carried to profit or loss.

Accrued interest and premiums/discounts (where applicable) are posted to interest and similar income at the effective interest rate for each transaction, along with accrued interest on the derivatives associated with the financial instruments under this heading. Dividends are recognised in profit or loss when attributed.

2.3.1.1.2. Reclassification of financial assets

Financial assets are not reclassified unless the business model within which they are held is changed, in which case all affected financial assets will be reclassified.

Reclassification is prospective from the reclassification date but gain, loss (including impairment) and previously recognised interest are not restated.

Investments in equity instruments measured at fair value through other comprehensive income and financial instruments designated at fair value through profit or loss cannot be reclassified.

2.3.1.1.3. Modification and derecognition of financial assets

General principles

i. The Bank does not derecognise financial assets unless:
   - the contractual rights to the cash flows from the financial asset have expired; or
   - the financial asset is transferred as described at ii) and iii) below, and the transfer meets the conditions for derecognition set out at iv).

ii. The Bank will not transfer a financial asset unless:
   - the contractual rights to receive the cash flows on the financial asset are transferred; or
   - it retains the contractual rights to receive the cash flows on the financial asset but accepts a contractual obligation to pay the cash flows to one or more recipients under an agreement that meets the conditions set out at iii) below.

iii. If the Bank retains the right to receive the cash flows on a financial asset (original asset) but accepts a contractual obligation to pay the cash flows on the financial asset, and accepts a contractual obligation to pay the cash flows to one or more entities (original recipients) the Bank will treat the transaction as a transfer of the financial asset so long as the following three conditions are met:
   - the Bank has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts on the original asset. Short-term advances by the entity that include the right to full recovery of the amount advanced plus interest at market rates will not prevent this condition being met;

- the Bank is prohibited by the terms of the transfer contract from selling or pledging the original asset (other than as security to the eventual recipients for its obligation to pay the cash flows to them); and
- the Bank has an obligation to remit all cash flows it collects in the name of the eventual recipients without material delay. In addition, it is not entitled to reinvest the cash flows except in cash or cash equivalent (as defined in IAS 7 – Statement of Cash Flows) during the short settlement period from the collection date to the date of required remittance to the eventual recipients and any interest on such investments being passed to the eventual recipients.

iv. If the Bank transfers a financial asset (see ii above), it must assess the degree to which it retains the risks and rewards of the asset:

- If the Bank has transferred substantially all the risks and rewards on the financial asset, it will derecognise the financial asset and separately recognise as assets or liabilities any rights and obligations created or retained at transfer;
- If the Bank has retained substantially all the risks and rewards on the financial asset, it will continue to recognise the financial asset;
- If the Bank has neither retained nor transferred substantially all the risks and rewards on the financial asset, it must assess whether it has relinquished control of the financial asset:
  a) If the Bank has relinquished control, it must derecognise the financial asset and separately recognise as assets or liabilities any rights and obligations created or retained at transfer;
  b) If the Bank has retained control, it must continue to recognise the financial asset to the extent to which it has a continuing involvement in the financial asset.

v. Transfer of the risks and rewards referred to above is assessed by comparing the Bank's exposure before and after transfer to variation in the amounts and timings of the net cash flows on the transferred asset.

vi. The question of whether the Bank has retained control (see IV above) of the transferred asset depends on the ability of the recipient of the transfer to sell the asset in its entirety to an unrelated third party and its ability to do so unilaterally and without the need to impose additional restrictions at transfer. If it can do so, the entity has relinquished control. In all other cases, the entity has retained control.

Derecognition criteria

Based on the general principles described in the previous section and since contract changes can in some cases lead to the derecognition of the original financial assets that the recognition of new assets, this section sets out the criteria and circumstances under which a financial asset will be derecognised.

The Bank considers that amendment of the terms and conditions of a credit exposure will lead to derecognition of the transaction and recognition of a new transaction so long as the amendment meets at least one of the following conditions:

- A new exposure is created through a consolidation of debt, but none of the derecognised instruments has a nominal value that is more than 90% of the nominal value of the new instrument;

- Double extension of the residual term so long as the extension is not over 3 years less than the residual term at the time of the change;
- More than 10% increase in the exposure vs nominal value (using the last approved value in the operation subject to change);
- Change in quality characteristics:

a) Change of currency, unless the old and new currency exchange rate is fixed or managed within a restricted band by law or by the relevant monetary authorities;

b) Exclusion or addition of a material characteristic for the conversion of principal into a debt instrument, unless this could not reasonably be exercised during its term;

c) Transfer of the credit risk on the instrument to another debtor, or material change in debtor structure within the instrument.

Write-offs/write-downs

The Bank writes loans and advances off/down if it has no reasonable expectation of making full or partial recovery of an asset. Write-off/down occurs after all actions taken by the Bank to recover the assets concerned have failed. Written off/down loans is recognised in the off-balance sheet.

2.3.1.1.4. Impairment Losses

2.3.1.1.4.1. Impaired financial instruments

The Bank recognises impairment losses for expected loans and advances losses on financial instruments as follows:

2.3.1.1.4.1.1. Financial assets at amortised cost

The impairment losses on financial assets at amortised cost reduce the carrying value of these financial assets under impaired financial assets at amortised cost (in profit or loss).

2.3.1.1.4.1.2. Debt instruments at fair value through other comprehensive income

The impairment losses on debt instruments at fair value through other comprehensive income are recognised in profit or loss under impaired financial assets at fair value through other comprehensive income (reducing the carrying value of these financial assets).

2.3.1.1.4.1.3. Loan commitments, letters of credit and financial guarantees

The impairment losses on loan commitments, letters of credit and financial guarantees are carried to loss under provisions for guarantees and other commitments within other provisions (in profit and loss).

2.3.1.1.5. Impairment losses on loans and advances portfolio

In March 2017 during full IAS/IFRS adoption, BNA informed financial institutions of the need to prepare for the challenges involved in replacing IAS 39 *Financial Instruments - Recognition and Measurement with IFRS 9 Financial Instruments*.

IFRS 9, which was issued in July 2014 by the International Accounting Standards Board (IASB), replaced IAS 39 and set new rules for the classification and measurement of financial assets and liabilities. The final version of IFRS 9 was issued in 2014 and its application became compulsory in all financial years commencing on or after 1 January 2018.

IFRS 9 aims to improve financial information about financial instruments and to deal with the concerns that arose in this area during the financial crisis. In particular, IFRS 9 looks to respond to the G20 call for a more forward-looking model for recognising expected credit loss (ECL) on financial assets.

According to IFRS 9, ECL introduces a material change to IAS 39 impairment requirements with new rules on the recognition of impairment, under which impairment must be recognised as expected loss in the 12 months following the initial recognition of financial assets that at initial recognition are not impaired and present no material increase in credit risk.

IFRS 9 introduces a 3-stage approach based on change in the credit quality of financial assets after initial recognition. The assets pass through 3 stages as their credit quality changes, the stages dictating how the entity must measure the impairment. If there is a material change in credit risk since origination, impairment is measured as ECL over the lifetime of the asset, i.e., over the residual maturity of the financial asset, rather than ECL over 12 months (or less if the residual maturity of the transactions is under 12 months).

To summarise, IFRS 9 establishes an expected loss model that is based on early recognition of loss arising from credit risk and is founded on the concept of material increase in credit risk from the time of initial recognition (i.e., before objective evidence of impairment appears, credit risk rises materially but is not reflected in the pricing of the financial asset).

Restrictions on application of the standard

- In 2016 the Bank introduced an information form into its system in order to create a client loan book with the information required to analyse credit risk. It therefore does not have enough historic information to estimate the robust and statistically significant factors needed to assess collective impairment, particularly LGD. Historic analysis of the portfolio also revealed that the Bank has a small number of defaults, mainly regarding enterprise exposures. In the case of individual clients, although with a higher number of defaults events, the exposures concerned are not materially relevant (a material exposure is defined as being over Kz 20 000) in terms of significant probability of default for the portfolio.

- The Bank does not have sophisticated models that would allow it to monitor transaction credit risk from origination using statistical models. The Bank also does not have a central database of relevant and reliable data that would allow it to look at particular quantitative and qualitative factors when determining whether there has been a significant increase in credit risk across the entire client loan book.

Stage allocation criteria

BCA organises loans to clients into stages 1, 2 or 3, depending on delinquency at each reporting date.

Stage change is based on individual analysis of the loan in the portfolio and on the number of days' default. The definition of 'default' was developed by considering the Bank's own risk management process and best market practice.

Under IFRS 9 B.5.37, *"When defining default for the purposes of determining the risk of a default occurring, an entity shall apply a default definition that is consistent with the definition used for internal credit risk management purposes for the relevant financial instrument and consider qualitative indicators when appropriate. However, there is a rebuttable presumption that default does not occur later than when a financial asset is 90 days past due unless an entity has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate."* The 90 days past due criterion was used to identify a client in default. Nevertheless, based on its individual credit analysis the Bank may still manually identify a loan as being in default if it gives signs of impairment (e.g., multiple restructurings).

To ensure the stability of the stage model and consequently quantification of ECL in the loan book, minimum periods were set for holding clients at stages 2 or 3 (quarantine) when the criteria for moving them to stage 2 or 3 are met.

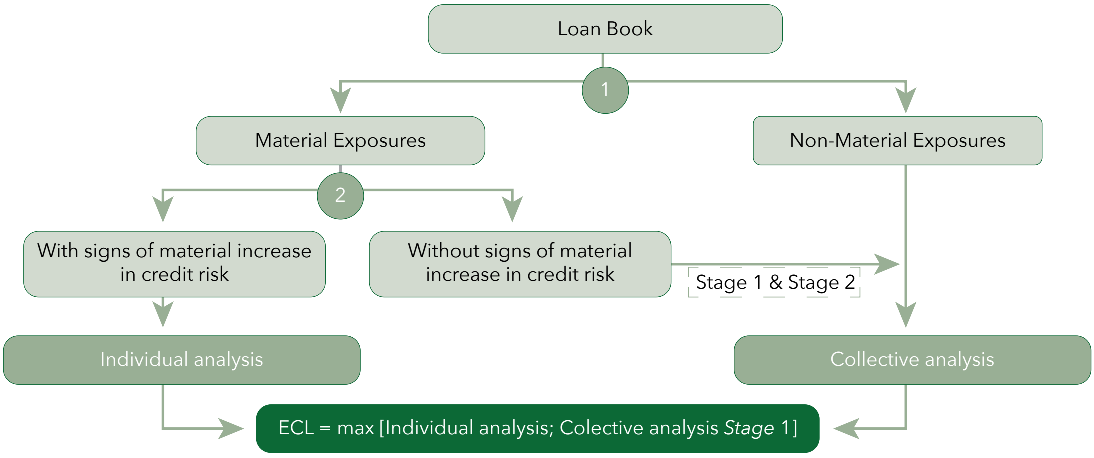
Impairment calculation methodology

Under the new system, entities must recognise expected credit loss (ECL) before the loss event occurs. Forward-looking information must also be considered when estimating ECL, along with future (macro-economic) trends and scenarios.

Under the ECL approach, assets subject to impairment must be classified into one of the following categories (stages), depending on changes in credit risk since initial recognition of the asset, and no longer on its credit risk at the reporting date:

- Stage 1 – As of initial recognition and unless credit risk has materially degraded since then, assets are held at stage 1. They are impaired for ECL over 1 year from the reporting date;
- Stage 2 – If there has been material degradation in credit risk since initial recognition, assets will be held at stage 2 and will be impaired for ECL over their lifetimes. By introducing the concept of material degradation in credit risk, IFRS 9 makes the calculation of impairment more subjective and requires a closer link with the entity's credit risk management policies. The lifetime and forward-looking approaches present financial institutions with challenges when modelling credit risk parameters.
- Stage 3 – Impaired assets must be held at stage 3 and be impaired for lifetime ECL. Unlike at stage 2, the effective interest rate recognised is based on net carrying value (gross value at stage 2).

The impairment model developed by the Bank is briefly described in the diagram below, which shows the method for calculating monthly impairment:



Individual credit analysis is applied to all debtors presenting a balance-sheet credit exposure that is over 0,1% of capital adequacy requirements.

Individual credit analysis

The individual credit analysis of individually material exposures aims to:

i. examine staging in order to review the classification of each exposure using the impairment model;
ii. estimate credit impairment for stage 2 debtors (clients that present indications of, or have seen a material increase in credit risk) and stage 3 debtors (clients in default).

The Bank performs individual credit analysis every six months (in May and November each year), using a dedicated template to standardise analysis and ensure compliance with its analysis methodology.

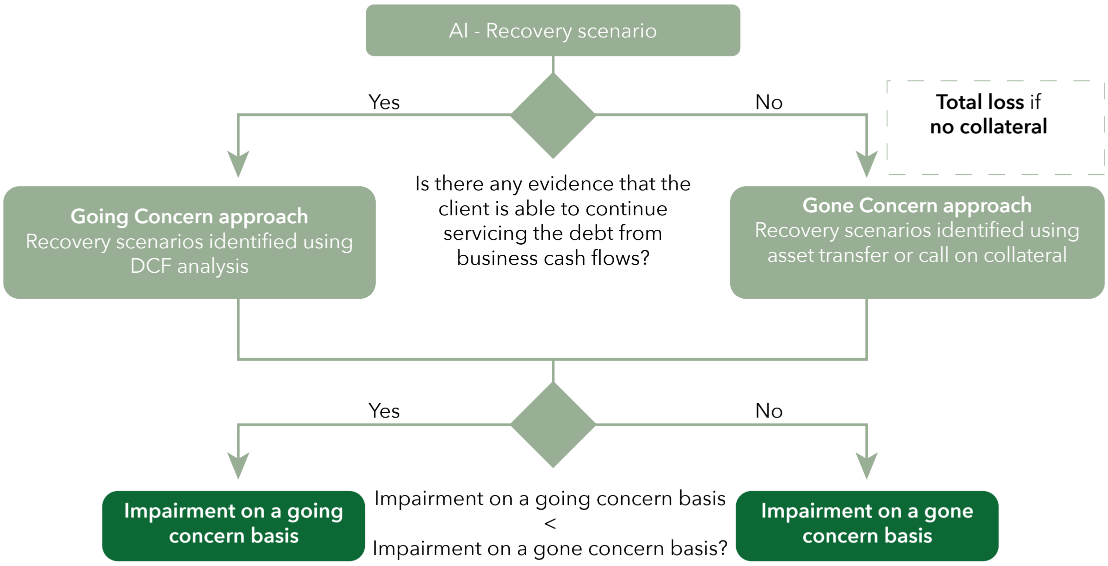
Staging analysis involves reviewing the stage to which each debtor is automatically allocated by the Bank's impairment model, based on the client's characteristics and the credit relationship with him and on the financial information available and the information provided by CIRC.

The Bank has produced a staging questionnaire that contains a set of criteria/triggers used to identify:

i. indications of/material increase in, credit risk after initial recognition;
ii. impaired clients.

Based on the client's financial information and the current stage in negotiations with him, the Bank will determine the best recovery strategy to apply. The Bank's main preference will be to use the debtor's ability to continue servicing the debt from his business flows (where necessary with restructuring of the loan).

The following diagram briefly shows how the recovery scenario is selected, based on estimated impairment:



Based on the above diagram, if updated financial information is available and if the client proves to be able to service his debt through his business cash flows, the Bank will tend to opt for the cheaper going concern, rather than the more expensive gone concern (recovery through collateral), approach. However, if the exposure carries sufficient collateral and impairment after recovery through collateral would be less than through business cash flows, the Bank will recognise the impairment using the gone concern approach.

Collective credit analysis

Using the historic data in the historic loan books, the following drivers were used to organise the loan book into consistent risk classes by: (i) type of client, (ii) type of product, (iii) volume and materiality of operations. However, given the limited historic information available and data quality, as mentioned above, the risk factors applied to the loan book were based on analysis of the market benchmark. Portfolio segmentation has therefore been adjusted for benchmark risk factors.

Operations/clients are classified into segments as follows:

Type of Client	Segment	BCA Portfolio	Type of Product
Company	Company	Secured Current Accounts	CC
		Overdrafts	DO, CARC
		Income	CRR, CRF
		Off-balance Sheet	CRDI, GARP
Individual	Overdrafts	Overdrafts	DO, CARC
	Housing & Consumption	Employee Loans	Employee Loans
		Credit Protocols	Protocols
		Income	CRR, CRF
State	State	State	-

The benchmark is assessed with the information displayed on the last financial statements of Angolan banks, considering the reference date of calculation.

Risk factors

Probability of default (PD) is the probability of default on an operation (or by a client) within a specific period of time and a specific time horizon, based on the status of the operation /client at the start of the observation period.

However, in the event of default, banks will also calculate their risk of loss on such clients by estimating loss-given default (LGD).

Given the small number of operations in the loan book and the lack of any historic database of operations in the Bank's loan book (see Restrictions on application of the standard, above) it has not been possible to estimate risk factors (PDs and LGDs) specific to the Bank. The Bank therefore uses market benchmark analysis to understand Angolan financial sector, at the same time adjusting the characteristics of its own loan book.

Market benchmark analysis, as used to calculate the ECL on the Bank's loan book, takes account of the following in connection with the application of risk factors:

- Probability of default: PD segments risk by: (i) portfolio segment (see Collective analysis, above); and (ii) the number of days in default.

Each combination of risk segment with days in default produces a separate lifetime PD curve and shows the PD time structure, reflecting expected change in default risk over the lifetime of the loan.

- Loss-given default: LGD gives a breakdown by risk segment in the collective model.

LGD curves ignore collateral-based recovery. This is consistent with the use of net EAD to calculate ECL.

Each year the Bank reviews loan book risk parameters to check the reasonability of the market benchmark applied to it and/or to check whether internal risk should be taken into account when calculating ECL.

When calculating impairment for off-balance sheet exposures, the Bank uses a credit conversion factor (CCF) to determine the probability of a given off-balance sheet operation being converted into a loan.

Based on a BNA Instruction, the Bank determines the CCF on the basis of the level of risk on the off-balance sheet item, as follows:

Risk	Factor de Conversão
High	100%
Average	50%
Average/low	20%
Low	0%

The exposure to risk is the sum of balance-sheet exposure plus off-balance sheet exposure, converted using the CCF at the reference date for the ECL calculation, net of financial guarantees given as collateral. Eligible financial guarantees are blocked term deposits and treasury bonds denominated in Kz that are held in custody by the Bank.

ECL calculation

The following table shows how ECL is calculated for each stage:

<table>
<tr><th>Stage</th><th>ECL calculation</th><th>Inputs | risk factors</th></tr>
<tr><td>Stage 1
No indication of significant increase in credit risk</td><td>ECL12m = EAD x PD12m x LGD</td><td rowspan="3">• EAD = Exposure at default at the reporting date
• LGD = Estimated loss if the segment defaults
• PD12m = Probability of default on the loan in the next 12 months
• PD lifetime = Probability of default on the loan up to maturity</td></tr>
<tr><td>Stage 2
Credit risk has significantly increased but is not impaired</td><td>ECL lifetime = EAD x PD lifetime x LGD</td></tr>
<tr><td>Stage 3
Impaired</td><td>ECL lifetime = EAD x LGD</td></tr>
</table>

Following individual staging analysis of stage 1 clients, ECL is automatically included in the collective calculation, i.e., the ECL rate obtained using the collective model is applied.

For all other clients individually analysed for staging purposes, impairment floors are applied to clients presenting indications or evidence of impairment (i.e., stage 2 or 3 clients) and are used to calculate their ECL.

To summarise, the consolidated/final impairment attributed for staging purposes is:

Stages	Final ECL
Stage 1	ECL resulting from collective stage 1 assessment.
Stage 2	ECL is the greater of: (i) Individually calculated impairment; or (ii) ECL resulting from collective stage 1 assessment.
Stage 3	

The floor of the model taken into account is the ECL resulted from stage 1 of collective assessment.

2.3.1.1.6. Calculation of impairment losses on trading and investment securities portfolio

2.3.1.1.6.1. Significant increase in credit risk

The criterion for measuring the significant increase in credit risk for financial assets other than credit is always based on reasonable and sustainable qualitative and quantitative information available to the Bank. All reasonable and reliable information on macroeconomic and macro-fiscal indicators, as well as the evolution of the sovereign or issuer's rating, for example, are used to assess the existence or not of a significant increase in credit risk. The impairment losses correspond to the expected losses in case of default in a 12-month period, for stage 1 assets, and to the expected losses considering the probability of occurrence of a default event at any moment during the life of the financial instrument (until its maturity), for stage 2 and 3 assets. An asset is classified in stage 2 whenever there is a significant increase in the respective credit risk since its initial recognition.

2.3.1.1.6.2. Assumptions for the calculation of impairments

2.3.1.1.6.2.1. Government bonds

For the calculation of impairment losses on government bonds in foreign currency, the ECL (Expected Credit Losses) is obtained as the sum of the product of PD's (Probability of Default), LGD's (Losses Given Default) and EAD (Exposure At Default).

For computing purposes, the Bank applies the National Bank of Angola's Directive no. 13/DSB/DRO/2019 guidelines, dated 27th December, which concerns the assessment and verification process of the issuing country's rating. The Moody's study "Sovereign default and recovery rates, 1983-2021" was used to obtain the risk factors to be considered, analysed and applied.

Both the Probability of Default (PDs) and the Loss Given Default (LGDs) are sourced from the monthly reports of rating agencies such as Moody's, Fitch and S&P Global Ratings. In these sources, LGD's are not expressed in a clear manner, and are therefore obtained as the opposite of the recovery rate (1-Weighted Recovery Rates=LGD). The PD used for public debt instruments in foreign currency is the Issuer-Weighted Cumulative Default Rate for States with rating B, for foreign currency securities, and rating Ba, for domestic currency securities obtained from the Moody's Report.

2.3.1.1.6.2.2. Corporate Debt Securities

Historical data of instruments admitted to trading on BODIVA will be used to estimate PDs and LGDs for the corporate debt. While this information is not available, the best result obtained among the following options will be used: the risk premium between treasury bills and the corporate credit rate and the market benchmark.

2.3.1.1.6.2.3. Liquid Assets and Placements

a) Foreign currency

For liquid assets and investments in foreign currency, the PD calculation basis will be the financial institution rating where the amounts are deposited or invested. In the absence of a rating, the market benchmark used by institutions within the financial sector is applied.

b) Local currency

For investments in local currency and for those institutions with ratings, the 12-month PD is applied in duodecimal form and weighted with the EAD, followed by the corresponding assessment of its material relevance. For institutions without ratings, PDs result from the application of a risk premium to sovereign debt PDs.

2.3.1.1.6.3. Methodology for impairment losses calculation

2.3.1.1.6.3.1. Government bonds

The EAD is calculated instrument by instrument, based on the financial statements. On the information exposed is applied the relevant percentage of the product curve of PD and LGD at the corresponding maturity. The sum of these weightings represents the impairment for the instrument in the calculation period.

2.3.1.1.6.3.2. Liquid Assets and Placements

a) Foreign currency

The ratings of the institutions where the liquid assets in foreign currency are deposited and/or applied are matched with the respective PDs (in duodecimal form) and these are reflected on the EADs, resulting in the impairment of these assets.

b) Local currency

The PDs corresponding to the ratings are multiplied by the LGDs and reflected on the EADs. The sum of the products of these represents the impairment in these instruments.

2.3.1.2. Financial liabilities

2.3.1.2.1. Classification, initial recognition and subsequent measurement

At initial recognition, financial liabilities are classified as:

- Financial liabilities at amortised cost;
- Financial liabilities at fair value through profit or loss.

2.3.1.2.1.1. Financial liabilities at fair value through profit or loss

Classification

Financial liabilities at fair value through profit or loss include:

a) Financial liabilities held for trading

These are liabilities issued for repurchase in the short term, that are held in a portfolio of identified financial instruments for which there is evidence of a pattern of recent short-term profit taking or that fall within the definition of a derivative (unless the derivative is used as a hedge).

b) Financial liabilities designated at fair value through profit or loss (fair value option)

The Bank can at initial recognition irrevocably designate a financial liability as being measured at fair value through profit or loss if it meets at least one of the following conditions:

- it is managed, assessed, and reported internally at fair value; or
- the designation eliminates or significantly reduces an accounting mismatch on the transactions.

Initial recognition and subsequent measurement

Since the transactions undertaken by the Bank during the normal course of business are at arm's length, financial liabilities at fair value through profit or loss are initially recognised at fair value, while the costs and income associated with the transactions are carried to profit or loss at initial recognition.

Subsequent changes in the fair value of these financial liabilities are recognised as follows:

- changes in fair value that are attributable to the credit risk on the liability are carried to other comprehensive income;
- the remainder of the variation in fair value is carried to profit or loss.

Accrued interest and premiums/discounts (where applicable) are posted to interest and equivalent costs at the effective interest rate for each transaction.

- At 31 December 2023 and 2022 the Bank had no operations classified in this way.

2.3.1.2.2. Financial guarantees

Unless designated at fair value through profit or loss at initial recognition, financial guarantee contracts are subsequently measured at the higher of:

- the loss provision determined as per Note 2.3.1.1.4;
- the initially recognised amount minus (where relevant) cumulative revenue recognised as per IFRS 15 - Revenue from Contracts with Customers.

Financial guarantee contracts that are not designated at fair value through profit or loss are posted to Provisions where applicable.

2.3.1.2.3. Financial liabilities at amortised cost

Classification

Financial liabilities not classified at fair value through profit or loss and that are not financial guarantee contracts are measured at amortised cost.

Financial liabilities at amortised cost include "Deposits from other Credit Institutions", "Deposits from Clients" and subordinated and other debt securities.

Initial recognition and subsequent measurement

Financial liabilities at amortised cost are recognised initially at fair value plus transaction costs and are subsequently measured at amortised cost. Interest on financial liabilities at amortised cost is posted to interest and similar costs using the effective interest method.

2.3.1.2.4. Reclassification of financial liabilities

Financial liabilities cannot be reclassified.

2.3.1.2.5. Derecognition of financial liabilities

The Bank derecognises financial liabilities when they are cancelled or extinguished.

2.3.1.3. Recognition of interest

Interest income and expense on financial instruments measured at amortised cost are carried to interest and similar income or interest and similar expense (Net Interest Margin) using the effective interest method. Interest at the effective rate on financial assets at fair value through other comprehensive income is also recognised in the Net Interest Margin.

The effective interest rate (EIR) is the rate applied to discount estimated future payments and receipts over the expected lifetime of the financial instrument (or a shorter period if appropriate) to the current net carrying value of the financial asset or liability.

When determining EIR, the Bank estimates future cash flows on the basis of all the terms in the contract for the financial instrument (e.g., early repayment options) but does not consider impairment. The calculation includes commission paid/received, which is treated as an integral part of the EIR, transaction costs and all premiums and discounts directly connected with the transaction, except in the case of financial assets and liabilities at fair value through profit or loss.

Interest income recognised in profit or loss on stage 1 or 2 contracts is calculated by applying the EIR for each contract to its gross carrying value. The gross carrying value of a contract is its amortised cost before impairment. In the case of stage 3 financial assets, interest is recognised in profit or loss at net carrying value (minus impairment). Interest is always recognised on a forward-looking basis, i.e., in the case of stage 3 financial assets, on amortised cost (net of impairment) for subsequent periods.

In the case of financial assets originated or acquired with credit impairment, EIR will reflect the expected credit loss when the future cash flows expected from them are determined.

2.3.2. Guarantees given and irrevocable commitments

Financial guarantees are contracts that bind the Bank to execute payments in order to reimburse the holder of a loss incurred, as result of a debtor lacking the payment of an instalment.

Liabilities issued from financial guarantees or commitments given to grant a loan at an interest rate below the market value are initially recognised at a fair value. The initial fair value is amortised during the lifetime of the guarantee or commitment. Subsequently, the liability is recorded at the higher value between the amortised value and present value of any expected outstanding payment.

Guarantees given and irrevocable commitments are recorded in off-balance sheet accounts by the amount at risk, while interest, commission, fees, and other income are recorded in income statement over the period of the operations.

These operations are subject to impairment tests.

2.3.3. Securities repurchase agreement transactions

Securities sold with repurchase agreement (repos), at a fixed price, or for a price which is the same as the sale price plus interest inherent to the period of the operation, are recognised in the balance sheet being classified as assets given as guarantee. The corresponding liability is accounted for as deposits from other credit institutions or deposits from clients, as appropriate. The difference between the acquisition and reselling values is recognised on an accrual basis over the period of the transaction and is included in interest income or expenses.

Securities bought with resale agreement (reverse repos), at a fixed price or for a price that is equal to the purchase price plus the interest that is inherent in the operating period are not recognised in the balance sheet, with the purchase value being recorded as loans and advances to other credit institutions or clients, as appropriate. The difference between the purchase value and the resale value is treated as interest and is deferred during the validity period of the agreement, using the effective rate method. The difference between the sale and repurchase values is recognized on an accrual basis over the period of the transaction and is included in interest income or expenses.

Securities transferred through loan agreements are not derecognized in the balance sheet but are classified and accounted for in accordance with the accounting policy outlined in note 2.3.1.1. Securities received through loan agreements are not recognized in the balance sheet.

2.3.4. Equity instruments

A financial instrument is classified as an equity instrument when there is no contractual obligation to be liquidated delivering either money or financial assets to third parties, regardless of its legal form, highlighting a residual interest in entity's assets net of all its liabilities.

The cost of transaction for issuing equity instruments are recorded against the equity as a deduction from issue amount. The values paid and received for the equity instruments purchase or sale, are recognized in the equity, net of costs of transaction.

The gains from the equity instruments (dividends) are recognized when the right to receive payment is established.

2.3.5 Leases

The Bank applied IFRS 16 on the contracts celebrated or modified on or after the 1 of January 2019.

At the inception of a contract, the Bank assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an asset (the underlying asset) for a specified period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Bank assesses whether:

- the contract concerns the use of an identified asset – the asset could be specified in an explicit or implicit way and might be physically distinct or might represents materially the capacity of an asset physically distinct. Even if an asset is specified, the Bank has no right to use the identified asset, if the supplier has the substantive right to replace this asset during the period of use;
- the Bank has the right to obtain substantially all economic benefits by the use of the identified asset, during the period of use; and
- The Bank has the right to direct the use of an identified asset. The Bank has this right, when it can take the most important decisions to modify the way and the aim for which the asset is used, during the period of use. If the decision regarding the method of use, and the aim for which the asset is used is predefined, the Bank has the right to direct the use of the asset when:
    - The Bank has the right to use the asset (or to delegate other entities to exploit the asset in accordance with the way established by the Bank) during the period of use, and the supplier has no right to modify those instructions of exploitation; or
    - The Bank designed the asset (or specific aspects of the asset) in such a manner that establishes previously the method of use and the aim for which the asset must be used, during the period of use.

In the beginning or when revaluating, a contract which comprises a lease component, the Bank allocates the retribution of each component based on each individual price. However, for those lease contracts in which the Bank is the lessee, it decided to not set apart the "no-leasing" components, and to recognize both "no-leasing" components and leasing components, as a unique component.

2.3.5.1. As lessee

The Bank recognises a right-to-use asset or a lease liability at the lease opening date. The right-to-use asset is initially accounted for at cost, which comprises the initial value of lease liability, adjusted with all advance lease payments at or before the initial date (deducting the incentives for leases received), added any initial direct cost incurred, and estimation of dismantling cost and removal of the underlying asset, or to restore the underlying asset, or the premises in which it is located.

Subsequently, the right-to-use asset is depreciated on a straight-line basis, from the initial date to the end of its useful life, or the lease expiry, depending on which of the two expires the first. The estimated useful life of assets under the right of use is established following the same principles of tangible assets. Moreover, the right-to-use asset is periodically deducted from impairment losses, if required, and adjusted according to particular lease liabilities remeasurements.

The lease liability is initially measured by the current value of lease payments not liquidated, discounted at an implicit interest rate, if the concerned interest rate is easily calculated. If the interest rate is not easily calculated, an incremental interest rate of the Bank funding must be used. A funding incremental interest rate is a discounted rate the Bank would obtain, to get at the same maturity and with the similar collaterals, the required funds to acquire the underlying asset. Usually, the Bank considers as discount rate its funding incremental rate.

The lease payments included in the lease liabilities comprise the following payments, for the right to use the underlying assets, over the lease term, which have not been settled at the concerned date:

- fixed payments (including fixed payments in substance), minus lease incentives;
- variable payments which depend on an index or rate, initially measured by using an index or rate at initial date;
- amounts expected to be paid as collaterals for the residual value;
- the price for the year of a call option, if the Bank is reasonably sure to exercise such a call option; and
- penalties payments for the lease termination, if the lease term reflects the exercise of an option of lease termination by the Bank.

The lease liability is measured at amortized cost through the effective interest rate method. It is remeasured if a change in leasing future payment occurs, arising from a change in an index or a rate, as a result of a change in the Bank estimation of the amount expected to be paid, under a collateral of a residual value, or whenever the Bank changes its estimation of the expectation to either or not exercise a call option, an extension or a termination.

Whenever the lease liability is remeasured, the Bank recognises the amount of remeasurement of lease liability as an adjustment to the right-to-use asset. However, if the carrying amount of the right-to-use asset is reduced to zero, and if, simultaneously, there is a reduction to the lease liability measurement as well, the Bank recognises such a reduction in the profit and loss accounts.

The Bank displays the right-to-use assets which do not match to the definition of investment properties in “Other tangible Assets” and lease liabilities in “Other Liabilities” in the financial position statement.

i. Short term leases and leases of assets of low value

The standard allows the lessee to not recognize the right-to-use assets and lease liabilities with a 12 months term or less, and leases of a low value. The payments related to such leases are recognized as expenditures on a straight-line basis over the term of the contract.

The Bank chose not to apply the exemption established in IFRS 16, to recognize the right-to-use assets and lease liabilities with a 12 months term or less than 12 months, and leases of assets of low value. Therefore, the Bank recognises the expenditures related to such contracts in “Third Parties Supplies” in the income statement.

2.3.5.2. As lessor

When the Bank acts as lessor, It settles at the beginning of the lease, whether to classify the lease as operating lease or finance lease.

The Bank assesses at the beginning of each lease if it transfers substantially all risks and rewards of ownership of the underlying asset. If it transfers substantially all risks and rewards of the ownership of the underlying asset, it is classified as finance lease, otherwise it is classified as operating lease. In this assessment, the Bank takes into account some indicators, such as, if the lease covers most of the economic lifetime of the asset.

If the Bank is an intermediary lessor, it recognises its interests in the main lease and in the sublease separately. The classification of the sublease is realised according to the right-to-use asset of the original lease, and not according to the underlying asset. If the original lease is a short-term lease contract, the Bank classifies the sublease as operating lease.

If a contract has leasing and no leasing components, the Bank will apply IFRS 15 standard, to allocate the retribution established in the contract.

The Bank recognises the payments received of lease under operating leases as profits on a straight-line basis during the lease term, as part of "Third Parties Supplies".

2.3.6. Other tangible Assets

Tangible assets are stated at acquisition cost, less accumulated depreciation, and impairment losses. At the transition date to IFRS/IAS, the Bank elected to consider as cost, the value of acquisition of its tangible assets, as per the previous accounting policies, which is broadly similar to depreciated cost measured under IFRS. The cost includes expenses directly attributable to the acquisition of goods. There are ancillary costs included as well, which are incurred when tangible assets are acquired, such as, notary fees, brokerages, taxes paid.

Subsequent costs are recorded only if it is probable that future economic benefits for the Bank will stem from them. All maintenance and repair expenses are recorded in the costs, in accordance with the accrual principle.

Lands are not amortized. Depreciation of tangible assets is recorded on a straight-line basis over their estimated useful lives, which corresponds to the period the assets are expected to be available for use:

	Useful life (Years)
Premises owned	50
Improvements to leasehold premises	3-25
Computer Equipment	3
Vehicles	3
Other Tangible Fixed Assets	2-10

Non-recoverable expenditure on Improvements to leasehold premises are depreciated in accordance with its estimated useful life or the remaining period of the lease contract.

When there is an evidence of impairment loss in a tangible asset, IAS 36 prescribes that the recoverable amount might be assessed, and an impairment loss might be recorded whenever the net value of the asset is greater than its recoverable amount. The impairment loss is recognized in income statement. The recoverable amount is determined as the highest between the fair value of an asset, net of sale costs and its value in use, which is calculated taking into account the present value of estimated future cash flows expected to be derived from the continuous use of the asset, and its disposal at the end of its useful life.

2.3.7. Intangible assets

The Bank recognizes, in this caption, expenses relating to the development stage of projects implemented and to be implemented, as well as the cost of acquiring software, in both cases where the impact extends beyond the financial year in which the cost is incurred.

Intangible assets are amortized on a straight-line monthly basis over the estimated period of useful life of the assets which, in general, corresponds to a period of three years.

To date the Bank has not recognized any intangible assets generated internally.

2.3.8. Employee benefits

Employee benefits are accounted for as established in IAS 19, and can be classified as:

2.3.8.1. Short-term employee benefits

Employee benefits are essentially comprised by wages, salaries, and social security contributions, paid annual leave and paid sick leave, non-monetary benefits (such as medical care, housing, cars and free or subsidized goods or services) for current employees.

Actually, the Bank has at its disposal short-term employee benefits only. Short-term employee benefits are those expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services.

2.3.8.2. Post-employment benefits

Post-employment benefits can be: retirement pension and other retirement benefits, post-employment life insurance, and post-employment health care.

Actually, the Bank does not provide any specific post-employment plan for its employees. All employees are subject to the legally set retirement plan, through the State Social Security Institute (INSS).

2.3.8.3. Termination benefits

Termination benefits are the benefits provided by BCA, for employees’ retirement before legal retirement.

2.3.9. Provisions and Contingent Liabilities

Provisions are recognized when: (i) the Bank has a present legal or constructive obligation (whether it is legal, or arising from past practice, politics implying the recognition of certain responsibilities); (ii) it is probable that an outflow of economic benefits will be required to settle present legal or constructive obligation, as a result of past events and (iii) a reliable estimate can be made of the amount of the obligation.

The measurement of provisions takes into account the standards defined in IAS 37, regarding the best estimate of expected cost, the most probable results of actions in progress, with consideration of risks, uncertainty inherent to the process. If the effect of discounting is material, provisions corresponding to present value of expected future payments, are discounted at a rate that considers the risk associated with the obligation.

Provisions are reviewed at each balance sheet date and adjusted to reflect the best estimate, being reverted through income statement in the proportion of the payments that are probable.

Provisions are derecognized through their use for the obligations for which they were initially accounted for, or for the cases that the situations were not already observed.

2.3.10. Fees and commissions income

Fees and commissions are recognized as follows:

- Fees and commissions that are earned on the execution of a significant act, such as loan syndication fees, are recognized as income during lifetime of such a significant act;
- Fees and commissions earned over the period in which the services are provided are recognized as income in the period the service is rendered;
- Fees and commissions which are an integral part of the effective interest rate of a financial instrument are recorded in income statement by the effective interest rate method.

2.3.11. Corporate Income Tax

BCA is subject to the tax regime set out in the Income Tax Code currently in force in Angola.

From 2020, under Law 26/20 of 20 July (amending the Income Tax Code enacted by Law 19/14 of 22 October), the Bank's income for the year is taxed at the rate of 35% (income tax rate for banks, previously 30%). Income tax is levied on the total amount of earnings before tax, adjusted for any additions or deductions applicable under current tax legislation. For tax purposes, the Bank is a General Regime taxpayer (formerly Group A taxpayer).

Moreover, Income Tax is paid on a provisional basis in August, in a single payment calculated as 2% of the income from banking activity for the first six months of the previous period, excluding income subject to Capital Gains Tax (IAC), regardless of whether there is any taxable income in the period or even whether there was a tax loss in the previous period. In addition, Law 26/20 of 20 July enshrined, among other amendments, the eligibility of realised foreign exchange gains and losses as income and expenses for tax purposes. Similarly, loan loss provisions and impairment allowances are eligible as expenses only for the unsecured portion of secured loans.

Income from Treasury bonds and Treasury bills issued by the Angolan State under the Framework Law on Direct Public Debt (Law 16/02 of 5 December) and Regulatory Decrees 51/03 and 52/03 of 8 July, as well as other income obtained by the Bank that is subject to Investment Income Tax (IAC), is exempt from Income Tax under Article 47(1)(b) of the Income Tax Code, which expressly states that, in determining taxable income, any income or gains subject to IAC are to be deducted from the net income calculated in accordance with the preceding articles.

Tax returns are subject to review and correction by the tax authorities for a period of five years, which may give rise to corrections to taxable income for the years 2019 to 2023.

Property Tax

In compliance with Law 20/20 of 9 July, which introduced the new Property Tax (IP) Code and repealed the previous law, the Bank withholds at source the IP payable at the rate of 15% on income from rented properties, except for land for construction, where IP is payable at the rate of 0,6% on the land value.

IP will be payable on properties that are not being rented as follows:

- At the rate of 0,1% of the property value for properties valued at less than Kz 5 000 000;
- At a fixed amount of Kz 5 000 for properties with a value of between Kz 5 000 000 and Kz 6 000 000;
- At the rate of 0,5% of the property value in excess of Kz 5 000 000 for properties valued at more than Kz 6 000 000.

When a property is transferred with or without consideration, the taxable amount is the greater of the registered value (or the appraised value in the case of an unregistered property) and the declared value. Transfers of immovable property are subject to Property Tax at the rate of 2%, which must be charged and settled by the Bank when the Bank acts as acquirer.

The Bank is also subject to indirect taxes, namely, customs duties, stamp duty, value added tax (VAT) and other taxes.

Value Added Tax (VAT)

The VAT Code was enacted by Law 7/19 of 24 April (VAT Act), subsequently amended by Law 17/19 of 12 August, and VAT came into effect on 1 October 2019. Further changes to the VAT system, not directly reflected in the VAT Code, were made through the Law on the General State Budget for 2023 (Law 02/23 of 13 March).

Under Article 4(1)(a) of the VAT Act, the Bank, as a taxable person registered with the Large Taxpayers Office, is subject to the general VAT regime enshrined in the VAT Code.

VAT is levied on (i) supplies of goods and services for consideration within Angolan territory by a taxable person acting as such, and (ii) imports of goods.

In addition, where services are provided by a non-resident supplier, the purchaser, who is liable to VAT in Angola, must self-assess Angolan VAT when the supply is located, for VAT purposes, in Angolan territory.

Under the general VAT regime, taxable persons may, as a general rule, deduct VAT incurred on purchases of goods and services from VAT due by them, except where the right of deduction is wholly or partly limited under the VAT Code.

Some transactions confer the right to deduct (e.g. taxable supplies), whereas others do not confer that right (e.g. supplies exempt from VAT under Article 12).

As a rule, the VAT rate is 14%, which in supplies of goods and services is applied, as a general rule, to the amount of the consideration (i.e. price, fee) obtained or to be obtained by the supplier from the purchaser or a third party.

The VAT Code provides for an exemption that applies to the financial intermediation transactions listed in Annex III to the Code, with the exception of transactions that give rise to the payment of a specific, predetermined transaction fee or consideration. This exemption does not confer the right to deduct VAT incurred by the taxable person in the acquisition of goods and services through exempt transactions.

It should be noted in this context, however, that the AGT (Angolan Tax Authorities Department) has informally adopted a fairly restrictive interpretation of this exemption (in lending transactions, for example, only the loan itself is considered exempt from VAT, whereas any fees or commissions charged on the loan are subject to VAT). Given that the Bank carries out transactions that confer the right to deduct (i.e. transactions subject to VAT) and transactions that do not confer that right (i.e. financial transactions that benefit from the abovementioned exemption), the VAT incurred on purchases of goods and services is therefore only partially deductible, using the pro rata method provided for in Article 27(1) of the VAT Code.

The VAT Code designates a set of entities (including commercial banks) that are subject to the VAT withholding regime. These designated entities are required to withhold and remit to the State the VAT on invoices issued by suppliers resident in Angola. The percentage of VAT payable to be withheld is 100% in the case of oil investor companies and the State, excluding state-owned enterprises, and 50% in the case of commercial banks, Banco Nacional de Angola, insurers and reinsurers, and telecommunications operators. However, services provided by commercial banks to customers are excluded from this regime.

In addition, Instruction No. 000003/DNP/DSIVA/AGT/2020, issued by the Angolan tax authorities, clarifies that transfers of goods to captive entities for which payment is made by debit to an account, with the exception of the State, also benefit from the exemption. Examples of such situations include transfers of assets in connection with banking and financial transactions where banks debit the customer's account, namely: (i) transfers of goods under finance leases to the lessee on exercise of the agreed purchase option; and (ii) sales of point-of-sale (POS) terminals where banks provide card acceptance services to their customers.

In this context, given that the Bank carries out transactions that confer the right to deduct (i.e. transactions subject to VAT) and transactions that do not confer that right (i.e. transactions that are exempt from VAT as set out above), the VAT incurred on purchases of goods and services is only partially deductible, using the pro rata method.

Nevertheless, under Article 27(2) of the VAT Code, the Bank, as a general regime taxpayer, may adopt the actual use method for VAT incurred on goods intended for sale. This method of deduction allows the taxpayer to deduct the full amount of input tax paid on supplies of goods in transactions that confer the right to deduct but excludes the possibility of deducting input tax paid in transactions that do not confer that right, in accordance with Articles 22 and 24 of the VAT Code.

Goods whose tax may be deducted under the actual use method are subject to prior authorization by the AGT. Additionally, the abovementioned Instruction 000003/DNP/DSIVA/AGT/2020 stipulates that financial institutions may adopt the actual use method for deducting VAT on supplies of goods and services "used exclusively" for:

i. Finance lease transactions;
ii. Financial transactions carried out by entities with no headquarters or permanent establishment in Angola ("correspondent banks") for Angolan banks;
iii. Transactions covered by Article 6(3) of the VAT Code, namely, recharges of goods or services purchased by banks on behalf of third parties, who are billed for the goods or services in question with a view to obtaining reimbursement.

For the purposes of deducting VAT under the abovementioned method, financial institutions must send an official notice to the VAT Services Department requesting a change to the declaration of commencement of business and must meet the requirements set out in the VAT Code as regards the keeping of accounting records of transactions, so that checks can be carried out on the transactions for which input tax has been deducted in accordance with the actual use method.

Capital Gains Tax (IAC)

Presidential Legislative Decree 2/14 of 20 October introduced various amendments to the IAC Code, in line with the tax reform.

IAC is payable, in general, on income from the Bank's financial investments, namely gains from investments, liquidity-providing operations and interest on Central Bank securities.

The general rate is 10%, but a reduced rate of 5% (on returns from public debt securities with a maturity of three years or more) or a rate of 15% may be applied. Under Article 47(b) of the IAC Code, income subject to IAC is to be deducted from taxable income for Income Tax purposes.

However, as regards income from public debt securities, according to the latest opinion issued to ABANC by the AGT (letter with reference 196/DGC/AGT/2016, dated 17 May 2016), only income from public debt securities issued on or after 1 January 2012 is subject to IAC.

It should also be noted that, according to the tax authorities, income from foreign exchange gains on local currency public debt securities linked to foreign currency issued since 1 January 2012 is subject to Income Tax.

Deferred Tax

Deferred taxes are calculated in accordance with the liabilities method on the basis of the balance sheet, in respect of temporary differences between the accounting values of assets and liabilities and their fiscal basis, using the rates of tax approved or substantially approved at the balance sheet date in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

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

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

Stamp Duty

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

According to the Stamp Duty Code, approved by Presidential Legislative Decree no. 3/14, of 21 October, the Bank is responsible for the payment of Stamp Duty due by its clients in most banking operations, such as financing and collection of interest on financing, and the Bank shall proceed to pay the tax, in accordance with the rates set out in the Stamp Duty Table.

Corporate Tax

In accordance with the provisions of Article 67 of Law 19/14 of 22 October, amended by Law 26/20 of 20 July, the provision of services of any nature provided by taxpayers with effective location or permanent commercial office in Angola are subject to taxation by tax withholding at a rate of 6,5%.

On the other hand, in accordance with the provisions of articles 71 and following articles of Law no. 19/14, of 22 October, amended by Law no. 26/20, of 20 July, the provision of services of any nature provided by taxpayers without head office, effective location or permanent commercial office in Angola, which carry out service provision activities of any nature without effective location or permanent commercial office in Angola, are subject to the payment of Corporate Tax and the imposition of a withholding tax rate of 6,50% (As per Law no. 28/22, of 22 August, which replaced the 15% tax rate established by Laws 19/14 and 26/20).

In the case of payments for services made to institutions with offices in Portugal and in the United Arab Emirates, there is the possibility of applying Double Taxation Agreements ("DTA") and, as such, it may be possible to apply a lower withholding tax rate (5%), provided the necessary formalities are fulfilled.

2.3.12. Cash and cash equivalent

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than ninety days' maturity from the balance sheet date, including balances at other credit institutions.

2.3.13. Dividends received

The dividends (income from equity instruments) are recognized when the right to receive such payment is established. Dividends are recorded in results of financial operations, net profits of other financial instruments at fair value through profit or loss, or in other income, depending on the classification of the instrument underlying them.

2.3.14. Results of financial operations

Results in financial operations includes gains and losses arising from financial assets and financial liabilities at fair value through profit and loss, of the trading portfolio.

This caption also includes the gains and losses arising from the sale of financial assets at fair value through other comprehensive income and financial assets held to maturity. The changes in fair value of hedging derivatives and hedged items, when fair value hedge is applicable, are also recognized in this caption.

2.3.15. Earnings per share

Basic earnings per share (note 30) are calculated by dividing net profit attributable to shareholders of the Bank, by the weighted average number of ordinary shares outstanding during the year, excluding the average number of ordinary shares purchased by the Bank and held as treasury stock. Actually, the Bank has no purchased shares held as treasury stock.

For the diluted earnings per share, the weighted average number of ordinary shares outstanding is adjusted to consider conversion of all dilutive potential ordinary shares. Potential or contingent share issues are treated as dilutive when their conversion to shares would decrease net earnings per share.

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

2.3.16. Main estimates and uncertainties associated with the application of accounting policies

IFRS set forth a range of accounting treatments that require the Board of Directors and management to apply judgment and make estimates in deciding which treatment is most appropriate. The most significant of these accounting policies are discussed in this section in order to improve understanding of how their application affects the Bank's reported results and related disclosure.

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

The alternative outcomes discussed below are presented solely to assist the reader in understanding the financial statements and are not intended to suggest that other alternatives or estimates would be more appropriate.

2.3.16.1. Impairment losses on loan portfolio

The Bank reviews its loan portfolios to assess impairment losses on a regular basis, as described in note 2.3.1.1.4.

The evaluation process in determining whether an impairment loss should be recorded in the income statement is subject to numerous estimates and judgments. The probability of default, risk ratings, value of associated collaterals recovery rates and the estimation of both the amount and timing of future cash flows, among other things, are considered in making this evaluation.

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

2.3.16.2. Fair value of financial instruments

Fair values are based on listed market prices if available, otherwise fair value is determined either by dealer price quotations (either for that transaction or for similar instruments traded) or by pricing models, based on net present value of estimated future cash flows which take into account market conditions for the underlying instruments, time value, yield curve and volatility factors in conformity with IFRS 13 – Fair Value. These pricing models may require assumptions or judgments in estimating their values.

Consequently, the use of a different model or of different assumptions or judgments in applying a particular model could result in different financial results for a particular period.

3. CASH AND BALANCES AT CENTRAL BANKS

This item, at 31 December 2023 and 2022, had the following composition:

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
Cash				
- Local Currency	3 479 364	4 198	3 781 624	7 508
- Foreign Currency	2 872 207	3 466	1 476 525	2 931
	6 351 571	**7 664**	**5 258 149**	**10 439**
Balances at the Central Bank of Angola (BNA)				
- Local Currency	11 936 832	14 402	7 762 246	15 411
- Foreign Currency	2 902 430	3 502	2 161 900	4 292
	14 839 262	**17 904**	**9 924 146**	**19 703**
	21 190 833	**25 568**	**15 182 295**	**30 142**

The heading deposits at the BNA [Cash and Balances at Central Banks and Other Credit Institutions] is made up of deposits (in local and foreign currencies) intended to assure compliance with the minimum statutory reserves requirements and free reserves.

The Directive 12/DME/2023, dated 28th November, which complements Instruction No. 04/2023, dated 30th March, sets at 18% the coefficient of statutory reserves in local currency (FY2022: Directive 11/DME/2022, dated 12th December – minimum statutory reserves coefficient for local currency at 17%), fully complied with through the balances of the deposits in local currency held with the Central Bank of Angola (BNA). The coefficient for compliance with the minimum statutory reserves in foreign currency, similarly to Directive 11/DME/2022 was maintained at 22%. However, the minimum statutory reserves in foreign currency are fully fulfilled with the balances of deposits in foreign currency made with the Central Bank (BNA). On the other hand, Instruction No. 03/2023 offers the possibility of deducting from the statutory reserves due in local currency, the entire updated balance of the outstanding amount of loans granted to the real economy, as laid down in Notice No. 10/2022.

The coefficients for compliance with minimum statutory reserves on 31 December 2023 and 2022 were:

	2023 Instruction n° 04/2023 Directive 12/DME/2023		2022 Instruction n° 02/2021 Directive 11/DME/2022	
	LCY	FCY	LCY	FCY
Coefficients of Statutory Reserves				
- Central Government	18%	100%	17%	100%
- Local Governments and municipalities	18%	100%	17%	100%
- Other Sectors	18%	22%	17%	22%

The balance of Deposits at the Central Bank on 31 December 2023, both in local and foreign currencies, are aimed at meeting the requirements of minimum statutory reserves, and are also usable for the weekly purchases of foreign currency and are not remunerated.

On 31st December 2023 and 2022, the requirement to maintain minimum statutory reserves in demand deposits with the BNA, calculated by applying the above-mentioned coefficients, is summarized as follows:

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
Statutory Reserves				
- Local Currency	10 837 328	13 076	5 919 800	11 753
- Foreign Currency	2 902 430	3 502	2 161 900	4 292
	13 739 758	**16 578**	**8 081 700**	**16 045**

The periodicity of computation of the aforementioned Mandatory Statutory Reserves calculated on deposits from other sectors is made on a weekly basis, to be complied with on a weekly up to 2022 and biweekly since November 2023. The Bank does not hold deposits from central, local and municipal governments.

4. BALANCES AT OTHER CREDIT INSTITUTIONS

This item, at 31 December 2023 and 2022, had the following composition:

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
NOSTRO Accounts	1 152 989	1 391	1 533 419	3 045
Pending Operations	148 956	180	2 800	5
	1 301 945	**1 571**	**1 536 219**	**3 050**
Impairment	(7)	-	(10)	-
	1 301 938	**1 571**	**1 536 209**	**3 050**

The amount of 148 956 thousand of Kwanzas recorded in Pending Operations in 2023 (2022: 2 800 thousand of Kwanzas) refers to the clearing system managed by EMIS.

NOSTRO accounts had the following breakdown:

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
First Rand Bank	741 745	895	445 719	885
Natixis Banques Populaires	154 765	187	329 317	654
BYBLOS Bank	4 702	6	2 853	6
BPI - Portugal	76 720	93	545 602	1 084
Atlântico Europa - Portugal	123 127	148	132 168	262
Banque du Commerce et Placement – Portugal	14 241	17	7 582	15
AKTIF Bank – Turkey	18 506	22	42 759	85
ACCESS Bank UK Limited	19 183	23	27 419	54
	1 152 989	**1 391**	**1 533 419**	**3 045**

The movement of impairment losses on Balances at Other Credit Institutions during 2023, was:

	2023 Kz'000	2022 Kz'000
Opening Balance	**10**	**1 097**
Reinforcements	44	-
Deductions	(48)	(1 087)
Impairment Losses for the year	(4)	(1 087)
Exchange Rate Changes and others	1	-
Closing Balance	**7**	**10**

The calculation of Impairment losses method is described in note 2.3.1.1.6.3.

5. PLACEMENTS WITH CENTRAL BANK AND OTHER CREDIT INSTITUTIONS

This item, at 31 December 2023 and 2022, had the following composition:

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
Placements with Local Banks				
- Capital	8 644 768	10 431	5 821 796	11 559
- Accrued Interests	21 091	25	223 356	443
	8 665 859	**10 456**	**6 045 152**	**12 002**
Placements with Foreign Banks				
- Capital	6 363 195	7 678	6 155 104	12 220
- Accrued Interests	81 412	98	35 316	70
	6 444 607	**7 776**	**6 190 420**	**12 290**
(-) Accumulated Impairment Losses	(1 334)	(2)	(5 025)	(10)
	15 109 132	**18 230**	**12 230 547**	**24 282**

The residual maturities profile, at 31 December 2023 and 2022, was as follows:

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
Up to 3 days	6 960 994	8 400	1 200 658	2 384
4 to 15 days	1 330 829	1 605	2 219 983	4 407
16 to 30 days	1 860 480	2 245	2 721 020	5 403
31 to 45 days	846 571	1 021	2 661 207	5 283
More than 45 days	4 110 258	4 959	3 427 679	6 805
	15 109 132	**18 230**	**12 230 547**	**24 282**

The interest rate of placements at 31 December 2023 was as follows:

- Kz – 6,55% (2022: 13,37%);
- USD – 5,21% (2022: 4,13%);
- Euro - 2,50%

All exposure of placements with foreign banks that fall under this heading are in stage 1.

The movement of impairment losses on placements with other credit institutions during the year 2023 is shown below:

Captions	2023 Kz'000	2022 Kz'000
Opening Balance for the current year	**5 025**	**7 062**
Reinforcements	14 166	11 063
Deductions	(17 857)	(13 100)
Impairment Losses for the year	(3 691)	(2 037)
Closing Balance	**1 334**	**5 025**

The calculation of Impairment losses method is described in note 2.3.1.1.6.3.

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Pursuant to article 440(2) of the Law on the Financial Institutions Legal Framework (LFILF), the securities services and activities must be transferred to securities brokerage firms and securities broker-dealer companies. The Financial System Supervisory Board ("Conselho de Supervisores do Sistema Financeiro" - CSSF) set 31st December 2023 as the deadline for implementing the aforementioned legal provision. However, in March 2023, the Capital Markets Commission (CMC) made it clear in its Instruction no. 05/CMC/03-23 that proprietary securities portfolio available for trading (including those classified at fair value through other comprehensive income) should also be transferred to Securities Brokerage firms ("SCVM") and Securities Broker-Dealer Companies ("SDVM"). As a result, on the 31st of December 2023, BCA's entire financial assets portfolio classified at fair value through other comprehensive income was transferred to a Securities Broker-Dealer Company ("SDVM"), except for Eurobonds.

Financial Statements

On the 31 December 2023 and 2022, the trading and investment securities were classified as "Financial assets at fair value through other comprehensive income", in accordance with the accounting policy described in note 2.3.1.1.1.2. They were as displayed below:

2023						
Kz'000	Buying Costs	Capital Revaluation	Premium/ Discount	Fair Value Reserve	Deferred Profits	Balance
Treasury Bills – LCY	7 800 000	-	(611 094)	186 296	-	7 375 202
Treasury Bonds – LCY:						
- Non adjustable	58 251 500	-	174 503	3 188 104	3 060 013	64 674 120
Treasury Bonds – LCY:						
- EUROBONDS	3 128 367	1 619 000	(141 693)	(150 908)	32 763	4 487 529
Shares at EMIS (LCY)[5]	124 709	-	-	175 090	-	299 799
	69 304 576	**1 619 000**	**(578 284)**	**3 398 582**	**3 092 776**	**76 836 650**

2023						
USD'000	Buying Costs	Capital Revaluation	Premium/ Discount	Fair Value Reserve	Deferred Profits	Balance
Treasury Bills – LCY	9 411	-	(737)	225	-	8 899
Treasury Bonds – LCY:						
- Non adjustable	70 283	-	211	3 846	3 692	78 032
Treasury Bonds – LCY:						
- EUROBONDS	5 728	-	(171)	(182)	40	5 415
Shares at EMIS (LCY)	150	-	-	212	-	362
	85 572	**-**	**(697)**	**4 101**	**3 732**	**92 708**

[5]For the valuation of BCA's shareholding in EMIS, the Bank considers the equity method to be the best approach to fair value

2022						
Kz'000	Buying Costs	Capital Revaluation	Premium/ Discount	Fair Value Reserve	Deferred Profits	Balance
Treasury Bills - LCY	6 200 000	-	(311 026)	34 347	-	5 923 321
Treasury Bonds - LCY:						
- Indexed to USD	39 468	86 217	-	(2 066)	2 066	125 685
- Non adjustable	44 066 000	-	(208 326)	(1 257 463)	2 241 270	44 841 481
Treasury Bonds - FCY:						
- EUROBONDs	1 249 958	(242 576)	32 780	(16 854)	13 026	1 036 334
Shares at EMIS (LCY)	124 709	-	-	67 422	-	192 131
	51 680 135	**(156 359)**	**(486 572)**	**(1 174 614)**	**2 256 362**	**52 118 952**

2022						
USD'000	Buying Costs	Capital Revaluation	Premium/ Discount	Fair Value Reserve	Deferred Profits	Balance
Treasury Bills - LCY	12 309	-	(617)	68	-	11 760
Treasury Bonds - LCY:						
- Indexed to USD	79	171	-	(4)	4	250
- Non adjustable	87 486	-	(414)	(2 497)	4 450	89 025
Treasury Bonds - FCY:						
- EUROBONDs	2 000	-	65	(33)	26	2 058
Shares at EMIS (LCY)	248	-	-	133	-	381
	102 122	**171**	**(966)**	**(2 333)**	**4 480**	**103 474**

During the FY2023, BCA was subject to a tax audit/inspection focused on the special contribution on the FX Operations (CEOCIC) for the tax years from 2018 to 2020. As a result of this tax audit/ tax inspection, the Tax Authority (AGT) fined the Bank and, in accordance with Article No. 66 of the General Tax Code, in conjunction with Article No. 43 of the Tax Enforcement Code, BCA established appropriate collateral/guarantees with regard to a portion of its non-adjustable liabilities in the total amount of 1 200 000 thousand kwanzas. The aforementioned collateral/guarantees were issued in order to offset any suspensory effects arising from the administrative complaints sent by BCA to the Tax Authority (AGT).

With regard to the aforementioned tax audit/inspection, BCA's Board of Directors decided that a provision for contingencies should not be made taking into consideration that, as occurred in 2022, the customers had handed over to the Bank the amounts corresponding to the fine to which the Financial Institution was liable, in the total amount of 765 531 thousand kwanzas.

The fines applied to the Bank in 2022 and 2023 were fully liquidated until December 2023.

The Bank uses Level 1, Level 2, and Level 3 data in assessing the fair value of the investment securities portfolio at each measurement date.

Level 1 data – for investment securities in local currency and quoted on BODIVA, unadjusted BODIVA prices are used. For EUROBONDs, unadjusted prices taken directly from Reuters are used;

Level 2 data – for investment securities either in local currency or in foreign currency, without the last available price on BODIVA or whose last available price on this market is from a distant time from the measurement date, the Bank uses a yield curve that considers only yields observable at or close to the measurement date.

Level 3 data – fair value is based on inputs that are unobservable in active markets, using techniques and assumptions that market players would use to value the same instruments, including assumptions about inherent risks, the valuation technique used and the inputs used. In the specific case of EMIS, the bank considers the equity method to be the best approach to the fair value of the asset in question.

In addition, BCA's supplementary contributions to EMIS were updated at the USD/Kz exchange rate and incorporated in BCA's share capital.

The grading of assets at fair value through other comprehensive income, by type of valuation, is as follows:

	2023			
Kz'000	Fair value valuation	Amortised cost valuation	Historic cost valuation	Net value
Treasury Bills – LCY	7 375 202	-	-	7 375 202
Treasury Bonds – LCY:				
- Non adjustable	64 674 120	-	-	64 674 120
Treasury Bonds – FCY:				
- EUROBONDS	4 487 529	-	-	4 487 529
Shares at EMIS (LCY)	299 799	-	-	299 799
	76 836 650	**-**	**-**	**76 836 650**

2023				
USD'000	Fair value valuation	Amortised cost valuation	Historic cost valuation	Net value
Treasury Bills – LCY	8 899	-	-	8 899
Treasury Bonds – LCY:				
- Non adjustable	78 032	-	-	78 032
Treasury Bonds – FCY:				
- EUROBONDS	5 415	-	-	5 415
Shares at EMIS (LCY)	362	-	-	362
	92 708	**-**	**-**	**92 708**

2022				
Kz'000	Fair value valuation	Amortised cost valuation	Historic cost valuation	Net value
Treasury Bills – LCY	5 923 321	-	-	5 923 321
Treasury Bonds – LCY:				
- Indexed to USD	125 685	-	-	125 685
- Non adjustable	44 841 481	-	-	44 841 481
Treasury Bonds – FCY:				
- EUROBONDS	1 036 334	-	-	1 036 334
Shares at EMIS (LCY)	192 131	-	-	192 131
	52 118 952	**-**	**-**	**52 118 952**

2022				
USD'000	Fair value valuation	Amortised cost valuation	Historic cost valuation	Net value
Treasury Bills – LCY	11 760	-	-	11 760
Treasury Bonds – LCY:				
- Indexed to USD	250	-	-	250
- Non adjustable	89 025	-	-	89 025
Treasury Bonds – FCY:				
- EUROBONDS	2 058	-	-	2 058
Shares at EMIS (LCY)	381	-	-	381
	103 474	**-**	**-**	**103 474**

The whole portfolio of financial assets at fair value through other comprehensive income by stage, both in 2023 and 2022 was classified at stage 1.

Losses and gains associated with changes in the fair value of financial assets at fair value through other comprehensive income, not recognized in the income statement, were as follows:

2023 Losses/(Gains) associated with the fair value, recognised in the Revaluation Reserves			
Kz'000	Fair value reserve	Deferred tax (35%)	Net Loss/gains recorded in other comprehensive income
Treasury Bills	186 296	(65 204)	121 092
Treasury Bonds in Kz:			
- Non adjustable	3 188 104	(1 115 836)	2 072 268
Treasury bonds in USD:			
- EUROBONDS	(150 908)	52 818	(98 090)
Shares at EMIS (LCY)	175 090	(61 282)	113 809
	3 398 582	**(1 189 504)**	**2 209 078**

2022 Losses/(Gains) associated with the fair value, recognised in the Revaluation Reserves			
Kz'000	Fair value reserve	Deferred tax (35%)	Net Loss/gains recorded in other comprehensive income
Treasury Bills	34 347	(12 021)	22 326
Treasury bonds in Kz:			
- Indexed to USD	(2 066)	723	(1 343)
- Non adjustable	(1 257 463)	440 112	(817 351)
Treasury Bonds in USD:			
- EUROBONDS	(16 854)	5 899	(10 955)
Shares at EMIS (LCY)	67 422	(23 598)	43 824
	(1 174 614)	**411 115**	**(763 499)**

The maturity profile of the above-mentioned trading and investment securities is as follows:

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
Treasury Bills				
Up to 6 months	3 333 944	4 023	3 607 213	7 162
From 6 months to 1 year	4 041 258	4 876	2 316 108	4 598
	7 375 202	**8 899**	**5 923 321**	**11 760**
Treasury Bonds:				
Up to 6 months	14 966 503	18 058	4 605 667	9 144
From 6 months to 1 year	15 321 493	18 486	1 891 517	3 755
From 1 year to 3 years	15 477 662	18 675	25 935 395	51 491
More than 3 years	23 395 991	28 228	13 570 921	26 943
	69 161 649	**83 447**	**46 003 500**	**91 333**
Shares at EMIS:				
Unlimited Term	299 799	362	192 131	381
	299 799	**362**	**192 131**	**381**
	76 836 650	**92 708**	**52 118 952**	**103 474**

The average interest rates are displayed below:

Captions	2023	2022
	%	%
Treasury Bills	12,39	12,19
Treasury Bonds Indexed to USD	-	5,00
Treasury Bonds – non adjustable	16,78	16,75
Treasury Bonds in USD – EUROBONDs	8,88	9,50

As for the geographic concentration, the BCA financial assets were all issued by resident entities.

The movement of impairment losses on Financial Assets through Other Comprehensive Income during the year 2023 is shown below:

Kz'000	2023 Kz'000	2022 Kz'000
Opening Balance for the current year	**669 615**	**388 665**
Reinforcements	208 164	384 519
Deductions	(70 678)	(103 569)
Impairment Losses for the year	137 486	280 950
Closing Balance	**807 101**	**669 615**

7. LOANS AND ADVANCES

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
Internal Loans				
- Loans	7 906 677	9 540	5 640 538	11 198
- Overdrafts	996 596	1 203	164 993	328
- Credit Cards	68 984	83	64 942	129
Non-performing Loans and Interest	223 025	269	448 821	891
Accrued interest				
- Overdrafts	13 398	16	-	-
- Loans and other loans	56 274	68	138 757	275
	9 264 954	11 179	6 458 051	12 821
Impairment losses on loans	(584 020)	(705)	(809 631)	(1 607)
	8 680 934	**10 474**	**5 648 420**	**11 214**

The impairment losses on loans are calculated in accordance with the accounting policy No. 2.3.1.1.4.

The basic principles that BCA is using in granting loans and advances are as follow:

- Granting of loans is subject to a rigorous process which ensures the accomplishment of the defined strategy and the regulatory laws issued by the central bank;

- In the credit risk assessment and evaluation process the bank takes into consideration the marginal effect of each loan on the whole loans and advances portfolio, the industry/sector limits, and the financial stability of the customer;

- In order to mitigate the credit risk, especially in ensuring the reduction of losses resulting from the loan granting process, the board of directors has emphasised the need for continuous improvement of the internal control environment and credit risk governance and hence approved the constitution of a Loan Recovery Committee in this regard.

Loans and advances are subject of a greater supervisory approach. Their size and typology provide for the opportunity of significant concentration levels, requiring a particular consideration at risk management level, in a transversal way.

At 31 December 2023 and 2022 the bank major customer represented 24,46% and 11,78% of the loan portfolio, respectively. The total of the top twenty customers represented in those dates 53,57% and 45,43% of the loan portfolio, respectively.

At 31 December 2023 and 2022 the loans granted to the bank shareholders or to companies managed by them was 46 561 thousand Kwanzas and 661 170 thousand Kwanzas, respectively. The note 32 analyses in detail the transactions with related parties.

At 31 December 2023, the annual average loans interest rate (excluding the advances) was 19,10%, (2022: 22,65%) for loans conceded in local currency – 7,00% (2022: 10,25%) for loans granted in foreign currency.

Loans granted in foreign currency were disbursed in previous years. There are no new loans granted in foreign currency, since the entry into force of the Notice 3/2012, which partially banned the granting of loans in foreign currency, and at a later date, the Notice 11/2014, which banned totally the granting of loans in foreign currency, with the exception of the Angolan State and the exporters (Artº8, nº2 and nº3).

At 31 December 2023 and 2022, the maturity profile of loans and advances was:

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
Loans and Advances in Foreign Currency:				
Up to 1 year	1 716	2	58 555	116
More than 5 years	-	-	67 447	134
	1 716	**2**	**126 002**	**250**
In Local Currency:				
Up to 1 year	1 506 362	1 818	1 739 024	3 452
1 year to 5 years	6 382 795	7 701	3 978 495	7 899
More than 5 years	364 087	439	449 537	892
Advances	1 009 994	1 219	164 993	328
	9 263 238	11 177	6 332 049	12 571
	9 264 954	**11 179**	**6 458 051**	**12 821**

The loans and advances of more than 5 years, in foreign currency are essentially mortgage loans granted to some staff members.

For the financial years of 2023 and 2022, bad debts have been deducted from the assets by use of Impairment losses on loans, which were rated at stage 3, amounting to 449 493 thousand of Kwanzas and 3 143 thousand of Kwanzas, respectively.

The composition of loans and advances to clients at 31 December 2023 and 31 December 2022 was as follows:

2023
Loans and Advances to Clients

			Non-performing Loans and Advances				
Kz'000	Performing off-balance	Performing in-balance	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Total
Without Impairment	-	-	-	-	-	-	-
With Impairment analysed on individual basis	-	-	8 995	-	-	4 125	13 120
- Loans and Interests	-	-	35 981	-	-	41 256	77 237
- Impairment	-	-	(26 986)	-	-	(37 131)	(64 117)
With Impairment analysed on collective basis	**4 977 269**	**8 660 822**	**1 788**	**611**	**4 593**	**-**	**13 645 083**
- Loans and Interests	4 983 526	9 041 929	4 932	5 485	31 800	103 571	14 171 243
- Impairment	(6 257)	(381 107)	(3 144)	(4 874)	(27 207)	(103 571)	(526 160)
	4 977 269	**8 660 822**	**10 783**	**611**	**4 593**	**4 125**	**13 658 203**

2022 Loans and Advances to Clients							
			Non-performing Loans and Advances				
Kz'000	Performing off-balance	Performing in-balance	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Total
Without Impairment	-	-	-	-	-	-	-
With Impairment analysed on individual basis	-	-	6 545	-	-	-	6 545
- Loans and Interests	-	-	38 244	41 256	-	92 448	171 948
- Impairment	-	-	(31 699)	(41 256)	-	(92 448)	(165 403)
With Impairment analysed on collective basis	**1 796 657**	**5 620 915**	**14 324**	**765**	**3 268**	**2 603**	**7 438 532**
- Loans and Interests	1 809 099	6 009 230	33 130	2 801	37 179	203 763	8 095 202
- Impairment	(12 442)	(388 315)	(18 806)	(2 036)	(33 911)	(201 160)	(656 670)
	1 796 657	**5 620 915**	**20 869**	**765**	**3 268**	**2 603**	**7 445 077**

In 2021 there was a change in the methodology for calculating impairment losses on loans portfolio: only loans analysed individually in stage 3 determine impairment in individual analysis. If the individual analysis results in stage 1 or stage 2, the loans are impaired using the collective model.

The maturing on-balance sheet exposures without impairments correspond to loans whose real guarantees provided fully cover of the financial exposure.

The composition of the performing Loans and Advances without signs of impairment, at 31 December 2023 and 31 December 2022 was as follows:

2023 Loans and Advances					
	Maturity Profile for Performing Loans and Advances				
Kz'000	Up to 30 Days	30 to 90 Days	90 to 180 Days	More than 180 Days	Total
Performing Loans and Interest					
Without Impairment on an individual basis analysis	-	-	-	-	-
Without Impairment on a collective basis analysis	1 173 504	17 500	26 539	7 824 386	9 041 929
	1 173 504	**17 500**	**26 539**	**7 824 386**	**9 041 929**

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2022 Loans and Advances					
	Maturity Profile for Performing Loans and Advances				
Kz'000	Up to 30 Days	30 to 90 Days	90 to 180 Days	More than 180 Days	Total
Performing Loans and Interest					
Without Impairment on an individual basis analysis	-	-	-	-	-
Without Impairment on a collective basis analysis	166 036	-	-	5 843 194	6 009 230
	166 036	**-**	**-**	**5 843 194**	**6 009 230**

The composition of non-performing Loans and Advances with impairment signs, at 31 December 2023 and 31 December 2022 was as follows:

2023 Loans and Advances					
	Non-Performing Classes – Non-Performing Loans				
Kz'000	Up to 30 Days	30 to 90 Days	90 to 180 Days	More than 180 Days	Total
Non-Performing Loans and Interest					
With Impairment on an individual basis analysis	35 981	-	-	41 256	77 237
With Impairment on a collective basis analysis	43 106	1 913	2 138	98 631	145 788
	79 087	**1 913**	**2 138**	**139 887**	**223 025**

2022 Loans and Advances					
	Non-Performing Classes – Non-Performing Loans				
Kz'000	Up to 30 Days	30 to 90 Days	90 to 180 Days	More than 180 Days	Total
Non-Performing Loans and Interest					
With Impairment on an individual basis analysis	79 500	-	-	92 448	171 948
With Impairment on a collective basis analysis	97 723	2 694	4 698	171 758	276 873
	177 223	**2 694**	**4 698**	**264 206**	**448 821**

The analysis of loans and advances exposures and the related impairment, composed by segment, in 2023 was:

	Loans Exposures – 2023 Kz'000			Impairment – 2023 Kz'000		
Segment	Total	Performing Loans	Non-Performing Loans	Total	Performing Loans	Non-Performing Loans
Car Loans	1 534	-	1 534	1 534	-	1 534
Consumer Credit	204 207	151 024	53 183	58 333	5 150	53 183
Pre-Approved Loans	2 604	-	2 604	2 604	-	2 604
Employees Loans	630 035	630 035	-	8 934	8 934	-
Enterprises Protocol	3 730 715	3 598 814	131 901	210 338	98 206	112 132
Overdrafts/ Advances	1 009 994	978 662	31 332	72 187	41 198	30 989
Corporate Loans	3 616 881	3 614 410	2 471	198 808	196 337	2 471
Credit Cards	68 984	68 984	-	31 282	31 282	-
	9 264 954	**9 041 929**	**223 025**	**584 020**	**381 107**	**202 913**

The analysis of loans and advances exposures and the related impairment, composed by segment, in 2022 was:

	Loans Exposures – 2022 Kz'000			Impairment – 2022 Kz'000		
Segment	Total	Performing Loans	Non-Performing Loans	Total	Performing Loans	Non-Performing Loans
Car Loans	3 779	-	3 779	3 779	-	3 779
Consumer Credit	263 298	106 371	156 927	166 617	36 672	129 945
Pre-Approved Loans	7 697	-	7 697	7 697	-	7 697
Employees Loans	505 218	505 218	-	27 882	27 882	-
Enterprises Protocol	2 865 905	2 771 475	94 430	181 555	87 125	94 430
Overdrafts/ Advances	164 992	60 375	104 617	158 202	54 108	104 094
Corporate Loans	2 582 220	2 500 849	81 371	229 521	148 150	81 371
Credit Cards	64 942	64 942	-	34 378	34 378	-
	6 458 051	**6 009 230**	**448 821**	**809 631**	**388 315**	**421 316**

The exposure by segment and by stage for the year ended 31 December 2023, was:

Stage 1

Kz'000

Segment	Total Exposure	Total Loans and Advances in Stage 1	Of which healed	Of which restructured
Car Loans	1 534	-	-	-
Consumer Credit	204 207	141 506	13 327	-
Pre-Approved Loans	2 604	-	-	-
Employees Loans	630 035	627 179	-	-
Enterprises Protocol	3 730 715	3 573 976	5 313	-
Overdrafts/Advances	1 009 994	978 438	151	-
Corporate Loans	3 616 881	3 458 319	-	-
Credit Cards	68 984	68 984	-	-
	9 264 954	**8 848 402**	**18 791**	**-**

Stage 2

Kz'000

Segment	Total Loans and Advances in Stage 2	Of which healed	Of which restructured	Of which acquired or originated through Impairment losses on loans and advances
Car Loans	-	-	-	-
Consumer Credit	9 518	-	-	-
Pre-Approved Loans	-	-	-	-
Employees Loans	2 856	-	-	-
Enterprises Protocol	24 838	-	-	-
Overdrafts/Advances	224	-	-	-
Corporate Loans	156 091	-	-	-
Credit Cards	-	-	-	-
	193 527	**-**	**-**	**-**

Stage 3				
Kz'000				
Segment	Total Loans and Advances in Stage 3	Of which healed	Of which restructured	Of which acquired or originated through Impairment losses on Loans and Advances
Car Loans	1 534	-	-	-
Consumer Credit	53 183	-	-	-
Pre-Approved Loans	2 604	-	-	-
Employees Loans	-	-	-	-
Enterprises Protocol	131 901	-	-	-
Overdrafts/Advances	31 332	-	-	-
Corporate Loans	2 471	-	-	-
Credit Cards	-	-	-	-
	223 025	**-**	**-**	**-**

The impairment losses by segment and by stage for the year ended 31 December 2023, was:

Kz'000				
Segment	Total Impairment losses	Stage 1	Stage 2	Stage 3
Car Loans	1 534	-	-	1 534
Consumer Credit	58 333	3 303	1 847	53 183
Pre-Approved Loans	2 604	-	-	2 604
Employees Loans	8 934	8 480	454	-
Enterprises Protocol	210 338	93 910	4 296	112 132
Overdrafts/Advances	72 187	41 116	82	30 989
Corporate Loans	198 808	169 505	26 832	2 471
Credit Cards	31 282	31 264	18	-
	584 020	**347 578**	**33 529**	**202 913**

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The exposure by segment and by stage for the year ended 31 December 2022, was:

Stage 1				
Kz'000				
Segment	**Total Exposure**	**Total Loans and Advances in Stage 1**	**Of which Healed**	**Of which Restructured**
Car Loans	3 779	-	-	-
Consumer Credit	263 298	88 991	3 261	-
Pre-Approved Loans	7 697	-	-	-
Employees Loans	505 218	498 172	-	-
Enterprises Protocol	2 865 905	2 742 704	6 588	-
Overdrafts/Advances	164 992	57 040	-	-
Corporate Loans	2 582 220	2 500 849	-	-
Credit Cards	64 942	64 942	-	-
	6 458 051	**5 952 698**	**9 849**	**-**

Stage 2				
Kz'000				
Segment	**Total Loans and Advances in Stage 2**	**Of which Healed**	**Of which Restructured**	**Of which acquired or originated through Impairment losses on Loans and Advances**
Car Loans	-	-	-	-
Consumer Credit	17 380	-	-	-
Pre-Approved Loans	-	-	-	-
Employees Loans	7 046	-	-	-
Enterprises Protocol	28 771	-	-	-
Overdrafts/Advances	3 335	-	-	-
Corporate Loans	-	-	-	-
Credit Cards	-	-	-	-
	56 532	**-**	**-**	**-**

Stage 3				
Kz'000				
Segment	**Total Loans and advances in Stage 3**	**Of which Healed**	**Of which Res-tructured**	**Of which acquired or originated through Impairment Losses on Loans and Advances**
Car Loans	3 779	-	-	-
Consumer Credit	156 927	-	-	-
Pre-Approved Loans	7 697	-	-	-
Employees Loans	-	-	-	-
Enterprises Protocol	94 430	-	-	-
Overdrafts/Advances	104 617	-	-	-
Corporate Loans	81 371	-	-	-
Credit Cards	-	-	-	-
	448 821	**-**	**-**	**-**

The impairment losses by segment and by stage for the year ended 31 December 2022, was:

Kz'000				
Segment	**Total Impairment losses**	**Stage 1**	**Stage 2**	**Stage 3**
Car Loans	3 779	-	-	3 779
Consumer Credit	166 617	33 302	3 370	129 945
Pre-Approved Loans	7 697	-	-	7 697
Employees Loans	27 882	26 692	1 190	-
Enterprises Protocol	181 555	82 431	4 694	94 430
Overdrafts/Advances	158 202	53 462	646	104 094
Corporate Loans	229 521	148 150	-	81 371
Credit Cards	34 378	34 250	128	-
	809 631	**378 287**	**10 028**	**421 316**

Exposures by segment and by gap of days of delay – 2023:

Kz'000	2023						
		Exposures with no significant increase of Credit Risk since initial recognition (Stage 1)			Exposures with significant increase of Credit Risk since initial recognition and with Impairment Losses (Stage 2)		
Segment	Total Exposure	< = 30 Days	> 30 Days and < = 90 Days	> 90 Days	< = 30 Days	> 30 Days and < = 90 Days	> 90 Days
Car Loans	1 534	-	-	-	-	-	-
Consumer Credit	204 207	141 506	-	-	2 523	6 995	-
Pre-Approved Loans	2 604	-	-	-	-	-	-
Employees Loans	630 035	627 179	-	-	2 856	-	-
Enterprises Protocol	3 730 715	3 573 976	-	-	18 469	6 369	-
Overdrafts/ Advances	1 009 994	978 438	-	-	3	221	-
Corporate Loans	3 616 881	3 458 319	-	-	156 091	-	-
Credit Cards	68 984	68 984	-	-	-	-	-
	9 264 954	**8 848 402**	**-**	**-**	**179 942**	**13 585**	**-**

Kz'000	2023		
	Loans and Advances exposures with Impairment Losses (Stage 3)		
Segment	< = 30 Days	> 30 Days and < = 90 Days	> 90 Days
Car Loans	-	-	1 534
Consumer Credit	38 538	1 054	13 591
Pre-Approved Loans	-	-	2 604
Employees Loans	-	-	-
Enterprises Protocol	1 604	4 287	126 010
Overdrafts/Advances	772	143	30 417
Corporate Loans	-	-	2 471
Credit Cards	-	-	-
	40 914	**5 484**	**176 627**

Impairment by segment, and by gap of days of delay – 2023:

Kz'000		Exposures with no significant increase of Credit Risk since initial recognition (Stage 1)		Exposures with significant increase of Credit Risk since initial recognition and with Impairment Losses (Stage 2)		Loans and Advances Exposures with Impairment Losses (Stage 3)		
Segment	Total Impairment	< = 30 Days	> 30 Days and < = 90 Days	< = 30 Days	> 30 Days and < = 90 Days	< = 30 Days	> 30 Days and < = 90 Days	> 90 Days
Car Loans	1 534	-	-	-	-	-	-	1 534
Consumer Credit	58 333	3 303	-	494	1 353	28 227	512	24 444
Pre-Approved Loans	2 604	-	-	-	-	-	-	2 604
Employees Loans	8 934	8 480	-	454	-	-	-	-
Enterprises Protocol	210 338	93 910	-	3 216	1 080	1 169	4 287	106 676
Overdrafts/ Advances	72 187	41 117	-	1	80	735	76	30 178
Corporate Loans	198 808	169 505	-	26 832	-	-	-	2 471
Credit Cards	31 282	31 264	-	18	-	-	-	-
	584 020	**347 579**	-	**31 015**	**2 513**	**30 131**	**4 875**	**167 907**

Exposures by segment and by gap of days of delay – 2022:

Kz'000	2022						
		Exposures with no significant increase of Credit Risk since initial recognition (Stage 1)			Exposures with significant increase of Credit Risk since initial recognition and with Impairment Losses (Stage 2)		
Segment	Total Exposure	< = 30 Days	> 30 Days and < = 90 Days	> 90 Days	< = 30 Dias	> 30 Days and < = 90 Days	> 90 Days
Car Loans	3 779	-	-	-	-	-	-
Consumer Credit	263 298	88 991	-	-	8 932	8 448	-
Pre-Approved Loans	7 697	-	-	-	-	-	-
Employees Loans	505 218	498 172	-	-	4 803	2 243	-
Enterprises Protocol	2 865 905	2 742 704	-	-	22 129	6 642	-
Overdrafts/ Advances	164 992	57 040	-	-	3 326	9	-
Corporate Loans	2 582 220	2 320 749	180 100	-	-	-	-
Credit Cards	64 942	64 942	-	-	-	-	-
	6 458 051	**5 772 598**	**180 100**	**-**	**39 190**	**17 342**	**-**

Kz'000	2022		
	Loans and Advances Exposures with Impairment Losses (Stage 3)		
Segment	< = 30 Days	> 30 Days and < = 90 Days	> 90 Days
Car Loans	-	-	3 779
Consumer Credit	53 324	41 256	62 347
Pre-Approved Loans	-	-	7 697
Employees Loans	-	-	-
Enterprises Protocol	16 128	2 797	75 505
Overdrafts/Advances	537	3	104 077
Corporate Loans	-	-	81 371
Credit Cards	-	-	-
	69 989	**44 056**	**334 776**

Impairment by segment, and by gap of days of delay – 2022

Kz'000		Exposures with no significant increase of Credit Risk since initial recognition (Stage 1)		Exposures with significant increase of Credit Risk since initial recognition and with Impairment Losses (Stage 2)		Loans and Advances Exposures with Impairment Losses (Stage 3)		
Segment	Total Exposure	< = 30 Days	> 30 Days and < = 90 Days	< = 30 Days	> 30 Days and < = 90 Days	< = 30 Days	> 30 Days and < = 90 Days	> 90 Days
Car Loans	3 779	-	-	-	-	-	-	3 779
Consumer Credit	166 617	13 303	-	21 691	1 678	29 896	31 256	68 793
Pre-Approved Loans	7 697	-	-	-	-	-	-	7 697
Employees Loans	27 882	26 691	-	826	365	-	-	-
Enterprises Protocol	181 555	82 431	-	3 702	992	10 326	2 034	82 070
Overdrafts/ Advances	158 202	53 463	-	642	3	282	2	103 810
Corporate Loans	229 521	116 616	31 534	-	-	-	-	81 371
Credit Cards	34 378	34 250	-	128	-	-	-	-
	809 631	**326 754**	**31 534**	**26 989**	**3 038**	**40 504**	**33 292**	**347 520**

The Loans and Advances Portfolio by segment, and by year of loans and advances granted, during the last years, was as follows:

Car Loans			
Year granted	**Number of Operations**	**Amount (Kz'000)**	**Impairment (Kz'000)**
2018 and previous years	3	1 534	1 534
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
	3	**1 534**	**1 534**

The Loans and Advances Portfolio by segment, and by year of loans and advances granted, during the last years, was as follows:

Consumer Loans			
Year granted	Number of Operations	Amount (Kz'000)	Impairment (Kz'000)
2018 and previous years	14	14 003	12 303
2019	8	135 846	34 782
2020	6	10 872	8 373
2021	22	22 009	1 199
2022	2	9 634	1 232
2023	3	11 843	444
	55	**204 207**	**58 333**

Pre-approved Loans			
Year granted	Number of Operations	Amount (Kz'000)	Impairment (Kz'000)
2018 and previous years	9	2 604	2 604
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
	9	**2 604**	**2 604**

Employees Loans			
Year granted	Number of Operations	Amount (Kz'000)	Impairment (Kz'000)
2018 and previous years	1	4 281	59
2019	41	307 214	4 106
2020	33	52 588	719
2021	4	9 679	132
2022	-	-	-
2023	82	256 273	3 918
	161	**630 035**	**8 934**

Enterprises Protocol			
Year granted	Number of Operations	Amount (Kz'000)	Impairment (Kz'000)
2018 and previous years	149	105 251	104 202
2019	155	61 288	12 559
2020	210	311 262	20 829
2021	298	542 949	20 854
2022	304	729 340	16 174
2023	523	1 980 625	35 720
	1 639	**3 730 715**	**210 338**

Overdrafts/advances			
Year granted	Number of Operations	Amount (Kz'000)	Impairment (Kz'000)
2018 and previous years	3 549	35 211	20 496
2019	403	4 012	3 253
2020	1 015	15 541	11 390
2021	279	3 801	1 366
2022	142	2 568	353
2023	77	948 861	35 329
	5 465	**1 009 994**	**72 187**

Corporate Loans			
Year granted	Number of Operations	Amount (Kz'000)	Impairment (Kz'000)
2018 and previous years	1	2 471	2 471
2019	-	-	-
2020	1	-	-
2021	1	484 392	17 667
2022	2	1 184 772	53 592
2023	9	1 945 246	125 078
	14	**3 616 881**	**198 808**

Credit Cards			
Year granted	Number of Operations	Amount (Kz'000)	Impairment (Kz'000)
2018 and previous years	142	48 132	22 715
2019	28	9 768	4 346
2020	8	810	677
2021	30	9 294	2 801
2022	6	565	529
2023	3	415	214
	217	**68 984**	**31 282**

Details of gross exposure amount of Loans and Advances, and the respective amount of impairment for the exposures analysed individually and collectively, by segment –

a) at 31 December 2023:

2023	Car Loans		Consumer loans	
Kz'000	Total exposure	Impairment	Total exposure	Impairment
Individual assessment	-	-	77 237	57 860
Collective assessment	1 534	1 534	126 970	473
	1 534	**1 534**	**204 207**	**58 333**

2023	Pre-approved Loans		Employees Loans	
Kz'000	Total exposure	Impairment	Total exposure	Impairment
Individual assessment	-	-	-	-
Collective assessment	2 604	2 604	630 035	8 934
	2 604	**2 604**	**630 035**	**8 934**

2023	Enterprises Protocol		Overdrafts/Advances	
Kz'000	Total exposure	Impairment	Total exposure	Impairment
Individual assessment	-	-	-	-
Collective assessment	3 730 715	210 338	1 009 994	72 187
	3 730 715	**210 338**	**1 009 994**	**72 187**

2023	Corporate Loans		Credit Cards	
Kz'000	Total exposure	Impairment	Total exposure	Impairment
Individual assessment	-	-	-	-
Collective assessment	3 616 881	198 808	68 984	31 282
	3 616 881	**198 808**	**68 984**	**31 282**

2023	Total	
Kz'000	Total exposure	Impairment
Individual assessment	77 237	57 860
Collective assessment	9 187 717	526 160
	9 264 954	**584 020**

b) at 31 December 2022:

2022	Car Loans		Consumer Loans	
Kz'000	Total exposure	Impairment	Total exposure	Impairment
Individual assessment	-	-	91 534	91 534
Collective assessment	3 779	3 779	171 764	75 083
	3 779	**3 779**	**263 298**	**166 617**

2022	Pre-approved Loans		Employees Loans	
Kz'000	Total exposure	Impairment	Total exposure	Impairment
Individual assessment	-	-	-	-
Collective assessment	7 697	7 697	505 218	27 882
	7 697	**7 697**	**505 218**	**27 882**

2022	Enterprises Protocol		Overdrafts/Advances	
Kz'000	Total exposure	Impairment	Total exposure	Impairment
Individual assessment	-	-	-	-
Collective assessment	2 865 905	181 555	164 992	158 202
	2 865 905	**181 555**	**164 992**	**158 202**

2022	Corporate Loans		Credit Cards	
Kz'000	Total exposure	Impairment	Total exposure	Impairment
Individual assessment	80 414	80 414	-	-
Collective assessment	2 501 806	149 107	64 942	34 378
	2 582 220	**229 521**	**64 942**	**34 378**

2022	Total	
Kz'000	Total exposure	Impairment
Individual assessment	171 948	171 948
Collective assessment	6 286 103	637 683
	6 458 051	**809 631**

Details of gross exposure amount of Loans and Advances, and the respective amount of impairment for the exposures analysed individually and collectively, by sector of activities:

a) at 31 December 2023:

2023	Trade		Construction	
Kz'000	Total exposure	Impairment	Total exposure	Impairment
Individual assessment	-	-	-	-
Collective assessment	958 521	38 066	11	7
	958 521	**38 066**	**11**	**7**

2023	Electricity		Agriculture and Fisheries	
Kz'000	Total exposure	Impairment	Total exposure	Impairment
Individual assessment	-	-	-	-
Collective assessment	1 329 244	102 849	11	6
	1 329 244	**102 849**	**11**	**6**

2023	Particulars		Services	
Kz'000	Total exposure	Impairment	Total exposure	Impairment
Individual assessment	77 237	57 860	-	-
Collective assessment	4 633 231	302 418	110	102
	4 710 468	**360 278**	**110**	**102**

2023	Public Sector		Transportation	
Kz'000	Total exposure	Impairment	Total exposure	Impairment
Individual assessment	-	-	-	-
Collective assessment	8	6	8	8
	8	**6**	**8**	**8**

2023	Industry		Education	
Kz'000	Total exposure	Impairment	Total exposure	Impairment
Individual assessment	-	-	-	-
Collective assessment	2 266 569	82 694	4	4
	2 266 569	**82 694**	**4**	**4**

2023	Total	
Kz'000	Total exposure	Impairment
Individual assessment	77 237	57 860
Collective assessment	9 187 717	526 160
	9 264 954	**584 020**

b) at 31 December 2022:

2022	Trade		Electricity	
Kz'000	Total exposure	Impairment	Total exposure	Impairment
Individual assessment	80 414	80 414	-	-
Collective assessment	4 943	4 943	1 226 016	69 613
	85 357	**85 357**	**1 226 016**	**69 613**

2022	Particulars		Services	
Kz'000	Total exposure	Impairment	Total exposure	Impairment
Individual assessment	91 534	91 534	-	-
Collective assessment	4 325 753	525 587	21 404	1 170
	4 417 287	**617 121**	**21 404**	**1 170**

2022	Public Sector		Transportation	
Kz'000	Total exposure	Impairment	Total exposure	Impairment
Individual assessment	-	-	-	-
Collective assessment	6	-	5	4
	6	**-**	**5**	**4**

2022	Industry		Education	
Kz'000	Total exposure	Impairment	Total exposure	Impairment
Individual assessment	-	-	-	-
Collective assessment	707 974	36 364	2	2
	707 974	**36 364**	**2**	**2**

2022	Total	
Kz'000	Total exposure	Impairment
Individual assessment	171 948	171 948
Collective assessment	6 286 103	637 683
	6 458 051	**809 631**

Details of gross exposure amount of Loans and Advances, and the respective amount of impairment for the exposures analysed individually and collectively, by geographical location:

2023	Angola	
Kz'000	Total exposure	Impairment
Individual assessment	77 237	57 860
Collective assessment	9 187 717	526 160
	9 264 954	**584 020**

2022	Angola	
Kz'000	Total exposure	Impairment
Individual assessment	171 948	171 948
Collective assessment	6 286 103	637 683
	6 458 051	**809 631**

Both in 2023 and 2022 there were no restructured loans executed.

The details of the fair value of the guarantees related to the loans and advances portfolio, for the corporate and housing segments were as follow:

2023								
Fair Value	Corporate				Housing			
	Property		Other real guarantees		Property		Other real guarantees	
kz'000	Number of properties	Amount	Number	Amount	Number of properties	Amount	Number	Amount
< 50	-	-	-	-	-	-	-	-
> = 50 & < 100	-	-	-	-	-	-	-	-
> = 100 & < 500	-	-	-	-	-	-	-	-
> = 500 & < 1000	-	-	-	-	-	-	1	918 000
> = 1000 & < 2000	-	-	-	-	-	-	3	4 683 700
> = 2000 & < 5000	-	-	-	-	-	-	5	15 550
> = 5000	1	9 000	-	-	2	36 778	4	122 169
	1	**9 000**	**-**	**-**	**2**	**36 778**	**13**	**5 739 419**

The significant increase from 2022 to 2023 in the fair value of real guarantees in the housing segment results from the offer of a client who pledged a house as a collateral.

2022								
Fair Value	Corporate				Housing			
	Property		Other real guarantees		Property		Other real guarantees	
kz'000	Number of properties	Amount	Number	Amount	Number of properties	Amount	Number	Amount
< 50	-	-	-	-	-	-	-	-
> = 50 & < 100	-	-	-	-	-	-	-	-
> = 100 & < 500	-	-	-	-	-	-	-	-
> = 500 & < 1000	-	-	-	-	1	882 000	-	-
> = 1000 & < 2000	-	-	-	-	-	-	-	-
> = 2000 & < 5000	-	-	-	-	-	-	1	2 016
> = 5000	1	13 200	-	-	-	-	1	450 000
	1	**13 200**	**-**	**-**	**1**	**882 000**	**2**	**452 016**

The below figures display the amounts of lending, by lending ratio, at 31 December 2023 and 2022:

2023

Segment / Ratio	Number of properties	Number of other real guarantees	Loans and Advances in Stage 1 Kz'000	Loans and Advances in Stage 2 Kz'000	Loans and Advances in Stage 3 Kz'000	Impairment Kz'000
Corporate:	**-**	**1**	**4 395 445**	**156 094**	**2 947**	**223 742**
With no guarantees Associated	n.a	n.a	4 395 445	156 094	476	221 271
< 50%	-	1	-	-	2 471	2 471
> = 50% & <75%	-	-	-	-	-	-
> = 75% & <100%	-	-	-	-	-	-
> = 100%	-	-	-	-	-	-
Housing:	**2**	**13**	**633 165**	**2 856**	**-**	**366 583**
With no guarantees Associated	n.a	n.a	571 269	2 856	-	335 422
< 50%	2	8	10 049	-	-	258
> = 50% & <75%	-	3	17 356	-	-	3 446
> = 75% & <100%	-	2	34 491	-	-	27 457
> = 100%	-	-	-	-	-	-
	2	**14**	**5 028 610**	**158 950**	**2 947**	**590 325**

2022

Segment / Ratio	Number of properties	Number of other real guarantees	Loans and Advances in Stage 1 Kz'000	Loans and Advances in Stage 2 Kz'000	Loans and Advances in Stage 3 Kz'000	Impairment Kz'000
Corporate:	**1**	**-**	**1 954 991**	**-**	**85 773**	**192 510**
With no guarantees Associated	-	-	1 954 991	-	5 359	112 096
< 50%	-	-	-	-	-	-
> = 50% & <75%	-	-	-	-	-	-
> = 75% & <100%	-	-	-	-	-	-
> = 100%	1	-	-	-	80 414	80 414
Housing:	**1**	**2**	**67 094**	**1 670**	**14 603**	**602 986**
With no guarantees Associated	-	-	67 094	1 670	14 340	554 974
< 50%	1	-	-	-	263	4 356
> = 50% & <75%	-	-	-	-	-	-
> = 75% & <100%	-	-	-	-	-	41 295
> = 100%	-	2	-	-	-	2 361
	2	**2**	**2 022 085**	**1 670**	**100 376**	**795 496**

Details of the fair value and book value of repossessed properties, per kind of property:

2023			
Kind of Property			
Kz'000	**Number of properties**	**Fair Value**	**Net Book Value**
Land:	-	-	-
Urban	-	-	-
Rural	-	-	-
Properties under construction:	-	-	-
Urban	-	-	-
Rural	-	-	-
Others	-	-	-
Properties built:	-	-	-
Urban	-	-	-
Rural	-	-	-
Others	-	-	-
Others:	-	-	-
	-	-	-

2022			
Kind of Property			
Kz'000	**Number of properties**	**Fair Value**	**Net Book Value**
Land:	-	-	-
Urban	-	-	-
Rural	-	-	-
Properties under construction:	-	-	-
Urban	-	-	-
Rural	-	-	-
Others	-	-	-
Properties built:	1	33 911	48 000
Urban	1	33 911	48 000
Rural	-	-	-
Others	-	-	-
Others:	-	-	-
	1	33 911	48 000

Financial Statements

Guarantees or other collateral executed within the scope of loans and advances granted:

2023			
Kz'000	**Gross Asset**	**Impairment**	**Net Asset**
Cost of sale of a repossessed property	-	-	-
	-	-	-

2022			
Kz'000	**Gross Asset**	**Impairment**	**Net Asset**
Cost of sale of a repossessed property	33 911	(8 911)	25 000
	33 911	**(8 911)**	**25 000**

The breakdown of loans and advances portfolio, assessed by internal risk grades, at 31 December 2023, was as follows:

2023				
Segment		**Low risk grade**		
Risk grade-BNA	**aaa/1**	**aa+/2**	**aa/3**	
Kz'000	**A**	**B**	**C**	**Subtotal**
Car Loans	-	-	-	-
Consumer Credit	-	96 789	24 102	120 891
Pre-approved Loans	-	-	-	-
Employees Loans	-	627 861	-	627 861
Enterprises Protocol	5 206	3 513 023	31 576	3 549 805
Overdrafts/Advances	281	974 163	4 185	978 629
Corporate Loans	1 173 153	2 441 257	-	3 614 410
Credit Cards	-	67 668	10	67 678
	1 178 640	**7 720 761**	**59 873**	**8 959 274**

2023				
Segment		**Medium risk grade**		
Risk grade-BNA	**bbb+/6**	**bbb/7**	**bbb-/8**	
Kz'000	**D**	**D**	**D**	**Subtotal**
Car Loans	-	-	-	-
Consumer Credit	14 381	-	-	135 272
Pre-approved Loans	-	-	-	-
Employees Loans	2 174	-	-	630 035
Enterprises Protocol	49 853	-	-	3 599 658
Overdrafts/Advances	83	-	-	978 712
Corporate Loans	-	-	-	3 614 410
Credit Cards	-	-	-	67 678
	66 491	**-**	**-**	**9 025 765**

2023				
Segment		**High risk grade**		
Risk grade-BNA	**ccc+/10**	**ccc/11**	**ccc-/12**	
Kz'000	**E**	**F**	**G**	**General Total**
Car Loans	-	-	1 534	1 534
Consumer Credit	2 921	-	66 014	204 207
Pre-approved Loans	-	-	2 604	2 604
Employees Loans	-	-	-	630 035
Enterprises Protocol	9 095	360	121 602	3 730 715
Overdrafts/Advances	1 183	301	29 798	1 009 994
Corporate Loans	-	-	2 471	3 616 881
Credit Cards	-	-	1 306	68 984
	13 199	**661**	**225 329**	**9 264 954**

Financial Statements

The breakdown of loans and advances portfolio, assessed by internal risk grades, at 31 December 2022, was as follows:

2022				
Segment		**Low risk grade**		
Risk grade-BNA	**aaa/1**	**aa+/2**	**aa/3**	
Kz'000	**A**	**B**	**C**	**Subtotal**
Car Loans	-	-	-	-
Consumer Credit	-	74 032	30 314	104 346
Pre-approved Loans	-	-	-	-
Employees Loans	-	503 623	1 595	505 218
Enterprises Protocol	-	2 680 376	1 240	2 681 616
Overdrafts/Advances	-	57 586	3 411	60 997
Corporate Loans	760 630	1 740 219	-	2 500 849
Credit Cards	35 419	29 523	-	64 942
	796 049	**5 085 359**	**36 560**	**5 917 968**

2022				
Segment		**Medium risk grade**		
Risk grade-BNA	**bbb+/6**	**bbb/7**	**bbb-/8**	
Kz'000	**D**	**D**	**D**	**Subtotal**
Car Loans	-	-	-	-
Consumer Credit	81 376	-	-	185 722
Pre-approved Loans	-	-	-	-
Employees Loans	-	-	-	505 218
Enterprises Protocol	9 785	-	-	2 691 401
Overdrafts/Advances	101	-	-	61 098
Corporate Loans	-	-	-	2 500 849
Credit Cards	-	-	-	64 942
	91 262	**-**	**-**	**6 009 230**

2022				
Segment		High risk grade		
Risk grade-BNA	ccc+/10	ccc/11	ccc-/12	
Kz'000	E	F	G	General Total
Car Loans	-	-	3 779	3 779
Consumer Credit	1 540	-	76 036	263 298
Pre-approved Loans	-	-	7 697	7 697
Employees Loans	-	-	-	505 218
Enterprises Protocol	6 931	2 248	165 325	2 865 905
Overdrafts/Advances	29 585	126	74 183	164 992
Corporate Loans	-	-	81 371	2 582 220
Credit Cards	-	-	-	64 942
	38 056	2 374	408 391	6 458 051

The risk factors associated to the model of impairment by segment, for 2023 and 2022 were:

	2023				2022			
	Average Probability of Default (%)				Average Probability of Default (%)			
Segment R&C	Stage 1	Stage 2	Stage 3	Average Loss Given Default (%)	Stage 1	Stage 2	Stage 3	Average Loss Given Default (%)
Car Loans	-	-	100,00%	100,00%	-	-	100,00%	100,00%
Consumer Credit	7,01%	38,08%	100,00%	75,87%	7,40%	39,90%	100,00%	65,53%
Pre-Approved Loans	-	-	100,00%	100,00%	-	-	100,00%	100,00%
Employees Loans	3,96%	49,50%	-	32,09%	3,78%	51,72%	-	32,22%
Enterprises Protocol	4,77%	50,79%	100,00%	41,60%	4,22%	38,74%	100,00%	41,59%
Overdrafts/ Advances	46,55%	70,12%	100,00%	94,44%	45,64%	60,09%	100,00%	92,33%
Corporate Loans	8,72%	-	100,00%	44,47%	11,33%	-	100,00%	43,75%
Credit Cards	46,96%	70,12%	-	52,60%	46,96%	70,12%	-	52,60%

Financial Statements

The movement on impairments during the year of 2023 was:

Kz'000	2023	2022
Opening balance	**809 631**	**695 295**
Reinforcements	656 121	159 932
Deductions	(432 239)	(29 899)
Impairment losses for the year	223 882	130 033
Used	(449 493)	(3 143)
Exchange rate changes and others	-	(12 554)
Closing balance	**584 020**	**809 631**

The sum of impairment losses on loans and advances for the year of 2023 amounting to 223 882 thousand of Kwanzas (2022: Kz 130 033 thousand), and impairment losses on letters of credit, which in 2023 was amounting to (6 184) thousand of Kwanzas (2022: (21 587) thousand of Kwanzas), disclosed in "note 14 - Provisions", equates to 217 698 thousand of Kwanzas (2022: 108 446 thousand of Kwanzas), as presented in the income statement.

In 2023, the usages are essentially made up of five housing loans write-offs, the net impact of which is 190 032 thousand of Kwanzas and of several overdaraft/advances (129 433 thousand of Kwanzas).

The segregation of impairment losses on loans portfolio, and on recovered loans, was as follows:

	2023			
Kz'000	Stage 1	Stage 2	Stage 3	Total
Opening balance - current year	**390 729**	**10 028**	**421 316**	**822 073**
Impairment losses on loans				
Originated or acquired financial assets	44 083	29 261	126 010	199 354
Derecognised financial assets	(67 773)	(1 125)	(344 785)	(413 683)
Stage Transfers:				
Stage 1	-	(2 052)	(2 843)	(4 895)
Stage 2	185	-	7 340	7 525
Stage 3	(400)	(2 237)	-	(2 637)
Exchange rate changes and other movements	(12 989)	(346)	(4 125)	(17 460)
Closing balance - current year	**353 835**	**33 529**	**202 913**	**590 277**
Recovery of claims	-	-	-	-

2022				
Kz'000	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Opening balance - current year	**271 667**	**26 933**	**430 724**	**729 324**
Impairment losses on loans				
Originated or acquired financial assets	76 722	6	294	77 022
Derecognised financial assets	(98 096)	(354)	(6 058)	(104 508)
Stage Transfers:				
Stage 1	198 397	6 893	(31 139)	174 151
Stage 2	(1 598)	-	43 561	41 963
Stage 3	(36 435)	(23 656)	-	(60 091)
Write-offs	(730)	-	-	(730)
Exchange rate changes and other movements	(19 198)	206	(16 066)	(35 058)
Closing balance - current year	**390 729**	**10 028**	**421 316**	**822 073**
Recovery of claims	-	-	-	-

Financial Statements

The segregation of off-balance and in-balance exposures by risk level, and respective impairment losses:

Loans and Advances					
	2023				2022
Kz'000	Stage 1	Stage 2	Stage 3	Total	Total
Loans and advances to clients at amortised cost before impairment					
Performing loans and advances	8 789 909	178 795	73 225	**9 041 929**	**5 822 293**
Loans and interest overdue for up to 30 days	58 493	1 147	1 456	**61 096**	**57 504**
Loans and interest overdue for more than 30 days	-	13 585	148 344	**161 929**	**578 254**
Impairment losses	(347 578)	(33 529)	(202 913)	**(584 020)**	**(809 631)**
	8 500 824	**159 998**	**20 112**	**8 680 934**	**5 648 420**
Commitments for Credit					
High Risk	-	-	-	-	-
Medium Risk	-	-	-	-	-
Medium-Low Risk	4 982 314	240	-	**4 982 554**	**1 644 099**
Low Risk	-	-	-	-	-
Impairment losses	(6 221)	(18)	-	**(6 239)**	**(9 433)**
	4 976 093	**222**	-	**4 976 315**	**1 634 666**
Financial Guarantees Provided					
High Risk	-	-	-	-	-
Medium Risk	972	-	-	**972**	**165 000**
Medium-Low Risk	-	-	-	-	-
Low Risk	-	-	-	-	-
Impairment losses	(18)	-	-	**(18)**	**(3 009)**
	954	-	-	**954**	**161 991**

Loans and Advances					
	2022				2021
Kz'000	Stage 1	Stage 2	Stage 3	Total	Total
Loans and advances to clients at amortised cost before impairment					
Performing loans and advances	5 728 439	35 452	58 402	**5 822 293**	7 834 790
Loans and interest overdue for up to 30 days	42 180	3 737	11 587	**57 504**	5 884
Loans and interest overdue for more than 30 days	182 079	17 343	378 832	**578 254**	496 445
Impairment losses	(378 287)	(10 028)	(421 316)	**(809 631)**	(695 295)
	5 574 411	46 504	27 505	5 648 420	7 641 824
Commitments for Credit					
High Risk	-	-	-	**-**	-
Medium Risk	-	-	-	**-**	-
Medium-Low Risk	1 642 359	1 740	-	**1 644 099**	7 965 145
Low Risk	-	-	-	**-**	-
Impairment losses	(9 305)	(128)	-	**(9 433)**	(26 632)
	1 633 054	1 612	-	1 634 666	7 938 513
Financial Guarantees Provided					
High Risk	-	-	-	**-**	-
Medium Risk	165 000	-	-	**165 000**	342 933
Medium-Low Risk	-	-	-	**-**	-
Low Risk	-	-	-	**-**	-
Impairment losses	(3 009)	-	-	**(3 009)**	(7 397)
	161 991	-	-	161 991	335 536

8. OTHER TANGIBLE ASSETS AND INTANGIBLE ASSETS

2023 Other Tangible Assets					
Kz'000	Opening balance	Increases	Transfers	Write-off	Closing balance
Cost					
Buildings	5 309 929	46 051	298 697	-	5 654 677
Right-to-use Assets	202 644	664 734	-	-	867 378
Equipment	3 244 897	368 386	735 403	-	4 348 686
Work in rented properties	2 186 778	-	-	-	2 186 778
Capital WIP	434 681	673 128	(1 034 100)	-	73 709
	11 378 929	**1 752 299**	**-**	**-**	**13 131 228**
Depreciation					
Buildings	(1 323 886)	(210 516)	-	-	(1 534 402)
Right-to-use Assets	(100 805)	(106 271)	-	-	(207 076)
Equipment	(2 116 781)	(397 545)	-	-	(2 514 326)
Work in rented properties	(933 917)	(70 816)	-	-	(1 004 733)
	(4 475 389)	**(785 148)**	**-**	**-**	**(5 260 537)**
Net					
Buildings	3 986 043	(164 465)	298 697	-	4 120 275
Right-to-use Assets	101 839	558 463	-	-	660 302
Equipment	1 128 116	(29 159)	735 403	-	1 834 360
Work in rented properties	1 252 861	(70 816)	-	-	1 182 045
Capital WIP	434 681	673 128	(1 034 100)	-	73 709
	6 903 540	**967 151**	**-**	**-**	**7 870 691**

During 2023, the increases are made of equipment bought for the new head office. Additionally, the transfers correspond to the beginning of the new equipment usage in the new head office 2023.

2022 Other Tangible Assets					
Kz'000	Opening balance	Increases	Transfers	Write-off	Closing balance
Cost					
Buildings	5 248 533	-	61 396	-	5 309 929
Right-to-use Assets	307 466	6 115	-	(110 937)	202 644
Equipment	2 849 629	174 922	243 875	(23 529)	3 244 897
Work in rented properties	2 186 778	-	-	-	2 186 778
Capital WIP	451 386	288 566	(305 271)	-	434 681
	11 043 792	**469 603**	**-**	**(134 466)**	**11 378 929**
Depreciation					
Buildings	(1 118 714)	(205 172)	-	-	(1 323 886)
Right-to-use Assets	(129 062)	(27 326)	-	55 583	(100 805)
Equipment	(1 824 329)	(315 981)	-	23 529	(2 116 781)
Work in rented properties	(859 765)	(74 152)	-	-	(933 917)
	(3 931 870)	**(622 631)**	**-**	**79 112**	**(4 475 389)**
Net					
Buildings	4 129 819	(205 172)	61 396	-	3 986 043
Right-to-use Assets	178 404	(21 211)	-	(55 354)	101 839
Equipment	1 025 300	(141 059)	243 875	-	1 128 116
Work in rented properties	1 327 013	(74 152)	-	-	1 252 861
Capital WIP	451 386	288 566	(305 271)	-	434 681
	7 111 922	**(153 028)**	**-**	**(55 354)**	**6 903 540**

During 2022, the increases were mostly made of works in the new head office. Additionally, the transfers correspond to the equipping of the new head office, which will be in use from 2023.

2023 Intangible Assets				
Kz'000	Opening Balance	Increases	Transfers	Closing Balance
Cost				
Software	1 155 675	17 349	50 440	1 223 464
Other intangible assets	67 646	-	-	67 646
Capital WIP	50 440	96 866	(50 440)	96 866
	1 273 761	**114 215**	**-**	**1 387 976**
Depreciation				
Software	(609 424)	(373 104)	-	(982 528)
Other intangible assets	(61 964)	(4 014)	-	(65 978)
	(671 388)	**(377 118)**	**-**	**(1 048 506)**
Net				
Software	546 251	(355 755)	50 440	240 936
Other intangible assets	5 682	(4 014)	-	1 668
Capital WIP	50 440	96 866	(50 440)	96 866
	602 373	**(262 903)**	**-**	**339 470**

The increases comprise the consulting services acquired to set up the Risk Management and Compliance departments devices.

2022 Intangible Assets				
Kz'000	Opening Balance	Increases	Transfers	Closing Balance
Cost				
Software	988 854	-	166 821	1 155 675
Other intangible assets	67 646	-	-	67 646
Capital WIP	120 266	96 995	(166 821)	50 440
	1 176 766	**96 995**	**-**	**1 273 761**
Depreciation				
Software	(287 142)	(322 282)	-	(609 424)
Other intangible assets	(57 922)	(4 042)	-	(61 964)
	(345 064)	**(326 324)**	**-**	**(671 388)**
Net				
Software	701 712	(322 282)	166 821	546 251
Other intangible assets	9 724	(4 042)	-	5 682
Capital WIP	120 266	96 995	(166 821)	50 440
	831 702	**(229 329)**	**-**	**602 373**

In 2022 the transfers comprise the expenses incurred in acquiring and setting up the accounts' workflow digital device.

Depreciations for the year are composed of:

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
Other Tangible Assets	678 877	819	595 305	1 182
Intangible Assets	377 118	455	326 324	648
Right-to-use Assets	106 271	128	27 326	54
	1 162 266	**1 402**	**948 955**	**1 884**

Costs incurred for the occupation of airport spaces are not part of the right-to-use assets.

9. CURRENT TAXES RECEIVABLE

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
Advance Income Tax	109 151	132	109 151	216
Withholding Income Tax by Clients	2 509	3	1 363	3
Activos por Impostos Correntes	**111 660**	**135**	**110 514**	**219**

The advance income tax comprises an advance of the income tax paid in August of a given year, in accordance with Article 66° of the Income Tax Code, settled in the final income tax payment, made in May of the following year. Withholding income tax is hold by clients on their payments made to BCA, as established in Article 67° of the Income Tax Code and is settled when the final income tax is paid.

10. DEFERRED TAXES RECEIVABLE

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
Change in Fair-Value of:				
- Financial Assets at fair value through other comprehensive Income (Government bonds)	-	-	1 242 036	2 466
- Financial Assets at fair value through other comprehensive Income (EMIS Shares)	-	-	(67 422)	(133)
Sum	-	-	1 174 614	2 333
Tax Rate applied	35%	35%	35%	35%
Subtotal	**-**	**-**	**411 115**	**817**
Unrealised Foreign Exchange Losses	-	-	(63 284)	(125)
Provisions	-	-	1 923	3
Loans and Advances Impairments	-	-	34 020	68
Tax Losses	-	-	894 997	1 775
Sum	-	-	867 656	1 721
Tax Rate applied	35%	35%	35%	35%
Subtotal	**-**	**-**	**303 680**	**602**
Deferred Taxes Receivable	**-**	**-**	**714 795**	**1 419**

The issue of Law no. 26/20 dated 20th July 2020 introduced several amendments to the corporate income taxation laid down in the income Tax Code, namely in articles 13.° and 14.° (Income or Gains/ Costs or Expenses) and article 45.° (Provisions). A reformulation has been carried out with respect to the rules of income and gains of a financial nature, as referred in paragraph c) of Articles 13.° and 14.° of the Income Tax Code, which considers foreign exchange as gains or losses taxable only when they are realised. On the other hand, article 45.° of Income Tax Code has been amended: a paragraph 4 has been added, which stipulates that "provisions on loans and advances are taxable only on the unsecured part of loans and advances."

Therefore, for the purposes of calculating current and deferred taxes, the Bank considered the effects arising from changes in the Income Tax Code, namely those related to:

- Unrealised foreign exchange gains and losses;
- The costs of impairment losses incurred on amounts of loans secured by collaterals;
- The costs of provisions of customs gains collections.

At 31 December 2023, and 2022, the movement of the deferred taxes receivable was:

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
Opening Balance (Asset/(Liability))	714 795	1 419	(158 369)	(285)
Recognized in the income statement	(1 904 299)	(2 298)	873 164	1 704
Exchange rate changes	-	(556)	-	-
Closing Balance ((Liability)/Asset)	**(1 189 504)**	**(1 435)**	**714 795**	**1 419**

At 31 December 2022, the Bank recognised deferred taxes receivable on the amount of recoverable tax losses amounting to 894 996 thousand kwanzas, generated in previous tax years.

In accordance with the concerned legislation, reportable tax losses are usable for a period of five years.

At 31 December 2023, the Bank recognised deferred taxes payable (see note 16).

11. OTHER ASSETS

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
a) VISA Cards	633 063	764	395 844	786
-Applied value	633 632	765	396 413	787
-Impairment	(569)	(1)	(569)	(1)
Deposit for "Edifício Kilamba" rent	27 131	33	29 387	58
b) Customs Gains	-	-	-	-
- Revenues	-	-	1 923	3
- Impairment	-	-	(1 923)	(3)
Insurance Commissions	3 221	4	876	2
Commissions on "Porto de Luanda" Revenue Collection	3 323	4	1 067	2
c) CEOCIC Receivable from Clients	245 877	296	-	-
VAT Refundable on Interbank Commissions	59 363	72	127 297	253
d) International School	-	-	-	-
- Investment	-	-	275 867	548
- Impairment	-	-	(275 867)	(548)
Stationary	37 987	46	100 103	199
Accruals	434 880	525	324 383	644
- Health insurance	231 320	279	190 308	378
- Rental and hire	47 326	57	39 230	78
- Others	156 234	189	94 845	188
e) Unsold Cehicle Licence Discs	-	-	-	-
- Licence Acquired	-	-	9 355	18
- Impairment	-	-	(9 355)	(18)
f) Expense advance	14 463	17	5 056	10
Artistic Patrimony	35 772	43	35 772	71
Discount teller shortages	4 192	5	2 244	4
- Teller shortages	119 994	145	129 981	258
- Impairment	(115 802)	(140)	(127 737)	(254)
Others	70 184	85	1 485	3
	1 569 456	**1 894**	**1 023 514**	**2 032**

a) The account "VISA cards" represents the collateral set up with VISA.

b) The account "Customs Gains" is composed of commissions to be received from the Customs Service for the work rendered in collections done on their behalf. 100% impairment losses is recorded, for the total amount of gains not yet received. In 2023, the board of Directors decided to write them off as it considers their recovery unrealizable.

c) As disclosed in note 6, in 2023 the Bank was fined on CEOCIC (a 10% fiscal contribution calculated over FX transactions) for FY2018 to FY2020. The CEOCIC receivable from clients disclosed in FY2023 resulted from the fine over the client CEOCIC paid by the Bank. It is being settled by clients on a monthly instalment as per agreements subscribed.

d) On December 31, 2022, the balances receivable from the International School result from a project to build a school with international standards, in the area of Lar do Patriota (Benfica – Luanda), whose feasibility study ended in 2014. the value given to Shopping Rudimba, for the acquisition of the portion of land attached to the project. In 2015, the Board of Directors decided to recognize impairment on the entire amount. Impairment was recorded on the entire balance. This balance was written-off in 2023.

The amount in "Stationery" account refers to the existing consumable at the head office for the daily use in the head office and in some branches located in Luanda.

e) On December 31, 2022, the unsold licence vouchers, amounting to Kz 9 355 thousand, were held from previous years, when the Bank operated as an agent authorized by the Tax National Administration, which had not yet been cleared by this Entity. The Bank recorded 100% of impairment losses on this amount. This balance was written-off in 2023.

f) At 31 December 2023 the expense advances were composed of the amounts advanced to the branches to acquire consumables for their daily use.

All exposures under this heading, subject to impairment, are in stage 1, except for some discount teller shortages, which are in stage 3.

The movement of impairment losses on other assets, during 2023 and 2022, was as follows:

Kz'000	2023	2022
Opening Balance	**415 451**	**343 928**
Reinforcements	-	119 785
Deductions	(11 936)	(19 820)
Impairment Losses – current year	(11 936)	99 965
Recoveries/Uses	(287 145)	(28 442)
Exchange Rate Changes and Others	1	-
Closing Balance	**116 371**	**415 451**

12. DEPOSITS FROM OTHER CREDIT INSTITUTIONS

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
From Banks in the Country				
- Withholding Income Tax	20 058	24	7 987	16
- Withholding Property Tax	6 561	8	135	-
- Cashier Excesses	12 957	16	6 144	12
- EMIS Compensation	258 123	311	86 351	171
- Cheques to be settled	38 239	46	38 239	76
- SANLAM Life Insurance Collections	-	-	13 534	27
- STC – Credit Transfer System	147 294	178	22 785	45
- Cambridge FX Dealings	33 369	40	23 617	47
- VAT refundable on interbank commissions	25 815	31	28 496	57
- Outstanding POS balances	189 548	229	76 112	151
- Others	20 248	24	11 916	24
	752 212	**907**	**315 316**	**626**
From Banks Abroad				
- Natixis	58 587	71	-	-
	58 587	**71**	**-**	**-**
	810 799	**978**	**315 316**	**626**

All deposits from other credit institutions displayed above had a very short term.

Outstanding POS balances are amounts pending settlement, automatically created through the integration in our computer system of files received from EMIS. The "VAT refundable on interbank commissions" is the VAT charged on interbank commissions received by the Bank (income), which is payable to other banks in our market.

13. DEPOSITS FROM CLIENTS

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
Demand deposits				
- In Local Currency	37 884 641	45 711	27 860 144	55 312
- In Foreign Currency	6 215 403	7 499	3 805 534	7 555
	44 100 044	**53 210**	**31 665 678**	**62 867**
Term deposits				
- In Local Currency	26 973 116	32 545	12 106 409	24 036
- In Foreign Currency	6 417 260	7 743	5 681 261	11 279
	33 390 376	**40 288**	**17 787 670**	**35 315**
	77 490 420	**93 498**	**49 453 348**	**98 182**

On the 31 December 2023 and 2022, the major bank deposit was 29,03% and 14,12% of all deposits, respectively. The Top 20 deposits represented 62,30% and 56,67%, of all deposits, respectively.

The analysis of the residual maturity is displayed below:

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
Term deposits in local currency:				
Up to 3 months	2 410 729	2 909	3 024 153	6 004
From 3 to 6 months	242 146	292	3 471 569	6 892
From 6 to 12 months	8 392 527	10 126	5 610 579	11 139
More than 1 year	15 927 714	19 218	108	1
	26 973 116	**32 545**	**12 106 409**	**24 036**
Term deposits in foreign currency				
Up to 3 months	3 707 219	4 473	2 348 039	4 662
From 3 to 6 months	480 694	580	843 910	1 675
From 6 to 12 months	2 095 895	2 529	1 907 521	3 787
More than 1 year	133 452	161	581 791	1 155
	6 417 260	**7 743**	**5 681 261**	**11 279**
	33 390 376	**40 288**	**17 787 670**	**35 315**

The average rate of return on term deposits in local currency is 6,05% (2022: 7,48%), and the average rate of return on term deposits in foreign currency is 0,87% (2022: 0,06%).

14. PROVISIONS

2023							
Kz'000	**Opening Balance**	**Reinfor-cements**	**Deductions**	**Provisions for the Year**	**Used**	**Exchange Rates Changes and Others**	**Closing Balance**
Impairment losses on letters of credit	12 442	6 375	(12 559)	(6 184)	-	-	6 258
Provisions for problable contingencies	89 188	-	-	-	(23 220)	54 140	120 108
	101 630	**6 375**	**(12 559)**	**(6 184)**	**(23 220)**	**54 140**	**126 366**

				2022			
Kz'000	Opening Balance	Reinfor-cements	Deductions	Provisions for the Year	Used	Exchange Rates Changes and Others	Closing Balance
Impairment losses on letters of credit	34 029	9 545	(31 132)	(21 587)	-	-	12 442
Provisions for problable contingencies	97 745	-	-	-	-	(8 557)	89 188
	131 774	**9 545**	**(31 132)**	**(21 587)**	**-**	**(8 557)**	**101 630**

At 31 December 2023 and 2022, the provisions for the year are accounted for a recovery.

15. INCOME TAXES

The income tax reconciliation at 31 December 2023 and 2022 is presented below:

Captions	2023 Kz'000	2022 Kz'000
Income before Tax	3 771 713	1 933 791
Nondeductible Costs	4 115 943	2 721 504
Tax Exempt Income	(13 183 939)	(8 450 403)
Taxable Loss	(5 296 283)	(3 795 108)
Nominal Tax Rate	35%	35%
Net Income Tax payable	**-**	**-**
Effective Tax Rate	-	-

Income tax was calculated based on the Income Tax Code (Law 19/14, as amended by Presidential Decree 26/2020, which came into force in January 2020). The deductions from taxable income consist of interest on government securities and transfers subject to Capital Gain Tax (IAC).

16. DEFERRED TAXES PAYABLE

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
Change in fair value of:				
- Financial assets at fair value through other comprehensive income (Government bonds and securities)	3 223 492	3 889	-	-
- Financial assets at fair value through other comprehensive income (Shares at EMIS)	175 090	212	-	-
Sum	**3 398 582**	**4 101**	**-**	**-**
Tax rate applied	35%	35%	35%	35%
Deferred taxes payable	**1 189 504**	**1 435**	**-**	**-**

At 31 December 2022 the Bank had deferred taxes receivable (see note 10).

17. OTHER LIABILITIES

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
17.1. Suppliers	1 056 834	1 275	947 432	1 881
17.2. Accruals	6 796 847	8 201	6 537 223	12 980
17.3. Staff	426 290	514	387 449	769
17.4. Fiscal Obligations	225 833	273	365 174	725
17.5. Deposits for foreign Exchange Operations	1 928 007	2 326	1 209 398	2 401
17.6. Dividends payable	89 550	108	83 796	166
17.7. Lease Liabilities (IFRS 16)	764 660	923	149 244	296
	11 288 021	**13 620**	**9 679 716**	**19 218**

17.1. The supplier's balance is mainly composed of the amounts to be paid for the acquisition of the Branch of "Rua da Missão" (Kz 414 400 thousand; 2022: 251 846 thousand. The difference between the amounts of the two years refers to the exchange rate differences, has they are recorded in USD dollars), to NORAFRICA (Kz 157 820 thousand; 2022: 95 913 thousand), FLOSEL (Kz 94 414 thousand; 2022: Kz 99 374 thousand), Casais Angola (Kz 52 498 thousand; 2022: Kz 47 249 thousand), Laufer (Kz 45 495 thousand; 2022: Kz 45 495 thousand).

17.2. The heading "Accruals " includes the following amounts:

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
a) Income Tax	4 656 217	5 618	4 656 217	9 246
b) Clinical Services	1 011 965	1 221	615 007	1 221
c) Capital Gains Tax on interest from Government Bonds and Securities	248 233	300	59 730	119
d) Fine on Clients CEOCIC	170 676	206	-	-
IT Services	130 099	157	189 490	376
e) Staff Charges	97 910	118	9 816	19
f) Lease Payments	79 627	96	219 276	435
Security Services	75 792	91	83 968	167
Communications	60 824	73	74 767	148
Consulting Services	3 212	4	29 536	59
Others	262 292	317	599 416	1 190
	6 796 847	**8 201**	**6 537 223**	**12 980**

a) This amount refers to the income tax liabilities payable by the Bank to the tax authority related to gains from revaluations of treasury bonds indexed to US dollar for the years 2018 and 2019.

b) The heading "Accruals " includes the amounts payable for clinical services provided up to 2014 that are awaiting supporting documentation for their payment. The variation from 2022 to 2023 refers to the exchange rate differences as they are recorded in USD dollars.

c) Capital gains on treasury bonds recorded on accrued basis, to be liquidated at the maturity of the coupon.

d) Excess of fine over Clients 2018-2020 CEOCIC recovered, to refund the clients.

e) At 31 December 2023, the staff charges refer to Bank co-payment to purchase his workers vehicles, and travels on duties.

f) This amount corresponds to rents payable, not accounted for under IFRS 16. In FY2022, it also referred to outstanding lease payments on properties owned by the company "ENDE", where BCA's branches in Viana, Sambizanga, Kilamba and Lar do Patriota are located. The Bank had suspended rent payments since 2019 and was engaged in negotiations with "ENDE" to reformulate the lease agreements. Once the lease agreements had been reformulated, they were settled over the course of the financial year 2023 ('FY2023').

17.3. The “Staff” item is composed of the amount payable in January 2024, as employees vacation allowance.

17.4. Fiscal Obligations refer essentially to value added tax (VAT), income tax deducted from suppliers’ invoices, income tax deducted from employees’ salaries, stamp tax and social security contributions, and capital gains tax, referring to December 2023. All these amounts were liquidated on January 2024.

17.5. At 31 December 2023, the balance in "Deposits for Foreign Exchange Operations" is composed by the stand-by amounts of clients for letters of credit.

17.6. The account "Dividends payable" is comprised of dividends to be paid to the families of deceased shareholders, awaiting the court judgement on legal heirs. There are in these accounts, dividends belonging to actual shareholders, related to the shares acquired from the former shareholder ABSA, after its exit from the BCA shareholding structure. A decision on its division among the actual shareholders has been waited for.

17.7. The caption "Lease Liabilities" is comprised of future lease payments discounted as at 31 December 2023, in accordance with standard IFRS 16. Costs incurred for the occupation of airport spaces are not part of the right-to-use assets.

The residual maturity of lease liabilities, were:

31-12-2023 Maturity Analysis – Contractual cash flows not discounted	
Kz'000	
Less than 1 year	12
1 to 5 years	1 022 877
More than 5 years	61 514
Lease Liabilities not discounted	**1 084 403**
Interest to be accrued in Net Interest Margin	(319 743)
	764 660

31-12-2022 Maturity Analysis – Contractual cash flows not discounted	
Kz'000	
Less than 1 year	6 754
1 to 5 years	80 356
More than 5 years	99 945
Lease Liabilities not discounted	**187 055**
Interest to be accrued in Net Interest Margin	(37 811)
	149 244

The sizeable increase in leases with a residual maturity of 1 to 5 years is related to the lease agreement signed for the new central services offices, located on floors zero (Risk Management Department and Compliance Office) and twenty-three of the Kilamba building, which began to be fully occupied and used during FY2023.

18. CAPITAL

The share capital of the bank is Kz 22 500 000 000 (2022: Kz 7 500 000 000), represented by 56 250 000 (2022: 18 750 000) shares of a nominal value of Kz 400 each.

At 31 December 2023 the Bank shareholders structure changed slightly, and was as follows:

	2023		2022	
Captions	Number of Shares	% of Capital	Number of Shares	% of Capital
SADINO, Lda	7 373 146	13,11	2 452 584	13,08
Salomão José Luheto Xirimbimbi	6 228 288	11,07	2 071 761	11,05
GEFI	5 493 411	9,77	1 827 312	9,75
Fundo de Pensões	5 260 951	9,35	1 749 990	9,33
José Francisco Luís António	5 187 042	9,22	1 729 014	9,22
Julião Mateus Paulo "Dino Matrosse"	3 937 500	7	1 312 500	7
Mateus Filipe Martins	3 449 178	6,13	1 149 726	6,13
Afonso D. Van-Dúnem "Mbinda" (Heirs)	2 812 509	5	937 503	5
Casa Smart	2 137 968	3,80	712 656	3,8
José Jaime Agostinho de S. Freitas	1 765 569	3,14	587 295	3,13
Fernando José de França Van-Dúnem	1 761 885	3,13	587 295	3,13
Visgosol	1 503 145	2,68	500 001	2,67
Lopo Fortunato Ferreira do Nascimento	1 178 658	2,1	392 886	2,1
Abel Fernandes da Silva	1 026 800	1,83	341 553	1,82
António Mosquito Mbakassy	1 024 659	1,82	341 553	1,82
Pedro de Castro Van-Dúnem (Heirs)	1 012 968	1,8	337 656	1,8
Marcolino José Carlos Moco	812 073	1,44	270 126	1,44
Augusto da Silva Tomás	810 378	1,44	270 126	1,44
João Manuel de Oliveira Barradas	771 786	1,37	257 262	1,37
Dumilde das Chagas Rangel	486 207	0,86	162 069	0,86
IMPORAFRICA-IMOBILIÁRIA Lda.	486 207	0,86	162 069	0,86
Valentim Amões (Heirs)	423 072	0,75	141 024	0,75
Generoso Hermenegildo G. de Almeida	406 027	0,72	135 060	0,72
Benvindo Rafael Pitra (Heirs)	299 997	0,53	99 999	0,53
Estevão Pitra	150 303	0,27	49 995	0,27
Isaac Francisco Mário dos Anjos	150 303	0,27	49 995	0,27
José Amaro Tati	149 985	0,27	49 995	0,27
Santos Matoso Júnior	149 985	0,27	49 995	0,27
Own Shares	-	-	21 000	0,12
Total	**56 250 000**	**100**	**18 750 000**	**100**

The BCA shares were issued at par and were fully paid. In order to comply with BNA Notice No. 17/2022, which stipulates the minimum share capital of commercial banks at Kz 15 000 000 000 (fifteen billion Kwanzas), the total amount of shares of BCA increased from 18 750 000 to 56 250 000, by incorporating into the share capital the free reserves accumulated from previous financial years. Consequently, the number of shares held by each shareholder also tripled.

In 2018, BCA's shareholder João Manuel de Oliveira Barradas granted the Bank the authority to sell 21 000 shares he held, on account of an advance payment totalling Kz 40 203 thousand – individual proprietary shares. The 21 000 shares previously held by Dr. Barradas became 63 000 shares, as a result of the increase in BCA's share capital from Kz 7 500 000 thousand to Kz 22 500 000 thousand. Hereunder is the result of the apportionment of the 63 000 individual proprietary shares and the share premium generated:

	Ownership in Share Capital (%) Prior to enforcement Notice n. ° 17/2022	Total Subscribed Shares	Amount Paid (Kz'000)
SADINO, Lda	13,08	15 394	32 707
Salomão José Luheto Xirimbimbi	11,05	13 005	27 631
GEFI	9,75	11 475	24 380
Fundo de Pensões	9,33	10 981	23 330
José Jaime Agostinho de S. Freitas	3,13	3 684	7 827
Visgosol	2,67	3 142	6 675
Abel Fernandes da Silva	1,82	2 141	4 549
Marcolino José Carlos Moco	1,44	1 695	3 601
Generoso Hermenegildo G. de Almeida	0,72	847	1 800
Estevão Pitra	0,27	318	676
Isaac Francisco Mário dos Anjos	0,27	318	676
	53,53	**63 000**	**133 852**
Unit Price of Shares Sold	**2 124,63**		
Selling Value of Individual Proprietary Shares			133 852
Initial Value of Individual Proprietary Shares			(40 203)
Issuance Premium for Shares Sold (gross)			**93 649**
Premium Tax (10%)			(9 365)
Issuance Premium For Shares Sold (Net)			**84 284**

Complying with Notice nº 17/2022 of BNA

On 05 October 2022, BNA issued Notice nº 17/2022 (revoking Notice nº 02/2018), which establishes:

a) the minimum share capital of commercial bank at Kz 15 000 000 000 (15 billion Kwanzas); and

b) The banking institutions with a fully paid-up share capital of less than 15 billion kwanzas, should adapt to what is established within a maximum period of 12 months, counting from the date of entry into force of the regulatory standard in question.

BCA complied with the new Notice, by incorporating into the share capital the free reserves accumulated from previous financial years.

18.1. STATEMENT OF SHAREHOLDERS' EQUITY

The legal and other reserves represent amounts that have been appropriated from prior period profits in accordance with legal requirements.

"Legal reserves" must be credited with 10% of each anual net profit, up to the level of the share capital.

In the "Reserves", the only amount available for distribution are those recorded in "Other Reserves". At 31 December 2023, the amount of Kz 8,75 billion (2022: Kz 22,40 billion) recorded in "Free reserves" account, could be used either to cover cumulated losses, or to increase the capital.

The amount displayed in "Dividend paid" was shared as follows:

- Shareholders dividends – Kz 850 000 thousand; and
- Staff rewarding – Kz 150 000 thousand.

The "Fair value adjustment reserves", derived from difference between the fair value assessment of "financial assets at fair value through other comprehensive income", and their respective book value, after deduction of 35% recorded in "Deferred taxes receivable". There is in this caption changes in impairment losses on financial assets at fair value through other comprehensive income, as per notes 6.

19. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The fair value is based on the market valuations, whenever they are available. However when market valuations do not exist, the fair value is assessed by use of internal models, based on cash flows discount techniques. The production of cash flows of different financial instruments is executed taking into account the respective financial features, and the discount rates in use consider the most recently conceded operations of the Bank.

Therefore, the fair value obtained has an influence of parameters used in the assessment model, embodying a degree of subjectivity, and reflects exclusively the amount allocated to different financial instruments.

The Bank considers three levels of financial instruments (assets or liabilities) valuation, in the hierarchy of fair value. This categorization reflects the level of judgment, observance of data used, and the importance of parameters applied, to determine the fair value calculation in accordance with IFRS 13. The three level in use by the Bank are:

- **Level 1** – The fair value is determined taking into account non adjusted, quoted prices, obtained from transactions in the active markets with financial instruments similar to those to be assessed. If there are more than one active markets, the relevant price is the one prevailing in the main market, or in the most advantageous market, with existing access;
- **Level 2** – The fair value is determined through assessment techniques supported by observable data in active markets, whether direct data (prices, rates, spreads, etc…) or indirect data (derivatives), and valuation assumptions similar to those a non related party should use to assess the fair value of the same financial instrument. Instruments whose valuation is obtained through quotation disclosed by independent entities, and in markets with reduced liquidity, are herewith enclosed; and,
- **Level 3** – The fair value is determined taking into consideration non observable data in active markets, through techniques and assumptions that attendee of such a market should use to assess the same instruments, including the hypothesis of intrinsic risks, through used assessment techniques, and used input and covered processes of revision of obtained values.

The Bank considers an active market for a provided financial instrument, at measurement date, depending on the business volume, and the liquidity of realised transactions, on the relative volatility of quoted prices, and the redness and availability of information. Therefore the following minimum conditions might be observed:

- Existence of daily quotations of frequent negotiations in the last year;
- The above referred quotations change regularly;
- There are quotations executed by more than one entity.

A parameter used in a valuation technique is considered an observable datum in the market if the following conditions are fulfilled:

- If its value is determined in an active market;
- If there is an OTC market, and it is reasonable to consider that the conditions for an active market were observed, with exception of the condition of the volumes of transaction; and,
- The value of parameter can be obtained by a reverse calculation of financial instruments prices, and/or derivatives, where the remaining parameters necessary to the initial valuation are observable in a liquid market, or in an OTC market, which comply with the previous paragraphs.

The main methodologies and assumptions used to assess the fair value of financial assets and liabilities, recorded at amortized cost in the balance are analyzed as follows:

Cash and balances at Central Banks, Balances at Other Credit Institutions, Placements with Central Banks and Other Credit Institutions, and other assets.

The above mentioned assets are of a very short term, therefore their value in the balance represents a reasonable assessment of their fair value.

Financial assets at fair value through other comprehensive income

These financial instruments are accounted for at fair value. The fair value is based on the market quotations (Bid-price), whenever they are available. If they do not exist, the fair value calculation is based on the use of numeric models, taking into account the cash flow discount techniques, to calculate the fair value, using the curve of interest rate of the market, adjusted by associated factors, mainly the credit risk and the liquidity risk, calculated in accordance with the market conditions, and the respective terms.

The value for the very short term rates, are obtained from similar sources of the interbank market. The interest rate for specific term of cash flows are determined by use of adequate interpolation methods. The same curves of interest rate are used to deploy non deterministic cash flows, like in the case of indexants.

The market interest rate for Kwanza are calculated based on the treasury bills interest rates for several maturities.

Loans and advances

The fair value of loans and advances is calculated based on the upgrade of estimated cash flows of capital and interest, considering that the instalments are paid on the contractually established dates. The discount rates used are the actual rates used in similar loans and advances.

Deposits from Central Banks and Other Credit Institutions

The fair value of these liabilities is calculated based on the expected cash flows upgrade of capital and interest, considering that the instalments are paid on the contractually established dates. These liabilities are of a very short term that, their value recorded in the balance, is a reasonable estimate for their fair value.

Deposits from clients and other liabilities

The fair value of these financial instruments is calculated, based on their capital and interest estimated cash flows upgrade. The discount rate used reflects the rates used for deposits with the same features at the date of balance. Considering that the interest rates applied are renewed for the periods less than a year, there are no materially relevant differences in their fair value.

The fair value of the financial assets and liabilities for the Bank was:

	2023					
		Fair value valuation				
Kz'000	Amortised cost	Market quotations (Level 1)	Valuation model with parameters observable in the market (Level 2)	Valuation model with parameters non observable in the market (Level 3)	Total amount in balance	Fair value
Assets	**46 915 900**	**-**	**76 536 851**	**299 799**	**123 752 550**	**123 752 550**
Cash and Balances at Central Bank	21 190 833	-	-	-	21 190 833	21 190 833
Balances at O.C.I	1 301 938	-	-	-	1 301 938	1 301 938
Placements with CB and O.C.I.	15 109 132	-	-	-	15 109 132	15 109 132
Fin. assets at FV through OCI	-	-	76 536 851	299 799	76 836 650	76 836 650
- Bonds issued by Government	-	-	76 536 851	-	76 536 851	76 536 851
- Shares	-	-	-	299 799	299 799	299 799
Loans and Advances	8 680 934	-	-	-	8 680 934	8 680 934
Other Assets	633 063	-	-	-	633 063	633 063
Liabilities	**(80 229 226)**	**-**	**-**	**-**	**(80 229 226)**	**(80 229 226)**
Deposits from CB and O.C.I.	(810 799)	-	-	-	(810 799)	(810 799)
Demand Deposits from Clients	(44 100 044)	-	-	-	(44 100 044)	(44 100 044)
Term Deposits from Clients	(33 390 376)	-	-	-	(33 390 376)	(33 390 376)
Deposits for FX operations	(1 928 007)	-	-	-	(1 928 007)	(1 928 007)
	(33 313 326)	**-**	**76 536 851**	**299 799**	**43 523 324**	**43 523 324**

Financial Statements

2022						
		Fair value valuation				
Kz'000	Amortised cost	Market quotations (Level 1)	Valuation model with parameters observable in the market (Level 2)	Valuation model with parameters non observable in the market (Level 3)	Total amount in balance	Fair value
Assets	**34 993 315**	**-**	**51 926 821**	**192 131**	**87 112 267**	**87 112 267**
Cash and Balances at Central Bank	15 182 295	-	-	-	15 182 295	15 182 295
Balances at O.C.I	1 536 209	-	-	-	1 536 209	1 536 209
Placements with CB and O.C.I.	12 230 547	-	-	-	12 230 547	12 230 547
Fin. assets at FV through OCI	-	-	51 926 821	192 131	52 118 952	52 118 952
- Bonds issued by Government	-	-	51 926 821	-	51 926 821	51 926 821
- Shares	-	-	-	192 131	192 131	192 131
Loans and Advances	5 648 420	-	-	-	5 648 420	5 648 420
Other Assets	395 844	-	-	-	395 844	395 844
Liabilities	**(50 978 062)**	**-**	**-**	**-**	**(50 978 062)**	**(50 978 062)**
Deposits from CB and O.C.I.	(315 316)	-	-	-	(315 316)	(315 316)
Demand Deposits from Clients	(31 665 678)	-	-	-	(31 665 678)	(31 665 678)
Term Deposits from Clients	(17 787 670)	-	-	-	(17 787 670)	(17 787 670)
Deposits for FX operations	(1 209 398)	-	-	-	(1 209 398)	(1 209 398)
	(15 984 747)	**-**	**51 926 821**	**192 131**	**36 134 205**	**36 134 205**

Financial assets at fair value through other comprehensive income movements, ranked at level 3:

2023 Kz'000	*Debt Instruments*	*Equity Instruments*	Total
Opening Balance (Net) at 01 January	**-**	**192 131**	**192 131**
Total gains/losses	-	107 668	107 668
- In income statement	-	-	-
- In other comprehensive income	-	107 668	107 668
Reimbursement	-	-	
Closing Balance (Net) at 31 December	**-**	**299 799**	**299 799**

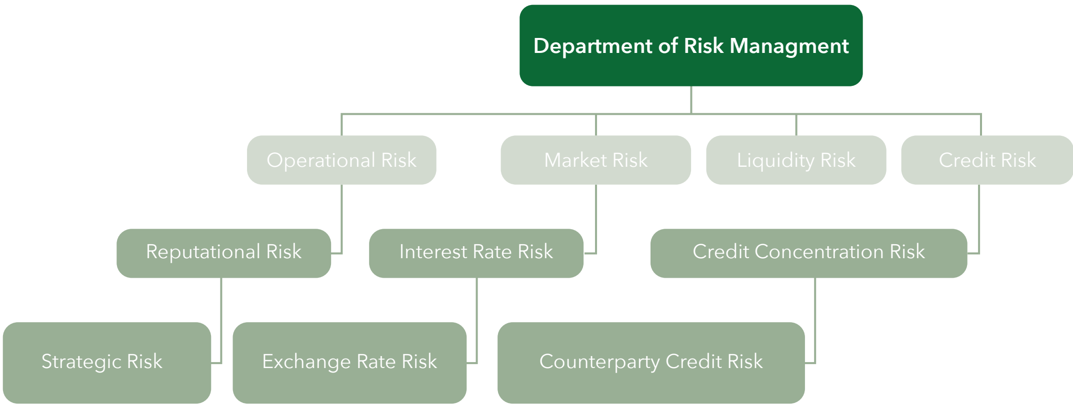
2022 Kz'000	*Debt Instruments*	*Equity Instruments*	Total
Opening Balance (Net) at 01 January	**16 140 821**	**89 906**	**16 230 727**
Total gains/losses	-	102 225	102 225
- In income statement	-	-	-
- In other comprehensive income	-	102 225	102 225
Reimbursement	(16 140 821)	-	(16 140 821)
Closing Balance (Net) at 31 December	**-**	**192 131**	**192 131**

20. RISK MANAGEMENT

The accuracy in Risk management comprises the basic approach in "Banco Comercial Angolano" (BCA) line of corporative policy, with view to evaluate strategic alternatives and setting objectives aligned with its strategy. The caution in risk management, associated to the use of advanced techniques of management, are the most effective factor to achieve the goals of the Bank.

BCA's philosophy is underpinned by its objective of creating stakeholder value through sustainable and profitable growth, consistent with shareholders' expectations of the group's risk-bearing capacity and risk appetite. On the other hand, it aims the permanent keeping of an adequate link between the equity and the activities developed, and the corresponding assessment of the outline of the risk/ return by business line.

Within the scope of the Risk Management System of the BCA, four types of risks are considered as shown in the figure below:

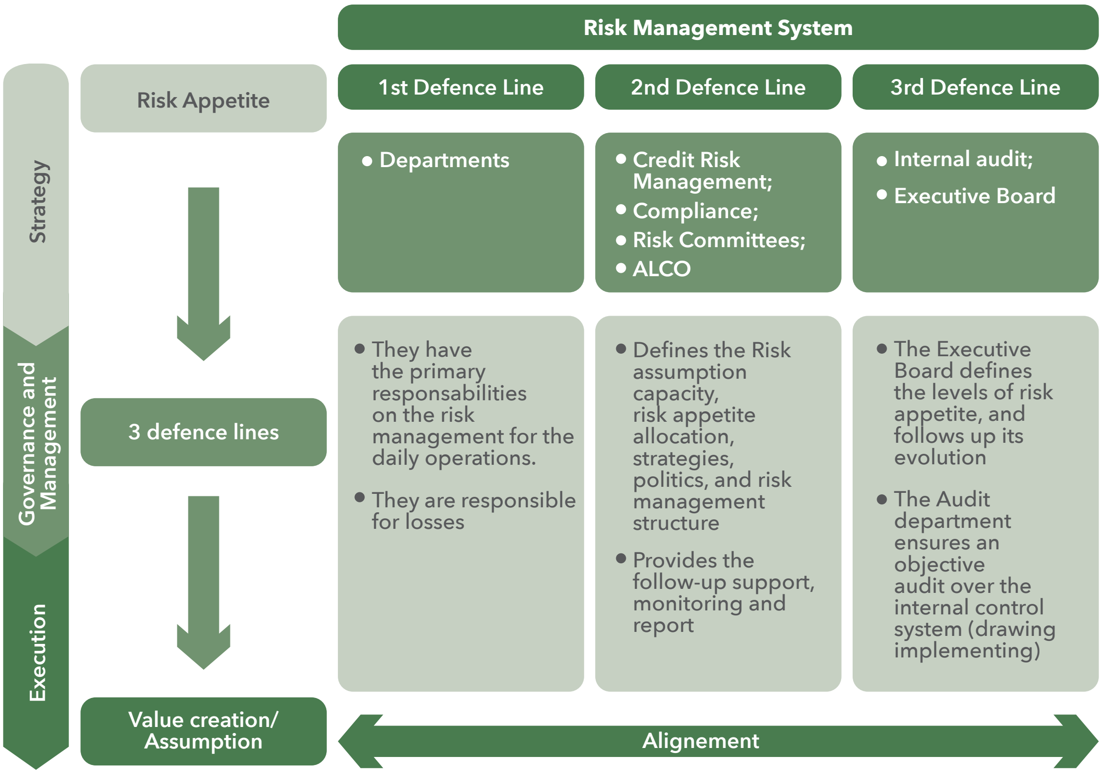


BCA's risk and ethical culture is aligned with its risk philosophy. The bank's objective is to ensure that a world-class risk management culture is sustained throughout its operations.

The Risk Management System is governed by the following principles:

- Board commitment in defining, formalizing, implementing and reviewing the risk management system, installing in BCA, a culture driven for prudential management of the risks;
- Periodic review of the bank structure, to assure a proper distribution and segregation of responsibilities so that execution and validation activities are not assigned to the same employee;
- Correct, accurate, and reliable data output;
- All employees must be submitted to a risk and compliance training, and must adopt a proactive rather than a reactive attitude.

There are several players who intervene in the Risk Management and Internal Control Systems, each one, with specific duties and responsibilities. Three major lines of defense are defined:



Credit and Counterparty risk

The loan risk refers to the risk of financial loss (capital and/or revenue) as a result of a debtor default, for any reason. Credit risk arises from a potential failure to meet financial commitments contractually established by a borrower or counterparty in transactions. The credit risk exists mainly in loans exposures, credit lines and guarantees associated with the possibility of financial losses resulting from the failure of borrowers or counterparties, particularly in loans granted to small, medium and large companies, small businesses, private individuals and other financial institutions.

The Bank endeavours to grant loan facilities based on loan principles with appropriate returns, balancing the risk and the revenue. The general policy is to find primary motivation in the:

- Merits of the business;
- Debtor's financial position; and
- Transaction (the decision should never be based on guarantee only).

The process of managing risks effectively consists of the proper identification, measurement, analysis, control and mitigating the risks that the bank is exposed to on a daily basis.

This process starts in the front-end business departments who analyze and propose for approval transactions whose risk profile they deem to be within the risk appetite defined for and delegated to them by the Board of Directors.

A balance between risk and customer quality service must be held. A quality service does not imply granting loans to entities that are not creditworthy.

The credit risk assessment procedure uses qualitative and quantitative methodologies, to ensure that all risks are addressed, either through automated calculations or through the customer relationship. The Bank will not grant loans of any nature to any customer lacking the capacity to pay back the debt.

The aim of the Bank is to concede loans to any companies and/or individuals, based on their own financial capacity and not exclusively based on the main company confidence, others debtors, or the granted guarantee base.

The assessment of the financial profile of individuals and companies varies from sector to sector or from individual to individual, and efforts should be made to use comparative studies as guidance where possible.

It is essential to develop mutual trust through personal contact with the clients to whom we are lending. In the specific case of companies, we should visit the facilities where they are located at least once a year, preferably at the time when the facilities are assessed.

In general, the Bank should obtain unlimited guarantees and assignment or capitalization of the credit accounts (except those of partnerships) of the directors/partners/purchasers as collateral for facilities granted to companies, corporations, partnerships, attorneys and wives, in the case of individuals. Some of the main vectors of the credit risk area in 2023 were as follows:

- Reinforcement of the strictness in the admission criteria and consequently in the quality of the risks accepted in each of the segments aiming at preservation of the quality of the credit portfolios;
- Concerning standardized risks customer proximity was intensified in order to anticipate their credit requirements, review their credit lines and foresee possible issues in their repayment capability;
- This action and the level of the customers' credit quality allowed maintaining non-performing loans and credit at risk ratios significantly below the average of the industry. On the other hand, support levels to the business in the capture of good risk customers were intensified and improvements were implemented in the procedures with the objective to swiftly and effectively provide answers to customers' requests.

The following organs are responsible for credit sanctioning on behalf of the bank, according to their responsibilities: Credit Department, Staff Loans Committee, Executive Credit Committee, and the Board Credit Committee.

Counterparty risk, present in contracts carried out in financial markets, corresponds to the possibility of default by the counterparties over the contractual terms and subsequent occurrence of financial losses for the institution.

The types of transactions include the purchase and sale of securities, operations in the interbank money market, contracting of "repos", loans of securities and derivative instruments.

The control of such risks is carried out through an integrated system that allows recording the approved limits and provides information on their availability for different products and maturities. The same system also allows the transversal control of risk concentration for certain groups of customers and/or counterparties.

Risks in derivative positions, known as Credit Risk Equivalent (CRE), is the sum of the present value of each contract (or Current Replacement Cost) and the respective risk potential, a component that reflects an estimate of the maximum expected value until maturity, according to the underlying volatilities of the market factors and the contracted flow structure.

The maximum exposure of financial instruments to credit risk was:

2023			
Kz'000	Gross Book Value	Impairment	Net Book Value
In Balance	**124 338 480**	**(1 393 031)**	**122 945 449**
- Balances at Central Bank	21 190 833	-	21 190 833
- Balances at Other Credit Institutions	1 301 945	(7)	1 301 938
- Placements with CB and OCI	15 110 466	(1 334)	15 109 132
- Fin. Assets at FVOCI	76 836 650	(807 101)	76 029 549
- Loans and Advances	9 264 954	(584 020)	8 680 934
- Other Assets	633 632	(569)	633 063
Off Balance	**4 982 554**	**(6 257)**	**4 976 297**
- Letters of Credit	855 375	(6 257)	849 118
- Undrawn Commitments	4 127 179	-	4 127 179
	129 321 034	**(1 399 288)**	**127 921 746**

Impairment losses on financial assets at fair value through other comprehensive income are recorded in revaluation reserves, in the equity. They were included in this display to reflect the real exposure to the credit risk.

Kz'000	Gross Book Value	Impairment	Net Book Value
	2022		
In Balance	**87 929 425**	**(1 486 773)**	**86 442 652**
- Balances at Central Bank	15 182 295	-	15 182 295
- Balances at Other Credit Institutions	1 536 219	(10)	1 536 209
- Placements with CB and OCI	12 235 572	(5 025)	12 230 547
- Fin. Assets at FVOCI	52 118 952	(669 615)	51 449 337
- Loans and Advances	6 458 051	(809 631)	5 648 420
- Other Assets	398 336	(2 492)	395 844
Off Balance	**1 644 099**	**(12 442)**	**1 631 657**
- Letters of Credit	1 293 134	(12 442)	1 280 692
- Undrawn Commitments	350 965	-	350 965
	89 573 524	**(1 499 215)**	**88 074 309**

The book value of financial instruments at 31 December of 2023 and 31 December of 2022 was:

Kz'000	Fair Value Valuation	Amortised Cost Valuation	Gross Value	Impairment	Net Value
			2023		
Assets	**76 836 650**	**47 501 830**	**124 338 480**	**(1 393 031)**	**122 945 449**
Cash and Balances at Central Banks	-	21 190 833	21 190 833	-	21 190 833
Balances at Other Credit Institutions	-	1 301 945	1 301 945	(7)	1 301 938
Placements with Central Banks and Other Credit Institutions	-	15 110 466	15 110 466	(1 334)	15 109 132
Financial Assets at FV through OCI	76 836 650	-	76 836 650	(807 101)	76 029 549
- Government Bonds	76 536 851	-	76 536 851	(807 101)	75 729 750
- Shares	299 799	-	299 799	-	299 799
Loans and Advances	-	9 264 954	9 264 954	(584 020)	8 680 934
Others Assets	-	633 632	633 632	(569)	633 063
Liabilities	**-**	**(80 229 226)**	**(80 229 226)**	**-**	**(80 229 226)**
Deposits from Central Bank and Other Credit Institutions	-	(810 799)	(810 799)	-	(810 799)
Demand Deposits from Clients	-	(44 100 044)	(44 100 044)	-	(44 100 044)
Term Deposits from Clients	-	(33 390 376)	(33 390 376)	-	(33 390 376)
Deposits for FX Operations	-	(1 928 007)	(1 928 007)	-	(1 928 007)
Total	**76 836 650**	**(32 727 396)**	**44 109 254**	**(1 393 031)**	**72 716 223**

2022					
Kz'000	**Fair Value Valuation**	**Amortised Cost Valuation**	**Gross Value**	**Impairment**	**Net Value**
Assets	**52 118 952**	**35 810 473**	**87 929 425**	**(1 486 773)**	**86 442 652**
Cash and Balances at Central Banks	-	15 182 295	15 182 295	-	15 182 295
Balances at Other Credit Institutions	-	1 536 219	1 536 219	(10)	1 536 209
Placements with Central Banks and Other Credit Institutions	-	12 235 572	12 235 572	(5 025)	12 230 547
Financial Assets at FV through OCI	52 118 952	-	52 118 952	(669 615)	51 449 337
- Government Bonds	51 926 821	-	51 926 821	(669 615)	51 257 206
- Shares	192 131	-	192 131	-	192 131
Loans and Advances	-	6 458 051	6 458 051	(809 631)	5 648 420
Others Assets	-	398 336	398 336	(2 492)	395 844
Liabilities	**-**	**(50 978 062)**	**(50 978 062)**	**-**	**(50 978 062)**
Deposits from Central Bank and Other Credit Institutions	-	(315 316)	(315 316)	-	(315 316)
Demand Deposits from Clients	-	(31 665 678)	(31 665 678)	-	(31 665 678)
Term Deposits from Clients	-	(17 787 670)	(17 787 670)	-	(17 787 670)
Deposits for FX Operations	-	(1 209 398)	(1 209 398)	-	(1 209 398)
Total	**52 118 952**	**(15 167 589)**	**36 951 363**	**(1 486 773)**	**35 464 590**

At 31 December 2023 and 31 December 2022 there were no financial instruments recorded at their historic cost.

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The level of credit risk quality of financial assets, as at 31 December 2023 and 2022 is as follows:

2023					
Kz'000	Internal grade of rating	In-balance values	Gross Exposure	Impairment	Net Exposure
Assets					
Balances at Central Bank	A	21 190 833	21 190 833	-	21 190 833
Balances at O.C.I.	A	1 301 945	1 301 945	(7)	1 301 938
Placements		15 110 466	15 110 466	(1 334)	15 109 132
- With the Central Bank	A	8 665 859	8 665 859	-	8 665 859
- With OCI	B	6 444 607	6 444 607	(1 334)	6 443 273
Fin. Assets at FV through OCI		76 836 650	76 836 650	(807 101)	76 029 549
- Government Bonds	A	76 536 851	76 536 851	(807 101)	75 729 750
- Shares	B	299 799	299 799	-	299 799
Loans and advances		9 264 954	9 264 954	(584 020)	8 680 934
	A	1 178 640	1 178 640	(69 918)	1 108 722
	B	7 720 761	7 720 761	(282 276)	7 438 485
	C	59 873	59 873	(3 801)	56 072
	D	66 491	66 491	(2 271)	64 220
	E	13 199	13 199	(9 127)	4 072
	F	661	661	(478)	183
	G	225 329	225 329	(216 149)	9 180
Other assets		633 632	633 632	(569)	633 063
- VISA Cards Collateral	B	633 632	633 632	(569)	633 063
		124 338 480	**124 338 480**	**(1 393 031)**	**122 945 449**

Impairments of financial assets through other comprehensive income are recorded in revaluation reserves, in the equity. They were included in this display to reflect the real exposure to the credit risk.

Kz'000	Internal grade of rating	In-balance values	Gross Exposure	Impairment	Net Exposure
		2022			
Assets					
Balances at Central Bank	A	15 182 295	15 182 295	-	15 182 295
Balances at O.C.I.	A	1 536 219	1 536 219	(10)	1 536 209
Placements		12 235 572	12 235 572	(5 025)	12 230 547
- With the Central Bank	A	4 844 495	4 844 495	-	4 844 495
- With OCI	B	7 391 077	7 391 077	(5 025)	7 386 052
Fin. Assets at FV through OCI		52 118 952	52 118 952	(669 615)	51 449 337
- Government Bonds	A	51 926 821	51 926 821	(669 615)	51 257 206
- Shares	B	192 131	192 131	-	192 131
Loans and Advances		6 458 051	6 458 051	(809 631)	5 648 420
	A	796 049	796 049	(47 369)	748 680
	B	5 085 359	5 085 359	(238 879)	4 846 480
	C	36 560	36 560	(2 841)	33 719
	D	91 262	91 262	(74 352)	16 910
	E	38 056	38 056	(35 919)	2 137
	F	2 374	2 374	(1 880)	494
	G	408 391	408 391	(408 391)	-
Other Assets		398 336	398 336	(2 492)	395 844
- VISA Cards Collateral	B	396 413	396 413	(569)	395 844
- Custom Gains	G	1 923	1 923	(1 923)	-
		87 929 425	**87 929 425**	**(1 486 773)**	**86 442 652**

The internal grades of risk disclosed above, comply with the classification of Instruction nº 09/2015, of BNA, regarding the approach to calculate provisions. However, this instruction is no longer applicable for prudential ratios purposes, as it has been revoked.

The sector analysis of credit risk exposure for the years ended at 31 December 2023 and 2022, was as follows:

2023							
	Loans and Advances					Impairment	
Kz'000	Performing	Non Performing	Guarantees Given	Total Exposure	Relative weighting	Amount	Coverage of Exposure
Institutions	**4 551 593**	**2 893**	**4 614 710**	**9 169 196**		**229 999**	
Wholesale and Retail	955 749	2 772	58 623	1 017 144	7%	38 066	4%
Other Collective, Social, and Personnel Services	1 329 302	75	4 556 087	5 885 464	41%	109 224	2%
Trading	-	11	-	11	0%	7	64%
Manufacturing Industry	2 266 542	27	-	2 266 569	16%	82 694	4%
Transport, Warehousing, Communication	-	8	-	8	0%	8	100%
Individuals	**4 490 336**	**220 132**	**368 816**	**5 079 284**		**360 278**	
Consumption	3 778 647	188 818	-	3 967 465	28%	282 593	7%
Housing	631 732	9	-	631 741	4%	8 957	1%
Other purposes	79 957	31 305	368 816	480 078	3%	68 728	14%
	9 041 929	**223 025**	**4 983 526**	**14 248 480**		**590 277**	

2022							
	Loans and Advances					Impairment	
Kz'000	Performing	Non Performing	Guarantees Given	Total Exposure	Relative weighting	Amount	Coverage of Exposure
Institutions	**810 896**	**7 636**	**13 496**	**832 028**		**122 743**	
Wholesale and Retail	78 543	6 814	8 319	93 676	1%	85 357	91%
Other Collective, Social, and Personnel Services	15 634	265	5 177	21 076	0%	895	4%
Manufacturing Industry	707 417	557	-	707 974	7%	36 364	5%
Transport, Warehousing, Communication	9 302	-	-	9 302	0%	127	1%
Individuals	**7 007 433**	**441 185**	**1 798 258**	**9 246 876**		**699 330**	
Consumption	2 650 156	245 788	321 883	3 217 827	32%	408 210	13%
Housing	71 166	12 669	10 923	94 758	1%	16 867	18%
Other purposes	4 286 111	182 728	1 465 452	5 934 291	59%	274 253	5%
	7 818 329	**448 821**	**1 811 754**	**10 078 904**		**822 073**	

The geographical concentration of credit risk at 31 December 2023, and 2022, was as follows:

2023				
	Geographical Area			
Kz'000	Angola	Other African Countries	Europe	Total
Assets	**115 523 232**	**741 741**	**7 487 577**	**120 318 125**
Cash and Balances at Central Banks	21 190 833	-	-	21 190 833
Balances at O.C.I	148 956	741 741	411 241	1 301 938
Placements with CB and OCI	8 665 859	-	6 443 273	15 109 132
- With Local Financial Institutions	8 665 859	-	-	8 665 859
- With Foreign Financial Institutions	-	-	6 443 273	6 443 273
Financial Assets at FV through OCI	76 836 650	-	-	76 836 650
- Treasury Bills	7 375 202	-	-	7 375 202
- Treasury Bonds	69 161 649	-	-	69 161 649
- Shares EMIS	299 799	-	-	299 799
Loans and Advances	8 680 934			8 680 934
Other Assets	-	-	633 063	633 063
Liabilities	**(80 229 226)**	**-**	**-**	**(80 229 226)**
Deposits from Other Credit Institutions	(810 799)	-	-	(810 799)
Deposits from Clients	(77 490 420)	-	-	(77 490 420)
- Demand	(44 100 044)	-	-	(44 100 044)
- Term	(33 390 376)	-	-	(33 390 376)
Other Liabilities	(1 928 007)	-	-	(1 928 007)
Total	**35 294 006**	**741 741**	**7 487 577**	**43 523 324**

2022				
	Geographical Area			
Kz'000	Angola	Other African Countries	Europe	Total
Assets	**78 994 820**	**445 719**	**7 671 728**	**87 112 267**
Cash and Balances at Central Banks	15 182 295	-	-	15 182 295
Balances at O.C.I	-	445 719	1 090 490	1 536 209
Placements with CB and OCI	6 045 153	-	6 185 394	12 230 547
- With Local Financial Institutions	6 045 153	-	-	6 045 153
- With Foreign Financial Institutions	-	-	6 185 394	6 185 394
Financial Assets at FV through OCI	52 118 952	-	-	52 118 952
- Treasury Bills	5 923 321	-	-	5 923 321
- Treasury Bonds	46 003 500	-	-	46 003 500
- Shares EMIS	192 131	-	-	192 131
Loans and Advances	5 648 420			5 648 420
Other Assets	-	-	395 844	395 844
Liabilities	**(50 978 062)**	**-**	**-**	**(50 978 062)**
Deposits from Other Credit Institutions	(315 316)	-	-	(315 316)
Deposits from Clients	(49 453 348)	-	-	(49 453 348)
- Demand	(31 665 678)	-	-	(31 665 678)
- Term	(17 787 670)	-	-	(17 787 670)
Other Liabilities	(1 209 398)	-	-	(1 209 398)
Total	**28 016 758**	**445 719**	**7 671 728**	**36 134 205**

In order to decrease the credit risk effects, the real guarantees secured by mortgage, and financial collaterals allowing to mitigate the client LGD are essential.

The goods provided as real guarantees secured by mortgage are assessed either by independent valuers, or by appropriate institution department. The assessment of goods is executed locally by external valuers, in accordance with the best pratices of the market.

For legal rights over real estate property, the following conditions must be met:

a) Substantiate a right of possession with first-degree preferential claim over the asset;

b) Be subject to an on-site inspection of their premises by the financial institution;

c) Have associated insurance agreements against fire and other relevant risks of accidents and damages; and,

d) To be reviewed, analysed and assessed at least every two years by a qualified, professional and renowned organisation, or whenever the exposure represents a significant risk:

- An amount equal to or higher than 1% (one per cent) of BCA's total credit portfolio or equal to or higher than Kz 100 000 000 (one hundred million Kwanzas); or

- Overdue Loans with more than 90 days past-due and/or other signs of impairment; or

- In situations where other changes in market conditions are identified with a potentially significant impact on the value of real estate assets and/or on a group or multiple real estate assets with similar features.

As far as financial guarantees (collateral) are concerned, namely listed securities and equity holdings, the recognised value will be the market value as of the reporting reference date. For non-listed securities and equity holdings, assessments should be made using the discounted cash flow method, carried out by renowned and qualified organisations on the basis of the latest audited accounts with a reference date not exceeding 18 months. Otherwise, they should be assessed at the time of the credit processes annual review.

With regard to other collateral received, such as pledges of equipment, brands and works of art, the market value should be calculated on the basis of an up-to-date assessment, less than one (1) year old, carried out by a renowned and qualified organisation with expertise knowledge in the nature of the collateral.

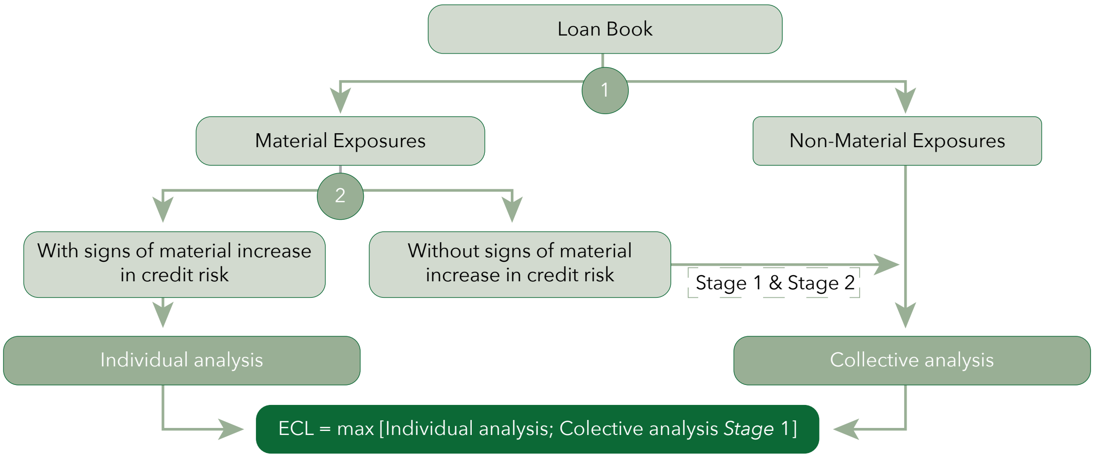
Starting from the year 2018, the Model for calculating Impairment Losses of the Bank's Credit Portfolio began to be regulated by the general principles outlined in IFRS 9. Issued in July 2014 by the International Accounting Standards Board, IFRS 9 replaces IAS 39, establishing new rules for the classification and measurement of financial assets and liabilities.

IFRS 9 introduces a 3 stages approach which is based on changes in the credit quality of financial assets after initial recognition. The assets transition between the 3 stages occurs as the credit quality changes, and the stages dictate the way that the entity measures impairment. When there is a significant change in credit risk since its origination, the impairment is measured through an ECL for the entire life of the asset (lifetime), i.e. for a period of time corresponding to the residual maturity of the financial asset, instead of a 12-month ECL (or for a shorter period if the residual maturity of the operations is less than 12 months).

In summary, IFRS 9 defines a model of expected credit losses that is based on a prior recognition of losses associated with credit risk, based on the concept of a significant increase in credit risk since initial recognition (i.e., before an objective evidence of impairment occurs, there must be a significant increase in credit risk that is not reflected in the pricing of the financial asset).

Therefore, the Bank reviewed its model of impairment losses on loans and advances in order to adapt it to the regulatory framework in Angola and to apply IFRS 9 from the year beginning on the 1 January 2018.

The impairment model developed by the Bank is displayed in the following:



Individually Significant Exposures are those whose debtor has a global exposure exceeding 0,1% and 0,5% of the Bank's Equity.

BCA classifies loans and advances to clients in its portfolio as stage 1, stage 2 and stage 3, according to the delinquency criteria presented at each reporting date. For clients analyzed individually, a "Stage 1" questionnaire is completed in order to identify whether there was a significant increase in the debtor's credit risk that would lead to the conclusion that the debtor was not performing.

In order to ensure the staging model stability and, consequently, the quantification of the ECL of the client credit portfolio, minimum periods that clients are kept either in stage 2 or stage 3 (ahead referred to as "quarantine") when the criteria to shift clients between stage 2 and stage 3 are fulfilled.

BCA started the portfolio treatment criteria approach under IAS 39 in 2016, and therefore, it does not have sufficient historical data to gather strong and statistically significant risk factors for the calculation of collective impairment, mainly those regarding the LGD parameter. Analyzing the default events, it was verified that the Bank has a reduced number of events related to the exposures to enterprises. On the other hand, in the exposures to individual clients, with a greater number of default events, it can be checked that the referred exposures are not materially relevant (for the definition of material exposures a materiality threshold of Kz 20 000 was considered) to assess a significant probability of default in the portfolio.

Taking into consideration the historical information available in the loan portfolios, the following drivers were used for the segmentation of the loan portfolio into homogeneous risk classes: (i) type of customer, (ii) type of product, (iii) volume and materiality of operations. The risk factors to be applied to the loan portfolio were determined using a market benchmark analysis. Consequently, the portfolio segmentation was adjusted based on the risk factors applied on the basis of the benchmark.

The classification of the operations/clients in the different segments follows the following criteria:

Client Type	Segment	BCA Portfolio	Type of Products
Enterprises	Enterprises	Current Accounts Cautioned	CC
		Overdrafts	DO, CARC
		Rentals	CRR, CRF
		Off Balance	CRDI, GARP
Individuals	Overdrafts	Overdrafts	DO, CARC
	Housing & Consumption	Employees Loans	Employees Loans
		Credit Protocols	Protocol
		Rentals	CRR, CRF
State	State	State	

Consolidated/final impairment allocated by staging:

Stages	Final ECL
Stage 1	ECL corresponds to the ECL resulting from the collective analysis of stage 1.
Stage 2	ECL corresponds to the maximum between: (i) The amount of impairment determined individually; and (ii) The ECL resulting from the collective analysis in stage 1.
Stage 3	

The ECL resulting from collective assessment in stage 1 was taken as floor of the model.

Liquidity risk

The liquidity risk is the risk of compromising the financial capacity of the bank, in such a way that the current operations cannot be financed, and the financial commitments cannot be accomplished in due time. In accordance with Basel III, issued after the "subprime crisis", which has a goal of adopting the banks with enough equity to face liquidity crisis, the Central bank, in cooperation with local banks, is developing instruments to assess the liquidity risk exposure. This will be done through regulatory calculations that take into consideration the weighting of different classes of assets, liabilities and off-balance sheet exposures in both local and foreign currency based on their maturity profiles. The central bank has established a minimum liquidity ratio that all banks will have to comply with and which seeks to avert a liquidity crisis in the banking sector.

The risk of commercial liquidity refers to the risk of the incapacity for covering the open positions of financial instruments in a fast way and in enough value at market prices, preventing adverse financial impacts, resultant so much of liquidity shortage in the Market or for the fact of the market being closed.

The careful administration of the liquidity is fundamental for the viability of the Bank. The administration of the liquidity risk includes a general approach on the Balance Sheet structure, which consolidates and synthesizes all of the origins and application of the liquidity, for besides including the analysis of the liquidity, of the profitability and of the sensibility of the different elements of the assets and liabilities relatively to variations of the interest tax. The liquidity risk management is developed independent and regularly by the Head of Risk Department and it is reported to the Assets and liabilities Committee (ALCO) and the Executive Board.

The Bank´s effective management of liquidity risk seeks to achieve the following main objectives:

- To satisfy the customer requirements for cash withdrawals, loans and advances and other short-term liquidity requirements;
- To ensure that there is a buffer for any seasonal changes to demand for liquid assets are adequately catered for;
- To ensure the right balance between covering cyclical fluctuations in customer demand and the holding of excessive liquid assets with low returns;
- To minimise the potential negative impact of changes in market conditions that may affect the bank; and
- To provide security against the negative consequences that may be generated by a loss of confidence by customers resulting in a run on banks.

To reach the objectives above proposed, the following instruments are used for liquidity management:

- Monitor and manage the liquidity cost in the Bank through daily meetings of liquidity;
- Assure that the Bank possesses, at any moment, a certain amount of net assets as protection against an unexpected movement in the cash flow;
- Consider and manage the characteristics and the risks of the different liquidity sources, adopting appropriate funding strategies (including the constitution of a wallet of bottoms, diversified and stable), according to the Bank's needs of liquidity;
- Reduce the liquidity risk emanated from improper funding source concentrations - to guarantee the appropriate diversification of deposits structure, to examine the trust level in a certain specific source of funding;
- Consider the need of diversification of the liquidity sources, assets' stability and the readiness of the alternative sources of funding of liquidity.

In general, the liquidity risk is managed by the approach on the cash flow, with the final purpose of assuring an appropriate level of monthly liquidity (avoiding an improper concentration of funds, as well as accomplishing with the limits of cash flows expressed as percentage of the total deposits and current accounts) through the funding strategy optimization, always considering the weighted interest rate and the projected growth in the Balance Sheet.

The liquidity risk process monitoring includes:

- Monthly Cash flows expressed as percentage of the total deposits and current accounts;
- Allocation of in-balance and off-balance positions by bands of time, in accordance with regulations;
- Required reserves and other required regulations.

The Treasury and Markets departments of the Bank are responsible for the liquidity regulations accomplishment, issued by the Board of Directors.

The Bank reports its liquidity risk to BNA, as required by the Instruction N° 14/2021 published at 27 September 2021. This Instruction establishes that the Banks have to report to the Central Bank, their individual information about the allocation of their in-balance and off-balance positions per band of time dully filled, and the calculations of liquidity and observation ratios.

Therefore, the banks have to provide the following liquidity reports:

- A report taking into account the cash-flows of all currencies;
- A report taking into account the cash-flows of local currency; and
- A report taking into account the cash-flows of significant foreign currencies for the institution, on an individual manner.

A foreign currency is considered significant when the asset expressed in such a currency, represents more than 25% of total of asset of the institution.

In accordance with this Instruction, the financial institutions have to keep a liquidity ratio (the ratio between the total net assets, and the net outgoing of cash) in local currency, and in all other currencies equal to or in excess of 110%, whilst the liquidity ratio in foreign currency might not be less than 160%.

The liquidity ratio in local and foreign currencies might be submitted to BNA every two weeks, and the liquidity ratio that considers the cash-flows in all currencies might be submitted on a monthly basis to BNA.

Summary of Liquidity Report - Local Currency				
Amounts in unities of Kz	Weighted band of maturity 1 - up to 1 month	Weighted band of maturity 2 - from 1 to 3 months	Weighted band of maturity 3 - from 3 to 6 months	Weighted band of maturity 4 - from 6 to 12 months
A. Net Assets				
Cash	3 479 364 461	-	-	-
Balances with the Central Bank (including the Legal Reserves)	11 936 831 510	-	-	-
Trading and Investment Securities	299 799 216	-	-	-
Total of Net Assets	**15 715 995 187**	**-**	**-**	**-**
B. Outgoing of cash-flows				
Demand Deposits	34 544 459 627	-	-	-
Term Deposits	814 564 760	897 713 689	542 076 776	4 277 970 785
Irrevocable commitments to others	-	-	-	3 273 792 640
Total of Outgoing of Cash-Flows	**35 359 024 386**	**897 713 689**	**542 076 776**	**7 551 763 424**
C.Ingoing of Cash-flows				
Operations in MMI - with Central Bank	2 144 767 760	-	-	222 698 486
Loans and Advances	1 635 625 588	1 536 100 562	2 293 002 618	4 504 346 716
Total of Ingoing of Cash-flows	**3 780 393 348**	**1 536 100 562**	**2 293 002 618**	**4 726 945 203**
D. Liquidity and Observations Ratios				
Total of Net Assets (A.)	15 566 095 579			
Total of Outgoing of Cash-flows (B.)	11 601 049 375	305 119 909	127 736 786	2 204 453 665
Total of Ingoing of Cash-flows (C.)	2 962 580 554	768 050 281	2 447 512 184	13 104 939 481
Gap (A + C - B)	**6 927 626 758**	**462 930 372**	**2 319 775 398**	**10 900 485 816**
Cumulative gap	**6 927 626 758**	**7 390 557 130**	**9 710 332 527**	**20 610 818 343**
Liquidity Ratio (A. / (B. - min. (C ; B* 75%)))	**180%**			
Observation Ratios ((gap of previous band of maturity + C)/B)		**2225%**	**7702%**	**1035%**

Summary of Liquidity Report - All Currencies				
Amounts in unities of Kz	Weighted band of maturity 1 - up to 1 month	Weighted band of maturity 2 - from 1 to 3 months	Weighted band of maturity 3 - from 3 to 6 months	Weighted band of maturity 4 - from 6 to 12 months
A. Net Assets				
Cash	6 351 571 364	-	-	-
Balances with the Central Bank (including the Legal Reserves)	14 839 261 767	-	-	-
Trading and Investment Securities	299 799 216	-	-	-
Total of Net Assets	**21 490 632 348**	**-**	**-**	**-**
B. Outgoing of cash-flows				
Demand Deposits	49 757 683 770	-	-	-
Term Deposits	2 840 592 371	2 188 150 366	871 573 614	6 875 890 292
Irrevocable commitments to others	-	-	855 374 637	3 273 792 640
Total of Outgoing of Cash-Flows	**43 598 276 141**	**2 188 150 366**	**1 726 948 251**	**10 149 682 931**
C.Ingoing of Cash-flows				
Operations in MMI - with Central Bank	2 144 767 760	-	-	18 218 657
Loans and Advances	1 635 625 596	1 536 100 562	2 266 012 820	4 504 246 716
Total of Ingoing of Cash-flows	**3 780 393 356**	**1 536 100 562**	**2 266 012 820**	**4 522 465 373**
D. Liquidity and Observations Ratios				
Total of Net Assets (A.)	22 493 721 419			
Total of Outgoing of Cash-flows (B.)	13 679 387 180	708 855 107	331 761 397	2 510 062 084
Total of Ingoing of Cash-flows (C.)	2 962 580 558	768 050 281	2 434 017 285	13 137 702 310
Gap (A + C - B)	**11 776 914 797**	**59 195 175**	**2 102 255 888**	**10 627 640 226**
Cumulative gap	**11 776 914 797**	**11 836 109 972**	**13 938 365 860**	**24 566 006 086**
Liquidity Ratio (A. / (B. - min. (C ; B* 75%)))	**210%**			
Observation Ratios ((gap of previous band of maturity + C)/B)		**1770%**	**4301%**	**1079%**

Besides reporting the liquidity risk to BNA, "Banco Comercial Angolano" executes liquidity risk assessment under the metrics set by the "Assets and Liabilities Committee" (ALCO), which establishes limits of tolerance and alerts of risk appetite for each metric. This control is reinforced with the execution of monthly stress testing, aiming to outline risk of the Bank, and to ensure obligations, in a liquidity crisis scenario, are fulfilled.

The control of liquidity levels aims to keep a satisfactory level of balances to face financial needs in a short, medium and long terms. The liquidity risk is monitored daily, and several reports are produced for the control, supervising, and support of the ALCO decision making.

In the liquidity risk scope, the full contractual cash-flows, at 31 December 2023 were:

2023 Residual Maturity Profile										
Kz'000	**Demand**	**<= 1 Month**	**> 1 Month <= 3 Months**	**> 3 Months <= 6 Months**	**> 6 Months <= 1 Year**	**> 1 Year <= 3 Years**	**> 3 Years <= 5 Years**	**> 5 Years**	**Unlimited**	**Total**
Assets	**26 960 261**	**6 669 563**	**9 358 577**	**13 940 921**	**19 496 135**	**17 908 091**	**22 613 660**	**5 872 480**	**932 862**	**123 752 550**
Balances at Central Bank	21 190 833	-	-	-	-	-	-	-	-	21 190 833
Balances at OCI	1 301 938	-	-	-	-	-	-	-	-	1 301 938
Placements with OCI	3 501 745	6 650 558	846 571	4 110 258	-	-	-	-	-	15 109 132
- Local financial Institutions	3 501 745	4 013 807	846 571	303 736	-	-	-	-	-	8 665 859
- Foreign financial Institutions	-	2 636 751	-	3 806 522	-	-	-	-	-	6 443 273
Fin. Assets at FV through OCI	-	-	8 500 399	9 800 048	19 362 751	15 477 662	17 842 316	5 553 675	299 799	76 836 650
- Treasury bills	-	-	1 024 833	2 309 111	4 041 258	-	-	-	-	7 375 202
- Treasury bonds	-	-	7 475 566	7 490 937	15 321 493	15 477 662	17 842 316	5 553 675	-	69 161 649
- Shares at EMIS	-	-	-	-	-	-	-	-	299 799	299 799
Loans and advances	965 745	19 005	11 607	30 615	133 384	2 430 429	4 771 344	318 805	-	8 680 934
Other assets	-	-	-	-	-	-	-	-	633 063	633 063
Liabilities	**(45 283 735)**	**(3 903 120)**	**(1 855 758)**	**(709 019)**	**(10 488 421)**	**(12 799 981)**	**(3 261 185)**	**-**	**(1 928 007)**	**(80 229 226)**
Deposits from OCI	(810 799)	-	-	-	-	-	-	-	-	(810 799)
Deposits from clients	(44 472 936)	(3 903 120)	(1 855 758)	(709 019)	(10 488 421)	(12 799 981)	(3 261 185)	-	-	(77 490 420)
- Demand	(44 100 044)	-	-	-	-	-	-	-	-	(44 100 044)
- Term	(372 892)	(3 903 120)	(1 855 758)	(709 019)	(10 488 421)	(12 799 981)	(3 261 185)	-	-	(33 390 376)
Other liabilities	-	-	-	-	-	-	-	-	(1 928 007)	(1 928 007)
Liquidity gap	**(18 323 474)**	**2 766 443**	**7 502 819**	**13 231 902**	**9 007 714**	**5 108 110**	**19 352 475**	**5 872 480**	**(995 145)**	**43 523 324**
Cumulative gap	**(18 323 474)**	**(15 557 031)**	**(8 054 212)**	**5 177 690**	**14 185 404**	**19 293 514**	**38 645 989**	**44 518 469**	**43 523 324**	**43 523 324**

In the liquidity risk scope, the full contractual cash-flows, at 31 December 2022 were:

2022 Residual Maturity Profile										
Kz'000	Demand	<= 1 Month	> 1 Month <= 3 Months	> 3 Months <= 6 Months	> 6 Months <= 1 Year	> 1 Year <= 3 Years	> 3 Years <= 5 Years	> 5 Years	Unlimited	Total
Assets	**16 788 223**	**7 033 043**	**7 554 646**	**5 935 733**	**4 402 432**	**28 143 832**	**10 351 608**	**6 314 775**	**587 975**	**87 112 267**
Balances at Central Bank	15 182 295	-	-	-	-	-	-	-	-	15 182 295
Balances at OCI	1 536 209	-	-	-	-	-	-	-	-	1 536 209
Placements with OCI	-	6 141 661	4 409 090	1 679 796	-	-	-	-	-	12 230 547
- Local financial Institutions	-	2 860 114	2 880 918	304 121	-	-	-	-	-	6 045 153
- Foreign financial Institutions	-	3 281 547	1 528 172	1 375 675	-	-	-	-	-	6 185 394
Fin. Assets at FV through OCI	-	889 736	3 130 900	4 192 244	4 207 625	25 935 395	7 585 921	5 985 000	192 131	52 118 952
- Treasury bills	-	497 920	1 358 985	1 750 308	2 316 108	-	-	-	-	5 923 321
- Treasury bonds	-	391 816	1 771 915	2 441 936	1 891 517	25 935 395	7 585 921	5 985 000	-	46 003 500
- Shares at EMIS	-	-	-	-	-	-	-	-	192 131	192 131
Loans and advances	69 719	1 646	14 656	63 693	194 807	2 208 437	2 765 687	329 775	-	5 648 420
Other assets	-	-	-	-	-	-	-	-	395 844	395 844
Liabilities	**(32 055 627)**	**(3 641 131)**	**(1 656 428)**	**(4 315 479)**	**(7 518 100)**	**(581 899)**	**-**	**-**	**(1 209 398)**	**(50 978 062)**
Deposits from OCI	(315 316)	-	-	-	-	-	-	-	-	(315 316)
Deposits from clients	(31 740 311)	(3 641 131)	(1 656 428)	(4 315 479)	(7 518 100)	(581 899)	-	-	-	(49 453 348)
- Demand	(31 665 678)	-	-	-	-	-	-	-	-	(31 665 678)
- Term	(74 633)	(3 641 131)	(1 656 428)	(4 315 479)	(7 518 100)	(581 899)	-	-	-	(17 787 670)
Other liabilities	-	-	-	-	-	-	-	-	(1 209 398)	(1 209 398)
Liquidity gap	**(15 267 404)**	**3 391 912**	**5 898 218**	**1 620 254**	**(3 115 668)**	**27 561 933**	**10 351 608**	**6 314 775**	**(621 423)**	**36 134 205**
Cumulative gap	**(15 267 404)**	**(11 875 492)**	**(5 977 274)**	**(4 357 020)**	**(7 472 688)**	**20 089 245**	**30 440 853**	**36 755 628**	**36 134 205**	**36 134 205**

The contractual cash flows for the capital, at 31 December 2023, were:

Kz'000	Demand	<= 1 Month	> 1 Month <= 3 Months	> 3 Months <= 6 Months	> 6 Months <= 1 Year	> 1 Year <= 3 Years	> 3 Years <= 5 Years	> 5 Years	Unlimited	Total
					2023 Residual Maturity Profile					
Assets	**27 194 840**	**6 623 029**	**8 950 338**	**13 364 329**	**18 754 370**	**16 662 082**	**20 557 195**	**5 387 563**	**932 862**	**118 426 608**
Balances at Central Bank	21 190 833	-	-	-	-	-	-	-	-	21 190 833
Balances at OCI	1 301 938	-	-	-	-	-	-	-	-	1 301 938
Placements with OCI	3 500 000	6 621 459	840 328	3 746 176	300 000	-	-	-	-	15 007 963
- Local financial Institutions	3 500 000	4 004 440	840 328	-	300 000	-	-	-	-	8 644 768
- Foreign financial Institutions	-	2 617 019	-	3 746 176	-	-	-	-	-	6 363 195
Fin. Assets at FV through OCI	-	-	8 090 500	9 587 200	18 291 900	14 145 400	15 683 866	5 000 000	299 799	71 098 665
- Treasury bills	-	-	1 000 000	2 300 000	4 500 000	-	-	-	-	7 800 000
- Treasury bonds	-	-	7 090 500	7 287 200	13 791 900	14 145 400	15 683 866	5 000 000	-	62 998 866
- Shares at EMIS	-	-	-	-	-	-	-	-	299 799	299 799
Loans and advances	1 202 069	1 570	19 510	30 953	162 470	2 516 682	4 873 329	387 563	-	9 194 146
Other assets	-	-	-	-	-	-	-	-	633 063	633 063
Liabilities	**(44 788 189)**	**(3 873 638)**	**(1 840 295)**	**(703 210)**	**(10 363 768)**	**(11 751 797)**	**(3 000 000)**	**-**	**(1 928 007)**	**(78 248 904)**
Deposits from OCI	(315 316)	-	-	-	-	-	-	-	-	(315 316)
Deposits from clients	(44 472 873)	(3 873 638)	(1 840 295)	(703 210)	(10 363 768)	(11 751 797)	(3 000 000)	-	-	(76 005 581)
- Demand	(44 100 044)	-	-	-	-	-	-	-	-	(44 100 044)
- Term	(372 829)	(3 873 638)	(1 840 295)	(703 210)	(10 363 768)	(11 751 797)	(3 000 000)	-	-	(31 905 537)
Other liabilities	-	-	-	-	-	-	-	-	(1 928 007)	(1 928 007)
Liquidity gap	**(17 593 349)**	**2 749 391**	**7 110 043**	**12 661 119**	**8 390 602**	**4 910 285**	**17 557 195**	**5 387 563**	**(995 145)**	**40 177 704**
Cumulative gap	**(17 593 349)**	**(14 843 958)**	**(7 733 915)**	**4 927 204**	**13 317 806**	**18 228 091**	**35 785 286**	**41 172 849**	**40 177 704**	**40 177 704**

The contractual cash flows for the capital, at 31 December 2022, were:

2022 Residual Contractual Maturity Profile										
Kz'000	Demand	<= 1 Month	> 1 Month <= 3 Months	> 3 Months <= 6 Months	> 6 Months <= 1 Year	> 1 Year <= 3 Years	> 3 Years <= 5 Years	> 5 Years	Unlimited	Total
Assets	**17 208 299**	**6 952 862**	**7 422 419**	**5 977 529**	**4 533 233**	**27 518 836**	**9 980 152**	**6 816 580**	**587 975**	**86 997 885**
Balances at Central Bank	15 182 295	-	-	-	-	-	-	-	-	15 182 295
Balances at OCI	1 536 209	-	-	-	-	-	-	-	-	1 536 209
Placements with OCI	-	6 059 718	4 243 412	1 673 769	-	-	-	-	-	11 976 899
- Local financial Institutions	-	2 785 727	2 732 339	303 729	-	-	-	-	-	5 821 795
- Foreign financial Institutions	-	3 273 991	1 511 073	1 370 040	-	-	-	-	-	6 155 104
Fin. Assets at FV through OCI	-	891 500	3 156 285	4 230 600	4 323 200	25 297 482	7 200 000	6 300 000	192 131	51 591 198
- Treasury bills	-	500 000	1 400 000	1 800 000	2 500 000	-	-	-	-	6 200 000
- Treasury bonds	-	391 500	1 756 285	2 430 600	1 823 200	25 297 482	7 200 000	6 300 000	-	45 199 067
- Shares at EMIS	-	-	-	-	-	-	-	-	192 131	192 131
Loans and advances	489 795	1 644	22 722	73 160	210 033	2 221 354	2 780 152	516 580	-	6 315 440
Other assets	-	-	-	-	-	-	-	-	395 844	395 844
Liabilities	**(32 055 263)**	**(3 482 636)**	**(1 635 235)**	**(4 144 734)**	**(7 370 242)**	**(581 888)**	**-**	**-**	**(1 209 398)**	**(50 479 396)**
Deposits from OCI	(315 316)	-	-	-	-	-	-	-	-	(315 316)
Deposits from clients	(31 739 947)	(3 482 636)	(1 635 235)	(4 144 734)	(7 370 242)	(581 888)	-	-	-	(48 954 682)
- Demand	(31 665 678)	-	-	-	-	-	-	-	-	(31 665 678)
- Term	(74 269)	(3 482 636)	(1 635 235)	(4 144 734)	(7 370 242)	(581 888)	-	-	-	(17 289 004)
Other liabilities	-	-	-	-	-	-	-	-	(1 209 398)	(1 209 398)
Liquidity gap	**(14 846 964)**	**3 470 226**	**5 787 184**	**1 832 795**	**(2 837 009)**	**26 936 948**	**9 980 152**	**6 816 580**	**(621 423)**	**36 518 489**
Cumulative gap	**(14 846 964)**	**(11 376 738)**	**(5 589 554)**	**(3 756 759)**	**(6 593 768)**	**20 343 180**	**30 323 332**	**37 139 912**	**36 518 489**	**36 518 489**

Market Risk

Market risk arises from unfavorable movements in the market price of instruments in the trading portfolio, caused by fluctuations in share prices, bonds, commodity prices, interest rates and exchange rates. BCA includes in the assessment of this risk component the assessment of liquidity risk, which consists of the possibility of a possible inability of the institution to meet its liabilities when they become due.

The assessment of Market Risk takes into account:

- The volatility of the price of portfolio positions, namely debt and equity securities, currencies, commodities and derivatives;

- The concentration risk of trading portfolio, mainly by identifying the significant positions – in the same kind of product, in the same currency, against the same counterparty or group of counterparties interconnected, against the same collateral, or against the same counterparty providing guarantee;
- The outcomes of correlation between the positions, dictated by common risk factors;
- The amount of positions of assets with few liquidity (reduced volume of transactions);
- The Bank's position in the market - its ability to grant/contract loans and to intervene in the various markets, especially the interbank market;
- Diversification and volatility of the Bank's bonds and the stability of its funding base;
- Return on assets and its quality;
- Cross-currency activities;
- Availability and reliability of the companies' likely funding operations;
- Access to support schemes of industrially based liquidity;
- Qualified and experienced staff and quality of management systems policies and liquidity control.

The market risk is comprised of the following risks: market risk, exchange rate risk, and interest rate risk.

Exchange Rate Risk

The exchange rate risk results from adverse movements in exchange rates resulting from currency positions caused by the existence of financial instruments denominated in different currencies.

This risk is based on changes in the price of instruments that correspond to open positions in foreign currencies (transaction risk), changes in book value for the conversion into the currency of bookkeeping of open positions in foreign currencies (conversion risk) and change of the bank competitive position due to significant variations in exchange rates (economic risk of exchange rate).

Evaluation of Exchange Rate Risk considers:

- Total amount of positions subjected to reevaluation by the conversion to the base currency;
- Volatility of the relevant exchange rates;
- Analysis of the magnitude of impacts on income and capital due to different scenarios of evolution in currency rates, through simulations.

Stress Test analysis of financial instruments, to the exchange rate variations:

2023						
Kz'000	**- 20%**	**- 10%**	**- 5%**	**+ 5%**	**+ 10%**	**+ 20%**
CURRENCY						
USD Dollars	(695 713)	(309 206)	(146 466)	132 517	252 986	463 809
Euro	(112 147)	(49 843)	(23 610)	21 361	40 781	74 765
Other Currencies	29 221	12 987	6 152	(5 566)	(10 626)	(19 481)
	(778 639)	**(346 062)**	**(163 924)**	**148 312**	**283 141**	**519 093**

2022						
Kz'000	**- 20%**	**- 10%**	**- 5%**	**+ 5%**	**+ 10%**	**+ 20%**
CURRENCY						
USD Dollars	179 359	79 715	37 760	(34 164)	(65 222)	(119 573)
Euro	163 580	72 702	34 438	(31 158)	(5 944)	(109 054)
Other Currencies	29 889	13 284	6 292	(5 693)	(10 869)	(19 926)
	372 828	**165 701**	**78 490**	**(71 015)**	**(82 035)**	**(248 553)**

Interest rate risk

The Bank reports to the Central Bank of Angola (BNA) the interest rate risk of its portfolio in accordance with Instruction N° 22/2021, issued 27 October 2021. Through this Instruction the banks are required to report their interest rate risk twice a year.

By means of Instruction N°22/2021 of 27 October, BNA sets a 2% stress test in interest rate, resulting in a parallel movement of the yield curve of the same scale, which promotes an impact on the amount of cash-flows, over interest margin.

Based on financial features of every contract, an outreach of expected cash-flows per interest rate reset date or contractual maturity is made. Such outreach observes probable behavior assumptions for interest rate reset of assets and liabilities that, despite of being subject to interest rate risk, have no defined contractual maturity, and for loans and advances contracts of fixed interest rate, dispose of stipulation allowing the bank to alter the interest rate in accordance with changes in the market conditions.

The same Instruction binds the Bank to assess their levels of exposure to interest rate risk on a continued basis. And within a deadline of a day, they are demanded to inform the Central Bank, whenever there will be a potential decrease of its economic value of 20% (or more than 20%) in its regulatory capital.

A separate analysis is required whenever the elements in foreign currency, exposed to interest rate risk comprise more than 5% of the Bank portfolio. In this case, a specific analysis and report, for the concerned currency must be provided.

The risk of interest rate is derived from movements in interest rates resulting from discrepancies in the amount, the maturity or the repricing terms of interest rates observed in financial instruments with interest receivable and payable.

Through matched funds transfer pricing and asset/liability repricing, risk is transferred from businesses. The inherent mismatch is managed centrally within an agreed risk tolerance at net income level. In doing so, the effects of interest rates on other aspects of the business, which may offset the impact of interest rates on net interest income, are also considered.

The assessment of interest rate risk should consider:

- Evolution trend of interest rates in different time horizons; and
- Gap analysis that details, by maturity periods or repricing, which the liquid position at risk of interest rate.

Quantitative limits for interest rate risk are established to meet BCA's goal of containing its exposure to adverse consequences arising from changes in prevailing interest rates.

The Bank should use models of simulation of liquid incomes of interest (projections) to evaluate its exposure to short term interest rate alterations. The management Board can annually establish and approve limits of sensibility for liquid income of interests. At least, the Bank should quarterly measure the sensibility for its liquid incomes of interest according to variations of the interest rate. The results propitiated by the models of simulation of liquid incomes of interest illustrate the premature impact, in at least two different and hypothetical sceneries, of variations in the interest rates, for periods of at least one year. One of the sceneries contemplates, as much as possible, the best estimate relatively to the more probable future conditions of the interest rate. Another of the sceneries reflects the Board's estimative relatively an extremely adverse level of the interest rate and it is used to evaluate the behaviour of the liquid incomes of interest in tension conditions.

Reward profiles of the risk with an interest rate to twelve months (with the defined reward as the accomplishment or about accomplishment of the variable destiny - as they are liquid incomes of interests and their expected components and the defined risk as the negative variation of the variable destiny), for the income of the liquid interest and their components, they are quantified and appraised through an approach of understanding simulation.

This simulation approach collects a variety of possible sceneries of interest rate. In the development of sceneries of interest rates, several factors are considered such as the level and the prevalent structure of interest rates, as well as the historical movements.

The interest rates can have a direct or indirect influence in the business in the following way:

- Assets Margin: The assets margin at risk is the impact that adverse movements at price, volumes and assets composition level (product type, structures of the customers' base) have in the value of the Bank assets. Regarding the connection between the assets price and the loans risk, the expected loans losses constitute an intrinsic cost to the loan business. The loan risk is, however, managed as a part of the normal management activities process and the loans portfolio monitoring, according to the current loans risk policies;
- Liabilities Margin: The liabilities margin at risk is the impact that the adverse movements at prices and liability composition level (product type, etc.) have in the value of the bank liabilities;
- Operating Results: measured through the negative deviation from the set fees level, commissions, and service rate, as a consequence of the business risk resulting from the non-accomplishment of the sales objectives, reduction of prices due to pressures of the competitors and the reduction on the transactions volume. The risk associated to revenues from the trading and investment activities is managed as an integral part of the market, trade and investment risk;
- Operating expenses: measured through the negative deviation from the set operating expenses level, which can happen due to the occurrence of no planned costs, inadequate costs control and under-use of the installed capacity.

Details of financial instruments according to the exposure to interest risk rate:

2023				
	Exposure to		Items that are not	
Kz'000	Fixed Interest Rate	Variable Interest Rate	subject to Interest Rate Risk	Total
Assets	**100 326 917**	**-**	**23 425 633**	**123 752 550**
Balances at Central Bank	-	-	21 190 833	21 190 833
Balances at OCI	-	-	1 301 938	1 301 938
Placements with CB and OCI	15 109 132	-	-	15 109 132
- With Local Financial Institutions	8 665 859	-	-	8 665 859
- With Foreign Financial Institutions	6 443 273	-	-	6 443 273
Fin. Assets at FV through OCI	76 536 851	-	299 799	76 836 650
Loans and Advances	8 680 934	-	-	8 680 934
Other Assets	-	-	633 063	633 063
Liabilities	**(33 390 376)**	**-**	**(46 838 850)**	**(80 229 226)**
Deposits from OCI	-	-	(810 799)	(810 799)
Deposits from clients	(33 390 376)	-	(44 100 044)	(77 490 420)
- Demand	-	-	(44 100 044)	(44 100 044)
- Term	(33 390 376)	-	-	(33 390 376)
Other Liabilities	-	-	(1 928 007)	(1 928 007)
	66 936 541	**-**	**(23 413 217)**	**43 523 324**

2022				
	Exposure to			
Kz'000	Fixed Interest Rate	Variable Interest Rate	Items that are not subject to Interest Rate Risk	Total
Assets	**69 805 788**	**-**	**17 306 479**	**87 112 267**
Balances at Central Bank	-	-	15 182 295	15 182 295
Balances at OCI	-	-	1 536 209	1 536 209
Placements with CB and OCI	12 230 547	-	-	12 230 547
- With Local Financial Institutions	6 045 153	-	-	6 045 153
- With Foreign Financial Institutions	6 185 394	-	-	6 185 394
Fin. Assets at FV through OCI	51 926 821	-	192 131	52 118 952
Loans and Advances	5 648 420	-	-	5 648 420
Other Assets	-	-	395 844	395 844
Liabilities	**(17 787 670)**	**-**	**(33 190 392)**	**(50 978 062)**
Deposits from OCI	-	-	(315 316)	(315 316)
Deposits from clients	(17 787 670)	-	(31 665 678)	(49 453 348)
- Demand	-	-	(31 665 678)	(31 665 678)
- Term	(17 787 670)	-	-	(17 787 670)
Other Liabilities	-	-	(1 209 398)	(1 209 398)
	52 018 118	**-**	**(15 883 913)**	**36 134 205**

The breakdown of the financial instruments with interest rate exposure, according to their residual maturity, at 31 December 2023, was as follows:

2023 Residual Maturities									
Kz'000	Demand	Up to 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	More than 5 years	Total
Assets	**4 702 069**	**6 623 029**	**8 950 338**	**13 364 329**	**18 754 370**	**16 662 082**	**20 557 195**	**5 387 563**	**95 000 975**
Placements with CB and OCI	3 500 000	6 621 459	840 328	3 746 176	300 000	-	-	-	15 007 963
- With Local Financial Institutions	3 500 000	4 004 440	840 328	-	300 000	-	-	-	8 644 768
- With Foreign Financial Institutions	-	2 617 019	-	3 746 176	-	-	-	-	6 363 195
Financial assets at FV through OCI	-	-	8 090 500	9 587 200	18 291 900	14 145 400	15 683 866	5 000 000	70 798 866
- Treasury Bills	-	-	1 000 000	2 300 000	4 500 000	-	-	-	7 800 000
- Treasury Bonds	-	-	7 090 500	7 287 200	13 791 900	14 145 400	15 683 866	5 000 000	62 998 866
Loans and Advances	1 202 069	1 570	19 510	30 953	162 470	2 516 682	4 873 329	387 563	9 194 146
Liabilities	**(372 829)**	**(3 873 638)**	**(1 840 295)**	**(703 210)**	**(10 363 768)**	**(11 751 797)**	**(3 000 000)**	**-**	**(31 905 537)**
Term Deposits from Clients	(372 829)	(3 873 638)	(1 840 295)	(703 210)	(10 363 768)	(11 751 797)	(3 000 000)	-	(31 905 537)
Net Exposure	**4 329 240**	**2 749 391**	**7 110 043**	**12 661 119**	**8 390 602**	**4 910 285**	**17 557 195**	**5 387 563**	**63 095 438**

The breakdown of the financial instruments with interest rate exposure, according to residual maturity, at 31 December 2022, was as follows:

2022 Residual Maturities									
Kz'000	Demand	Up to 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	More than 5 years	Total
Assets	**489 795**	**6 952 862**	**7 422 419**	**5 977 529**	**4 533 233**	**27 518 836**	**9 980 152**	**6 816 580**	**69 691 406**
Placements with CB and OCI	-	6 059 718	4 243 412	1 673 769	-	-	-	-	11 976 899
- With Local Financial Institutions	-	2 785 727	2 732 339	303 729	-	-	-	-	5 821 795
- With Foreign Financial Institutions	-	3 273 991	1 511 073	1 370 040	-	-	-	-	6 155 104
Financial assets at FV through OCI	-	891 500	3 156 285	4 230 600	4 323 200	25 297 482	7 200 000	6 300 000	51 399 067
- Treasury Bills	-	500 000	1 400 000	1 800 000	2 500 000	-	-	-	6 200 000
- Treasury Bonds	-	391 500	1 756 285	2 430 600	1 823 200	25 297 482	7 200 000	6 300 000	45 199 067
Loans and Advances	489 795	1 644	22 722	73 160	210 033	2 221 354	2 780 152	516 580	6 315 440
Liabilities	**(74 269)**	**(3 482 636)**	**(1 635 235)**	**(4 144 734)**	**(7 370 242)**	**(581 888)**	**-**	**-**	**(17 289 004)**
Term Deposits from Clients	(74 269)	(3 482 636)	(1 635 235)	(4 144 734)	(7 370 242)	(581 888)	-	-	(17 289 004)
Net Exposure	**415 526**	**3 470 226**	**5 787 184**	**1 832 795**	**(2 837 009)**	**26 936 948**	**9 980 152**	**6 816 580**	**52 402 402**

BCA had no financial instruments in both financial years of 2023 and 2022, which were exposed to the interest rate risk as a result of resetting.

The average interest rate associated with the main category of the Bank financial assets and liabilities, as well as the corresponding average of profits and costs, for the years ended 31 December 2023 and 2022, were:

2023			
Kz'000	**Average Balance of Capital Invested in the Financial Year**	**Interest Earned/Paid during the Financial Year**	**Average Interest Rate**
Investments	**290 119 699**	**12 130 513**	
- Loans and Advances	6 566 820	1 245 503	19%
- Trading and Investment Securities	63 147 989	9 970 492	16%
- Placements with CB and OCI	220 404 890	914 518	0%
Intakes	**(104 566 683)**	**(2 447 597)**	
- Deposits from Clients	(94 190 124)	(2 437 985)	3%
- Deposits from CB and OCI	(10 376 559)	(9 612)	0%
Net Interest Margin	**185 553 016**	**9 682 916**	

2022			
Kz'000	**Average Balance of Capital Invested in the Financial Year**	**Interest Earned/Paid during the Financial Year**	**Average Interest Rate**
Investments	**133 515 474**	**10 465 630**	
- Loans and Advances	6 859 290	1 462 802	21%
- Trading and Investment Securities	46 642 057	7 708 928	17%
- Placements with CB and OCI	80 014 127	1 293 900	2%
Intakes	**(133 811 936)**	**(1 211 951)**	
- Deposits from Clients	(39 011 878)	(1 030 822)	3%
- Deposits from CB and OCI	(94 800 058)	(181 129)	0%
Net Interest Margin	**(296 462)**	**9 253 679**	

In 2023 and 2022, the placements with the Central Bank (CB) and with Other Credit Institutions (OCI) had an average maturity of five days. Deposits from clients had an average maturity from eight months and six months. And the deposits from the Central Bank and from Other Credit Institutions had an average maturity of two days.

Financial Statements

The decomposition of assets and liabilities by currency, at 31 December 2023 and 2022, was:

2023					
Kz'000	**Kwanzas**	**US Dollars**	**Euro**	**Other Currencies**	**Total**
Assets	**114 300 703**	**15 255 938**	**3 253 812**	**200 311**	**133 010 764**
Cash and Balances at CB	15 416 196	4 352 691	1 409 084	12 862	21 190 833
Balances at OCI	148 949	276 454	689 086	187 449	1 301 938
Placements with CB and OCI	8 664 525	5 986 485	458 122	-	15 109 132
Fin. Assets at FV through OCI	72 198 213	4 638 437	-	-	76 836 650
Loans and Advances	8 679 032	1 871	31	-	8 680 934
Other Tangible Assets	7 870 691	-	-	-	7 870 691
Intangible Assets	339 470	-	-	-	339 470
Current Taxes Receivable	111 660	-	-	-	111 660
Other Assets	871 967	-	697 489	-	1 569 456
Liabilities	**(72 452 693)**	**(15 813 725)**	**(2 515 894)**	**(122 798)**	**(90 905 110)**
Deposits from CB and OCI	(732 091)	-	(13 490)	(65 218)	(810 799)
Demand Deposits from Clients	(37 884 640)	(5 250 214)	(959 846)	(5 344)	(44 100 044)
Term Deposits from Clients	(26 973 116)	(6 103 723)	(313 537)	-	(33 390 376)
Provisions	(11 407)	(114 959)	-	-	(126 366)
Deferred Taxes Payable	(1 189 504)	-	-	-	(1 189 504)
Other liabilities	(5 661 935)	(4 344 829)	(1 229 021)	(52 236)	(11 288 021)
	41 848 010	**(557 787)**	**737 918**	**77 513**	**42 105 654**

Kz'000	Kwanzas	US Dollars	Euro	Other Currencies	Total
			2022		
Assets	**83 118 126**	**10 775 077**	**2 042 788**	**135 168**	**96 071 159**
Cash and Balances at CB	11 543 869	3 257 418	373 911	7 097	15 182 295
Balances at OCI	2 789	160 375	1 246 493	126 552	1 536 209
Placements with CB and OCI	6 040 127	6 190 420	-	-	12 230 547
Fin. assets at FV through OCI	51 065 764	1 053 188	-	-	52 118 952
Loans and Advances	5 534 727	113 676	17	-	5 648 420
Other Tangible Assets	6 903 540	-	-	-	6 903 540
Intangible Assets	602 373	-	-	-	602 373
Current Taxes Receivable	110 514	-	-	-	110 514
Deferred Taxes Receivable	714 795	-	-	-	714 795
Other Assets	599 628	-	422 367	1 519	1 023 514
Liabilities	**(47 220 422)**	**(10 961 053)**	**(1 297 742)**	**(70 793)**	**(59 550 010)**
Deposits from CB and OCI	(303 581)	(1)	(7 915)	(3 819)	(315 316)
Demand Deposits from Clients	(27 860 144)	(3 338 091)	(464 269)	(3 174)	(31 665 678)
Term Deposits from Clients	(12 106 408)	(5 260 333)	(420 929)	-	(17 787 670)
Provisions	(17 592)	(84 038)	-	-	(101 630)
Other Liabilities	(6 932 697)	(2 278 590)	(404 629)	(63 800)	(9 679 716)
	35 897 704	**(185 976)**	**745 046**	**64 375**	**36 521 149**

Stress Test of financial instruments to the interest rate variations:

Kz'000	- 200 bp	- 100 bp	- 50 bp	+ 50 bp	+ 100 bp	+ 200 bp
			2023			
Assets						
Loans and Advances	385 929	192 965	96 482	(96 482)	(192 965)	(385 929)
Fin. Assets at FVOCI	2 423 034	1 211 517	605 759	(605 759)	(1 211 517)	(2 423 034)
Placements	46 877	23 439	11 719	(11 719)	(23 439)	(46 877)
Total of Assets	**2 855 840**	**1 427 921**	**713 960**	**(713 960)**	**(1 427 921)**	**(2 855 840)**
Liabilities						
Deposits	(1 033 651)	(516 826)	(258 413)	258 413	516 826	1 033 651
Total of Liabilities	**(1 033 651)**	**(516 826)**	**(258 413)**	**258 413**	**516 826**	**1 033 651**
Net Effect	**1 822 189**	**911 095**	**455 547**	**(455 547)**	**(911 095)**	**(1 822 189)**

Kz'000	2022					
	- 200 bp	- 100 bp	- 50 bp	+ 50 bp	+ 100 bp	+ 200 bp
Assets						
Loans and Advances	295 442	147 721	73 860	(73 860)	(147 721)	(295 442)
Fin. Assets at FVOCI	1 702 688	851 344	425 672	(425 672)	(851 344)	(1 702 688)
Placements	32 779	16 389	8 195	(8 195)	(16 389)	(32 779)
Total of Assets	**2 030 909**	**1 015 454**	**507 727**	**(507 727)**	**(1 015 454)**	**(2 030 909)**
Liabilities						
Deposits	205 291	102 646	51 323	(51 323)	(102 646)	(205 291)
Total of Liabilities	**205 291**	**102 646**	**51 323**	**(51 323)**	**(102 646)**	**(205 291)**
Net Effect	**2 236 200**	**1 118 100**	**559 050**	**(559 050)**	**(1 118 100)**	**(2 236 200)**

Operational Risk

BCA defines the operational risk as the risk caused by inadequate internal processes, people or systems, the possibility of internal and external fraud, the information systems failure to prevent unauthorized access, to ensure data integrity or ensure business continuity in the event of failure, arising from violations or nonconformities in relation to laws, regulations, contracts, codes of conduct, established practices or ethical principles.

Operational risk management forms part of the day-to-day responsibilities of all business units and specialist function management. Several specialist functions also attend to specialised areas of operational risk management contained within the causal structure of the operational risk definition.

- The risk of Information Technology (IT) systems derives from IT mismatching in the scope of processing, integrity, control, availability, and continuity, arising from inadequate strategies and uses;
- The processes risk is the probability of the occurrence of negative effects in income statement or in equity, arising from failures in analysis, processing, and liquidation of transactions, internal and external frauds, or infrastructures inadequacies, unserviceability;
- The personnel risk arises from inadequacy of quantitative and qualitative human resources, recruitment processes, compensation and assessment schemes, training program, motivation culture, social policies, in relation to Institution activities and goals.

BCA follows the Basic Indicator Approach (BIA) in managing operational risk for now, however, the intention is to migrate towards the more sophisticated forms of quantifying operational risk as stipulated in Basel II. The current approach helps manage operational risk as this helps to:

- Reduce the operational risk management events and associated financial losses;
- Strengthen the BCA brand and the bank's economic capital;

- Satisfy the central bank requirements;
- Introduce and assess the full implementation of tax reform rules, applicable to banking transactions;
- Make a proactive follow-up of significant operational risk management events, ineffective controls and possible breaches of indicative limits;
- Establish appropriate risk appetite and tolerance;
- Delegate competencies and authorisation limits;
- Define operational risk assignment, through a culture of a deeper acknowledgement of operational risk. Therefore the assessment bodies will consider the operational risk as an indispensable component for loans assessment; and
- Other tasks executed in management of operational risk.

BCA board of directors expects that operational risks related to the business activities might be fully identified, assessed, controlled, communicated and managed through an internal process designed DRACA (Detailed Risks Assessment and Control). Each BCA unity of business and tasks might manage its operational risk, in the accomplishment of this model. A record loss resulting from operational risk situations in order to create historical data base to be used in the future to move to an internal developed calculation model and operational risk management, is kept to be the most efficient of the three models accepted by Basel II.

In order to a further operational risk mitigation, the Bank disposes of a business continuity plan supported by two Disaster Recovery sites (DR sites), in case of hard and/or adverse situations. The two DR sites are run in a standalone manner and independently, allowing the reposition of service in a few minutes, as well as the normal running of the branch network.

Compliance and Reputational Risk

Reputational risk results from the adverse perception of the image of the institution by customers, counterparties, shareholders, investors, supervisors and the general public.

The evaluation of Reputational Risk considers:

- The trust degree that clients place in the Institution, particularly in terms of financial strength and honesty in business transactions, which can be evaluated through the evolution of customer base, customers rotation, questionnaires or surveys results, and/or any opinion studies conducted by the Bank with its customers, and the image that results from press stances;
- The perception of clients, suppliers and other counterparties on the institution behavior regarding the duty of confidentiality, ethical principles, legal dispositions and common practices, through tracking of evolution in quantitative and substantive claims of counterparts and litigations, the evolution of quantitative or substantive claims made to Central Bank or press news;
- The perception of investors and analysts regarding transparency, sufficiency and credibility of information released by the institution, the legal and ethical principles and practices implemented, in the form of financial analysts reports, the evolution of the note attributed and the quality of financial reports issued;

- The employees degree of satisfaction, expressed in through questionnaires and / or any opinion polls conducted by the institution to its employees.

Compliance risk is defined as the probability of the occurrence of negative impacts for the institution, which may influence results or equity, deriving from the breach of legal standards, specific determinations, contractual responsibilities, rules of conduct and relationship with customers, ethical principles and established practices, relative to the practiced activity, which may be materialized, for instance, in legal or regulatory sanctions, impairment of business opportunities, reduction of expansion potential or inability to demand contractual responsibilities by third parties.

The objective of the policy governing compliance and reputational risk is their management such as defined in the above paragraphs, determining the devices and procedures that allow: i) to minimize the probability that it becomes factual; ii) to identify, report to the Board and overcome the situations that may have arisen; iii) to ensure follow up and control; and iv) to provide evidence, if necessary, that the Bank has reputational risk amongst its main concerns and has available the organization and means required for its prevention and, should it be the case, to overcome it.

Allocation of Equity

The Angolan Central Bank (BNA) defined through notice 08/2021, of 05 July, that the banks must allocate a part of their equity to face probable losses arising from operational risks; market risks, and credit and counterparty risks. The above referred allocation has an effect of decreasing the capital adequacy ratio in general. If the adjusted capital adequacy ratio is lower than the minimum required, the concerned institution must increase its equity, or reduce its risk exposure.

The implementation of the above referred BNA Notices had no significant effect in BCA capital adequacy ratio calculation, in the year of its implementation.

Capital Management and Solvency Ratio

The regulatory own funds components are:

1. Tier-one owned funds – comprising (i) the paid-up share capital; (ii) capital maintenance reserve; (iii) retained income; (iv) legal, statutory and other reserves derived from undistributed profits, or set aside to increase the capital, (v) audited net income, (vi) latent losses related to the revaluation of securities available for sale, the cash flow and investment hedging operations abroad, and (vii) deferred taxes receivable and payable as long as they are connected to losses/gains containing a negative/positive element of tier-one.

2. Tier-two owned funds – comprising (i) fixed-term preference shares; (ii) funds and generic provisions; (iii) reserves arising from paid-up and owned premises; (iv) subordinated bonds and hybrid debt equity instruments; and (v) other amounts authorized by BNA.

3. Deductions – Comprising: (i) treasury share subject to buyback; (ii) fixed-term preference shares, with fixed and cumulative dividends; (iii) loans conceded with the nature of equity; (iv) tax credits derived from tax losses; (v) goodwill; (vi) Intangible assets, net of depreciation; (vii) others amounts, as per BNA appointment.

The BNA Notice n° 08/2021 stipulates, for the capital adequacy ratio calculation purpose, that all excess over the limit of risk exposure by clients must be deducted from the amount of regulatory owned funds.

Capital Adequacy Ratio		
Kz	**31-12-2023**	**31-12-2022**
Regulatory Owned Funds	**38 817 347 153**	**35 613 994 715**
Risk weighted assets		
Requirements of regulatory owned funds	4 427 834 499	3 906 952 706
- Requirements of credit risk	2 551 366 639	1 658 490 385
- Requirements of market risk	65 353 391	64 872 469
- Requirements of operational risk	1 811 114 469	2 183 589 852
***Weighting of equity requirements**	**55 347 931 238**	**48 836 908 825**
RSR	**70%**	**73%**
Minimum regulatory requirements	**12,65%**	**12,65%**

* To the sum of equity requirements, a multiplier of 10 was applied until 2021. Since 2022 the multiplier is 12,65.

CAMELS analysis

The acronym CAMELS stands for the initials of each of the six blocks of analysis of banks income statements: Capital adequacy, Asset quality, Management, Earnings, Liquidity, Sensitivity to market risk. This is a classification system that regulators or supervisors use to assess the banks general performances, identifying their points of strength and weakness.

Results of the Supervisory Review and Evaluation Process (SREP) for FY2021.

On the 13th of April 2023, BNA sent BCA a letter containing the SREP results for FY2021, along with the relevant remarks and guidelines stemming from this assessment process.

It is worth to highlight that in accordance with the best international prudential supervisory practices, the SREP follows the structure and procedures disclosed by the regulatory body to the Financial Sector, with the aim of assessing whether Financial Institutions have the appropriate strategies, processes, capital and liquidity that are suitable/proportional for the risks to which they are or may be potentially exposed.

The SREP consists of a set of procedures carried out on an ongoing basis throughout the year by the supervisory authority to ensure that each financial institution possesses the appropriate strategies, processes, capital and liquidity to address the risk to which it is or may be potentially exposed to, as well as it adopts a forward-looking view.

It is a process that is divided into three main blocks, namely:

a) **Block 1 - SREP Risk Assessment Model (Portuguese acronym: "MARS")**, where are assessed the following components:

   2. Business Model;
   3. Internal Governance and Risk Management;
   4. Capital Position;
   5. Liquidity Position.

As a result of this assessment, the financial institution received a 2+ rating, corresponding to a Moderate Level of Risk. The assigned ratings range from 1 to 5, with 1 being 'Low Risk' and 5 being 'Bankruptcy Risk'.

b) **Block 2 - Quantification of SREP Capital and Liquidity Requirements** - within this block, based on the results of the SREP process, it was determined an overall equity ratio of 18,04% (eighteen comma zero four per cent). It is worth highlighting that in addition to the 8% minimum regulatory threshold concerning the Capital Adequacy Ratio, the bank must also comply with a further 10,04% (the sum of the requirements mentioned in the table provided hereunder), totalling a Global Capital Adequacy Ratio of 18,04%.

	Common Equity Tier 1 (CET1) Ratio	Tier 1 Capital Ratio	Total Capital Ratio
Minimum Capital Requirement	4,5%	6,00%	8,00%
RP2		6,54%	
TRCS	**11,04%**	**12,54%**	**14,54%**
Capital conservation buffer		2,50%	
Counter-cyclical capital buffer		0,00%	
Systemic Risk buffer		0,00%	
RGFP	**13,54%**	**15,04%**	**17,04%**
OP2		1,00%	
RGFP post OP2	**13,54%**	**16,04%**	**18,04%**

c) **Block 3: SREP Resolution - SREP Risk Assessment Model Final Rating (Block 1), SREP Measures and Recommendations** - within this block, the final assessment is assigned to the components of block 1, which resulted in BCA receiving a 2+ rating, corresponding to a Moderate Risk Level. The assigned rating scores range from 1 to 5, where 1 is Low Risk and 5 is Bankruptcy Risk. Following this assessment, the BNA issued specific remarks and recommendations for which the financial institution has drawn up an action plan to ensure that they are properly addressed, analysed and rectified by the teams in charge of the issues detected by the BNA.

The global assessment of BCA illustrates a solid bank, with a high standard of risks management, and capital adequacy.

	Prudential Ratios	Dec-23	Ratings (CAMELS)	Dec-22	Ratings (CAMELS)
Capital adequacy	Tier-one owned funds/total Assets = > 10%	30%	1	37%	1
	Debt limit 10 times (1000%)		1	167%	1
	Capital adequacy Ratio 10%	70%	1	73%	1
	Global Capital Adequacy Ratio (in the SREP scope)	70%	1	73%	1
Quality of assets	Non-performing Loans/ total Loans < = 5%	2%	1	7%	1
	Specific provisions/ Non-performing Loans > = 80%.	262%	2	180%	2
	Top 20 loans/ Regulatory Owned Funds < = 300%.	12%	1	8%	1
	Total of Loans / Total of Assets	7%	-	6%	-
	Loans in Foreign Currency/ Total of loans	0%	-	2%	-
	Fixed assets / Regulatory Owned Funds < 50% PF	22%	1	20%	1
Profitability	Return on Assets (ROA) > 3%.	3%	1	3%	1
	Return on Equity (ROE) > 15%.	9%	1	7%	1
Liquidity	Deposits concentration=top 20=<30%	62%	3	57%	3
	Liquidity ratio = >1	3	1	3	1
	Observation ratio = >1	18	1	37	1
Interest rate stress test	Economic Effect >1 Year/Regulatory owned funds<20%	0,04%	1	1,28%	1
	Economic Effect up to 1 year /Earnings Margin<20%	12%	1	9%	1
Exchange rate stress test	Long net open currency position (10,00%; 2022: 5,00%)	1%	1	2%	1
	Short net open currency position (10,00%; 2022: 5,00%)	-		-	

Stress tests

Stress tests are risk management tools used to assess and manage the risks of the Bank whose benefit is a better understanding of risks profile related to the Bank. Stress tests play an important role in management, as well as in capital and liquidity planning, allowing the Bank to absorb adverse shocks.

The implementation of stress tests is done by executing analyses or simulations in order to assess the institution capacity to resist adverse scenarios (downside risks). Therefore, BCA defined a certain adverse scenario, of probable occurrence, in order to study the adequacy and the strength of its solvency and liquidity.

The understanding and methodology of stress tests to be executed by BCA are in accordance with the requirements of Instruction nº 03/2022, issued by BNA, which binds the banks to realize specific type of stress tests, their periodicity, and how they must be reported. BNA guidelines about a program implementation of stress tests has been taken into account.

In June 2023, the Bank executed the following type of stress test:

- Sensitivity analysis;
- Scenarios analysis.

For prudential purposes, the Bank executed the following type of stress test:

- Sensitivity analysis;
- Reverse stress test; and
- Scenarios analysis.

Overall, the Bank proved resilient to the various shocks to which it was subjected. The worst-case scenarios did not start to have an adverse effect until year n+3.

The kinds of risks identified by the Bank as being materially relevant, requesting a stress test analysis are:

a) Credit risk;
b) Market risk;
c) Operational risk;
d) Liquidity risk; and
e) Concentration risk.

The materially relevant risks were defined in accordance with BNA guidelines, and in accordance with internal analysis of risk factors with a greater probability of effect in BCA solvency.

21. INTEREST AND OTHER SIMILAR INCOME

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
Loans & Advances to Clients	1 180 023	1 688	1 369 610	2 977
Term deposits with Banks abroad	276 779	396	74 550	162
Interbank lending	637 739	913	1 219 350	2 650
Other debtors and investments	65 480	94	93 192	203
Treasury Bonds and Bills Interests	9 960 877	14 253	6 661 627	14 480
Treasury Bonds Discounts	9 615	14	1 047 301	2 277
	12 130 513	**17 358**	**10 465 630**	**22 749**

The profit growth generated from the securities portfolio (interest and discounts) and interbank lending is due to the considerable increase of the bank's investment in these financial instruments throughout the financial year. The reduction of treasury bonds discount is a consequence of several discounted bonds bought in 2023.

22. INTEREST AND OTHER SIMILAR EXPENSES

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
Term deposits from clients	2 437 984	3 489	1 030 822	2 241
Deposits from O.C.I. in the Country	9 612	14	181 129	394
Lease Liabilities interests	92 561	132	30 039	65
	2 540 157	**3 635**	**1 241 990**	**2 700**

The increase in interest paid on term deposits from clients is due to the increase of term deposits. The increase of lease liabilities interest arises from the new contract signed for the use of the new premises at "Edifício Kilamba". Both the "interest and other similar income", and the "interest and other similar expenses" were calculated in accordance with the accounting policy No. 2.3.1.3. The lease liabilities interests were calculated in accordance with note 2.3.5. (IFRS 16 – Lease).

23. FEE AND COMMISSION INCOME

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
Withdrawal fees	65 664	94	88 905	193
From general banking services	3 348 070	4 791	3 097 340	6 733
From guarantees given by the Bank	2 189	3	4 249	9
	3 415 923	**4 888**	**3 190 494**	**6 935**

The fee and commission from general banking services are derived from the intermediation in import operations, clients payment order, insurance and others.

24. FEE AND COMMISSION EXPENSES

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
Electronic settlements fees	636 407	911	513 491	1 116
Fees paid to Nostro banks	167 025	239	81 781	178
	803 432	**1 150**	**595 272**	**1 294**

Both "fee and commission income" and "fee and commission expenses" were calculated in accordance with the accounting policy No. 2.3.10.

25. RESULTS OF FINANCIAL OPERATIONS

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
Gains from FX transactions	2 850 640	4 080	46 407 389	100 896
Losses from FX transactions	(762 064)	(1 091)	(44 511 230)	(96 773)
Treasury Bonds revaluations	36	-	(2 545 614)	(5 535)
	2 088 612	**2 989**	**(649 455)**	**(1 412)**

The exchange rate revaluation of USD-indexed treasury bonds constitutes unrealized exchange gains associated with these securities which, with the adoption of international accounting standards – IAS/IFRS, are now recognized as exchange gains in the income statement. Losses from revaluations of Treasury Bonds indexed to the USD exchange rate occurred during 2022 financial year (Kz 8 612 059 thousand), stem from Kwanza appreciation against US dollar of almost 24%, from 1 January 2022 to 18 July 2022, when they matured. The results of financial operations for 2022 were not worse, despite the appreciation of Kwanza, as the Bank always sought to have a foreign currency net open position very close to zero throughout the year.

On the other hand, during 2023 there was a 65% devaluation of Kwanza against US dollar.

26. GAINS AND LOSSES ON DISPOSAL OF REPOSSESSED PROPERTIES

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
Cost of Sale of a Repossessed Property	-	-	(33 911)	(72)
Gross sale of a repossessed property	-	-	25 000	53
	-	**-**	**(8 911)**	**(19)**

27. OTHER OPERATING EXPENSES

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
Taxes and similar Expenses	864 017	1 236	884 522	1 923
Regulation's Penalty	150 000	215	4 169	9
Others	185 568	266	(23 784)	(52)
	1 199 585	**1 717**	**864 907**	**1 880**

There are in this account taxes charged on the bank incoming fees and interest, withhold by other banks; vehicle license tax; fees paid for the use of SPTR service provided by the Central Bank, and the cost of capital gains tax withhold by other institutions to be liquidated to tax authority.

The regulator's penalty refers to the fine for the lack of compliance with BNA Notice No. 10/2022, regarding the minimum amount of loan and advances to be conceded each year to the sector of real economy.

28. SALARIES AND OTHER PAYROLL EXPENSES

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
Remuneration of Corporate board	**439 509**	**629**	**193 318**	**420**
-Basic salary	439 509	629	193 318	420
Remuneration of employees	**2 493 192**	**3 567**	**2 976 363**	**6 470**
- Basic salary	1 897 097	2 715	2 089 342	4 540
- Christmas allowance	220 771	316	350 566	762
- Vacation allowance	206 106	295	328 808	715
- Transport allowance	128 517	184	117 109	255
- Travel expenses allowance	16 185	23	64 358	140
- Work Schedule exemption	14 247	20	15 004	33
- shortages allowance	6 588	9	7 183	16
- Seniority payments	3 679	5	3 993	9
Health insurance, workplace accidents, social security	**1 018 724**	**1 458**	**568 885**	**1 236**
- Cost-sharing for cars purchase	480 364	687	-	-
- Clinical services	304 461	436	338 937	736
- Social security	205 183	294	200 171	435
- Functional allowance	16 229	23	23 777	52
- Workplace accidents insurance	12 487	18	6 000	13
Others	**188 009**	**269**	**166 053**	**361**
	4 139 434	**5 923**	**3 904 619**	**8 487**

The corporate board salaries take into account the compensation for activities performed directly in the bank, and any other task fulfilled in any body, as per the Shareholders' General Assembly appointment. Their salaries are fully made of fixed remuneration, net of any associated tax (income tax). The bank bears 8% of salaries for social contributions, paid to the Social Security.

The global increase of salaries is due to the expansion of the board of directors, which, in the light of notice n° 1/2022 of 23 January, is now composed of seven members (previously five).

All salaries and other payroll expenses are short term employee benefits, as per the accounting policy 2.3.8.1. The Bank had 239 employees at 31 December 2023 (246 at 31 December 2022).

The cost-sharing for cars purchase is a benefit the bank gives to its senior managerial staff in order to solve their mobility problems.

29. THIRD PARTY SUPPLIES

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
IT Services	1 534 224	2 195	1 216 355	2 644
Professional services	447 673	641	243 764	530
Communication costs	278 534	398	212 904	463
Marketing	239 021	342	28 812	63
Security Services	205 262	294	216 125	470
Stationary/Consumables	154 964	222	499 980	1 087
Casual Labours	129 058	185	103 386	225
Travel and other related costs	123 347	176	30 201	66
Staff Training	104 335	149	9 992	22
Transport for Staff and Assets	82 484	118	63 935	139
Repairs and maintenance	62 968	90	120 795	262
Rentals	55 606	80	38 058	83
Water and Electricity	34 971	50	35 797	78
Fuel and Lubricant	16 610	24	16 413	35
Insurance	805	1	1 124	2
Others	209 046	299	184 347	400
	3 678 908	**5 264**	**3 021 988**	**6 569**

The increase in third-party services and supplies expenditure in 2023, stems primarily from the increase in hiring third-party expert consultancy services for the implementation of risk management and compliance procedures and processes, the licensing and maintenance of platforms for prudential reporting, credit guarantees management, tax advisory services and external auditing proceeds. These overall costs were highly affected due to the impact of the Kwanza's exchange rate sharp depreciation against the EURO, which is the currency of payment for the vast majority of these third-party professionals.

IT services refer to the expenses incurred in licences and maintenance of the different IT systems and subsystems currently being used at the Bank.

The sizeable decline in office supplies/consumables expenses stems from the fact that the Bank opted to import a large part of the consumables used in FY2023, whereas in FY2022 they were purchased locally.

In 2023 and 2022, the amount recognized in rentals refers to short term leases not included in measurement of lease liabilities (IFRS 16), as per note 2.3.5.1.

30. EARNINGS PER SHARE

Earnings per share are calculated as follows:

Kz'000	2023	2022
Net Profit for the year	3 468 033	2 602 509
Average number of Shares	56 250 000	18 750 000
Basic earnings per Share	0,06	0,14
Diluted earnings per Share	0,06	0,14

There are no preference shares in BCA share capital structure.

31. OFF BALANCE SHEETS ITEMS AND CONTINGENCIES

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
Guarantees Issued and Other Contingent Liabilities				
Guarantees and Sureties given	972	1	165 000	328
Letters of Credit issued	855 375	1 032	1 293 134	2 567
Undrawn Commitments	4 127 179	4 980	350 965	697
	4 983 526	**6 013**	**1 809 099**	**3 592**
Responsibilities for services rendered				
Guarantees Received	**43 374 064**	**52 334**	**24 604 940**	**48 849**
Custodial Assets				
Treasury Bills held by Clients	-	-	1 912 177	3 796
Treasury Bonds held by Clients	-	-	15 296 380	30 369
	-	**-**	**17 208 557**	**34 165**

The Bank provided custody, management and safekeeping services for clients securities (Treasury Bills and Treasury Bonds), which as at 31st December 2022, amounted to a total of Kz 17 208 557 thousand. As at 31st December 2023, the Bank ceased to provide this service following the transfer of the clients' securities portfolio to Securities Broker-Dealer Companies and/or Brokerage Services Firms, as mandated in Article 440(2) of the Financial Institutions General Framework Law (Portuguese acronym: "LRGIF").

The guarantees received are composed of real and non real guarantees, whilst the note 7 discloses real guarantees only.

All guarantees given and other contingent liabilities are classified in stage 1.

32. RELATED PARTY DISCLOSURE

At 31 December 2023 and 2022, the Bank related Parties were the Bank shareholders and their families.

Disclosure of Balance sheet:

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
Assets				
Loans and Advances	46 561	56	661 170	1 313
Impairment Losses	(4 044)	(5)	(86 624)	(172)
	42 517	**51**	**574 546**	**1 141**
Liabilities				
Deposits				
- Demand	1 957 123	2 361	2 363 725	4 693
- Term	860 874	1 039	2 079 494	4 129
Other Liabilities	11 620	14	10 206	20
	2 829 617	**3 414**	**4 453 425**	**8 842**

Related parties are entities (individuals and institutions) having a significant influence on BCA, composed of the key management personnel including their close family members; or those owning a shareholding in the share capital of BCA that allows them to exercise a significant influence i.e. a shareholding above 10% of the total of the share capital of BCA.

Disclosure of income statement:

Captions	2023 Kz'000	2023 USD'000	2022 Kz'000	2022 USD'000
Interest earned from loans and advances	41 160	59	63 195	137
Interest paid to Demand deposits	(78 749)	(113)	(105 131)	(229)
Net interest margin	**(37 589)**	**(54)**	**(41 936)**	**(92)**
Fee and commission income	32 769	47	3 469	8
Results of financial operations	19 531	28	-	-
Non-interest margins	52 300	75	3 469	8
Operating margin	**14 711**	**21**	**(38 467)**	**(84)**
Salaries and other payroll expenses	(439 509)	(629)	(446 873)	(971)
Loans and advances Impairment losses	3 851	6	(4 044)	(9)
	(435 658)	(623)	(450 917)	(980)
Losses before taxes	**(420 947)**	**(602)**	**(489 384)**	**(1 064)**
- Fiscal impact	147 331	211	171 285	372
Net Losses for the year	**(273 616)**	**(391)**	**(318 099)**	**(692)**

As at 31 December 2023, the average interest rates on transactions with related parties were 34% (2022: 25%) for loans in local currency. In 2023 and 2022 there were no loans granted in foreign currency.

The interest rates for term deposits in local currency were 6% (2022: 11%), and 0,87% (2022: 0,25%) for deposits in foreign currency.

The fee and commission income refers to commission earned over the monthly amounts used on transactions with international credit cards (6% of the amount used).

33. SUBSEQUENT EVENTS

From 31 December 2023 to the date of the financial statements' approval, there were no significant facts affecting the financial position and/or performance of the Bank that required adjustment and/or disclosure.

34. ACCOUNTING STANDARDS AND RECENT INTERPRETATIONS ISSUED

34.1. Voluntary changes in accounting policies

During the financial year 2023 there were no voluntary changes to the accounting policies used in the preparation of the financial information for the FY2023, as shown in the comparative financial statements.

34.2 New accounting standards and interpretations applicable to the financial year

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

Amendments to IAS 1, IAS 8, IFRS 17, these amendments correspond to a set of updates to the different previously mentioned standards, namely:

- Amendments to IAS 1 - Submission and disclosure of financial statements:

    a) Classification of liabilities as current and non-current:
    This amendment published by the International Accounting Standards Board (IASB) provides additional clarity on the classification of liabilities as current and non-current by analysing the contractual conditions existing at the financial statements reporting date; and

    b) Submission of financial statements and IFRS Practice; Statement 2 - Disclosure of accounting policies: This amendment published by the IASB in February 2021 provides additional clarity on the disclosure of material accounting policies, rather than significant accounting policies, and introduces examples to identify a material accounting policy.

- IFRS 17 - Insurance Agreements: Within its scope of implementation, this standard lays down the principles for recognising, measuring, reporting and disclosing insurance Agreements. This standard replaces IFRS 4 - Insurance Agreements.
- Amendment to IAS 8 accounting standard - 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 an accounting estimate to a monetary amount in the financial statements that is subject to measurement uncertainty.
- Amendment to IAS 12 standard - Income Taxes - Deferred Taxes: This amendment published by the IASB in May 2021 provides additional clarity on the exemption from initial recognition of deferred taxes that does not apply to transactions that yield equal amounts of taxable and deductible temporary differences.
- Amendment to IFRS 17 - Insurance Agreements - Initial implementation of IFRS 17 and IFRS 9 - Comparative information: This amendment published by the IASB in December 2021 introduces changes on comparative information to be submitted when an entity adopts the two standards IFRS 17 and IFRS 9 simultaneously.
- There were no significant impacts, effects or repercussions on the Bank's financial statements arising from the adoption of these new aforementioned standards, interpretations, amendments and reviews.

34.3. Standards, interpretations, amendments and reviews of mandatory implementation in future financial years:

- Amendments to IFRS 16 - Leases - The lease liability in a sale-and-leaseback transaction requires a seller to proceed with regard to such a transaction, as follows:

  a) At initial recognition, the seller must include variable lease payments when measuring a lease liability arising from a sale and leaseback transaction;

  b) After initial recognition, the seller must implement the general requirements for subsequent accounting of the lease liability so that no gain or loss related to the retained right of use is recognised;

  c) Sellers are required to reassess and potentially restate sale-and-leaseback transactions entered into since the implementation of IFRS 16 in 2019.

- Amendments to IAS 1 - Submission of financial statements - Classification of liabilities as current or non-current and non-current liabilities with covenants, published in 2020 and 2022, respectively. These amendments provide additional clarity on the classification of liabilities as current or non-current based exclusively on the company's right to defer settlement for at least 12 months at the financial statements reporting date. The right must exist on the financial statements reporting date and must be material in nature. Only agreements that a company must fulfil on or before the financial statements reporting date can affect this right. Restrictive contractual clauses to be fulfilled after the balance sheet reporting date do not affect the classification of a liability as current or non-current at the balance sheet reporting date. However, disclosure about the covenants is now necessary to help interested parties/stakeholders to understand the risk that these liabilities may become repayable within 12 months of the financial statements reporting date. The amendments also clarify that the transfer of a company's treasury equity instruments is considered to be the settlement of a liability. If a liability has any conversion options, these generally affect its classification as current or non-current, unless those conversion options are recognised as equity in accordance with IAS 32 - Financial Instruments: Reporting.

The Bank does not anticipate that any significant material impacts or changes will be produced on its financial statements upon adoption of these new standards, interpretations, amendments and reviews aforementioned.

35. ACRONYMS AND ABBREVIATIONS

ABANC	Angolan Banks Association (in portuguese: Associação Angolana de Bancos)
Kz	Kwanza
Kz'000	Thousand of Kwanzas
ALCO	Assets and Liabilities Committee
AML	Anti Money Laundery
BCA	Angolan Commercial Bank (in portuguese: Banco Comercial Angolano, S.A.)
BNA	National Bank of Angola (in portuguese: Banco Nacional de Angola)
CB	Central Bank
BT	Treasury Bills
CA	Board of Directors
CE	Executive Committee
CFT	Combating of Financial Terrorism
CMC	Central Management Committee
DO	Demand Deposits
DP	Term Deposits
ECL	Expected Credit Loss
EMIS	Interbank Service Company (in portuguese: Empresa Interbancária de Serviços)
FATCA	Foreign Account Tax Compliance Act
FPR	Regulatory owned funds
FV	Fair Value
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profits and loss
IFRIC	Internacional Financial Reporting Interpretation Committee
IFRS	International Financial Reporting Standards
MINFIN	Ministry of Finance
Obrig.	Bonds
O.C.I.	Other Credit Institutions
OCI	Other comprehensive income
Op.	Operations
OT	Treasury Bonds
Rec.	Resources
USD	United States Dollars
USD'000	Thousand of US Dollars

BCA
Banco Comercial Angolano

Report and Opinion of the Fiscal Council

REPORT AND OPINION OF THE FISCAL COUNCIL

Dear Shareholders,

In accordance with Angolan laws and regulations, the Fiscal Council is required to issue a report on its supervisory duties and issue an opinion on the Financial Statements of Banco Comercial Angolano, S.A. (BCA) for the year ended 31 December 2023.

The Fiscal Council continuously monitored the evolution of the Bank's activity and verified the regularity of its accounting records, as well as the respective documentation. Within the scope of its powers, the Fiscal Council is pleased to acknowledge that it has always counted on the collaboration of the Executive Committee (EXCO), in providing the information it considered necessary to perform its duties accordingly.

The financial statements were subject to a full audit by the Bank's external auditors, whose qualified opinion is that, except for the possible effect of the qualification with regard to the application of International Accounting Standard (IAS) 29 – Financial Reporting in Hyperinflationary Economies, the financial statements present fairly, in all materially relevant aspects, the financial position of BCA as at 31 December 2023 and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS).

Having analysed the Bank's financial statements and considered the report of the External Auditor, it is the opinion of the Fiscal Council that the General Meeting should approve the Management Report and the Financial Statement for the year ended 31 December 2023.

The Fiscal Council, 23 April 2024.

João Paulo Borges de Sousa
(Chairman of the Fiscal Council)

Antónia de Oliveira Sebastião

Antónia Ariete Oliveira Sebastião
(Accountant Expert – Member)

Cahango

Esperança K. Rogeiro Cahango
(Member)

Banco Comercial Angolano

Independent Auditor's Report

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders
of Banco Comercial Angolano, S.A.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Qualified opinion

We have audited the accompanying financial statements of Banco Comercial Angolano, S.A. (hereinafter also referred to as "the Bank"), which comprise the Balance Sheet as of December 31, 2023 (that presents a total of 133 010 764 thousands of kwanzas and total equity of 42 105 654 thousands of kwanzas, including a net profit of 3 468 033 thousands of kwanzas), the income statement, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and the corresponding notes, including material information about the accounting policy.

In our opinion, except for the possible effect of the matter described in the first paragraph of the "Basis for qualified opinion" section, the attached financial statements appropriately present, in all material respects, the financial position of Banco Comercial Angolano, S.A. as of December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards.

Basis for qualified opinion

As disclosed in Note 2.1 of the annex, in accordance with the requirements set out in IAS 29 – "Financial reporting in hyperinflationary economies" ("IAS 29"), in the years ended December 31, 2017 and 2018, the functional currency of the Bank's financial statements corresponded to the currency of an hyperinflationary economy and ceased to have that classification from the year 2019 onwards, as a result, essentially, of the reduction of the inflation rate in Angola. With reference to those years, the Angolan Association of Banks (ABANC) and the National Bank of Angola ("Banco Nacional de Angola" – BNA) expressed its interpretation that not all the requirements established in IAS 29 to consider Angolan economy as an hyperinflationary economy were met. Consequently, the Bank's Board of Directors decided not to apply the requirements of IAS 29 in its financial statements for those years and also did not make the necessary adjustments in the financial statements of the following years, with respect to the opening balances and to the adjustments that result from the application of the requirements in IAS 29 when an economy ceases to be hyperinflationary. Until the current date, we have not obtained sufficient information to enable us to quantify the effects of this situation on the Bank's financial statements as of December 31, 2023.

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Our audit was conducted in accordance with the International Standards on Auditing (ISA) and other technical and ethical standards and guidelines of the Angola Institute of Statutory Auditors ("Ordem dos Contabilistas e Peritos Contabilistas de Angola"). Our responsibilities under these standards are described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section below. We are independent from the Bank in accordance with the law and comply with the other ethical requirements in accordance with the code of ethics of the Angola Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Other matters

The financial statements of the Bank are expressed in kwanzas, which is the Bank's functional currency. The financial information in the financial statements and in the corresponding notes in United States dollars is presented only for reading convenience and was converted based on the criteria described in Note 2.1 and should not be interpreted as the representation that the amounts in kwanzas have been, could have been or may be in the future converted into United States dollars.

Responsibilities of Management and Supervisory Body for the financial statements

The Management is responsible for:

- the preparation of financial statements that appropriately present the financial position, financial performance and cash flows of the Bank in accordance with the International Financial Reporting Standards (IFRS);

- the creation and maintenance of an appropriate internal control system to allow the preparation of financial statements that are free from material misstatement due to fraud or error;

- the adoption of accounting policies and criteria appropriate in the circumstances; and

- the assessment of the Bank's ability to continue as a going concern, disclosing, when applicable, matters that may cast significant doubt on the continuity of its operations.

The supervisory body is responsible for supervising the process of preparing and disclosing the Bank's financial information.

Auditor's responsibilities for the audit of the financial statements

Our responsibility consists in obtaining reasonable assurance on whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of those financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit and we also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement

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resulting from fraud is higher than not detecting one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;

- conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether any material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we should draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Bank to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether those financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- communicate with those charged with governance, including the Supervisory Body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiency in internal control identified during the audit.

Luanda, April 26, 2024

Deloitte Auditores, Lda.
Representada por José António Mendes Garcia Barata
Membro da OCPCA nº 20130163

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

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Edition:

Banco Comercial Angolano, S.A.

Design:

Futuro Publicidade, Lda.

May 2024