Report 1st Half 2022

BFA

Key Indicators

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Key Indicators

Amounts stated in thousand of Kwanzas

	Jun-21	Jun-22	Δ%
Total Assets	2 793 711	2 418 644	-13,4%
Loans to Customers[1]	306 622	382 531	24,8%
Customers Deposits	2 142 349	1 836 774	-14,3%
Equity and Equivalent Capital	328 221	411 062	25,2%
Operating Income	124 016	125 113	0,9%
Net Financial Income	90 744	104 512	15,2%
Non-Interest Income	33 272	20 601	-38,1%
Overheads[2]	52 282	54 131	3,5%
Net Profit	62 623	67 227	7,4%
Return on Total Assets [ROA]	4,6%	6,2%	1,6 p.p.
Return on Equity [ROE]	25,7%	39,9%	14,2 p.p.
Cost-to-income	42,2%	43,3%	1,1 p.p.
Total Assets / Staff	1 013,7	881,8	-13,0%
Loan-to-Deposit ratio	15,7%	22,8%	7,1 p.p.
Total Capital Ratio[3]	38,3%	39,8%	1,5 p.p.
90 days past-due credit ratio[4]	6,0%	3,3%	-2,7 p.p.
90 days past-due credit provisions coverage	239,8%	359,2%	119,4 p.p.
Credit provisions coverage due Impairment(s)	11,5%	9,3%	-2,2 p.p.
Total number of Branches[5]	197	194	-3
Total number of Staff Members	2 756	2 743	-13
BFA Net Market share	9,10%	9,07%	-0,03 p.p.
Debit Cards Market Share	54,7%	53,0%	-1,7 p.p.

1) Total credit net of impairments
2) It comprises staff costs, third party supplies and services, depreciation and amortization
3) Total Capital Ratio = Capital Adequacy Ratio
4) 90 days past-due credit ratio = Overdue Loans to Customers / Total Loans to Customers
5) Branchs + Corporate Centres + Investment Centres + Private Banking

Governing Bodies Composition

Board of the General Meeting

Chairman

João Boa Francisco Quipipa

Secretary

Tidiane de Sousa Mendes dos Santos

Company Secretary

Custodio Moreira João

Board of Directors

Chairman

Rui Jorge Carneiro Mangueira

Deputy-Chairman

Osvaldo Salvador Macaia

Non-Executive Directors

Divaldo Kienda Feijó Palhares
Jacinto Manuel Veloso
João Fernando Quíuma
Filomeno da Costa Alegre Alves de Ceita

Executive Committee

Chairman

Luís Roberto Gonçalves

Executive Directors

Vera Escórcio
Sebastião Massango
Natacha Sofia Barradas
António Simões Matias
Paulo Freitas Alves
António Manuel Alfaia

External Auditor

Auditor

KPMG Angola – Audit, Tax, Advisory, S.A.

Supervisory Board

Chairman

Ari Nelson Correia Brandão

Member

João Filipe Melão Dias

Member

Valdir de Jesus Lima Rodrigues

Board of Directors' Support and Advisory Committees

In accordance with the international standards laid down by the European Banking Authority (EBA) and the new General Framework for Financial Institutions and Notice n.º 01/2022 on Corporate Governance, the Bank currently has 5 Board of Directors' support and advisory committees, namely:

Audit and Internal Control Committee (AICC)

Chairman

Rui Jorge Carneiro Mangueira

Non-Executive Directors

Osvaldo Salvador Macaia
Jacinto Manuel Veloso
Filomeno da Costa Alegre Alves de Ceita
João Fernando Quíuma

Risk Committee (RC)

Chairman

Jacinto Manuel Veloso

Non-Executive Directors

Divaldo Kienda Feijó Palhares
Filomeno da Costa Alegre Alves de Ceita

Innovation and IT Committee (IITC)

Chairman

Osvaldo Salvador Macaia

Non-Executive Directors

João Fernando Quíuma
Divaldo Kienda Feijó Palhares

Environmental and Social Responsibility Committee (ESRC)

Governance, Nomination, Evaluation and Remuneration Committee (GNERC)

Chairman

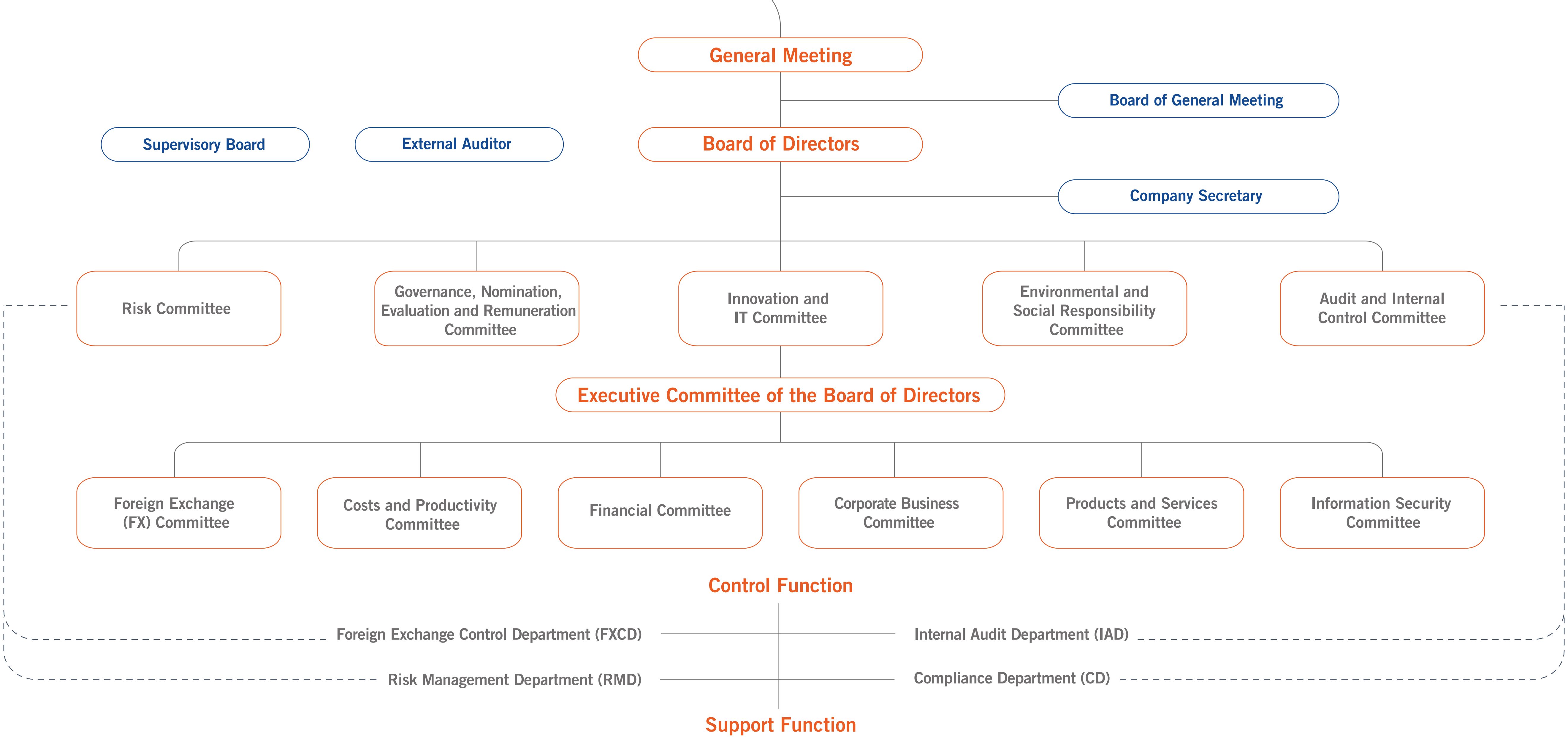
Rui Jorge Carneiro Mangueira

Non-Executive Directors

Osvaldo Salvador Macaia
Filomeno da Costa Alegre Alves de Ceita

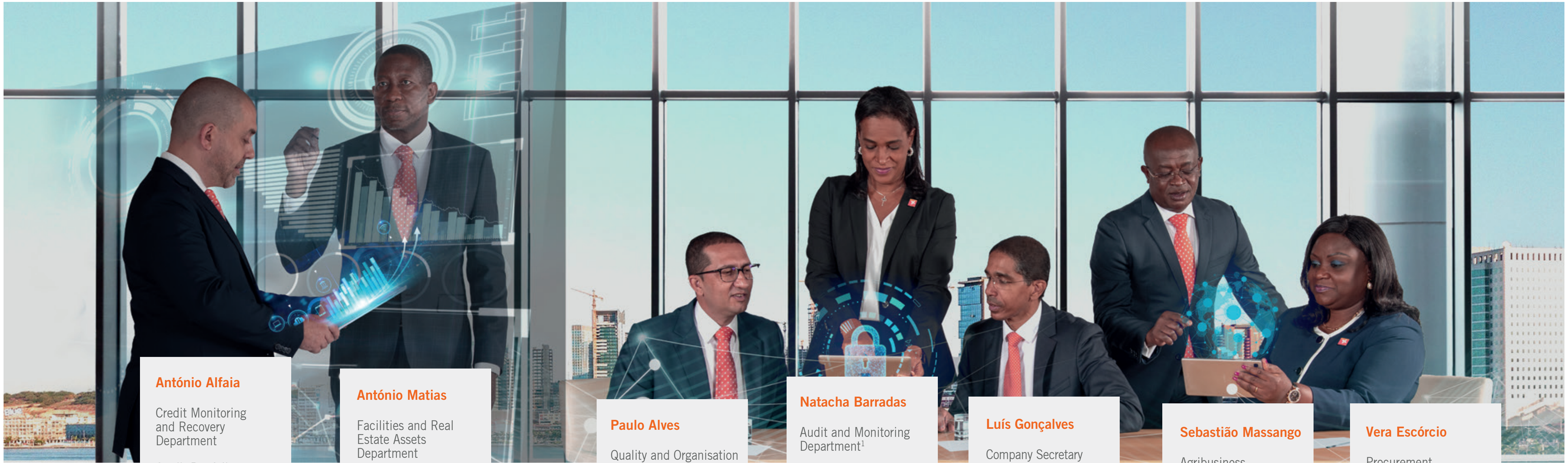
Consultant
José Octávio Serra Van-Dúnem

Governing Bodies



Executive Committee of the Board of Directors - Organisational Chart

The Bank's organisation chart is based on a functional structure, which allows for a clear breakdown of each Department's business areas and functions, under the control of each one of the Executive Directors.



António Alfaia
- Credit Monitoring and Recovery Department
- Credit Portfolio Management Department
- Corporate and Business Credit Risk Management Department
- Large Corporations and Projects Risk Management Department
- Individual Customers Credit Risk Management Department

António Matias
- Facilities and Real Estate Assets Department
- Means of Payment Department
- Operations and Treasury Department
- Foreign Operations Department
- Processing and Control Operations Department

Paulo Alves
- Quality and Organisation Department
- IT Department
- Private Initiatives and Projects Management Department
- Agreements&Partnerships Management Department
- Large Corporations Department
- Medium-Sized Companies Department
- Institutional and Oil & Gas Department

Natacha Barradas
- Audit and Monitoring Department[1]
- Compliance Department
- Foreign Exchange Control Department
- Risk Directorate-General
- Legal Department

Luís Gonçalves
- Company Secretary
- CEO's Office
- BFA Training Academy
- Investment Banking Division
- Human Resources Department
- Marketing Department
- Institutional Relations Department

Sebastião Massango
- Agribusiness Department
- Investment Centres Department
- Private Banking Division
- Individual and Corporate Customers Department (North Area)
- Individual and Corporate Customers Department (South Area)

Vera Escórcio
- Procurement Department
- Accounting and Planning Department
- Financial and International Department
- Social Responsibility Department

1-Reports directly to the Charmain of the Board of Directors

Executive Committee of the Board of Directors

Luís Gonçalves

CEO

Nationality: Angolan
Date of Birth
6 July 1972

Mr. Luís Roberto Gonçalves holds a Bachelor's Degree in Higher Management Accounting from the Lusíada University of Angola and has completed a Postgraduate Degree in Monetary and Financial Economics at the University of Évora, Portugal. On Mr. Luís Gonçalves' academic record and professional career stands out the training in Prevention of Money Laundering and Counter-Terrorist Financing & Sanctions from PricewaterhouseCoopers (PWC), and an Effective Leadership Program attended and completed at Nova School of Business & Economics as well as a training programme in Interbank Markets, managed by Intermoney Portugal SFC. In 2019, he attended the Corporate Governance training course administered by the Financial Services Volunteer Corps ("FSVC") organization.

Mr. Luís Roberto Gonçalves commenced its banking career in 1996 at BFA, having held various high-profile and key management positions at the Bank for several years. In 2016, Mr. Gonçalves was entrusted with the mission of setting up from scratch the BFA Asset Management ("BFA Gestão de Activos), having served as its Chief Executive Officer (CEO). Until early 2020, Mr. Gonçalves served as Executive Director of Banco Crédito do Sul. Prior to carrying out these executive functions, Mr. Gonçalves also performed key executive management positions at Banco KEVE.

Executive Committee of the Board of Directors

Vera Escórcio

Director

Nationality: Angolan
Date of Birth
17th September 1974

Mrs. Vera Escórcio holds a Degree in Economics with a major in Business Economics from the Nova School of Business & Economics. Mrs. Escórcio also completed a Postgraduate Degree in Banking Management at the High Education Institute at the Madrid University and also holds in her academic curriculum an Advanced Management Banking Programme from the Católica Lisbon School of Business & Economics.

Mrs. Vera Escórcio has performed the duties of BFA Executive Director since 2009. Mrs. Escórcio has 19 years of work experience within the banking sector, which began in 2001 in BFA's Financial Department. Mrs. Escórcio has also worked at Banco BIC, where she held the key management position as Head of the Financial Department. Moreover, Mrs. Escórcio has previously held senior high-profile positions such as acting member at Nova Cimangola Supervisory Board and acting member at the ABANC Supervisory Board (Angolan Banking Association) .

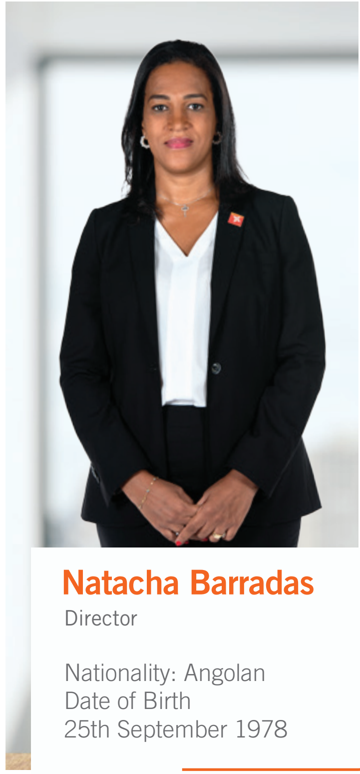
António Matias

Director

Nationality: Angolan
Date of Birth
19th July 1968

Mr. António Simões Matias holds a Bachelor's Degree in Business Management from the Economics School of the Agostinho Neto University and has completed a Postgraduate Degree in Banking, Insurance and Financial Markets at the High Education Institute of Languages and Business Administration of Lisbon - Portuguese acronym ISLA).

Mr. António Simões Matias has performed the duties of BFA Executive Director (Board Member) since 2005 as well as Chairman of the Board of Directors of the Banking Training Institute of Angola (IFBA). In addition to a professional career in the economic field, he has over 20 years' work experience in the banking business sector, having joined BFA in January 1998. During his professional trajectory, he has held several high-profile executive management positions in the Credit Business Division and in the Corporate Department.



Natacha Barradas

Director

Nationality: Angolan
Date of Birth
25th September 1978

Mrs. Natacha Barradas holds a Law Degree from the Catholic University of Angola. Mrs. Barradas also holds two post-graduate Degree in Corporate Law and International Trade Law from the Lisbon University and the Agostinho Neto University, respectively. Additionaly, Mrs. Barradas has also completed and obtained a Master's Degree in Business and Law from the Portuguese Catholic University.

Mrs. Natacha Barradas has served as Head of the Legal Department, Company Secretary and Chairwoman of the Shareholders' General Meeting Board of Standard Bank Angola. Mrs. Barradas has also held the position for a two-year period as Acting Member of the Supervisory Board of the Angolan Sovereign Wealth Fund (FSDEA). Mrs. Barradas is also a partner at LEAD Attorneys at Law since 2017 and has previously worked at several law firms such as: MLGTS - Morais Leitão, Galvão Teles, Soares da Silva and FBL - Faria De Bastos e Lopes Associated Lawyers. In 2013, she joined the Angolan Ministry of Finance as Head of the Legal Office and later as Director of the Minister of Finance's Office. Mrs. Barradas has also worked as a legal adviser at BPI Bank in 2008 and at the Angolan New Insurance Company (Nossa Seguros) in 2005. In 2005, Mrs. Barradas also held a lecturer position at the Angolan Catholic University Law School.

Executive Committee of the Board of Directors

António Alfaia
Director

Nationality: Portuguese
Date of Birth
11th January1973

Mr. António Manuel Alfaia holds a Bachelor's Degree in Business Management from the High Education Institute of Languages and Business Administration of Lisbon (Portuguese acronym ISLA). Mr. Alfaia also holds a Postgraduate Degree in Management Control and Performance from the Overgest/ISCTE. Moreover, Mr. Alfaia has also attended and completed an Executive Programme in Financial Institutions Management at the Portuguese Catholic University.

Mr. António Alfaia, during its banking professional trajectory has performed duties within the Retail Sector, In Store Banking and Factoring operational business activities, and has also held the position of Commercial Director at Banco BPI within the Private and Corporate business areas. In 2008, Mr. Alfaia began its professional career at BFA, performing duties in the Private and Corporate Credit Risk Departments, Workplace Banking, Credit Risk Management, at the same time that it was appointed and entrusted with the implementation of the IFRS9 standard. In 2020, Mr. Alfaia was appointed General Manager of the Lending/Credit Division at BFA, with overall management duties for all business areas related to the granting, monitoring, recovery and operational management of credit.

Sebastião Massango
Director

Nationality: Angolan
Date of Birth
10th September 1976

Mr. Sebastião Machado Francisco Massango holds a Bachelor's Degree in Business Management from the School of Economics of the Agostinho Neto University. In addition, Mr. Sebatião Massango also holds in its academic curriculum a Postgraduate Degree in Business Management from the Portuguese Catholic University.

Mr. Sebastião Massango, has an 18-year professional track record at BFA, having held throughout its banking career several key and high-profile executive management positions in the Corporate Banking Divison as well as in the Risk Department. In 2019, Mr Sebatião Massango also performed the duties of Executive Manager in the Agribusiness Directorate.

Paulo Alves
Director

Nationality: Angolan
Date of Birth
24th November 1978

Mr. Paulo Freitas Alves holds a Bachelor's Degree in Linguistics with a major in English Language from the High Education Institute of Educational Sciences of Lubango. Moreover, Mr. Paulo Freitas Alves also holds a Master's Degree in Business Management from the Distance Education University of Lisbon (Universidade Aberta de Lisboa).

Mr. Paulo Freitas Alves has a wealth of experience in the Business Commercial field as well as in the leadership of multidisciplinary teams. Throughout his banking career, Mr. Paulo Alves held the following positions in other Financial Institution(s): Assistant Clerk, Credit Technician, Counter Manager, Branch Deputy-Manager and Branch Manager. In 2005, Mr. Paulo Alves received an invitation to join the BFA team as General Manager, and until 2017 has held several key management positions in the Private and Corporate Business Divisions, namely: General Manager, Area Manager, Assistant Manager and Commercial Director. Mr. Paulo Alves was later challenged to join the Transformation Project team as Coordinator/Team Leader of one of the work groups. In 2019, he joined the Corporate Banking Division.

Economic Environment

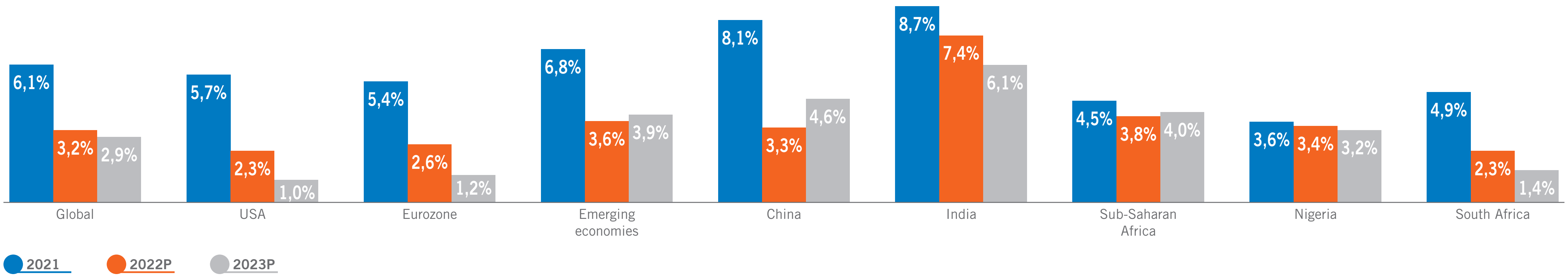
Global Economy

According to the IMF (International Monetary Fund), FY2021 was a year of a strong recovery in global economic activity, recording a 6.1% growth, following a 3.1% decline in FY2020 as a result of the Covid-19 pandemic. A more moderate economic growth of approximately 3.2% is forecasted for the FY2022. The war in Ukraine and its international ramifications and effects, the new constraints and lockdowns imposed in China with direct impact on global supply chains, the sharp rise of inflation, the slowdown in both consumer spending and investment, as well as the turmoil and volatility in the financial markets are among the key factors identified and listed by the IMF as driving the current increasingly uncertain economic landscape.

Among the developed economies, the drop in consumer spending, due to the loss of purchasing power and the negative effects of a tighter monetary policy, has decreased to approximately 2,3% the United States growth forecasts for the FY2022. With regard to the Euro Area, the aftermath and fallout of the war on European territory, as well as the prospect of an increase in the key ECB interest rate, predict a growth forecast of 2.6% for FY2022.

On the other hand, with regard to China, the repeated constraints and lockdowns imposed by the government are likely to cause a sharp downturn of the economy, which is not expected to grow above 3.3% in FY2022, which may cause a particular contagious effect on the other emerging Asian economies. The slowdown of the Indian economy to 7.4% is due to external conditions and a less favourable monetary policy. With regard to the Middle East and sub-Saharan African countries, the growth outlook is driven by the effects of high oil and metal prices, commodities of which they are exporting countries. With regard to South Africa, a sharp decline in economic growth is forecasted for FY2022, which is not expected to exceed 2.3%, while Nigeria maintains a growth forecast of 3.4% for FY2022.

Global Economic Growth



2021

Developed Economies

- Growth forecast of 5,2%
- Economic activity resumes
- Covid-19 lifting of constraints

Emerging Economies

- Growth forecast of 6,8%;
- Sub-Saharan Africa is expected to grow 4.5%;
- China with an 8.1% positive performance.

Global Economy: 6,1% growth rate

2022

Developed Economies

- Growth forecast of 2,5%
- Slowdown in the recovery of the economic activity
- Ukraine War, inflation and monetary policy

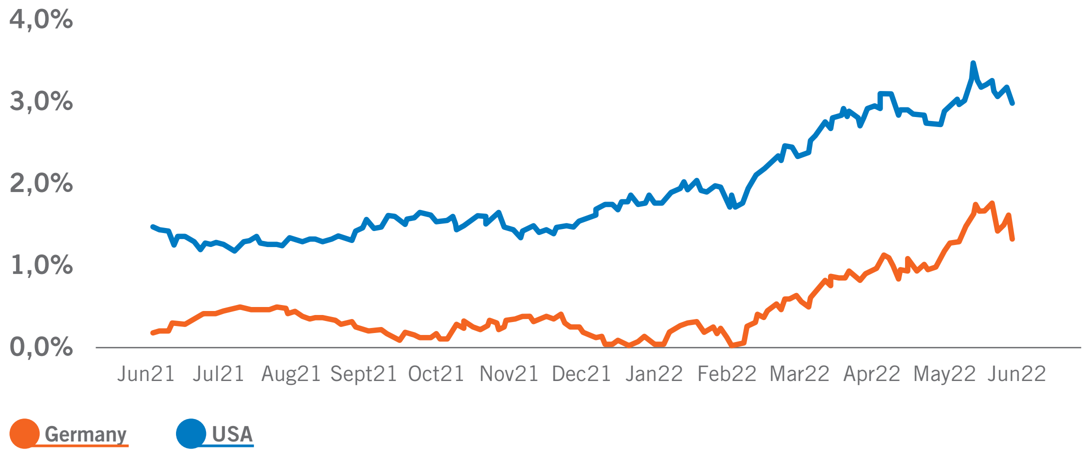
Emerging Economies

- Growth forecast of 3,6%
- Sub-Saharan Africa is expected to grow 3,8%
- Economic growth slowdown in China

Global Economy: 3,2% growth rate

Money and Bond Markets

10-year sovereign debt yield



Source: Bloomberg

US yield rate rise in March **25 pb**

US yield rate rise in May **50 pb**

Average rise (Germany and USA) since start of year **1,3 pp**

Uncertainty regarding the outcome of the war in Ukraine, as well as inflationary pressures in the main developed economies have impacted the performance of financial markets throughout the 1st half of FY2022. As a result, the main equity indexes have depreciated considerably since the beginning of the year, while energy and food commodity prices have risen, and all forecasts indicate that this trend will continue for several months.

The US Federal Reserve raised its benchmark interest rate twice during the first half of the year - the last time it raised the benchmark interest rate 75 basis points to 1.5% - 1.75%, with further rises expected during the financial year - and it has confirmed the start of the balance sheet downsizing as of the second half of the year, at an initial monthly rate of USD 47.5 billion. The US treasury bonds yield has continued its upward trend since March, reaching all-time highs since 2018.

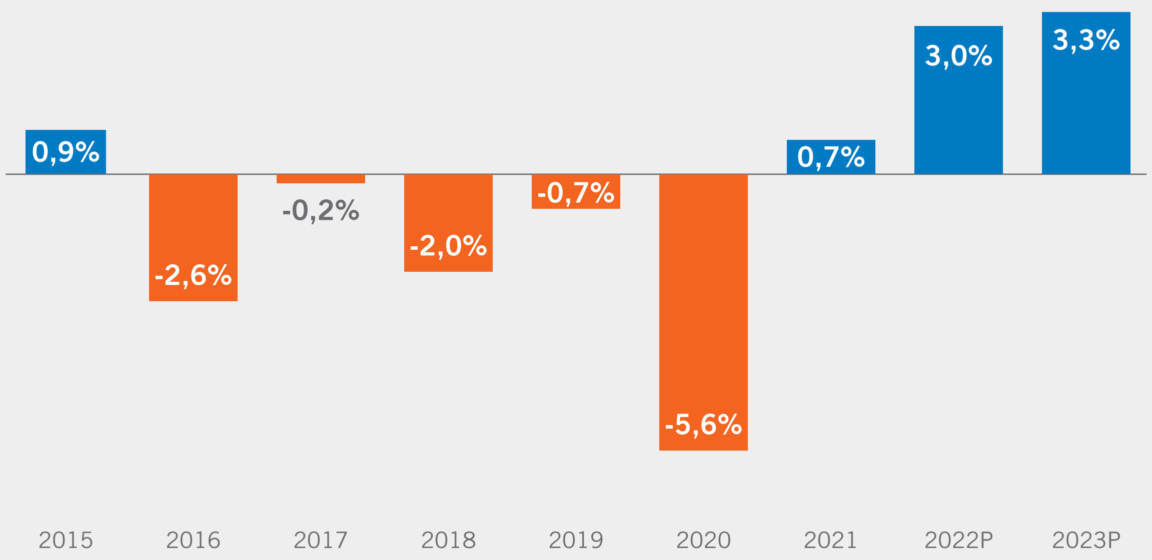
Following the decision of the US Federal Reserve, the European Central Bank decided to end as of July the net purchases of its asset purchase programme launched in 2015, following what it had already done in March regarding the purchase programme launched to counter the impact of the covid-19 outbreak. The 10-year interest rates on German bonds have risen this half year to over 1%, something not seen since 2014.

Consequently, with the acceleration of inflationary trends, the monetary policy in the main economies became tighter, which rapidly impacted on US sovereign debt interest rates, as well as in the Euro Area Economies, thus triggering a knock-on effect on emerging countries' sovereign debt.

Angolan Economy

Economic Activity

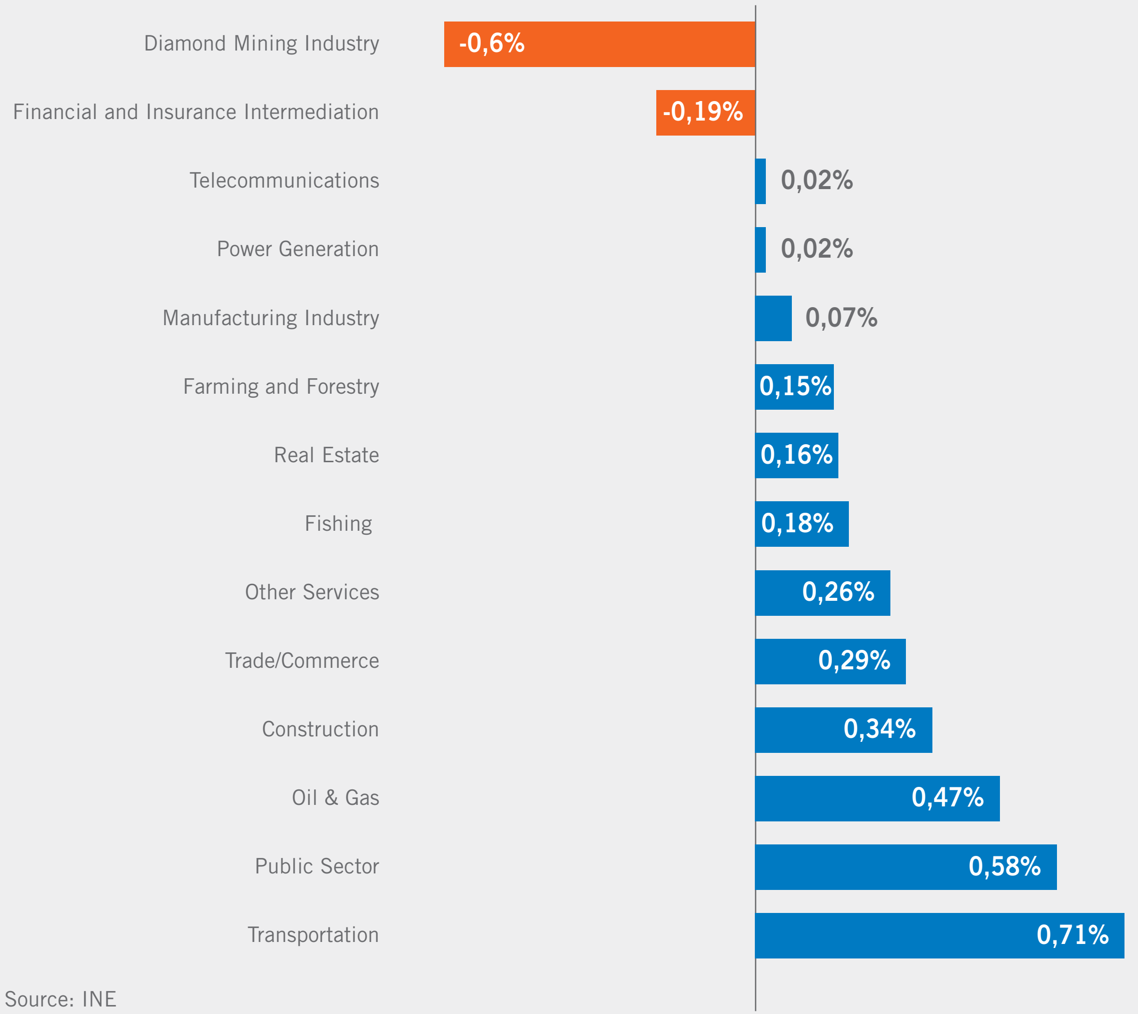
Angola's Real GDP Growth



The outlook for Angola's economic recovery is bright and promising due to the advances made in implementing structural reforms, which include the diversification of several economic activity sectors, as well as the positive upward trend in the price of oil and the exchange rate.

The IMF forecasts 3.0% growth for Angola's GDP in FY2022, following the 0.7% rise recorded in FY2021, which brought five years of recession to an end. In the first quarter of the year, the economy grew 2.6% year-on-year, with the strongest inputs to the country's economic activity growth being provided by the following sectors: Transportation, Public Service (Government), Oil&Gas and Construction.

Economic activity sectors inputs to GDP Growth in Q1 2022

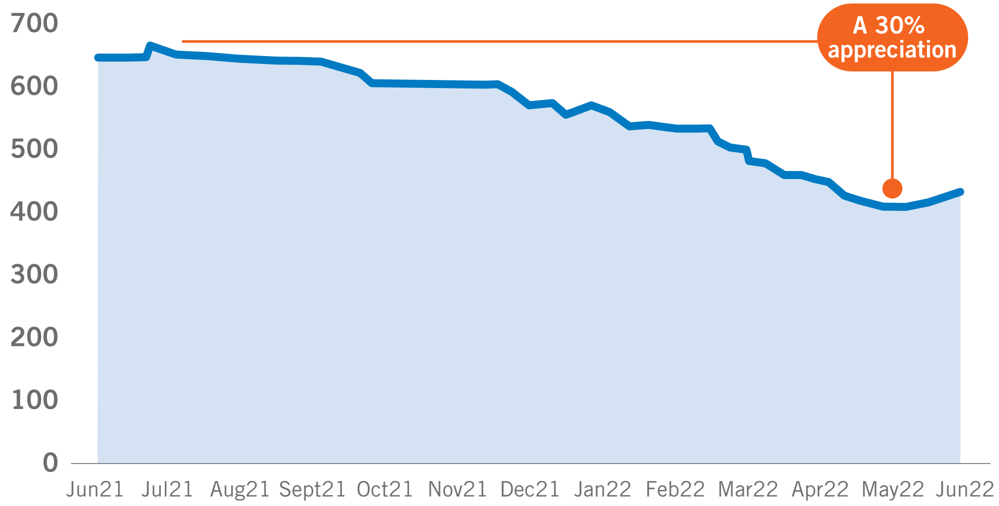


Source: INE

The increase in crude oil output to approximately 26.3 thousand barrels (26.300) per day in oil exports recorded in the 1st half of the year, stemmed from the investments made in the several oil and gas exploration blocks that have generated new oil and gas output, in particular the Platina field, in the offshore Block 18 (BP), the Cuica and Ndungu areas, in the offshore Block 15/06 (ENI), and both the Zinia Phase 2 and Clov Phase 2 projects located in the offshore Block 17 (Total). It was this increase that allowed Oil GDP to rise in the 1st quarter of FY2022, the first upswing or increase since 2016.

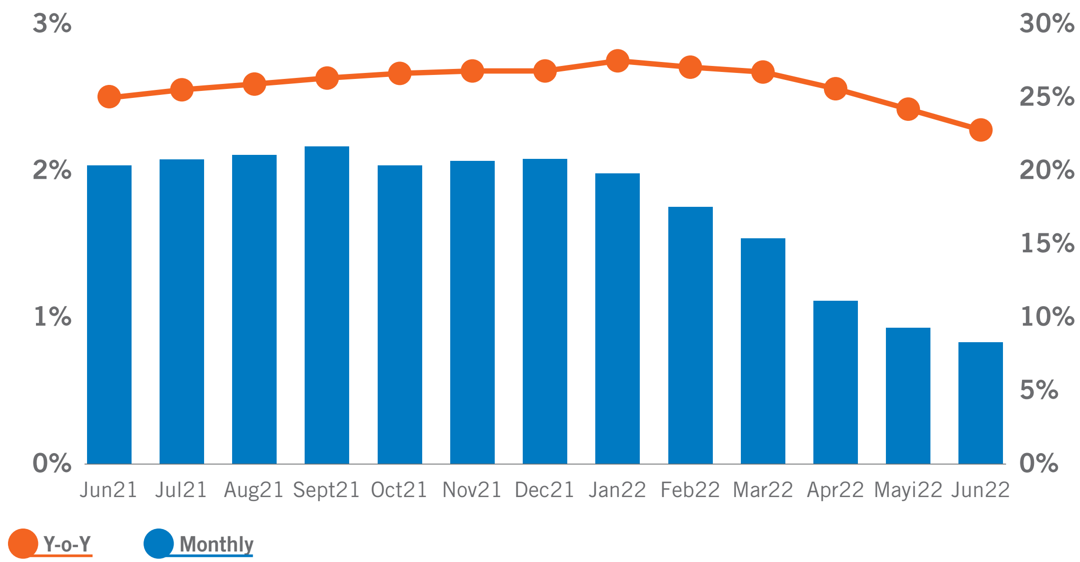
At the June 2021 meeting, the Monetary Policy Committee (MPC) of Banco Nacional de Angola (BNA) decided to increase the BNA's base interest rate from 15.5% to 20%, where it currently remains, reinforcing a very restrictive monetary policy with an upward trend in interest rates on loans and deposits in order to contain inflationary pressures. In June 2022, the MPC also decided to decrease the minimum capital requirements or the Total Capital Ratio in local currency from 22% to 19%, which will have a positive impact on the Bank's liquidity and, by extension, on the financing and lending to the real economy. The purpose of the minimum capital requirements coefficient reduction is also to increase the Kwanza monetary base in circulation and, as a result, to curb the appreciation of the national currency, which, in June, had already appreciated approximately 30% against the USD.

Average Exchange Rate USD/AOA



Source: BNA

Monthly and year-on-year inflation in Angola

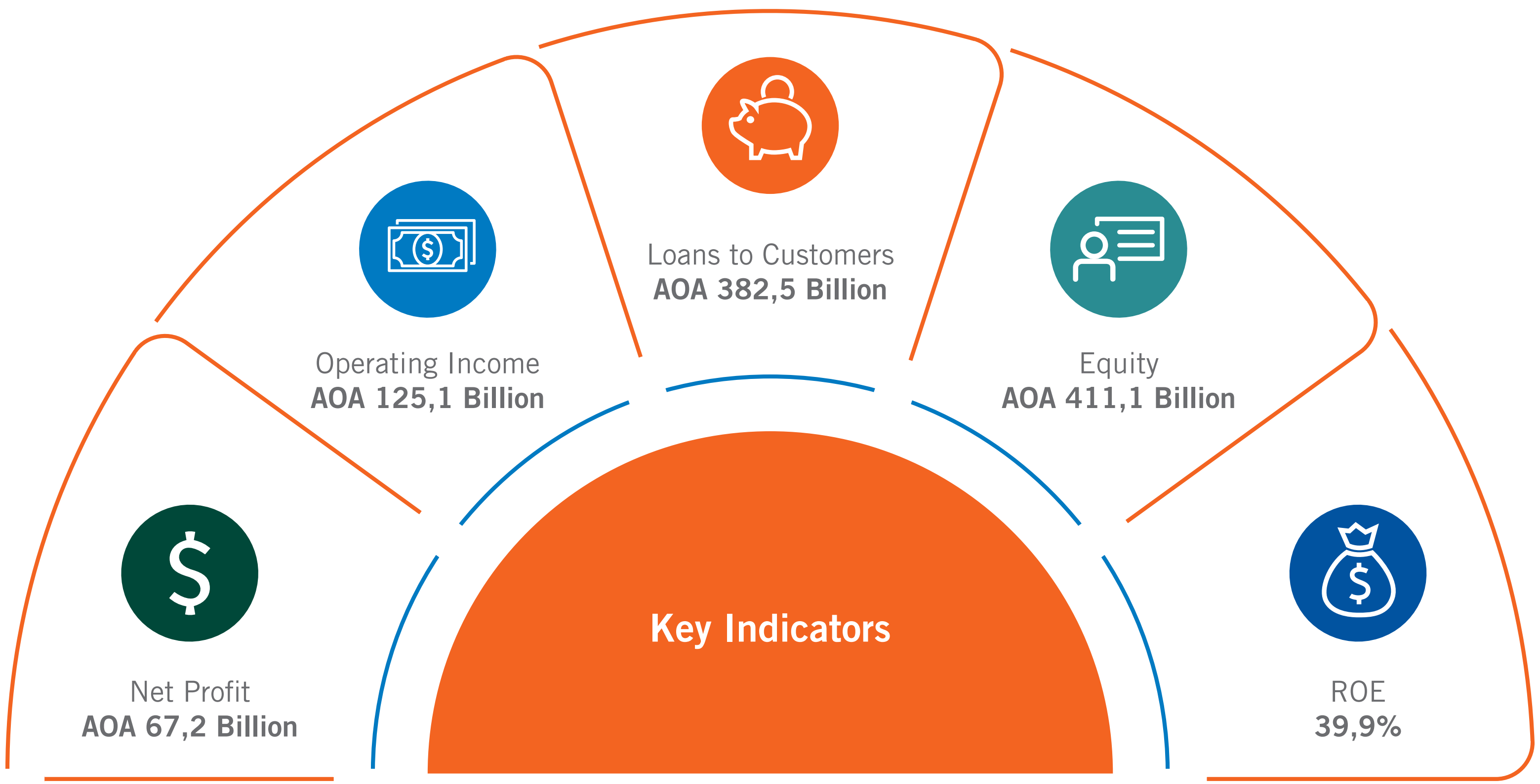


Source: INE

The indicators of inflation have been falling, due to the following factors: (i) the 29.5% appreciation or strengthening of the Kwanza against the USD and 41.1% against the EUR in the 1st half of the year (following the upward trend already seen in 2021), (ii) the tight monetary policy (despite the first decrease in May, with a reduction in regulatory capital rates in national currency), and (iii) the withdrawal of customs duties and the use of the Strategic Food Reserve.

In summary, the macroeconomic environment has followed an upward trend towards greater economic stabilisation and confidence, with inflation indicators on a downward path, coupled with interest rates on the national public debt, which in due course should also influence the overall interest rates in the country's economy.

Financial Review



In the first half of FY2022, BFA's net profit recorded a 7.4% growth against the same period of the previous year, amounting to AOA 67 227.4 million.

The net profit increase in the 1st half of FY2022, totalling AOA 4 604.5 million, primarily arose from the strong growth in net financial income, to AOA 13 768.4 million, which offset the decline in non-interest income to AOA 12 671.3 million and the overheads increase to the amount of AOA 1 848.6 million.

The growth recorded in the net financial income is primarily due to the increase in income from the securities account headings, particularly from the investments portfolio at amortised cost, through Treasury Bonds and short-term investments, particularly through the purchase of securities with reverse repurchase agreements (Repos).

In addition, reversals of impairment losses amounting to approximately AOA 2,708.1 million were recorded.

In summary, **BFA's financial performance highlight the Bank's soundness and strength in a challenging macroeconomic environment and are consistent with the high standards of efficiency and operational effectiveness of the financial institution**

With regard to the balance sheet, loans and advances to customers granted by the Bank recorded a growth of AOA 75 909.2 million year-on-year, equal to a 24.8% increase. This growth is the result of the loan portfolio increase granted in domestic currency, to the amount of approximately AOA 106 690.1 million, but was negatively offset by the impact of the loan portfolio decrease granted in foreign currency (AOA 15 417.0 million), and by the impact of the national currency Kwanza exchange rate appreciation on this same portfolio (negative impact of AOA 15 364.8 million).

On the liabilities side, notwithstanding the apparent 14.3% drop in Customer Assets, equivalent to AOA 305 575.2 million year-on-year, it should be noted that this variation is essentially due to the exchange rate, with effective growth having taken place in both the Customer Assets portfolio in national currency to the amount of approximately AOA 111 589.5 million, as well as in the Customer Assets portfolio in foreign currency, to the amount of approximately AOA 159 117.7 million. The Customer Assets portfolio's actual growth was negatively offset by the impact of the broad-based exchange rate appreciation, which resulted in a portfolio decline totalling AOA 576 282 million.

The heading "Equity and Equivalent Capital" recorded a positive variation of 25.2% year-on-year, totalling AOA 411,061.7 million, largely due to the increase in Capital Reserves and Retained Earnings from FY2021, as well as the increase in Net Profit in the 1st half of FY2022, year-on-year.

The heading "Return-on-Equity" (ROE) increased 14.2 p.p. to 39.9%, year-on-year.

The Total Capital Ratio computed according to the regulations published by the BNA, reached 39.8%, a figure comfortably above the minimum capital requirements (Regulatory Capital), and even higher than the 38.3% recorded in June FY2021.

In the 1st half of FY2022, as a result of an efficient and effective corporate management performance, BFA proceeded to deliver value to its Customers, Shareholders, Staff Members and other stakeholders.

Balance Sheet Soundness and Resilience to meet future Challenges

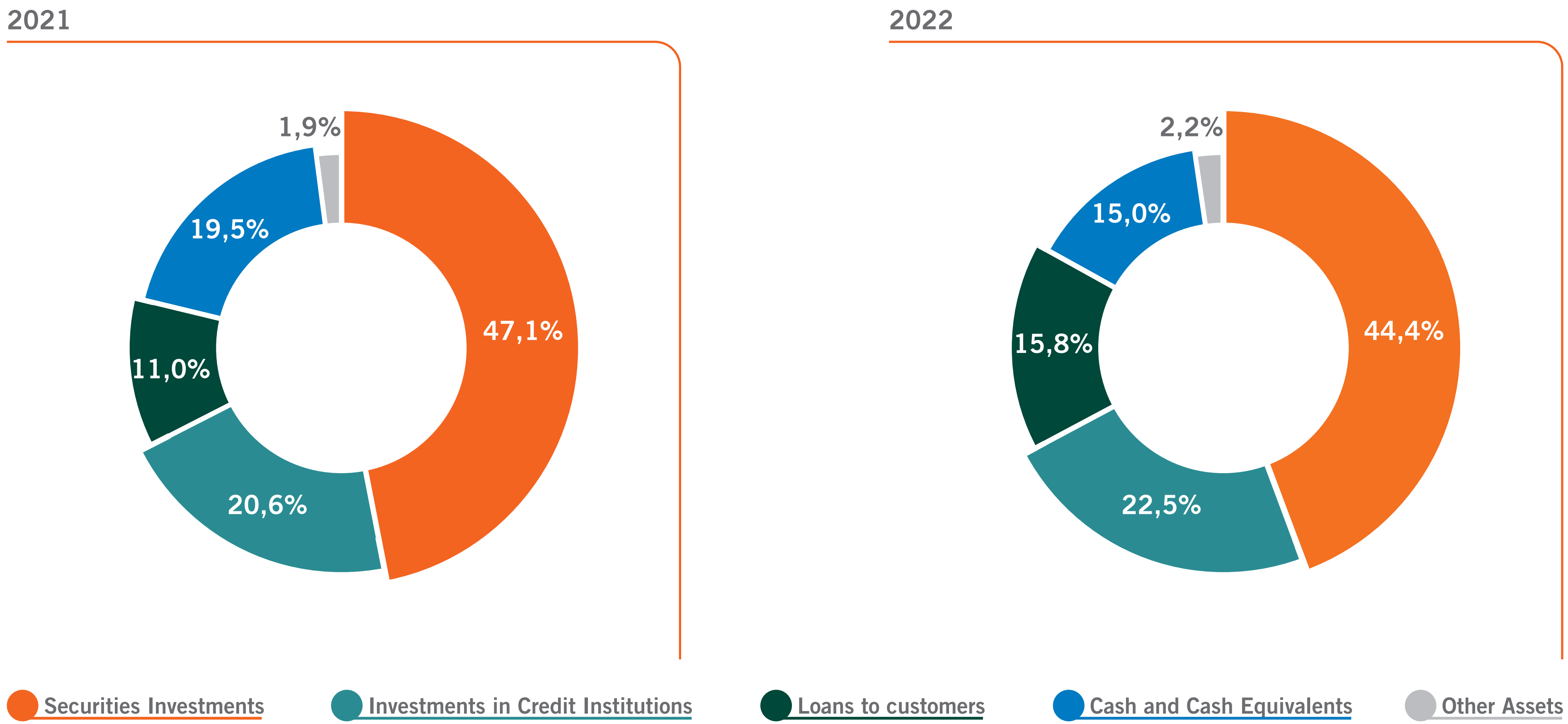
Balance Sheet 2021 - 2022

Amounts stated in thousand of Kwanzas

	Jun-21	Jun-22	Δ%
Net Assets			
Cash and Cash Equivalents	545 391,7	363 490,3	-33,4%
Total Short-Term Investments	2 195 999,0	2 000 813,9	-8,9%
Cash and Balances at Central Banks and Other Credit Institutions	574 756,4	543 781,5	-5,4%
Loans to Customers	306 622,0	382 531,1	24,8%
Investments in Securities	1 314 620,7	1 074 501,2	-18,3%
Other tangible and intangible assets net of depreciation and amortization	31 345,2	40 675,9	29,8%
Other Assets	20 974,5	13 663,7	-34,9%
Total Assets	**2 793 710,5**	**2 418 643,8**	**-13,4%**
Liabilities			
Deposits from Central Banks and Other Credit Institutions	19 198,4	14 969,9	-22,0%
Deposits from Customers	2 142 349,1	1 836 773,9	-14,3%
Other Liabilities	262 589,2	112 196,4	-57,3%
Provisions for Risks and Charges	41 352,4	43 641,8	5,5%
Total Liabilities	**2 465 489,1**	**2 007 582,0**	**-18,6%**
Equity and Equivalent Capital	**328 221,4**	**411 061,7**	**25,2%**
Total Liabilities and Equity	**2 793 710,5**	**2 418 643,8**	**-13,4%**

In June of FY2022, BFA recorded total Net Assets in the amount of AOA 2 418 643.8 million, a drop of 13.4% year-on-year. This variation was mainly due to the decrease in the headings "Cash and Balances at Central Banks and Other Credit Institutions" (AOA -181 901.4 million) and "Investments in Securities" (AOA -240 119.5 million) which offset the increase in the heading of "Loans to Customers" (AOA +75 909.1 million).

It is noteworthy to highlight the strong impact of the Kwanza's exchange rate appreciation, which results in a lower countervalue in kwanzas with regard to the exposures denominated in foreign currency. With regard to Total Assets, the impact of this heading caused a decline of approximately AOA 468,513.7 million due to the exchange rate appreciation effect, thus enabling the effective growth of Total Assets, which totalled AOA 93,447.0 million.



Balance Sheet 2021 - 2022

Amounts stated in thousand of Kwanzas

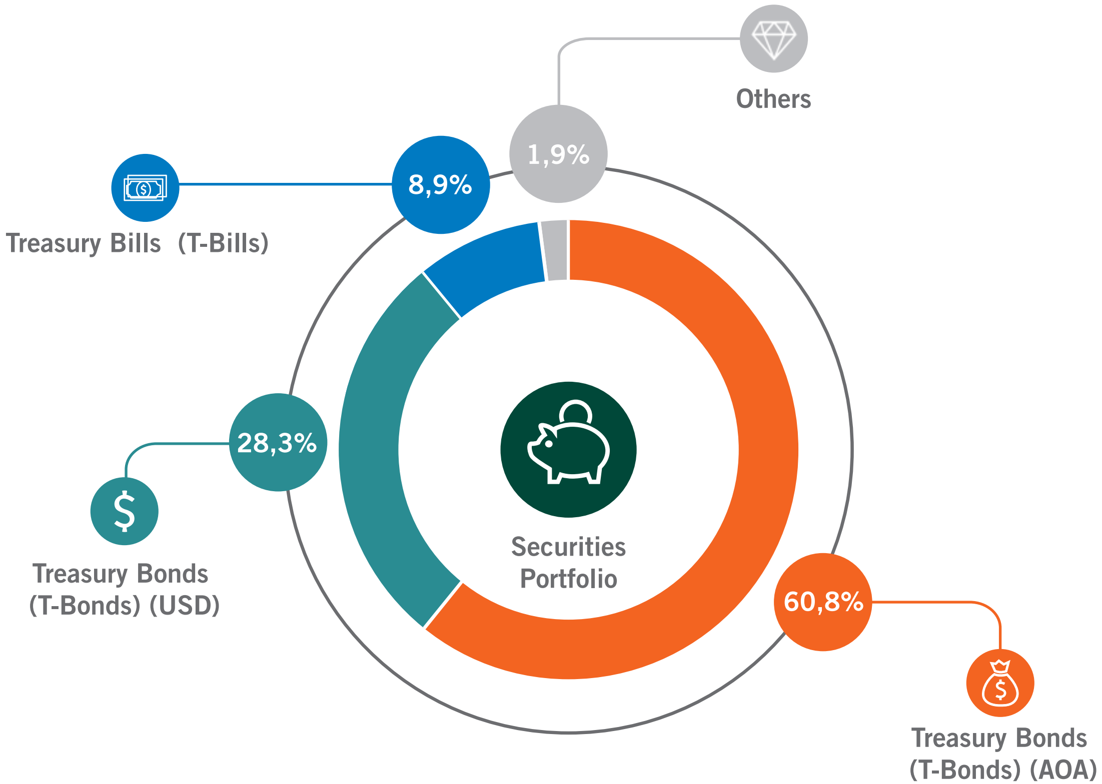
	Jun-21	Jun-22	Δ%
Financial assets at fair value through profit or loss	**260 826,3**	**109 220,3**	**-58,1%**
Treasury Bills	113 083,2	-	-100,0%
Treasury Bonds (Pegged to USD)	53 930,5	25 500,3	-52,7%
Treasury Bonds (AOA)	75 471,4	77 882,6	3,2%
Others	18 341,2	5 837,5	-68,2%
Investment securities at amortized cost	**1 053 794,4**	**965 280,9**	**-8,4%**
Treasury Bills	-	95 872,1	-
Treasury Bonds (USD)	485 193,3	304 431,3	-37,3%
Treasury Bonds (AOA)	629 738,7	575 648,3	-8,6%
Impairment Provisions (IFRS9)	-61 137,5	-10 670,7	-82,5%
Total	**1 314 620,7**	**1 074 501,2**	**-18,3%**

The total amount of the securities portfolio dropped 18.3% year-on-year, standing at AOA 1 074 501.2 million (representing a decline of AOA 240 119 million). On the one hand, this decrease was due to the effect of the exchange rate appreciation of securities denominated in foreign currency and index-linked securities, whose equivalent value in kwanzas is AOA 160 136.9 million, a total amount lower than the one recorded in the same period of the previous year. On the other hand, this drop is also due to the partial replacement of this type of investments, when they mature, by investments in securities purchase agreements with reverse repurchase agreements (REPOs), whose yields and maturity periods were more attractive in view of the Bank's investment strategy.

There was also a slight decrease in the value of the securities portfolio in national currency vis-à-vis the same period of the previous year, accounting for approximately 60.8% of the total securities portfolio in June FY2022 (an increase in the portfolio share of approximately 7.2 p.p. year-on-year).

With regard to impairments, these totalled AOA 10,670.7 million, an amount considerably lower than the figure recorded over the same period of the previous year, due to the upgrade of the rating assigned to the Republic of Angola, in the 2nd half of FY2021, which led to the reversal of expected impairment losses.

Breakdown of BFA's Securities Portfolio in June 2022



Held-To-Maturity Securities Portfolio

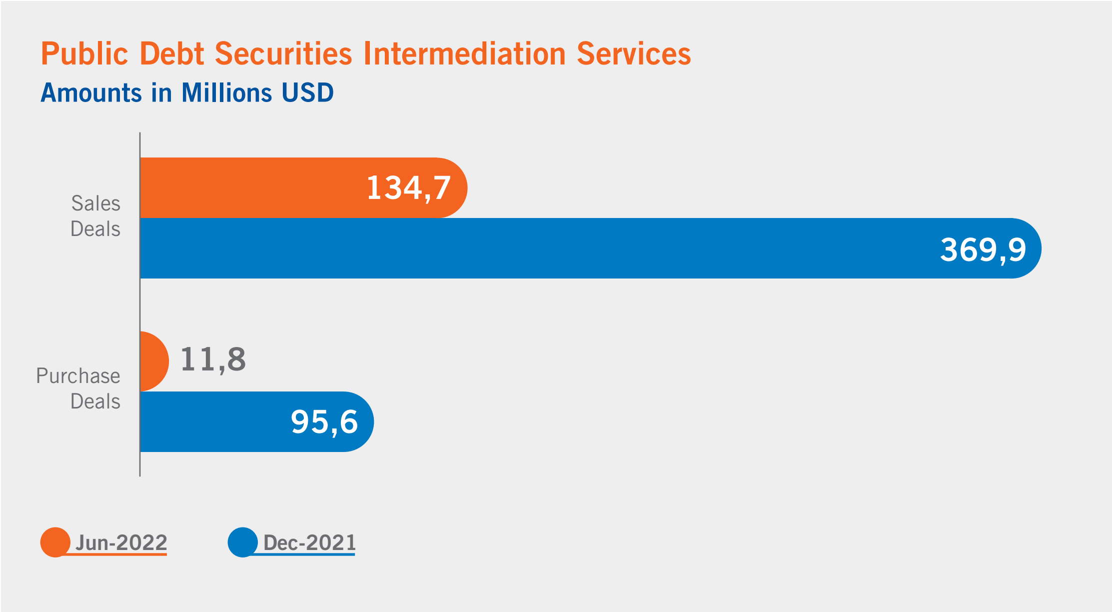
Amounts stated in thousand of Kwanzas

	< 1 year	1- 3 years	Over 3 years	Total
T-Bills AOA	95 872,1	-	-	95 872,1
T-Bonds AOA	-	83 034,7	570 496,2	653 530,9
T-Bonds USD	-	304 431,3	-	304 431,3
T-Bonds AOA 1	25 500,2	-	-	25 500,2
Others	5 837,5	-	-	5 837,5
Impairments (IFRS9)	-10 670,7	-	-	-10 670,7
Total	**116 539,0**	**387 466,0**	**570 496,2**	**1 074 501,2**

Securities in domestic currency pegged to foreign currency (USD)

In June FY2022, 53.1% of the Held-to-Maturity Securities Portfolio is comprised of securities with a maturity period higher than 3 years, and 36.1% is made up of securities with a maturity period between 1 and 3 years. The remaining 10.8% of the portfolio is comprised of securities with a maturity period of less than 1 year, which is generally the least relevant maturity category in the Bank's securities portfolio.

Public Debt Securities Intermediation Services

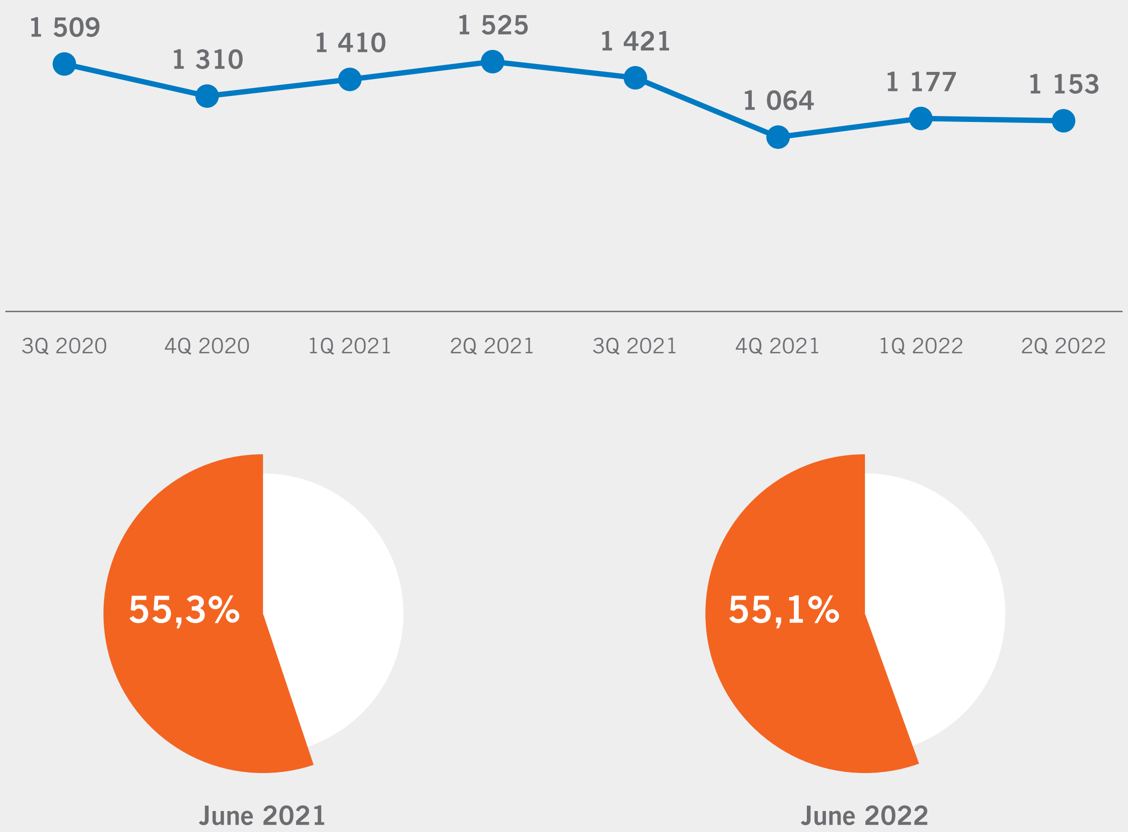


In December 2021, BFA reported a traded volume of public debt securities totalling USD 465.6 million, which accounts for a 22% increase year-on-year. In the 1st half of FY2022, BFA proceeded with the provision of public debt securities intermediation services to its Customers, totalling USD 146.5 million in trading volume, which accounts for 31.5% of FY 2021's total turnover. With regard to securities purchases, the Bank reached only 12.4% of the total amount of purchases recorded in FY 2021, and in terms of securities sales, the amount totaled 36.4% of FY 2021's turnover.

BODIVA

In the first half of FY 2022 BODIVA recorded a total of 2 330 deals. In FY 2021, this indicator recorded a total of 5,420 deals, i.e. the turnover until June 2022 equals 43% of the FY 2021 total turnover. However, the number of trades in the first two quarters of FY 2022 has dropped by 20.6% when compared to the same period in FY 2021.

Number of deals completed and BFA market share (%)



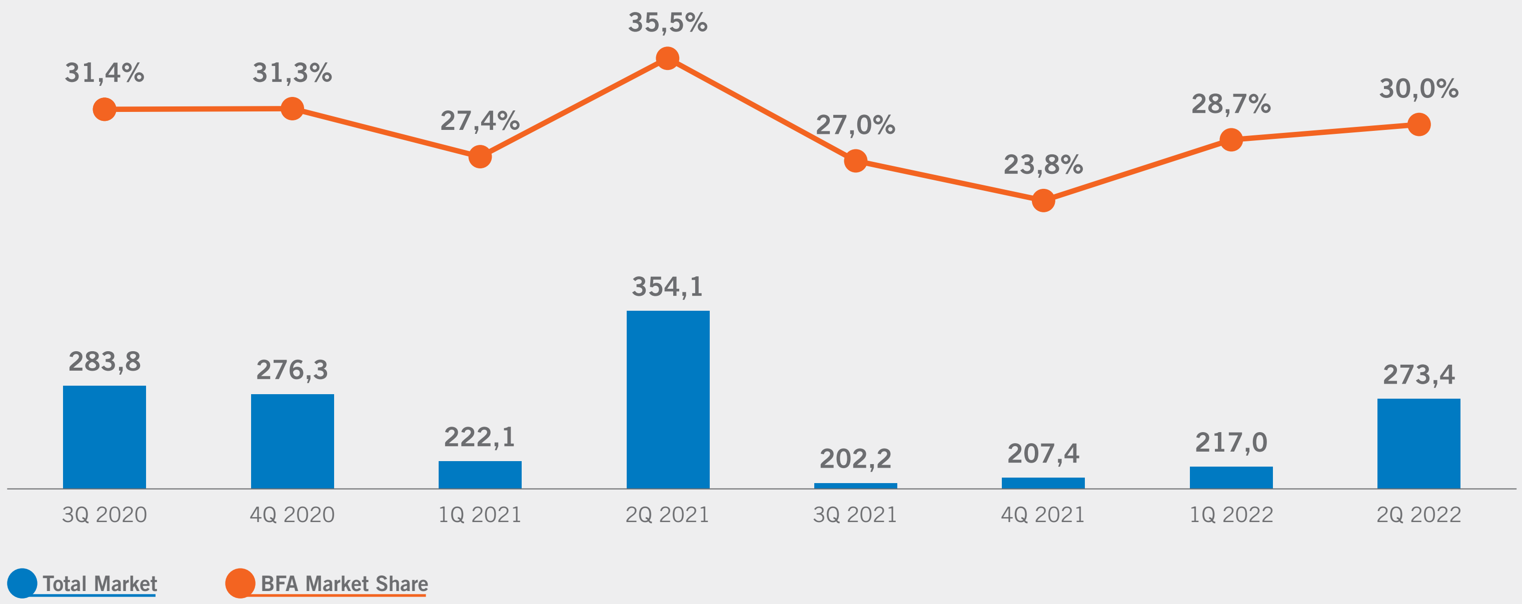
Of the total number of deals undertaken at BODIVA in the first half of FY 2022, 55.1% were carried out by BFA, highlighting the Bank's capacity to offer its Customers access to the capital market, as well as the relevance that BFA places on stimulating the Angolan capital market. This turnover indicates a consolidation of market share in year-on-year terms.

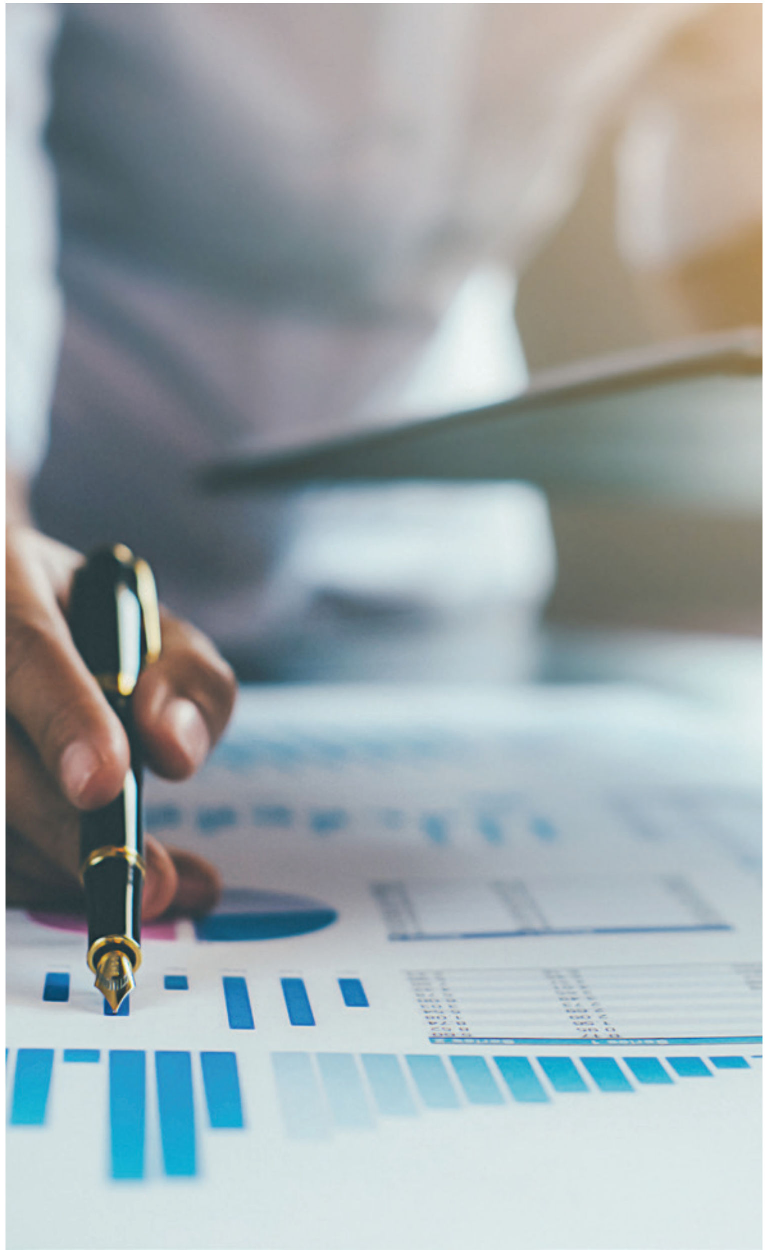
BFA's market share is 30% in terms of the accrued amount traded, in comparison to 35.5% year-on-year and 23.8% in December 2021.

In addition, and in alignment with the historical trend, treasury bonds were almost totally predominant, both in terms of number of deals (97.3%) and amount traded (96.1%).

Cumulative Amount Traded

Amounts in Millions USD

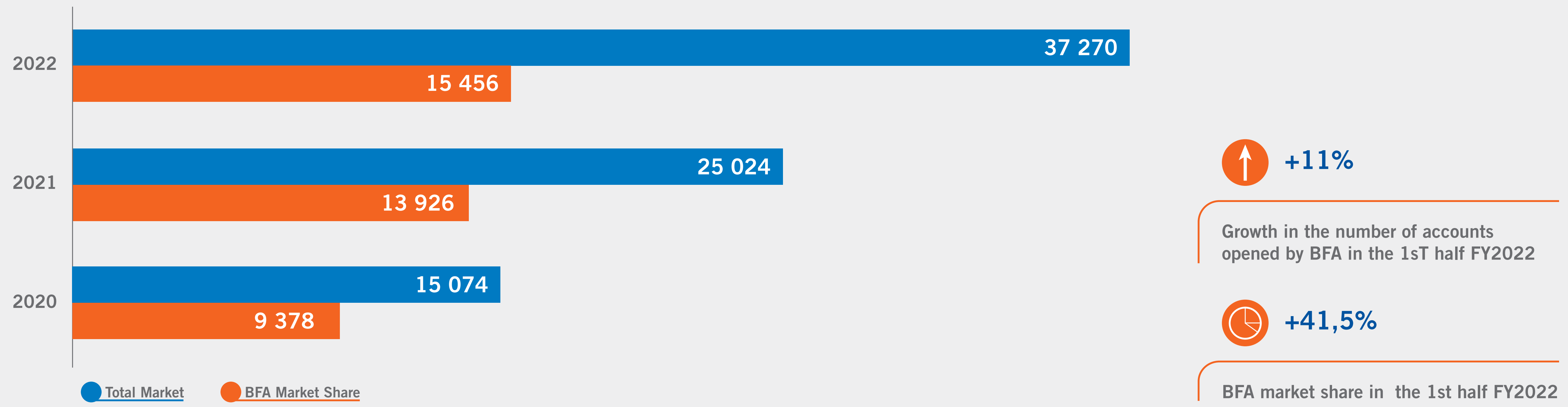




CEVAMA Accounts

The number of accounts opened with CEVAMA (BODIVA's Central Securities Depository) has been increasing since its inception in 2016. In the first half of FY 2022, the number of accounts opened in the market increased by 48.9% (year-on-year), and the number of accounts opened by BFA in the same period followed this trend, having increased by 11%. Thus, BFA continues to represent the majority of CEVAMA accounts, with a market share of 41.5%.

Number of CEVAMA Accounts Opened



Credit Portfolio Growth In National Currency

Loans To Customers Development

Amounts stated in thousand of Kwanzas

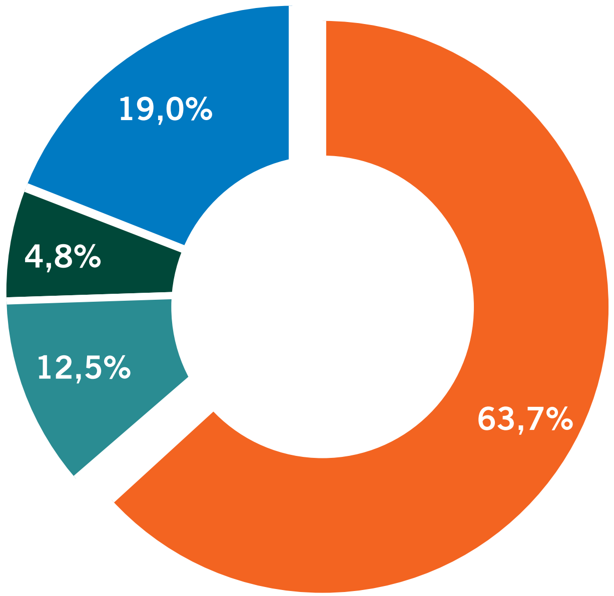
	Jun-21	Jun-22	Δ%
1. Total Loans	**441 691,4**	**544 454,6**	**23,3%**
1.1 Loans to Customers	336 303,7	419 062,3	24,6%
Loans in Domestic Currency	281 148,1	400 237,1	42,4%
Loans in Foreign Currency	55 155,6	18 825,1	-65,9%
1.2 Credit and Accrued Interest	21 287,7	14 269,7	-33,0%
1.3 Credit provided through creditworthiness endorsement	84 100,0	70 220,4	-16,5%
1.4 Undrawn Credit Limits	-	40 902,3	-
2. Total loans loss provision	**51 052,7**	**51 255,2**	**0,4%**
2.1 Specific Provisions	50 969,4	50 800,9	-0,3%
For Credit and Accrued Interest	24 856,7	19 853,4	-20,1%
2.2 For General Credit Risks	83,3	454,3	445,6%
3. Total Credit Net of Impairment	**306 622,0**	**382 531,1**	**24,8%**
Of which: Credit and Accrued Interest	21 287,7	14 269,7	-33,0%
4. Credit Quality			
Past-due loans (% Total Loans)	6,0%	3,3%	-2,7 p.p.
Past-due Loans Provision Coverage Ratio	239,8%	359,2%	119,4 p.p.

In June 2022, the value of BFA's total loan portfolio recorded a 23.3% increase, year-on-year, amounting to AOA 544 454.6 million. This increase was particularly driven by the increase in the heading of Loans to Customers in domestic currency, a predominant share of the Total Loans Portfolio, which grew 42.4% to AOA 400 237.1 million, overcoming the negative exchange rate impact as well as the actual decrease in the loans portfolio granted in foreign currency.

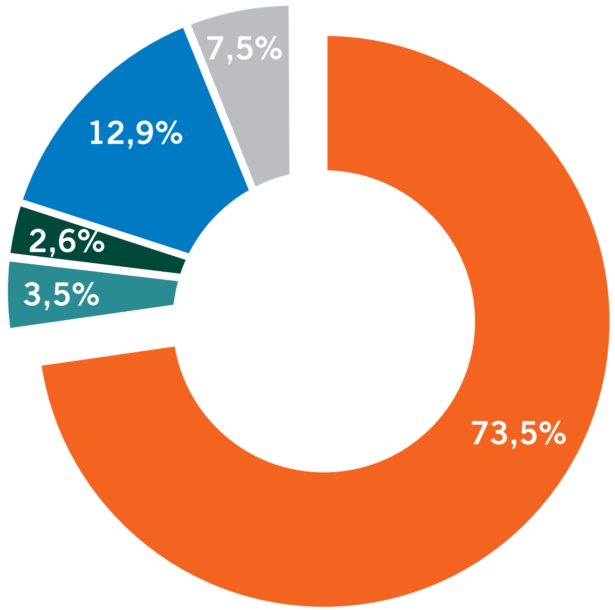
The Credit and Accrued Interest decreased significantly, recording a decline of AOA 7 018.0 million, year-on-year, representing a 33% drop in comparison to FY 2021. This decline in Credit and Accrued Interest as a share of the Loan Portfolio (from 4.8% to 2.6%) led to a drop of 2.7 p.p. in the 30 days past due credit ratio as a percentage of Total Loans to Customers, to 3.3% in June 2022. As a result, the Credit and Accrued Interest Coverage Ratio by Total Impairments and Provisions rose by 119.4 p.p. to 359.2%.

Breakdown of BFA's Loan Portfolio

June 2021



June 2022



Loans in Domestic Currency
Loans in Foreign Currency
Credit and Accrued Interest
Credit provided through creditworthiness endorsement
Undrawn Credit Limits

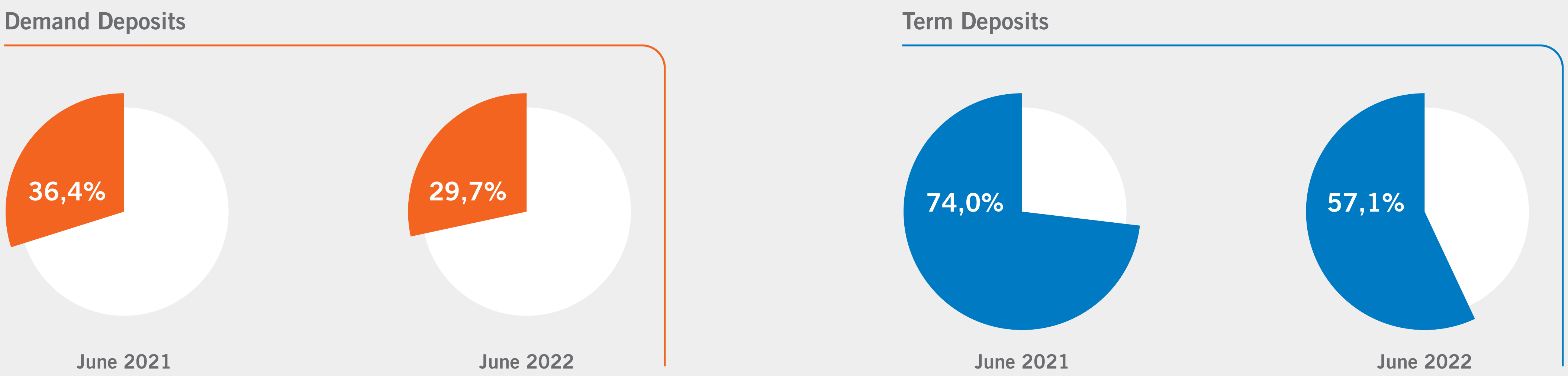
Liabilities

On the liabilities side, there was an 18.6% downturn, amounting to AOA 457 907.1 million, mainly due to a 14.3% drop in Customer Assets, which accounted for 91.5% of total liabilities.

Customers Assets

Customer Assets decreased 14.3% compared to the 1st half of FY2021, reaching a total of AOA 1 836 773.9 million in FY 2022. This decline is cross-cutting to Demand Deposits and Term Deposits, which fell 9.6% and 17.9%, respectively, and is primarily the result of the exchange rate appreciation impact recorded in the period under review, considering that 44.6% of the overall deposits portfolio is denominated in foreign currency.

Foreign Currency Share in Total Deposits



The Demand Deposits volume in Domestic Currency remained stable (variation of -0.1%) year-on-year, while Demand Deposits in Foreign Currency recorded a decline of approximately 26.2%.

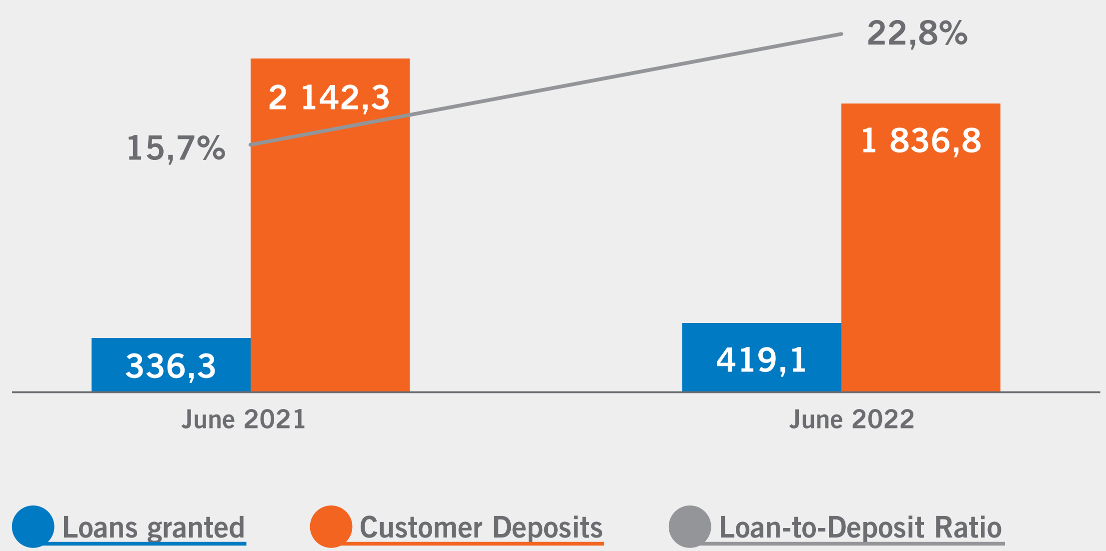
With regard to the heading of Term Deposits, it recorded a drop in the total amount of AOA 216 248.7 million. Although the amounts invested in Domestic Currency rose by 35.6%, this increase was offset by the 36.6% drop in the amounts invested in Foreign Currency when compared to the same period in the previous year, due to the impact of the exchange rate appreciation that took place.

From the total customer assets allocated in the form of deposits, there has been an increase in the weight of the domestic currency, which accounts for 55.4% of customer deposits, 13.1 p.p. above its share in June FY 2021. Thus, deposits in foreign currency ceased to be the majority of Customers' Assets, reversing the trend observed in previous years. At the same time, Term Deposits represent the largest share of the Bank's deposits portfolio, with a weight of 54.2% of total Customers' Assets, which indicates a 2.3 p.p. drop year-on-year.

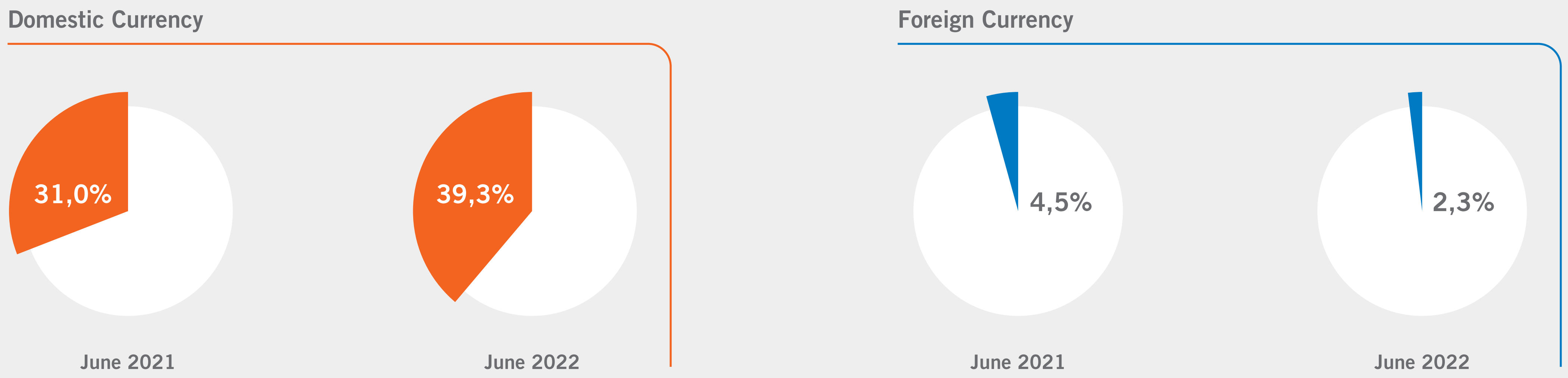
The Loan-to-Deposit ratio recorded in June FY 2022 increased in percentage terms, totalling 22.8%, up from 15.7% recorded in June FY 2021. This variation of 7.1 p.p. is explained both by the decline in the number of deposits (-14.3%) and by the increase in Loans to Customers (+24.6%).

Loan-to-Deposit Ratio

Amounts in Millions Kwanzas



Loan-to-Deposit Ratio by currency

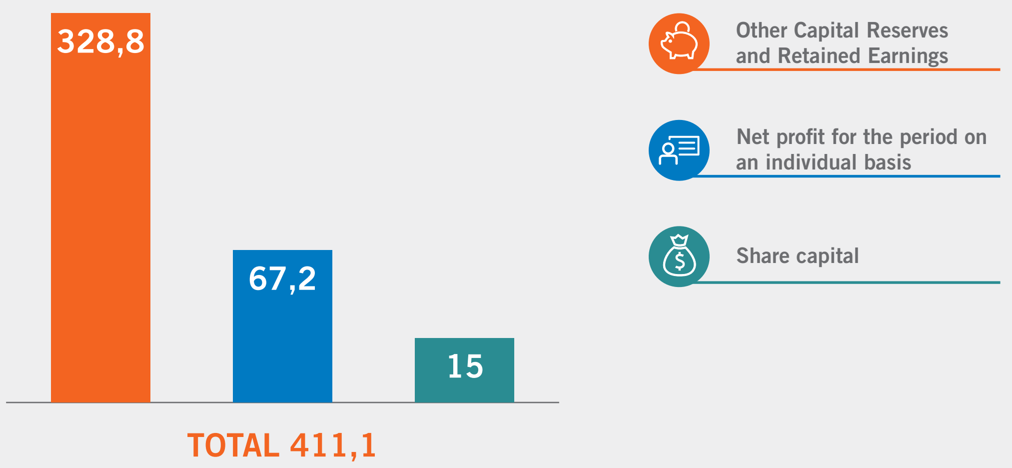


Equity and Equivalent Capital

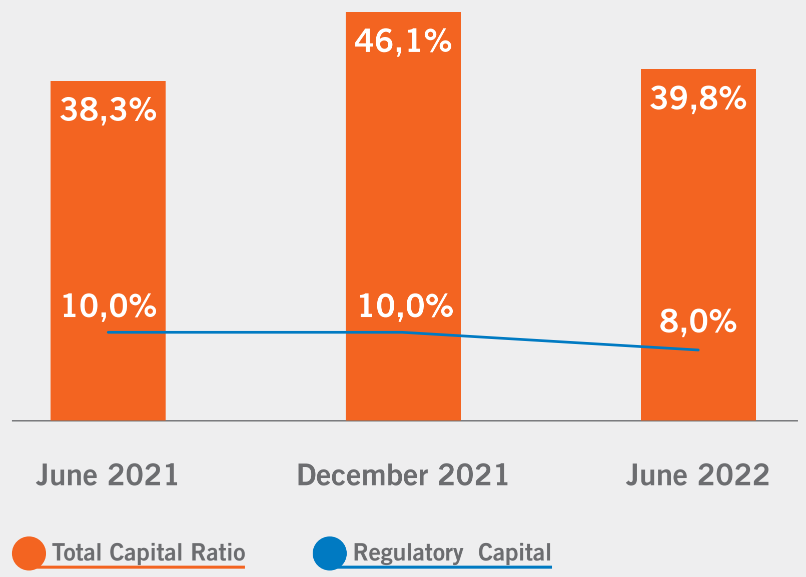
The heading "Equity and Equivalent Capital" is mostly comprised of Capital Reserves and Retained Earnings, recording a positive variation of 25.2% year-on-year, totalling AOA 411 061.7 million. This variation results from the 31.2% increase in Capital Reserves and Retained Earnings, totalling AOA 328 834.3 million, as well as from the increase in Net Profit recorded in the 1st half of FY 2022, year-on-year.

Breakdown of BFA's Equity

Amounts in Millions Kwanzas



Total Capital Ratio



The Total Capital Ratio, computed in accordance with the regulations in force issued by the BNA, accounted for 39.8% at the end of June FY2022. This value remains above the capital adequacy ratio required by the National Bank of Angola, highlighting the Bank's soundness and strong financial self-sufficiency (17%), and is even 1.5 p.p. higher than the value recorded over the same period of FY2021.

Overall, the breakdown of BFA's Balance Sheet structure in June FY2022 highlights the pursuance of a liquidity strategy that, in alignment with the Bank's business strategy and corporate goals, enables it to finance 92.9% of the Asset Portfolio through a combination of Customer Deposits and Equity.

Income Statement

BFA's net profit at the end of the 1st half of FY2022 totalled AOA 67 227.4 million, an increase of 7.4% year-on-year.

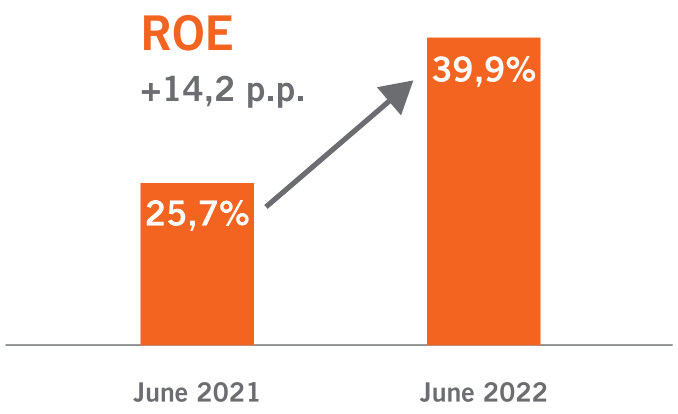
Amounts stated in thousand of Kwanzas

	Jun-21	Jun-22	Δ%
Net Financial Income	**90 743,6**	**104 512,0**	**15,2%**
Non-interest Income	**33 271,9**	**20 600,6**	**-38,1%**
Net Operating Income	**124 015,5**	**125 112,6**	**0,9%**
Staff Costs	30 034,1	30 660,2	2,1%
Third party supplies and services	18 799,0	17 973,0	-4,4%
Depreciation and amortisation for the period	3 449,1	5 497,6	59,4%
Provisions and Impairments	3 264,0	-8 747,8	-368,0%
Earnings before taxes	**68 469,3**	**79 729,6**	**16,4%**
Income tax	**-5 846,3**	**-12 502,2**	**113,8%**
Net Profit	**62 622,9**	**67 227,4**	**7,4%**

The Bank's financial results were primarily driven by the Net Financial Income positive performance, which increased by 15.2%, totalling AOA 104 512 million. In the opposite direction, the Non-Interest Income recorded a 38.1% decline, negatively impacting the Operating Income performance, which recorded a moderate growth of just 0.9%, amounting to AOA 125 112.6 million.

Additionally, Administrative Expenditure related costs (Staff costs and Third-party supplies and services) decreased slightly by 0.4%. Moreover, the headings of Provisions, Impairments and Amortisations recorded a sharp decline, although resulting in a negative value obtained in FY2022 due to the reversal of provisions and impairment losses.

Return-On-Equity Development



In June FY2022, BFA recorded an increase in the Bank's equity profitability (Net Profit attributable to shareholders), achieving a ROE (Return-on-Equity) of 39.9%, which corresponds to an increase of 14.2 p.p. year-on-year.

Net Financial Income Development

BFA's Net Financial Income amounted to AOA 104 512.0 million, an increase of AOA 13 768.4 million year-on-year, which corresponds to a growth rate of 15.2%.

Amounts stated in thousand of Kwanzas

	Jun-21	Jun-22	Δ%
Interest and similar income	**112 658,6**	**128 835,5**	**14,4%**
Income from Short-term Investments	2 078,3	9 416,9	353,1%
Income from Securities	83 636,0	91 838,2	9,8%
Income from Loans	26 944,3	27 580,4	2,4%
Interest and similar charges	**21 915,1**	**24 323,4**	**11,0%**
Deposits Costs	21 269,1	23 739,9	11,6%
Other Costs	646,0	583,5	-9,7%
Net Financial Income	**90 743,6**	**104 512,0**	**15,2%**

The Net Financial Income growth rate was largely due to the increase in earnings from securities and gains from short-term investments. These two sub-headings recorded increases of 9.8% and 353.1% respectively. An increase of 11.0% was recorded in terms of costs, as a result of the actual growth in the Customer Deposits heading.

Non-Interest Income Development

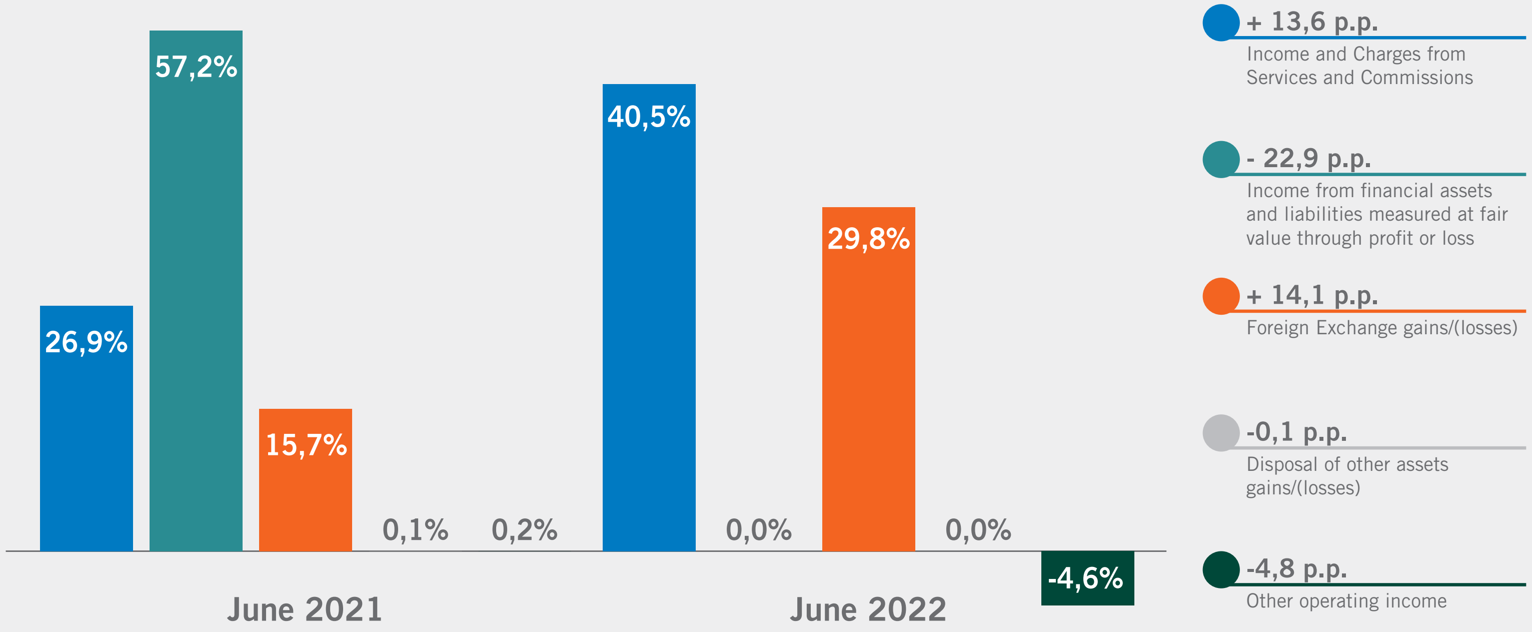
BFA's Non-Interest Income stood at AOA 20 600.6 million and recorded a decline of AOA 12 671.3 million year-on-year. This variation was mainly driven by the drop of approximately AOA 11 948.5 million under the heading of "Income from Assets and Liabilities at Fair Value through Profit and Loss", as a result of the decline in earnings derived from the valuation of the financial assets portfolio at fair value through profit and loss.

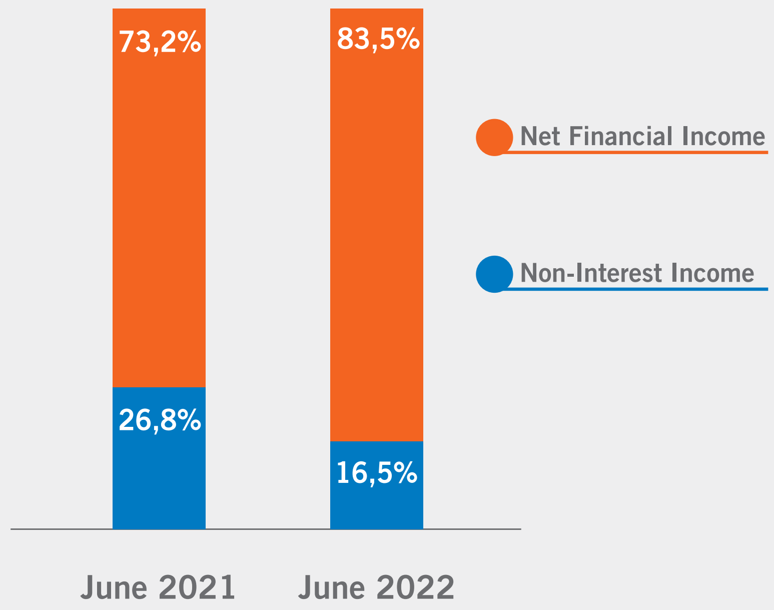
Amounts stated in thousand of Kwanzas

	Jun-21	Jun-22	Δ%
Income and Charges from Banking Services and Commissions	8 936,9	8 336,4	-6,7%
Income from financial assets and liabilities measured at fair value through profit or loss	19 019,5	7 071,0	-62,8%
Foreign Exchange gains/(losses)	5 225,8	6 135,0	17,4%
Disposal of other assets gains/(losses)	22,2	5,1	-77,2%
Other Operating Income	67,5	-946,9	-1502,8%
Non-Interest Income	**33 271,9**	**20 600,6**	**-38,1%**

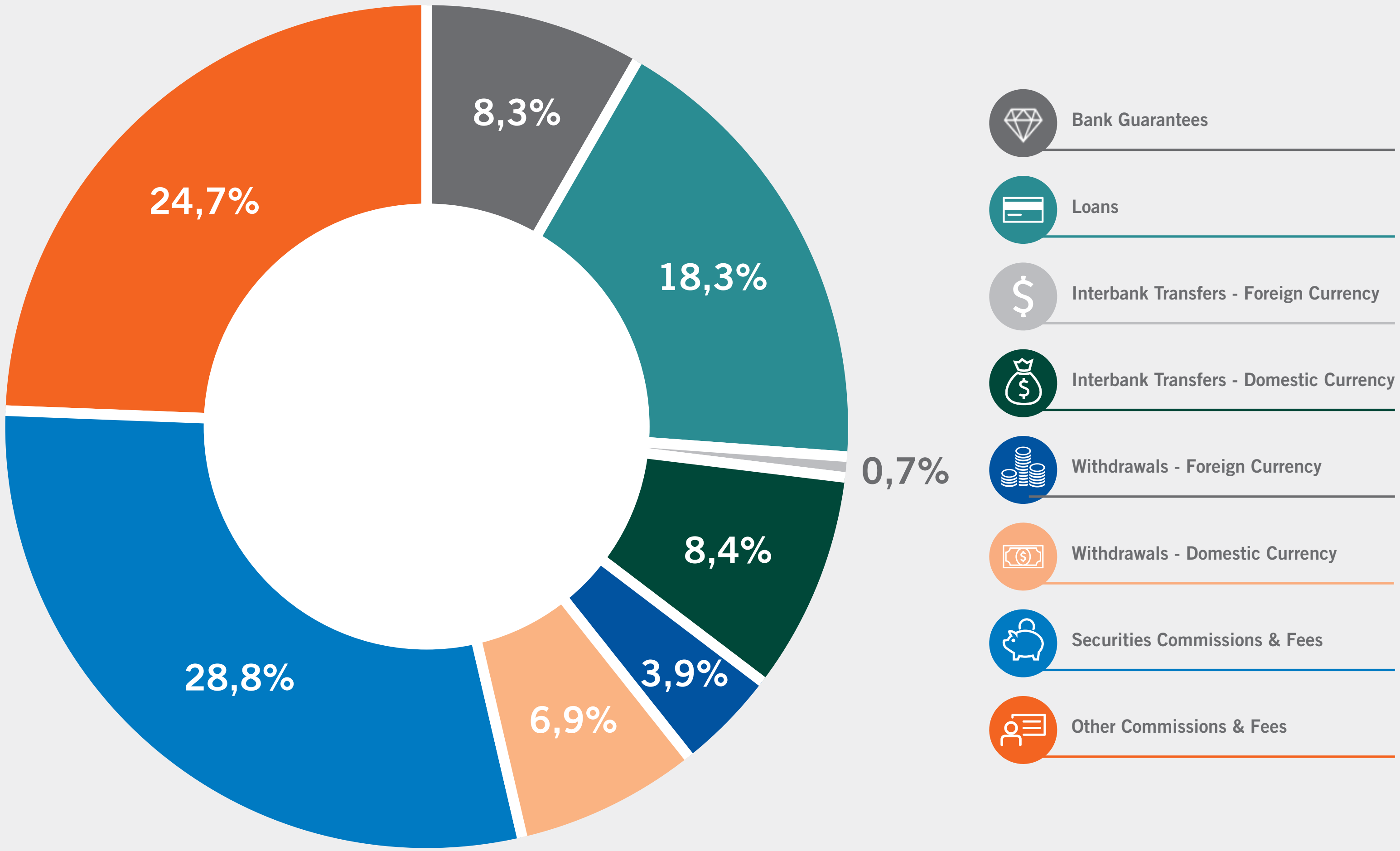
In June FY2022, the Non-Interest Income accounted for 16.5% of the Operating Income, down approximately 10 p.p. year-on-year.

Breakdown and Development of Non-Interest Income





Breakdown of Financial Results from Banking Services and Commissions



With regard to Financial Results from banking services fees and commissions, 28.8% of its total amount came from Securities Commissions (down 8.9 p.p. YoY), and 18.3% came from Loans Commissions (up 6.5 p.p. YoY). In addition, withdrawals in domestic and foreign currency made up a total of 10.8% of the total amount of commissions and interbank transfers accounted for 9.1% of the total income.

Overheads Development

Amounts stated in thousand of Kwanzas

	Jun-21	Jun-22	Δ%
Staff Costs (I)	30 034,1	30 660,2	2,1%
Third-Party Supplies and Services (II)	18 799,0	17 973,0	-4,4%
Depreciations and Amortizations (III)	3 449,1	5 497,6	59,4%
Overheads (I+II+III)	**52 282,2**	**54 130,8**	**3,5%**
Cost-to-income	**42,2%**	**43,3%**	**1,1 p.p.**

Overheads recorded a growth of approximately 3.5% year-on-year, up from AOA 52 282.2 million to AOA 54 130.8 million. Staff costs maintained their position as the heading with the greatest weight in Overheads in FY 2022, totalling 56.6%.

In June FY2022, the Cost-to-Income Ratio was 43.3%, a slightly higher figure than that recorded in the same period of FY2021 (42.2%), a value that shows the raise in Overheads, as the Operating Income remained stable.

In the period ended at 30th June FY2022, the Bank proceeded with the fulfilment of its current financial and tax obligations. No deferred tax assets associated with tax losses or temporary differences were recognised, as it is understood that the requirements for their recognition in accordance with the International Financial Reporting Standards (IFRS) have not been demonstrated.

Financial Statements

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

Amounts stated in thousand of Kwanzas

	Notes	30/06/2022	30/06/2021
Interest and similar income	20	128 835 462	112 658 638
Interest and similar expense	20	(24 323 438)	(21 915 051)
Net interest income		**104 512 024**	**90 743 587**
Fees and commission income	21	14 493 334	12 378 630
Fees and commission expense	21	(6 156 893)	(3 441 696)
Net gains/(losses) on financial assets and liabilities measured at fair value through profit or loss	7	7 071 029	19 019 510
Foreign exchange gains/(losses)	-	-	-
Net gains/(losses) on sale of other assets	22	6 135 026	5 225 777
Other operating income/(expense)	23	5 063	22 216
Net operating income		**125 112 634**	**124 015 528**
Staff costs	25	(30 660 235)	(30 034 101)
External supplies and services	26	(17 972 970)	(18 798 992)
Depreciation and amortisation for the period	12	(5 497 618)	(3 449 120)
Provisions net of reversals	17	6 039 681	(541 872)
Impairment of loans and advances to customers net of reversals and recoveries	17	1 064 962	1 143 318
Impairment of other financial assets net of reversals and recoveries	17	1 707 663	(3 767 638)
Impairment of other assets net of reversals and recoveries	17	(64 513)	(97 841)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**79 729 604**	**68 469 282**
Income tax			
Current	13	(12 502 180)	(6 279 959)
Deferred	13	-	433 610
NET PROFIT/(LOSS) FOR THE PERIOD		**67 227 424**	**62 622 933**
INCOME RECOGNISED DIRECTLY IN EQUITY		-	-
COMPREHENSIVE INCOME FOR THE PERIOD		**67 227 424**	**62 622 933**
Average number of ordinary shares issued	**19**	15 000 000	15 000 000
Basic earnings per share (in Kwanzas)	**19**	4,482	4,175
Diluted earnings per share (in Kwanzas)	**19**	4,482	4,175

CONDENSED INTERIM BALANCE SHEET AS AT 30 JUNE 2022

Amounts stated in thousand of Kwanzas

ASSETS	Notes	30/06/2022	31/12/2021
Cash and deposits at central banks	4	343 121 999	423 459 380
Loans and advances to credit institutions	5	20 368 308	23 205 063
Other loans and advances to central banks and credit institutions	6	543 781 539	556 325 569
Financial assets at fair value through profit or loss	7	109 220 323	94 984 791
Investments at amortised cost	8	965 280 903	1 127 786 175
Loans and advances to customers	9	382 531 149	352 959 464
Non-curren assets held for sale	10	6 458	92 481
Investments in subsidiaries, associates and joint ventures	11	50 375	50 375
Property, pland and equipment	12	33 622 056	33 965 823
Intangible assets	12	7 053 837	1 749 527
Current tax assets	13	145 408	67 985
Deferred tax assets	13	-	-
Othe assets	14	13 461 413	17 628 687
Total Assets		**2 418 643 768**	**2 632 275 320**

‘LIABILITIES AND EQUITY	Notes	30/06/2022	31/12/2021
Deposits from central banks and other credit institutions	15	14 969 873	1 854 002
Deposits from customers and other loans	16	1 836 773 927	2 005 319 496
Financial liabilities at fair value through profit or loss	7	275 246	1 023 025
Provisions	17	36 761 243	48 970 649
Current tax liabilities	13	9 385 058	1 978 802
Lease liabilities	18	5 473 884	6 185 862
Other liabilities	18	103 942 801	144 873 306
Total Liabilities		**2 007 582 032**	**2 210 205 142**
Share capital	19	15 000 000	15 000 000
Other reserves and retained earnings	19	328 834 312	250 598 446
Net profit/(loss) for the period	19	67 227 424	156 471 732
Total Equity		**411 061 736**	**422 070 178**
Total Liabilities and Equity		**2 418 643 768**	**2 632 275 320**

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

Amounts stated in thousand of Kwanzas

	Notes	Share capital	Other reserves and retained earnings	Net profit/(loss) for the period	Total
Balance as at 1 January 2021		**15 000 000**	**393 128 726**	**89 848 596**	**497 977 322**
Appropriation of the 2020 net profit:					
Reserve requirement	19	-	17 969 720	(17 969 720)	-
Distribution of dividends	19	-	-	(71 878 876)	(71 878 876)
Distribution of extraordinary dividends	19	-	(160 500 000)		(160 500 000)
Net profit/loss) for the period	19	-	-	156 471 732	156 471 732
Balance as at 31 December 2021		**15 000 000**	**250 598 446**	**156 471 732**	**422 070 178**
Appropriation of the 2021 net profit:					
Reserve requirement	19	-	78 235 866	(78 235 866)	-
Distribution of dividends	19	-	-	(78 235 866)	(78 235 866)
Net profit/loss) for the period	19	-			-
Balance as at 30 June 2022	19	-	-	67 227 424	67 227 424
Balance as at 30 June 2022		**15 000 000**	**328 834 312**	**67 227 424**	**411 061 736**

INTERIM CONDENSED CASH FLOW STATEMENT
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

Amounts stated in thousand of Kwanzas

	Note	30/06/2022	30/06/2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest, commissions and other similar income received	20 and 21	134 946 248	124 794 350
Interest, commissions and other similar income paid	20 and 21	(29 300 570)	(25 496 998)
Payments to employees and suppliers	25 and 26	(46 913 186)	(44 449 983)
Payments and contributions to pension funds and other benefits		(1 720 019)	(1 658 414)
Recovery of written-off loans	24	190 491	702 482
Other income/(expense) received/(paid)	7, 23 and 24	11 059 168	23 880 758
Cash flows before changes in operating assets and liabilities		**68 262 132**	**77 772 195**
Increases(decreases) in operating assets:			
Other loans and advances to central banks and credit institutions	6	14 947 547	74 884 458
Financial assets at fair value through profit or loss	7	(14 077 588)	99 496 095
Financial investments at amortised cost	8	170 648 721	(85 797 006)
Loans and advances to customers	9	(26 408 085)	30 227 352
Non-current assets held for sale	10	-	-
Other assets	14	4 167 275	(3 012 246)
Net cash flows from operating assets		**149 277 870**	**115 798 652**
Increases/(decreases) in operating liabilities			
Deposits from central banks and other credit institutions	15	13 115 871	15 110 066
Deposits from customers and other loans	16	(169 725 330)	(109 993 856)
Other liabilities	18	5 870 105	(5 283 568)
Net cash flows from operating liabilities		**(150 739 354)**	**(100 167 358)**

	Note	30/06/2022	30/06/2021
Net cash from operating activities before income taxes		**66 800 648**	**93 403 486**
Income and capital taxes paid	13, 14 and 18	(4 535 935)	(7 439 449)
Net cash from operating activities		**62 264 713**	**85 964 038**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment, net of disposals			
Acquisition of intangible asset, net of disposals			
Net cash from investing activities	12	(3 610 456)	4 250 392
CASH FLOWS FROM FINANCING ACTIVITIES	12	(6 794 045)	94 410
Distribution of dividends		**(10 404 501)**	**4 344 802**
Net cash from financing activities			
Change in cash and cash equivalents			
Cash and cash equivalents at the begging of the period	19	(126 385 866)	(37 305 136)
Effects of changes in foreign exchange rates on cash and cash equivalents		**(126 385 866)**	**(37 305 136)**
Cash and cash equivalents at the end of the period		**(74 525 654)**	**53 003 704**
Cash and cash equivalents at the end of the period	4 and 5	446 672 013	500 512 176
Effects of changes in foreign exchange rates on cash and cash equivalents		(8 653 202)	(8 116 353)
Cash and cash equivalents at the end of the period	4 and 5	**363 493 157**	**545 399 527**

Financial Statements and Notes

1. INTRODUCTION

Banco de Fomento Angola, S.A. (hereinafter also referred to as "Bank" or "BFA"), was incorporated by Public Deed of 26 August 2002, following the transformation of the Angolan Branch of Banco BPI, S.A. into a bank under local law.

As indicated in Note 19, on 5 January 2017, in execution of the share purchase and sale agreement entered into 2016, the sale by Banco BPI to Unitel of the shareholding representing 2% of BFA's share capital was completed. Thus, on 30 June 2022 and 31 December 2021, BFA was majority held by Unitel, S.A., with a percentage of 51.9%.

By Unanimous Resolution of the General Meeting, of 4 October 2018, it was decided to increase BFA's capital by incorporation of Other Reserves in the amount of AOA 11,478,003 thousand. This capital increase was carried out within the scope of Notice No. 02/2018 of the Banco Nacional de Angola, which defines that the minimum value of fully paid-up share capital in national currency is AOA 7,500,000 thousand.

The Bank is engaged in obtaining funds from third parties in the form of deposits or other funds, which it invests, together with its own funds, in the granting of loans, deposits in the Banco Nacional de Angola, investments in credit institutions and acquisition of securities or other assets, for which it is duly authorised. It also provides other banking services and carries out various types of transactions in foreign currency, having for this purpose, on 30 June 2022, a national network of 160 branches, 1 customer service centre, 10 investment centres, 7 large corporate centres, 4 Oil & Gas and Public Sector centres, 11 medium corporate centres and 1 Private Banking centre.

2. BASES OF PRESENTATION AND SUMMARY OF MAIN ACCOUNTING POLICIES

2.1 Bases of presentation

The Bank's financial statements have been prepared on the going concern assumption and in accordance with International Financial Reporting Standards (IFRS), pursuant to Notice No. 5/2019, of 30 August, of the Banco Nacional de Angola. IFRS includes accounting standards, issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), effective from 1 January 2022.

The financial statements now presented refer to the period ended 30 June 2022. These financial statements were prepared in accordance with IAS 34 Interim Financial Reporting (IAS 34). Thus, these financial statements do not include all the information required by IFRS, and therefore should be read in conjunction with the financial statements for the period ended 31 December 2021. The accounting policies used by the Bank in the preparation are consistent with those used in the preparation of the financial statements as at 30 June 2021, except for the new standards issued.

The Bank's financial statements are stated in thousands of Kwanzas, rounded to the nearest thousand, with assets and liabilities denominated in other currencies being converted into national currency, based on the indicative average exchange rate published by the Banco Nacional de Angolan on each reporting date. The financial statements were prepared in accordance with the historical cost principle, modified by the application of the fair value to derivative financial instruments and financial assets and liabilities recognised at fair value through profit or loss.

The preparation of financial statements in accordance with IAS/IFRS requires the Bank to make judgements and estimates and uses assumptions which affect the application of accounting policies and the amounts of income, expenses, assets and liabilities. Changes in such assumptions or differences between these assumptions and reality may have an impact on the actual estimates and judgements. The areas involving a higher degree of judgment or complexity, or areas where assumptions and significant estimates are made in preparing the financial statements are discussed in Note 3.

The financial statements for the period ended 30 June 2022 were approved at the meeting of the Bank's Board of Directors on 15 September 2022.

The accounting standards and amendments recently issued that are not yet effective and that the Bank has not yet applied in the preparation of its financial statements can be analysed in Note 31.

Notwithstanding the investment of 99.9% held by the Bank in its subsidiary BFA Gestão de Activos (see Note 11), which started its activity in the 2017, in light of the basic principles and conceptual framework of the IFRS, the Bank considers that the preparation of the consolidated financial statements as at 30 June 2022 is not relevant, namely considering (i) the reduced activity developed by this Entity since its incorporation and (ii) the reduced impact that that would result from the consolidation of its financial statements, after consolidation adjustments, in the financial statements of BFA on that date.

2.2 Transactions in foreign currency

Transactions in foreign currency are translated into the functional currency (kwanza) at the exchange rate prevailing on the transaction date.

Foreign currency transactions are recorded in accordance with the principles of the "multi-currency" system, with each transaction being recorded according to the respective denomination currencies. Assets and liabilities stated in foreign currency are converted to Kwanzas at the average exchange rate published by the Banco Nacional de Angola as at the balance sheet date. Income and expenses related to exchange rate differences, whether realised or potential, are recorded in the income statement in the period in which they occur under Foreign exchange gains/(losses). The "forward currency position" transactions relate to currency forward contracts, and the related income and expenses are recorded under the caption Net gains/(losses) on financial assets and liabilities at fair value through profit or loss in the income statement.

As at 30 June 2022, 31 December 2021 and 30 June 2021, the exchange rates of the Kwanza (AOA) against the United States Dollar (USD) and the Euro (EUR) were as follows:

	30/06/2022	31/12/2021	30/06/2021
1 USD	428,209	554,981	646,000
1 EUR	446,129	629,015	767,900

Forward currency position

The forward currency position corresponds to the net balance of forward transactions pending settlement. All contracts related to these transactions are revalued at market forward exchange rates.

The difference between the equivalent in Kwanzas at the forward revaluation rates applied, and the equivalent at the contracted rates, is recorded under assets or liabilities, against income or expenses, respectively.

2.3 Financial instruments

2.3.1 Classification of financial assets

In accordance with IFRS 9 - Financial Instruments, financial assets can be classified into three categories with different measurement criteria:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVTPL).

The classification of financial assets depends on the business model and the contractual cash flow characteristics (SPPI criterion).

Business model

The business models foreseen in the standard are as follows:

- Business model whose objective is achieved by holding the asset to maturity to collect the contractual cash flows from it (Held to collect);
- Business model whose objective is achieved both by collecting the contractual cash flows from the asset and selling it (Held to collect and sell); and
- Other business models (e.g., trading).

Evaluation of the business model

The business model reflects the way the Bank manages its assets from a cash-flow generation standpoint. Thus, it is important to understand whether the objective of the Bank is only to receive the contractual cash flows from the assets or whether it intends to receive the contractual cash flows and the cash flows resulting from the sale of the assets. If none of these situations are applicable (e.g., financial assets are held for trading), then the financial assets are classified as part of an "other" business model and recognised at fair value through profit or loss.

The factors considered by the Bank in identifying the business model for a set of assets include past experience with respect to the way (i) cash flows are received, (ii) asset performance is assessed and reported to management, (iii) risks are assessed and managed and (iv) directors are remunerated.

Financial assets at fair value through profit or loss are held essentially for the purpose of being sold in the short term, or to form part of a portfolio of jointly-managed financial instruments, for which there is clear evidence of a recent pattern of short-term gains. These assets are classified under "other" business model and recognised at fair value through profit or loss.

The evaluation of the business model does not depend on the intentions for an individual instrument, but for a set of instruments, and considers the frequency, the value, the sales calendar in previous periods, the reasons for the referred sales and the expectations regarding future sales. Sales that are infrequent, or insignificant, or close to the maturity of the asset and those motivated by an increase in the credit risk of the financial assets, or to manage concentration risk, among others, may be compatible with the model of holding assets to receive contractual cash flows.

If a financial asset contains a contractual clause that can modify the timing or the amount of the contractual cash flows (such as early amortisation or extension of term clauses), the Bank determines whether the cash flows that will be generated during the life of the instrument, due to the exercise of that contractual clause, are solely payments of principal and interest on the principal amount outstanding.

In the event that a financial asset includes a periodic interest rate adjustment, but the frequency of such adjustment does not coincide with the benchmark interest rate (for example, the interest rate is adjusted every three months), the Bank assesses, at the time of the initial recognition, this inconsistency in the interest component to determine whether the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

Contractual conditions that, at the time of the initial recognition, have a minimal effect on cash flows or depend on the occurrence of exceptional or highly unlikely events (such as redemption by the issuer) do not prevent their classification in portfolios at amortised cost or at fair value through other comprehensive income.

SPPI evaluation

When the business model involves holding assets in order to (i) receive contractual cash flows or (ii) receive contractual cash flows and sell these assets, the Bank assesses whether the cash flows of the financial instrument correspond solely to the payments of principal and interest on the principal amount outstanding (the SPPI test). In this assessment, the Bank considers whether the contractual cash flows are consistent with a basic loan agreement, that is, the interest includes only considerations regarding the time value of money, credit risk and a profit margin that is consistent with a basic loan agreement. When the contractual terms introduce exposure to risk or variability in cash flows that are inconsistent with a basic loan agreement, the financial instrument is classified and measured at fair value through profit or loss.

The financial assets with embedded derivatives are considered in their entirety, when determining whether the cash flows correspond only to payments of principal and interest on the principal outstanding (SPPI test).

Financial liabilities at amortised cost

The Bank measures a financial asset at amortised cost if it complies, simultaneously, with the following characteristics and if it is not designated at FVTPL by option (use of the Fair Value Option):

- The financial asset is held in a business model whose main purpose is to hold the assets to collect its contractual cash flows (HTC - Held to collect); and

- Its contractual cash flows occur on specific dates and correspond solely to payments of principal and interest on the principal amount outstanding (SPPI - Solely Payments of Principal and Interest).

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

This category of Financial assets at amortised cost includes Loans and advances to credit institutions, loans and advances to customers and debt securities (Investments at amortised cost) managed based on a business model whose objective is to receive its contractual cash flows.

Financial assets at fair value through other comprehensive income

The Bank measures a financial asset at fair value through other comprehensive if it complies, simultaneously, with the following characteristics and if it is not designated at FVTPL by option (use of the Fair Value Option):

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

On initial recognition of an equity instrument that is not held for trading, the Bank may irrevocably assign it to this category. This designation is made on a case-by-case, investment-by-investment basis and is only available for financial instruments that meet the definition of equity instruments under IAS 32, and may not be used for financial instruments classified as equity instruments at issuer level under the exceptions provided for in paragraphs 16A to 16D of IAS 32.

Financial assets at fair value through other comprehensive income are initially recorded at fair value. Gains and losses relating to subsequent changes in fair value are reflected in a specific item of equity (Reserves of financial assets at fair value through other comprehensive income) until they are sold, where they are reclassified to profit or loss for the period, except for equity instruments which are reclassified to retained earnings. Additionally, they are subject, since their initial recognition, to the calculation of impairment losses (debt instruments only).

Interest income is calculated in accordance with the effective interest rate method and recognised in the income statement under the caption Interest income and similar income. Income from variable-income securities is recognised in the income statement caption Income from equity instruments on the date when it is attributed. In accordance with this criterion, prepaid dividends are recorded as income in the year the distribution is decided.

Financial assets at fair value through profit or loss.

All financial assets that are not measured according to the methods described above are measured at fair value through profit or loss.

Debt instruments whose contractual cash flow characteristics do not meet the SPPI criterion, and which would otherwise be measured at amortised cost or at fair value through other comprehensive income, are required to be measured at fair value through profit or loss.

This category also includes assets acquired for the purpose of realising gains from short-term fluctuations in market prices. This category also includes derivative financial instruments, excluding those that comply with hedge accounting requirements. By definition, equity instruments are also classified at fair value through profit or loss, unless the entities opt for the irrevocable classification at fair value through other comprehensive income as referred to above.

In addition, at initial recognition, the Bank may irrevocably classify a financial asset, which otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income, as at fair value through profit or loss if the classification significantly eliminates the accounting mismatch that would otherwise exist (Fair Value Option).

Financial assets classified in this category are initially recognised at fair value. Gains and losses arising from subsequent valuation at fair value are recognised in the income statement. Interest is reflected in the respective captions of Interest income and similar income.

Equity instruments

Equity instruments are instruments that meet the definition of capital from the issuer's perspective, that is, they are instruments that do not contain a contractual payment obligation and that evidence a residual interest in the issuer's net assets. An example of equity instruments are ordinary shares.

Investments in equity instruments are an exception to the general measurement criteria described above. As a general rule, the Bank exercises the option, on initial recognition, to designate, irrevocably, in the category of financial assets at fair value through other comprehensive income, the investments in equity instruments that are not classified as held for trading and that, in the event it did not exercise this option, would be classified as financial assets that are mandatorily accounted for at fair value through profit or loss. Impairment losses (and impairment reversals) are not recorded separately from other changes in fair value.

2.3.2 Classification of financial liabilities

An instrument is classified as a financial liability when there is a contractual obligation for its settlement to be realised through the delivery of cash or another financial asset, regardless of its legal form.

Financial liabilities are classified into the following categories:

i. Financial liabilities at amortised cost

Financial liabilities correspond essentially to Deposits from central banks and other credit institutions and Deposits from customers and other loans. These liabilities are initially measured at fair value, which normally corresponds to the consideration received, net of transaction costs, and are subsequently recorded at amortised cost, in accordance with the effective interest method.

ii. Financial liabilities held for trading

This category includes derivative financial instruments with a negative fair value.

iii. Financial liabilities at fair value through profit or loss (Fair Value Option)

The Bank designates, at initial recognition, certain financial liabilities at fair value through profit or loss (Fair Value Option) provided that at least one of the following requirements is met:
- the financial liabilities are managed, measured and analysed internally based on their fair value;
- derivative operations are contracted to hedge these assets or liabilities economically, thus ensuring consistency in the measurement of the assets or liabilities and the derivatives (accounting mismatch); and
- the financial liabilities contain embedded derivatives.

The subsequent measurement of financial liabilities is generally performed at amortised cost. There are some exceptions to this measurement basis, namely:

- Financial liabilities that are held for trading or when fair value option is applied - the subsequent measurement consists of fair value through profit or loss.
- Financial guarantees - the subsequent measurement consists of the higher of the corresponding expected credit losses and the amount of the initial fee received less the amounts already recognised as revenue in accordance with IFRS 15.

2.3.3 Recognition and initial measurement of financial instruments

At the time of their initial recognition, all financial instruments are recorded at their fair value. For financial instruments that are not recorded at fair value through profit or loss, fair value is adjusted by adding or subtracting transaction costs directly attributable to their acquisition or issue. In the case of financial instruments at fair value through profit or loss, the directly attributable transaction costs are immediately recognised in the income statement.

Transaction costs are defined as expenses directly attributable to the acquisition or disposal of a financial asset, or to the issue or assumption of a financial liability, which would not have been incurred if the Bank had not carried out the transaction. These include, for example, commissions paid to intermediaries (such as promoters) and mortgage formalisation expenses.

Financial assets are recognised in the balance sheet on the transaction date – the date on which the Bank commits to purchase the assets, unless there is a contractual stipulation or applicable legal figure that determines that the transfer of rights occurs at a later date.

At initial recognition, when the fair value of financial assets and liabilities differs from the transaction price, the entity should recognise this difference as follows:

- When the fair value is evidenced by a quotation on an active market of an equivalent asset or liability (that is, level 1 inputs) or based on a valuation technique that uses only observable market data, the difference is recognised as a gain or loss, and
- In the remaining cases, the difference is deferred, and the moment of initial recognition of the gain or loss is determined individually. This difference can then be (i) amortised over the life of the instrument, (ii) deferred until the fair value of the instrument can be determined using observable market data, or (iii) recognised through the liquidation of the asset or liability.

2.3.4 Subsequent measurement of financial instruments

After its initial recognition, the Bank measures its financial assets at (i) amortised cost, (ii) fair value through other comprehensive income, or (iii) fair value through profit or loss.

Trade receivables that do not have a significant financing component and commercial loans and short-term debt instruments that are initially measured at the transaction price or by the principal outstanding, respectively, are valued at the aforementioned amount less impairment losses.

Immediately after initial recognition, an impairment is also recognised for expected credit losses (ECL), for financial assets measured at amortised cost and investments in debt instruments measured at fair value through other comprehensive income, resulting in the recognition of a loss in results when the asset is originated.

Financial liabilities are initially recorded at fair value less transaction costs incurred and subsequently at amortised cost, based on the effective interest rate method, with the exception of financial liabilities designated at fair value through profit or loss, which are recorded at fair value.

2.3.5 Income and expenses of financial instruments

Income and expenses of financial instruments at amortised cost are recognised according to the following criteria:

i. Interest is recorded in the income statement under Interest income and similar income and Interest expenses and similar expenses, using the effective interest rate of the transaction on the gross book value of the transaction (except for impaired assets where the interest is applied on the book value net of impairment) and the interest already recognised and unpaid relating to overdue loans for more than 90 days is reversed, being recognised only when received since it is considered that its recovery is remote, and recognised off balance sheet; and

ii. The remaining changes in value will be recognised in the income statement as income, or expenses, when the financial instrument is derecognised from the balance sheet under Net gains/(losses) on investments at amortised cost, when it is reclassified, and in the case of financial assets, when there are impairment losses or gains through recovery, which are recorded under Impairment of loans and advances to customers net of reversals and recoveries, in the case of loans and advances to customers or under Impairment of other financial assets net of reversals and recoveries, in the case of other financial assets.

In order to determine the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instrument, without considering possible impairment losses. The calculation includes all fees paid or received considered as part of the effective interest rate, transaction costs and all other premiums or discounts directly related with the transaction, except for assets and liabilities at fair value through profit or loss.

Treasury Bonds issued in national currency indexed to the exchange rate of the United States Dollar (hereinafter US Dollar) are subject to exchange rate adjustments. The result of the exchange rate adjustments is reflected in the income statement for the period in which it occurs. The result of the exchange rate adjustment of the nominal value of the security is recorded in the caption Foreign exchange gains/(losses) and the result of the exchange rate adjustment of the discount and accrued interest is recorded under Net interest income – Interest and similar income.

Income and expenses from financial instruments at fair value through profit or loss are recognised according to the following criteria:

i. Changes in fair value are recorded directly in the income statement, separating the portion attributable to the instrument's income, which is recorded as interest or dividends according to its nature under the captions Interest and similar income and Income from equity instruments, respectively, and the rest, which is recorded as results of financial operations under the caption Net gains/(losses) on financial assets and liabilities at fair value through profit or loss; and

ii. Interest on debt instruments is recorded in the income statement under the caption Interest and similar income and is calculated using the effective interest rate method.

Income and expenses from financial assets at fair value through other comprehensive income are recognised according to the following criteria:

i. Interest or, when applicable, dividends are recognised in the income statement under the caption Interest and similar income and Income from equity instruments, respectively. The procedure for interest is the same as for assets at amortised cost;

ii. Foreign exchange differences are recognised in the income statement under Foreign exchange gains/(losses), in the case of monetary financial assets, and in other comprehensive income, in the case of non-monetary financial assets;

iii. In the case of debt instruments, impairment losses or reversals are recognised in the income statement under Impairment losses on other financial assets, net of reversals and recoveries; and

iv. The remaining changes in value are recognised in other comprehensive income.

Thus, when a debt instrument is measured at fair value through other comprehensive income, the amounts recognised in the income statement for the financial year are the same as those that would be recognised if measured at amortised cost.

When a debt instrument measured at fair value through other comprehensive income is derecognised from the balance sheet, the gain or loss recorded in other comprehensive income is reclassified to the net profit/(loss) for the period. On the other hand, when an equity instrument measured at fair value through other comprehensive income is derecognised from the balance sheet, the gain or loss recorded in other comprehensive income is not reclassified to the profit and loss account, remaining under a caption of reserves.

2.3.6 Reclassification between categories of financial instruments

Financial assets are not reclassified after their initial recognition, except in the period after the Bank changes its business model for managing financial assets Financial assets are reclassified to other categories only if the business model used in their management is changed. In this case, all affected financial assets are reclassified. The reclassification is applied prospectively from the date of reclassification, and any previously recognised gains, losses (including those related to impairment) or interest are not restated. Financial assets, at the date of their reclassification, are measured at fair value.

The reclassification of investments in equity instruments measured at fair value through other comprehensive income, or financial instruments designated at fair value through profit or loss, is not allowed.
The reclassification of financial liabilities is not allowed.

During the period, the Bank did not reclassify any financial instruments.

2.3.7 Fair value

In accordance with IFRS 13, financial instruments at fair value are measured according to the valuation levels described in Note 30.4.

2.3.8 Modification of loans and advances

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

- If the debtor is in financial difficulty, whether the modification only reduces the contractual cash flows to an amount that the debtor is expected to be able to pay;
- If any significant new term has been introduced, such as profit-sharing or an equity-based return, which substantially affects credit risk;
- Significant extension of the maturity of the contract when the debtor is not in financial difficulties;
- Significant change in the interest rate;
- Change in the currency in which the loan was contracted; and
- Inclusion of a collateral, a guarantee or other improvement associated with the loan, which significantly affects the credit risk associated with the loan.

If the terms of the contract are significantly different, the Bank derecognises the original financial asset and recognises the new asset at fair value, calculating its new effective interest rate. The renegotiation date is considered the initial recognition date for the purpose of calculating the impairment, including for the purpose of assessing whether a significant increase in credit risk has occurred. However, the Bank also assesses whether the newly recognised financial asset is impaired at initial recognition, especially when the renegotiation is related to the fact that the debtor has not made the payments originally agreed. Differences in the book value are recognised in the income statement, as a derecognition gain or loss.

If the terms of the contract are not significantly different, the renegotiation, or modification, does not result in derecognition and the Bank recalculates the gross book value based on the revised cash flows of the financial asset and recognises a gain or loss from this modification in the income statement. The new gross book value is recalculated discounting the modified cash flows at the original effective interest rate (or adjusted effective interest rate for impaired financial assets, originated or acquired).

After the modification, the Bank can determine that the credit risk has improved significantly and that the assets have moved from Stage 3 to Stage 2 (lifetime ECL) or from Stage 2 to Stage 1 (12-month ECL).

This situation can only occur when the performance of the modified asset is in accordance with the new terms of the contract for a period of twelve consecutive months. Additionally, the Bank continues to monitor whether there has been a significant increase in the credit risk of these assets, applying specific models for modified assets.

2.3.9 Derecognition not resulting from a modification

Financial assets granted are derecognised when the associated cash flows are extinguished, collected or disposed of to third parties and (i) the Bank substantially transfers all risks and rewards of ownership of the asset, or (ii) the Bank neither transfers nor substantially holds all the risks and rewards of ownership of the asset and does not hold control over the asset. Gains and losses obtained from the definitive sale of loans and advances to customers are recorded in Other operating income/(expenses). These gains or losses correspond to the difference between the sales value set and the book value of those assets, net of impairment losses.

The Bank participates in transactions in which it has the contractual right to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all the risks and rewards. These transactions result in the derecognition of the asset if the Bank:

- Has no obligation to make payments unless it receives equivalent amounts from the assets;
- Is prohibited from selling or pledging the assets; and
- Is obliged to remit any cash flow it receives from the assets without material delays.

The guarantees granted by the Bank (shares and bonds) through repurchase agreements and securities lending and borrowing operations are not derecognised because the Bank holds substantially all the risks and rewards based on the pre-established repurchase price, and therefore the derecognition criteria are not met (see Note 2.4).

Financial liabilities are derecognised when the underlying obligation is settled, expires, or is cancelled.

2.3.10 Write-off policy

The Bank writes off financial assets, in part or in whole, when it concludes that there is no reasonable expectation of collection. The indicators that demonstrate that there is no reasonable expectation of collection are (i) the shutdown of the activity and (ii) the cases in which the recovery depends on the collection of a collateral, but in which the value of the collateral is so low that there is no reasonable expectation of fully recovering the asset.

The rules implemented for the selection of loans that may be written off from assets are as follows:

- The loans cannot be under a risk-sharing protocol;
- The loans must be past due for more than 210 days; and
- The loans cannot be marked as overdue renegotiated loans or be part of an active payment agreement.

2.3.11 Impairment of financial assets

The Bank determines impairment losses for debt instruments that are measured at amortised cost and at fair value through other comprehensive income, as well as for other exposures that have an associated credit risk such as bank guarantees and commitments assumed.

The requirements of IFRS 9 aim to recognise expected losses from operations, assessed on an individual or collective basis, considering all reasonable, reliable, and duly substantiated information that is available, including information from a forward-looking perspective.

Impairment losses on debt instruments that are measured at amortised cost are recognised against an accumulated impairment caption in the balance sheet, which reduces the book value of the asset, while impairment of assets measured at fair value through other comprehensive income is recognised against other comprehensive income.

Impairment losses arising from the granting of loans and advances to customers are recognised in the income statement under the caption Impairment losses on loans and advances to customers, net of reversals and recoveries and those of the remaining financial assets under the caption Impairment losses on other financial assets, net of reversals and recoveries.

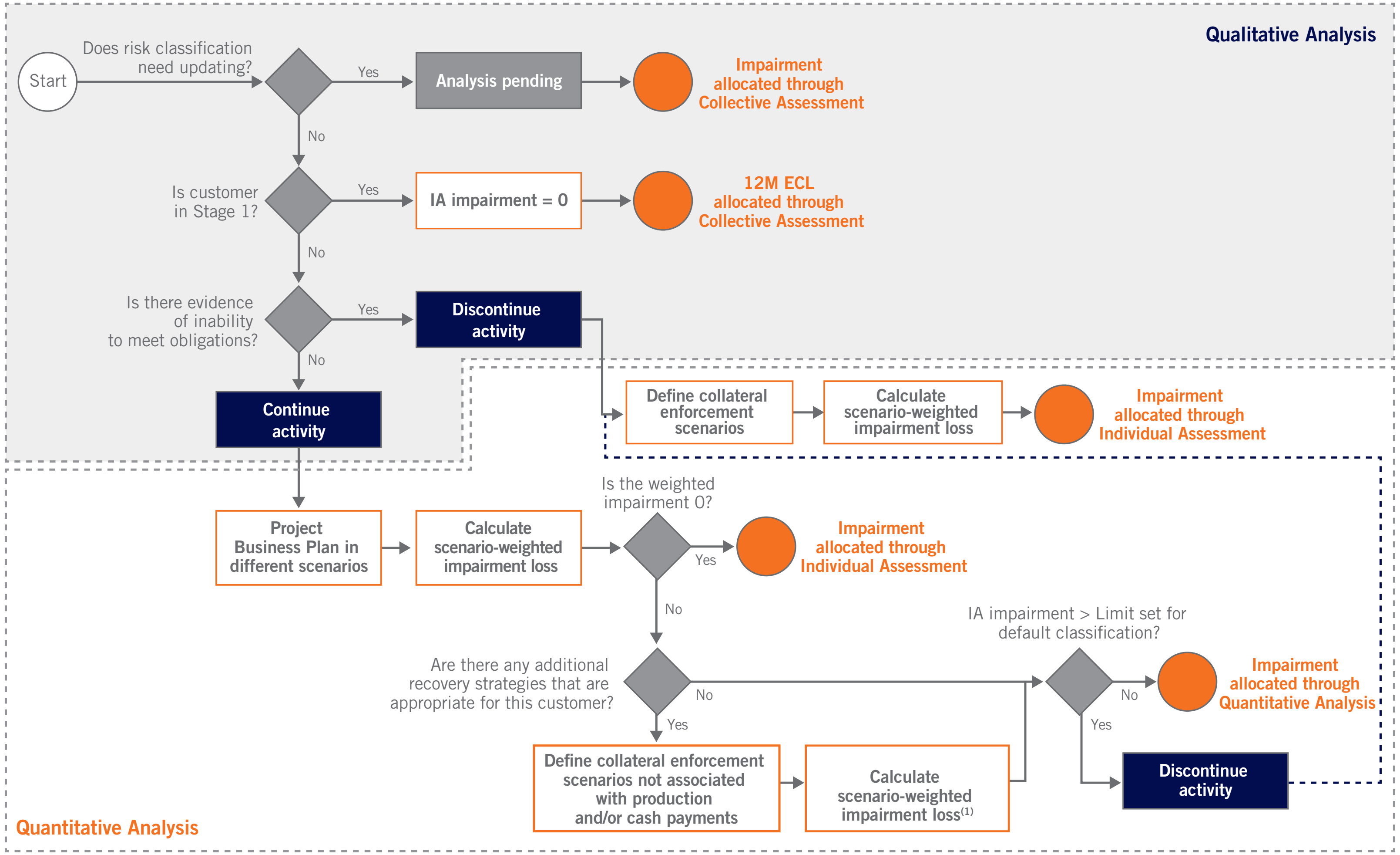
Impairment losses on exposures that have an associated credit risk and that are not positions recorded in assets are recorded as a provision under Provisions in liabilities, in the balance sheet. Charges for the period and reversals are recorded under the caption Provisions, net of reversals in the income statement.

Impairment model of loans and advances to customers

The methodology adopted by the Bank foresees, in a first stage, the identification of Economic Groups (and private customers, hereinafter "individuals") considered as individually significant. These are analysed individually and the remainder collectively, according to homogeneous risk groups. The following criteria for selecting Groups (and individuals) that are individually significant are considered:

- Customers/economic groups with no evidence of impairment with exposure greater than or equal to 0.1% of FPR;
- Customers/economic groups with signs of impairment with exposure greater than or equal to 0.02% of FPR; and
- Customers restructured due to financial difficulties with exposure above AOA 50 million.

The individual analysis process follows the following flow:



In the collective analysis methodology, the Bank groups customers into homogeneous risk segments, namely the following:

- Consumer credit
- Overdrafts
- Credit cards
- Car loans
- Mortgages
- Small and Medium-sized Businesses - less significant exposures
- Large Businesses – significant exposures
- State
- Credit institutions

The amount of impairment losses is determined according to whether there is a significant deterioration of the risk since initial recognition, and whether a default event occurs. Consequently, the Bank classifies financial instruments into three stages of impairment, as described below:

- Stage 1: Classification to be applied on initial recognition of the financial instruments or in the event of not meeting any of the classification criteria of the other impairment stages
- Stage 2: Classification to be applied to financial instruments that show a significant increase in credit risk (SIRC) since their origin
- Stage 3: All financial instruments that are in default according to the Bank's internal definition and in line with Instruction No. 8/2019 will be classified under this stage.

The Stage 2 criteria for classification are as follows:

Classification

- Product contracts other than overdrafts, with credit more than 30 days overdue;
- Overdraft product contracts with credit more than 15 days overdue;
- Customer with at least one credit operation restructured due to financial difficulties in the last 12 months;
- Customers with an operation in litigation in the last 5 years;
- Customers with bounced cheques and/or inhibited from using cheques according to the information available at CIRC (Angolan Centralised Credit Register);
- Customers with unauthorised overdrafts;
- Customers with revolving operations (overdrafts, credit cards and escrow accounts) above the limit formally contracted, or revolving credit operations used permanently at least 95% of the limit initially contracted in the last 12 months.

For individually analysed customers the following additional criteria are considered:

- Customers with a credit operation in the financial system more than 90 days in arrears, capital or interest written off/annulled or in a situation of litigation;
- Customers with authorised overdrafts above the limit formally contracted with the customers or revolving credit operations used on a permanent basis by at least 95% of the limit initially contracted in the last 12 months;
- Credit with a material decrease in the value of the collateral (greater than 20%) when this results in a funding-collateral ratio greater than 80%;
- Customer subject to Special Recovery Programs;
- Customers with overdue debts to the Tax Administration and/or Social Security;
- Bank pledges or expectation of insolvency or subject to a financial and/or operational recovery/reorganization process;
- Significant change in the Customer's operating results (Companies), for customers subject to Individual Analysis.

Propagation

- Propagation of all operations to Stage 2 if the total exposure of the operation in Stage 2 is greater than or equal to 20% of the Customer's exposure

Applicable only to Stage 3 Customers, the default marking criteria, are as follows, provided they have (i) Absolute Materiality: >= AOA 5,000 of overdue loans; (ii) Relative materiality: 1% Corporate and 2.5% Private, of the Customer's asset exposure.

Classification

- Contracts with overdue credit for more than 90 days;
- Restructured contracts with overdue credit for more than 30 days;

- Restructurings with material loss or grace period of the principal or arising from contracts already at Stage 3.

For individually analysed customers the following additional criteria are considered:

- Customers in bankruptcy/insolvency or with expectation of bankruptcy/insolvency

Propagation

- Propagation of marking of default when the default exposure represents 20% of total customer exposure

Unmarking

- Contracts with overdue credit for more than 90 days: 12-month quarantine period (at least 6 months in Stage 3 and 6 months in Stage 2) with no default activation criteria
- Restructured credits: a quarantine period (at least 12 months) is applied with payment of principal and interest without overdue exposure for a period greater than 30 days.

In calculating collective impairment, the Bank considers the following credit risk parameters:

a) Exposure: The exposure at default (EAD) is the estimated amount outstanding in the event of default. This component is relevant for financial instruments that have a variable amortisation structure depending on the Customer use (credit current accounts, credit cards, in general any revolving product). The calculation of this estimate is based on the observation of historical data for debtors in respect of which default situations have been verified, relating the levels of use of the limits at the time of default with those in the previous 12 months. In this context, future levels of use are estimated according to the nature of the product, the current levels of use and the value of the cap.

b) Probability of default (PD): The Bank applies a methodology for calculating the probability of default forecast for each borrower for the entire loan portfolio and for each risk segment. This parameter is used directly to calculate the ECL of operations in Stage 1 and 2 of impairment. Thus, for Stage 1 the 12-month period should be considered and for Stage 2 the residual maturity of the operation.

c) Loss given default (LGD): It is the percentage of debt that will not be recovered in the event of a Customer default. The calculation of the LGD is performed based on historical internal information, considering the cash flows associated with the contracts from the time of default until their settlement or until the moment when there are no relevant recovery expectations. It is also included in the calculation of the estimates of the costs associated with the credit recovery processes.

The parameters considered for determining impairment are generally based on the internal historical experience of defaults and recoveries of the Bank. The parameters are reviewed and updated periodically to reflect the economic position and to be always representative of the current economic context.

The models also incorporate prospects of future economic evolution (forward looking) to determine the expected loss considering the macroeconomic factors that are related to the probability of default and/or recoverability indicators of the Bank, namely:

- Real GDP
- Growth rate of non-oil GDP
- (Parallel) USD/AOA exchange rate - end of period
- Luanda Consumer Price Index
- Real Effective Exchange Rate (REER)
- EUR/AOA exchange rate - end of period

In the review processes, the necessary improvements will also be made as detected in the backtesting exercises.

of the forward-looking adjustment via COVID-19 in isolation, since the Bank also made methodological and structural changes in the estimation of its risk parameters, namely at the level of the history considered, definition of default and segmentation.

Impairment model for other financial instruments (Deposits at other credit institutions and Investments at amortised cost)

The Bank classifies exposures into stages of impairment with regard to financial instruments measured at amortised cost.

Stage 1 - Financial assets with no significant increase in credit risk since initial recognition

Assets that do not have a significant increase in credit risk since initial recognition are classified in Stage 1. The calculation of impairment losses for these exposures with a maturity of 12 months.

In assessing the existence of a significant increase in the credit risk for the financial asset portfolio, an increase of more than two notches is considered for a significant increase in the credit risk, in accordance with the information published by international rating agency Moody's.

Stage 2 – Financial assets with significant increase in credit risk since initial recognition

Whenever the existence of a significant increase in the counterparty's credit risk is determined, the exposure is classified as Stage 2.

For these exposures, the Bank measures the impairment losses over the respective residual maturity.

Stage 3 - Financial assets in default

This stage includes all financial instruments for which default events have been verified.

Impairment losses for debt instruments were calculated based on the credit risk parameters (probability of default and loss given default) provided by the international rating agency Moody's.

For the purposes of calculating impairment losses, the Bank also considers risk mitigation through the fair value of financial collateral and mortgage collateral.

2.4 Operations with repurchase or resale agreement

Securities sold with a repurchase agreement (repos) for a fixed price or for a price which equals the sale price plus interest inherent to the term of the operation are not derecognised from the balance sheet. The corresponding liability is recorded under amounts payable to other credit institutions or to customers, as appropriate. The difference between the purchase price and the resale price is treated as interest and is deferred over the life of the agreement, using the effective interest rate method.

Securities purchased under resale agreements (reverse repos) at a fixed price, or for a price that equals the purchase price plus interest inherent to the term of the operation, are not recognised in the balance sheet, the purchase price being recorded as loans and advances to banks or customers, as appropriate. The difference between the purchase price and the resale price is treated as interest and is deferred over the life of the agreement, using the effective interest rate method.

2.5 Financial instruments derivatives

The Bank can carry out derivative financial instrument operations, within the scope of its activity, to manage its own positions based on expectations of market developments or to meet the needs of its customers.

All derivative instruments are recorded on the trade date at fair value and changes in fair value are recognised in the income statement unless they qualify as cash flow hedges or net investments in foreign operating units. Derivatives are also recorded in off-balance sheet accounts at their reference value (notional value).

Derivative financial instruments are classified as hedging (provided that all designation conditions are met) or trading instruments, depending on their purpose.

Hedging derivatives

The Bank had no hedging derivatives at the date of the first adoption of IFRS 9, however it took the decision to continue to apply as a policy, the accounting treatment of IAS 39 as permitted by IFRS 9.

The Bank designates derivatives and other financial instruments to hedge interest rate and foreign exchange risks, resulting from its business. Derivatives that do not qualify for hedge accounting are recorded as trading instruments.

Hedging derivatives are recorded at fair value and the gains or losses resulting from their remeasurement are recognised in accordance with the hedge accounting model adopted.

A hedging relationship exists when:
- at the beginning of the relationship there is formal documentation of the hedge;
- the hedge is expected to be highly effective;
- the effectiveness of the hedge can be reliably measured;
- the hedge is assessed on an ongoing basis and effectively determined to be highly effective over the financial reporting period; and
- in relation to the hedging of an anticipated transaction, the transaction is highly probable and presents an exposure to changes in cash flows that could ultimately affect profit or loss.

When a derivative financial instrument is used to hedge foreign exchange changes arising from monetary assets or liabilities, no hedge accounting model is applied. Any gain or loss associated with the derivative is recognised in profit or loss for the period, as are the changes in the foreign exchange risk of the underlying monetary elements.

i. Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with changes in the fair value of the asset, liability or group of assets and liabilities to be hedged in respect of the risk covered. If the hedging relationship no longer meets the requirements of hedge accounting, the derivative financial instrument is transferred to the trading category and the hedge accounting is subsequently discontinued (the adjustment made to the book value of a hedging instrument, for which the effective interest rate method is used, is amortised through profit or loss for the period until its maturity and recognised in Net interest income). If the hedged asset or liability corresponds to a fixed-income instrument, the accumulated gains or losses in respect of changes in the interest rate risk associated with the hedging item until the date the hedging is discontinued, are amortised through profit or loss over the remaining period of the hedged item.

ii. Cash flow hedges

Changes in the fair value of derivatives, which qualify as cash flow hedges, are recognised in equity - cash flow reserves - for the effective part of the hedging relationships. Changes in the fair value of the ineffective portion of hedging relationships are recognised in the income statement when they occur.

The amounts accumulated in equity are reclassified to the income statement in the periods when the hedged item affects results.

When the hedging instrument is derecognised or when the hedging relationship no longer meets the hedge accounting requirements or is revoked, the hedging relationship is discontinued prospectively. Accordingly, changes in fair value accumulated in equity until the date the hedging is discontinued can be:
- deferred for the remaining period of the hedged instrument; and
- recognised immediately in profit or loss for the period if the hedged instrument has been extinguished.

In the case of the discontinuation of a hedging relationship of a future transaction, the changes in fair value of the derivative recorded in equity remains there until the future transaction is recognised in the income statement. When the transaction is no longer expected to occur, the accumulated gains or losses recorded in equity are immediately recognised in the income statement.

In the case of the discontinuation of a hedging relationship of a future transaction, the changes in fair value of the derivative recorded in equity remains there until the future transaction is recognised in the income statement. When the transaction is no

longer expected to occur, the accumulated gains or losses recorded in equity are immediately recognised in the income statement.

Derivatives held for trading

Derivatives that are not considered in an accounting hedging relationship are considered as other financial instruments at fair value through profit or loss. When the fair value of the instruments is positive, they are presented under assets, when their fair value is negative, they are classified under liabilities, in both cases under financial assets or liabilities at fair value through profit or loss.

Embedded derivatives

There is an embedded derivative when a part of the financial instrument traded by the Bank trades contains a derivative and a non-derivative component. This component of the derivative is identified as an "embedded derivative", while the rest of the contract is described as a "host contract".

Derivatives embedded in financial instruments are separately accounted for whenever:

- the risks and rewards of the derivative are not related to those of the main instrument (host contract);
- a separate instrument with the same terms meets the definition of a derivative; and
- the hybrid instrument (as a whole) is not initially recognised at fair value through profit or loss.

Embedded derivatives are presented under the captions of financial assets or liabilities at fair value through profit or loss, being recorded at fair value with the changes being reflected in profit or loss. As at 30 June 2022, the Bank did not hold any embedded derivatives disclosed in its financial statements.

2.6 Investments in subsidiaries, associates and joint ventures

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

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

Associated companies are entities over which the Bank has significant influence but does not exercise control over their financial and operating policy. The Bank is presumed to have significant influence when it holds more than 20% of the voting rights of the associate. If the Bank holds, directly or indirectly, less than 20% of the voting rights, it is assumed that it does not have significant influence, except when that influence can be clearly demonstrated.

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

- representation on the Board of Directors or equivalent governing body;
- participation in policy-making processes, including participation in decisions on dividends or other distributions;
- material transactions between the Bank and the investee;
- exchange of the management personnel; and
- provision of essential technical information.

Impairment

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

2.7 Equity instruments

A financial instrument is classified as an equity instrument when there is no contractual obligation to settle it by delivering cash or another financial asset to third parties, regardless of its legal form, evidencing a residual interest in the assets of an entity after deducting all its liabilities.

Transaction costs directly attributable to the issue of equity instruments are recorded against equity, as a deduction from the amount of the issue. The amounts paid and received for purchases and sales of equity instruments are recorded in equity, net of transaction costs.

Income from equity instruments (dividends) is recognised when the right to receive it is established and are deducted to equity.

2.8 Intangible assets and Property, plant and equipment

Intangible assets are only recognised when: i) they are identifiable; ii) it is probable that they will generate future economic benefits and iii) their cost can be reliably measured.

The acquisition cost of intangible assets comprises: i) the purchase price, including costs with intellectual rights and fees and after deducting any discounts and ii) any cost directly attributable to the preparation of the asset for its intended use.

After the initial accounting, BFA measures its intangible assets according to the cost model.

Intangible assets, which correspond mainly to IT software, are recorded at acquisition costs, and are amortised on a straight-line basis over a three-year period.

Property, plant and equipment is recorded at cost of acquisition less accrued amortisation and impairment losses. The cost includes expenditure that is directly attributable to the acquisition of the goods.

The acquisition cost of property, plant and equipment comprises the purchase price of the asset, expenses directly attributable to its acquisition and costs incurred in preparing the asset to be ready for its intended use. Financial costs incurred with loans obtained for the construction of qualifying tangible fixed assets are recognised as part of the construction cost of the asset.

Land is not depreciated.

Depreciation is calculated on a straight-line basis, according to the useful life estimated by the Bank, which corresponds to the following years of useful life:

	Years of useful life
Real estate for own use (Buildings)	50
Improvements in leased buildings	10
Equipment:	
Furniture and material	10
IT equipment	3
Indoor facilities	10
Transport equipment	3
Machines and tools	6 and 7

As mentioned in Note 2.18, this caption includes right-of-use assets arising from lease agreements.

2.9 Non-current assets held for sale

Non-current assets are classified as non-current assets held for sale when their book value is intended to be realised mainly through a sale transaction rather than through their continued use in the Bank's activities.

The value of assets received as payment in kind is initially recorded at the lower of the fair value net of selling costs and the book value of the loan at the date the payment in kind was made.

When the outstanding amount of the loan operation is greater than its book value (net of provisions), the difference must be recognised as income for the period, up to the value determined upon valuation of the assets. When the valuation of the assets is lower than the book value of the loan operation, the difference must be recognised as a cost for the period.

Assets recorded under this caption are not amortised and are valued at the lower of book value and fair value.

The fair value of these assets is determined based on periodic valuations performed by independent valuers. Whenever the value resulting from these valuations (net of costs to sell) is lower than the book value, impairment losses are recorded under Impairment of other assets, net of reversals and recoveries.

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

2.10 Impairment of non-financial assets

When there are signs that an asset may be impaired, IAS 36 requires that its recoverable amount is estimated, and an impairment loss shall be recognised whenever the net book value of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement and are reversed in subsequent reporting periods, when the reasons that led to their initial recognition cease. For this purpose, the new depreciated amount shall not exceed the book value that would be accounted, had no impairment losses been allocated to the asset, considering its depreciation.

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

On the date of the derecognition of a tangible asset, the gain or loss calculated by the difference between the fair value less costs to sell and the net book value is recognised in the income statement under the caption Net gains/(losses) on sale of other assets.

2.11 Cash and cash equivalents

For the purposes of the cash flow statement, Cash and cash equivalents comprise balances with less than three months' maturity from the balance sheet date, including Cash and deposits at Central Banks and Deposits at other credit institutions (Notes 4 and 5), and do not include impairment losses.

2.12 Dividends

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

2.13 Commissions

Income from services and commissions is recognised as revenue from customer agreements to the extent that the performance obligations are satisfied:

- when they are obtained as the services are rendered, their recognition in profit or loss is made in the period to which they relate; and

- when they result from the rendering of services, their recognition is made when that service is completed.

When they are an integral part of the effective interest rate of a financial instrument, the income resulting from services and commissions are recorded in net interest income.

2.14 Employee benefits

Short-term benefits are reflected under "Staff costs" in the period to which they relate, in accordance with the accrual accounting principle.

The Bank grants variable remuneration to its employees and directors as a result of their performance (performance bonus). The Executive Committee of the Board of Directors is responsible for establishing the respective allocation criteria for each employee, and the Remuneration Committee is responsible for establishing the criteria at director level. The variable remuneration paid to employees and directors is recorded against profit or loss in the period to which they relate, although payable in the following year (Note 25).

BFA employees are covered by Law No. 7/04, of 15 October, which regulates the Social Security system of Angola, and provides for the provision of retirement pensions to all Angolan employees registered with the Social Security. The value of these pensions is calculated based on a table proportional to the number of years of work, applied to the average monthly gross salary received in the periods immediately preceding the date the employee retires. According to Decree No. 38/08, of 9 June, the contribution rates to this system are 8% for the employer and 3% for the employees.

Pursuant to Article 262 of Law No. 2/00, of 11 February (General Labour Law), BFA has set up provisions to cover liabilities related to "Retirement compensation", which are determined by multiplying 25% of the monthly base salary on the date the employee reaches the legal retirement age, by the number of years of seniority on that date.

On 15 September 2015, Law No. 7/15, of 15 June (New General Labour Law) came into force, revoking Law No. 2/00, of 11 February. The New General Labour Law does not refer to the need to set up provisions to cover the liabilities related to "Retirement compensation".

In addition, the Bank granted its employees contracted locally or their families the right to cash benefits for retirement due to old age, disability, and survival. Accordingly, by resolution of the Bank's Board of Directors, and with effect from 1 January 2005, a "Supplementary Pension Plan" was created, consisting of a defined-contribution plan. This plan was initially set up with part of the balance of from the "Provision for Probable Liabilities with Retirement Pension Funds", consisting of contributions from BFA of a fixed percentage corresponding to 10% of the salary subject to deduction for the Social Security of Angola, applied on fourteen salaries.

In 2013, with reference to the last day of the year, the Bank constituted the "BFA Pension Fund" to cover these responsibilities, having, in 2018, used the provisions previously established as an initial contribution to the BFA Pension Fund (see Note 25). The amounts corresponding to the rights acquired in the "Supplementary Pension Plan" were transferred to the current pension plan and converted into contributions by the participant. The return on the investments made, net of any taxes, is added to the amount of the contributions.

For defined-contribution plans, the liabilities related to the benefit attributable to the Bank's employees are recognised as an expense of the period when due (Note 25).

Termination benefits

This type of benefit is recognised when the Bank terminates the employment contract before the employee reaches normal retirement date, or when an employee accepts the termination of employment in exchange for such benefit. The Bank recognises a liability for termination benefits on the earliest of the following dates: when the Bank is no longer able to withdraw the offer of benefits or when the Bank recognises the costs of a restructuring, within the scope of the recognition of restructuring provisions. Benefits due more than 12 months after the end of the reporting period are discounted to their present value.

2.15 Income tax and other taxes

The total income tax recorded in the income statement includes current and deferred taxes.

Current tax

Current tax is calculated based on the taxable income for the period, which differs from the accounting income due to adjustments to the tax base resulting from expenses or income not relevant for tax purposes, or which will only be considered in future periods according to the applicable tax laws (Industrial Tax Code).

Deferred tax

Deferred tax corresponds to the impact on tax recoverable/payable in future years resulting from deductible or taxable temporary differences between the balance sheet value of assets and liabilities and their tax base, used to determine taxable income. Deferred taxes are calculated based on the tax rate in force or substantially in force at the financial reporting date, and which is estimated to be applicable on the date of realisation of deferred tax assets or on the date of payment of deferred tax liabilities.

Deferred tax liabilities are normally recorded for all taxable temporary differences, whereas deferred tax assets are only recognised up to the amount by which it is probable that future taxable income will exist, to allow for the use of the corresponding deductible temporary differences or tax losses carried forward. Additionally, deferred tax assets are not recorded in cases where their recoverability may be questionable due to other situations, including issues of interpretation of the tax legislation in force.

Industrial Tax

As at 30 June 2022, the Bank is subject to an Industrial Tax under the terms of the General Tax System. The taxation of its income is carried out under the terms of Law No. 26/20, of 20 July (which revoked Law No. 19/14, of 22 October) and, currently, the applicable tax rate is 35%.

The income from public debt securities, resulting from Treasury Bonds and Treasury Bills issued by the Angolan State, whose issue is regulated by the Framework Law of Direct Public Debt (Law No. 16/02, of 5 December) and by Regulatory Decrees No. 51/03 and 52/03, of 8 July, as well as the other income obtained by the Bank subject to Capital Gains Tax (IAC), are exempt from Industrial Tax, in accordance with the provisions of Article 47(1)(b) of the Industrial Tax Code, with the exception of capital gains or losses obtained and any exchange rate revaluations made on the capital component (in this case, as per AGT's understanding).

Moreover, the referred Law No. 26/20, established, among other changes, the eligibility for tax purposes of favourable and unfavourable exchange rate variations only when they are realised and the non-deduction of impairments of credit with guarantee, except for the part not hedged.

In addition, the Industrial Tax is subject to provisional assessment in a single instalment to be made by the end of August, calculated by applying a rate of 2% on the result derived from financial intermediation operations, ascertained in the first six months of the previous tax year, excluding income subject to capital gains tax (taxpayers who have presented losses in the previous period are exempt from the provisional assessment).

Tax returns are subject to review and correction by tax authorities for 5 (five) years, which may result in possible amendments to the taxable income for the years 2017 to 2021.

The recording of the tax impacts of the transactions carried out by the Bank corresponds to management's understanding of the tax treatment applicable under the legislation issued. In situations where the tax interpretation is questioned by the Tax Authorities (AGT), Management reassesses the probability (above or below 50%) that the adopted tax treatment will be accepted, and consequently determines the most likely or expected amount of tax assets or liabilities to be recorded.

Capital Gains Tax (IAC)

The new IAC Code, approved by Presidential Legislative Decree No. 2/2015, of 20 October, came into force on 19 November 2014.

The IAC is generally levied on income from the Bank's financial investments. The rate varies between 5% (in the case of interest received on debt securities which are admitted to trading on a regulated market, and which have a maturity of three years or more) and 15%.

Notwithstanding the above, with respect to income from public debt securities, according to the understanding of the AGT and the Banco Nacional de Angola addressed to the Angolan Banks Association ("Associação Angolana de Bancos") (letter from the Banco Nacional de Angola dated 26 September 2013), only income arising from securities issued on or after 1 January 2013 are subject to this tax.

This income from Treasury Bonds and Treasury Bills, issued by the Angolan State after 1 January 2013, is subject to IAC at the rate of 10% (5% in the case of debt securities admitted to trading on a regulated market and which have a maturity of three years or more).

On 1 August 2013, the automation process to withhold tax was initiated, by the BNA, in respect of IAC, in accordance with the provisions of Presidential Legislative Decree No. 5/11, of 30 December.

IAC is generally levied on the income from the securities identified above and is withheld by the Bank. For these reasons, the Bank considers that the conditions to consider IAC as an income tax under IFRS are fulfilled.

Value Added Tax (VAT)

Law No. 7/19 introduced VAT, which has been in force since 1 October 2019, repealing the Consumption Tax Regulation (IC) and introducing relevant amendments to the Stamp Duty Code (IS).

Under the terms of the VAT Code approved by Law No. 7/19 and the amendments introduced by Law No. 17/19 of 13 August, they are subject to this tax: (i) the transfer of goods and services carried out within national territory, for consideration, by a taxable person acting as such; and (ii) the import of goods.
Nevertheless, the VAT Code provides for the exemption of certain transactions, including the exemption applied to financial intermediation transactions, including those described in Annex III to this Code, except those which give rise to the payment of a specific and predetermined fee or consideration for their performance. This exemption does not entitle the taxable person to deduct the VAT incurred on the acquisition of goods and services connected with exempt transactions.

It should be noted that the VAT rate in force in Angola, applicable to transactions subject and not exempt from VAT, is 14%. Additionally, and in accordance with Article 21(2) of the VAT Code, commercial banks must withhold 50% of the tax included in the invoice or equivalent document issued by the taxpayer at the time of transfer of goods or rendering of services (except for the transfers of goods or rendering of services listed as excluded from this withholding tax). In this regard, the withholding of this tax must be made in the periodic VAT return for the month in which this tax becomes chargeable under the terms of Article 21(3) of the VAT Code (i.e., upon receipt of the respective invoice or equivalent document by the entities subject to the withholding VAT system).

However, Instruction No. 000003/DNP/DSIVA/AGT/2020, issued by the Angolan tax authorities, has clarified that transfers of goods to any withholding entities whose payment is made by debit in the account, with the exception of the State, are exempt from withhold. Examples of these situations are transfers of goods within the scope of banking and financial operations in which the Institutions debit the customer's account, namely: (i) the transfer of goods subject to financial leasing agreements, to the respective lessee, when exercising the stipulated purchase option, as well as (ii) the sale of point-of-sale (POS) systems within the scope of the provision by institutions to their customers of payment card acceptance services. Under the terms of Article 10(1) of the VAT Code, for the purposes of this tax, and as a general rule, the rendering of services takes place within the national territory when the purchaser has domicile, head office or fixed establishment therein for which the services are acquired. In this context, Article 29(2) of the VAT Code, in conjunction with Article 2(1)(d) of the same tax compendium, provides for a reverse charge mechanism, whereby "whenever the purchaser is a taxable person, the tax is payable by that purchaser, in respect of services rendered within national territory, under Article 10 of the VAT Code, where the service provider is a non-resident taxable person and does not have a fixed establishment in national territory", i.e., the purchaser , a VAT taxpayer in Angola, must (self) assess the Angolan VAT due on the rendering of services in Angola, when these are rendered by non-resident suppliers.

Moreover, considering the Bank is a taxable person that carries out transactions which grant the right to deduct (i.e., transactions subject to VAT) and transactions which do not grant the right to deduct (i.e., transactions which are exempt from this tax under the aforementioned terms), the VAT incurred by the Bank on its purchases of goods and services is only partially deductible using the pro rata method.

Nevertheless, the Bank, as a taxable person subject to the general VAT system, may, under the terms of Article 27(2) of the VAT Code, adopt the actual allocation method regarding the VAT incurred on goods for sale. This method of deduction consists of the possibility of deducting all the tax incurred in the acquisition of goods in transactions which give rise to a right to deduct but excludes the possibility of deducting the tax incurred in transactions which do not give rise to this right, under the terms of Articles 22 and 24 of the VAT Code. The goods whose tax may be deducted according to the actual use method are subject to prior authorisation by the Tax Authorities. Additionally, Instruction No. 000003/DNP/DSIVA/AGT/2020, referred to below, established that credit institutions may adopt the actual allocation method to deduct the VAT incurred on the acquisition of goods and services "exclusively used" to carry out:

I. Financial lease operations;
II. Financial operations carried out by institutions without head office or permanent establishment in national territory ("correspondent banks") for Angolan institutions;
III. Operations covered by the provisions of Article 6(3) of the VAT Code, namely the re-invoicing of goods and/or services acquired by the institutions in their own name, but on behalf of third parties, to whom the respective goods and/or services are re-invoiced, with a view to obtaining a refund (cost recovery).

For the purposes of VAT deduction according to the mentioned method, credit institutions must prepare a letter addressed to the VAT Services Department (Direcção dos Serviços do IVA), requesting the amendment of the statement on the commencement of operations, as well as the respective compliance with the obligations foreseen in the VAT Code regarding the accounting record of the operations, in order to allow the control of the operations whose tax was deducted according to the actual allocation method.

Moreover, the Bank is also required to comply with the invoicing rules under the Legal Regime of Invoices and Equivalent Documents ("Regime Jurídico das Facturas e Documentos Equivalentes" (RJFDE)), in force since April 2019. Within this scope, the economic agents with a turnover equal or superior to Kwanzas equivalent to USD 250 thousand must issue the invoices or equivalent documents through a certified invoicing system.

The State Budget Laws for the 2021 and 2022 economic years also provide that 2.5% Value Added Tax will be withheld on receipts obtained from automatic payment terminals, relative to the transfer of goods and provision of services by taxpayers..

Property Tax

In accordance with the provisions of Law No. 20/20, published on 9 July, which approved the new Property Tax Code and revoked the previous law, the Bank withholds Property Tax at a rate of 15% (considering that the taxable amount of these properties corresponds only to 60% of the value of the rents received during the year, since the applicable tax rate is 25%), on the payment or delivery of rents on rented property, with the exception of land for construction, for which Property Tax will be due at a rate of 0.6% of the asset value.

Property Tax will be due on non-rented property in accordance with the following ranges:

- A rate of 0.1% on the asset value, applicable to real estate with an asset value below AOA 5,000,000;

- A fixed value of AOA 5,000 for properties with an asset value above AOA 5,000,000 and below AOA 6,000,000;

- A rate of 0.5% on the asset value exceeding AOA 5,000,000, applicable to real estate with an asset value above AOA 6,000,000.

In the transfer with or without consideration of property, the taxable amount corresponds to the asset value as stated in the land registry at the date of transfer, the value determined by evaluation, in the case of an omitted building, or the declared value, whichever is greater. The transfer of real estate assets is subject to property tax at the rate of 2%, the charge and liability for settlement of which should fall on the Bank whenever it acts as purchaser.

Other taxes

The Bank is also subject to indirect taxes, namely, customs duties, stamp duty, labour income tax, as well as other taxes.

2.16 Provisions and contingent liabilities

A provision is set up when there is a present obligation (legal or constructive) resulting from past events for which the future outflow of resources is probable and can be reliably measured. The provision amount corresponds to the best estimate of the amount to be disbursed to settle the liability, at the balance sheet date. Provisions are measured at the present value of the estimated costs to settle the obligation using a pre-tax interest rate, which reflects the market value, for the discount period and for the risk of the provision in question.

If the future expenditure of resources is not likely, it is a contingent liability, and is subject to the respective disclosure, in accordance with the requirements of IAS 37 - Provisions, contingent liabilities and contingent assets.

Provisions related to legal proceedings, opposing BFA to third parties, are constituted in accordance with internal risk assessments carried out by the Board of Directors, with the support and advice of its legal advisors.

Provisions for loan commitments and financial guarantees given are measured according to the impairment model implemented as described in Note 2.3.11.

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

Provisions are derecognised through their use for the obligations for which they were initially recognised or for the cases that the situations were no longer observed.

2.17 Financial and Performance guarantees

Financial guarantees

Financial guarantees are contracts that require the issuer to make payments in order to compensate the holder for losses incurred, as a result of breaches of the contractual terms of debt instruments, namely the payment of the respective principal and/or interest.

Financial guarantees issued are initially recognised at their fair value. Subsequently, these guarantees are measured at the higher (i) of the fair value initially recognised and (ii) the amount of any obligation arising from the guarantee contract, measured at the balance sheet date. Any change in the amount of the obligation associated with financial guarantees issued is recognised in the income statement.

Financial guarantees issued by the Bank usually have a defined maturity and a periodic fee charged in advance, which varies according to the counterparty risk, amount, and performance of the contract. On this basis, the fair value of the guarantees, on the date of their initial recognition, is approximately equivalent to the value of the initial commission received, considering that the agreed conditions are market conditions. Thus, the amount recognised on the contracting date equals the amount of the initial commission received, which is recognised in the income statement during the period to which it relates. Subsequent commissions are recognised in the income statement, in the period to which it relates.

Performance guarantees

Performance guarantees are contracts that result in one party being compensated if it fails to perform its contractual obligation. Performance guarantees are initially recognised at fair value, which is normally stated by the amount of commissions received over the life of contract. Upon breach of contract, the Bank has the right to revert the guarantee, with the amounts being recognised in Loans and advances to customers, following the transfer of the loss compensation to the guarantee beneficiary.

2.18 Leases

IFRS 16 sets out requirements regarding the scope, classification/recognition and measurement of leases:

- from the lessor's perspective, leases continue to be classified as finance leases or operating leases;
- from the lessee's perspective, the standard defines a single accounting model for lease agreements that results in the recognition of a right-of-use asset and a lease liability for all lease agreements except for leases with a period of less than 12 months or for leases of low value assets in which cases the lessee may opt for the recognition exemption provided for in IFRS 16, and, in that case, should recognise the lease payments associated with those contracts as "External supplies and services".

The Bank has opted not to apply this standard to short-term lease agreements of less than or equal to one year and to lease agreements where the underlying asset has low value, and the option of not applying this standard to leases of intangible assets has also been used.

Definition of a lease

A contract is or contains a lease if it conveys the right to control the use of an identified asset, that is, obtaining substantially all of the economic rewards of its use, and the right to direct the use of that identified asset, for a certain period of time in exchange for consideration.

Impacts from the lessee's perspective

The Bank recognises for all leases, except for leases with a period of less than 12 months or for leases of low-value assets:

- A right-of-use asset, initially measured at cost, taking into account the Net Present Value (NPV) of the lease liability, plus payments made (fixed and/or variable) less lease incentives received, penalties for termination (if reasonably certain), as well as any cost estimates to be incurred by the lessee in dismantling and removing the underlying asset and/or restoring the location where it is located. Subsequently, it is measured according to the cost model (subject to depreciation/amortisation according to the lease term of each agreement and to impairment tests);
- a lease liability, initially recorded at the present value of the future lease cash flows (NPV), which includes:
- fixed payments, less leasing incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the start date of the agreement;
- the amounts payable by the lessee as residual value guarantees;
- the exercise price of a call-option, if the lessee is reasonably certain to exercise that option; and
- sanction payments for the termination of the lease if the lease term reflects the exercise of a lease termination option by the lessee.

The lease liability is measured at amortised cost using the effective interest rate method.

When the interest rate implicit in the lease cannot be readily determined (paragraph 26 of IFRS 16), the lease payments are discounted at the lessee's incremental borrowing rate which incorporates the risk-free interest rate curve (swap curve), plus a risk spread of the Bank, applied over the weighted average term of each lease agreement. For fixed-term contracts, the respective date is considered the end date of the lease; for the other open-ended contracts, the term during which the agreement is enforceable is evaluated.

Subsequently, the lease liability is measured as follows:

- by an increase in its carrying amount to reflect interest thereon;
- by a decrease in its carrying amount to reflect lease payments; and
- the carrying amount is remeasured to reflect any revaluations or changes in the lease, as well as to incorporate the revision of lease payments fixed in substance and the revision of the lease term.

The Bank remeasures a lease liability, and calculates the respective adjustment related to the right-of-use asset whenever:

- there is a change in the lease term or in the assessment of a call-option over the underlying asset, in which case the lease liability is remeasured, discounting the revised lease payments and using a revised discount rate;
- there is a change in the amounts payable under a residual value guarantee, or in the future lease payments resulting from the change in an index or rate used to determine those payments, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the change in the lease payments results from a change in variable interest rates, in which case a revised discount rate should be used); and
- a lease agreement is changed, but such lease change is not accounted for as a separate lease, in which case the lease liability is remeasured, discounting the revised lease payments using a revised discount rate.

Right-of-use assets are depreciated/amortised from the lease start date until the end of the useful life of the underlying asset, or until the end of the lease term, whichever is earlier. If the lease transfers the ownership of the underlying asset, or if the cost of the right-of-use asset reflects the fact that the Bank will exercise a call-option, the right-of-use asset should be depreciated/amortised from the lease start date until the end of the useful life of the underlying asset.

The estimated useful life of the right-of-use assets is determined following the same principles as for Property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted by certain remeasurements of the lease liability.

Depreciation/amortisation begins on the date the lease takes effect.

Accounting for leases from the lessee's perspective in the Bank's financial statements is as follows:

In the income statement:

- recording in Net interest income of interest expense related to lease liabilities;
- recording in Other administrative expenses of the amounts related to short-term lease agreements and lease agreements for low-value assets; and
- recording under Depreciation and amortisation for the period the depreciation expense of right-of-use assets. In the balance sheet:
- recognition of right-use assets under Property, plant and equipment; and
- recording of the value of the lease liabilities recognised under other liabilities.

Impact from the lessor's perspective

As at 30 June 2022 and 31 December 2021, the Bank has no lease agreements in which it is the lessor.

2.19 Earnings per share

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

For the diluted earnings per share, the average number of ordinary shares outstanding is adjusted to reflect the effect of all potential ordinary shares treated as dilutive. Contingent or potential issues are treated as dilutive when their conversion into shares decreases earnings per share.

If earnings per share change as a result of an issue with a premium or discount or other event that changes the potential number of ordinary shares, or changes in accounting policies, the calculation of earnings per share for all periods presented is adjusted retrospectively (see Note 19).

2.20 Subsequent events

The Bank analyses events that occur after the balance sheet date, i.e., favourable and/or unfavourable events that occur between the balance sheet date and the date on which the financial statements were authorised for issue. In this context, two types of events can be identified:

- those that provide evidence of conditions that existed at the balance sheet date (adjusting events after the balance sheet date); and
- those that are indicative of conditions that arose after the balance sheet date (non-adjusting events after the balance sheet date).

Events occurring after the date of the financial statements that are not considered as adjustable events, if material, are disclosed in the notes to the financial statements.

3. MAIN ESTIMATES AND UNCERTAINTIES ASSOCIATED WITH THE APPLICATION OF THE ACCOUNTING POLICIES

IFRS establish several accounting treatments and require the Board of Directors to make judgments and prepare the necessary estimates to decide which accounting treatment is most appropriate. The main estimates and judgments used in the application of accounting principles, by the Bank, are presented in this Note, with the objective of improving the understanding of how their application affects the Bank's reported results and their disclosure considering the context of uncertainty resulting from the impact of the COVID 19 pandemic. A broad description of the main accounting policies used by the Bank is presented in Note 2 to the financial statements.

Considering that, in many situations, there are alternatives to the accounting treatment adopted by the Board of Directors, the results reported by the Bank could be different if different treatments were chosen. The Board of Directors considers that the choices made are appropriate and that the financial statements present, in a true and fair manner, the Bank's financial position and the result of its operations in all materially relevant aspects.

3.1 Impairment losses of financial assets at amortised cost and debt instruments at fair value through other comprehensive income

The determination of impairment losses of financial instruments involves judgments and estimates regarding the following aspects, among others:

a) Significant increase in credit risk:
Impairment losses correspond to the expected losses in the event of a default over a 12-month time horizon, for Stage 1 assets, and to the expected losses considering the probability of a default event occurring at some point up to the financial instrument's maturity date, for Stage 2 and 3 assets. An asset is classified as Stage 2 whenever there is a significant increase in the respective credit risk since its initial recognition. In assessing the existence of a significant increase in credit risk, the Bank considers reasonable and sustainable qualitative and quantitative information.

b) Definition of groups of assets with common credit risk characteristics:
When expected credit losses are measured on a collective basis, financial instruments are grouped based on common risk characteristics. The Bank monitors the adequacy of the credit risk characteristics on a regular basis to assess whether they remain similar. This procedure is necessary to ensure that, in the event of a change in credit risk characteristics, the asset segmentation is revised. This revision may result in the creation of new portfolios or in the transfer of assets to existing portfolios which better reflect their credit risk characteristics.

c) Probability of default:
The probability of default represents a determining factor in measuring expected credit losses. The probability of default corresponds to an estimate of the probability of default in a given period, which is calculated based on historical data, assumptions, and expectations about future conditions.

d) Loss given default:
Corresponds to an estimate of loss in a default scenario. It is based on the difference between the contractual cash flows and those that

the Bank expects to receive, either through the cash flows generated by the customer's business or loan collateral. The calculation of the estimated loss given default is based, among other aspects, on the different recovery scenarios, historical information, the costs involved in the recovery process and the estimated valuation of collaterals associated with loan operations.

This assessment is performed using internal and external information and includes the use of assumptions and judgments in its modelling, the change of which could determine different results.

Consequently, the use of different methodologies or different assumptions or judgments in measuring impairment could lead to different results from those reported and summarised in Notes 6, 8, 9 and 30.

Finally, the Bank considers that the impairment determined based on this methodology allows an adequate reflection of the risk associated to its financial assets, considering the rules established by IFRS 9 - Financial Instruments.

3.2 Fair value of derivative financial instruments and other financial assets and liabilities measured at fair value

Fair value is based on market quotations, when available, and, in their absence, on the use of prices of similar recent transactions carried out under market conditions or based on valuation methodologies, using discounted cash flow techniques, applied to the future cash flows considering market conditions, the effect of time, the yield curve and volatility factors. These methodologies may require the use of assumptions or judgments in estimating fair value.

Consequently, the use of different methodologies or different assumptions or judgments in the application of a given model could give rise to different financial results from those reported in Notes 7 and 30.4.

3.3 Provisions

The measurement of provisions considers the principles defined in IAS 37 regarding the best estimate of the expected cost, the most likely outcome of ongoing actions, and considers the risks and uncertainties inherent in the process. Different assumptions and judgments would have an impact on the determination of the amount of the provisions that are presented in Note 17.

Changes to these assumptions could have a significant impact on the values determined.

4. CASH AND DEPOSITS AT CENTRAL BANKS

As at 30 June 2022 and 31 December 2021, the caption Cash and deposits at central banks is detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022	31/12/2021
Cash		
National currency - banknotes and coins	18 237 356	21 369 557
Foreign currency - banknotes and coins		
In United States dollar	1 846 136	2 526 116
In Euro	1 389 293	2 995 212
In other currencies	276 040	644 562
	21 748 825	**27 535 447**
Deposits at central bank		
Demand deposits at the Banco Nacional de Angola (BNA)		
In national currency	155 911 197	200 372 242
In United States dollar	42 041 526	27 824 841
In other currencies	123 420 451	167 726 850
	321 373 174	**395 923 933**
TOTAL	**343 121 999**	**423 459 380**

Demand deposits at the BNA in national and foreign currency aim to comply with the provisions in force regarding the reserve requirement to be maintained and are not remunerated. As at 30 June 2022, the minimum reserve requirements amounted to AOA 104,906,363 thousand in national currency and AOA 173,943,187 thousand in foreign currency (2021: AOA 133,134,615 thousand and AOA 230,685,892 thousand, respectively).

As at 30 June 2022, the reserve requirements are calculated in accordance with the provisions of BNA Instruction No. 02/2021, of 10 February 2021, and BNA Directive No. 06/2022 of 2 June 2022. As at 31 December 2021, the reserve requirements were calculated in accordance with the provisions of BNA Instruction No. 02/2021, of 10 February 2021, BNA Directive No. 05/2021, of 5 May 2021 and BNA Directive No. 07/2021, of 6 July 2021.

As at 30 June 2022, the enforceability to comply with the reserve requirements is determined by applying a rate of 19% (2021: 22%), on the arithmetic average of eligible liabilities in national currency and a rate of 22% (2021:17%), on the arithmetic average of eligible liabilities in foreign currency.

Directive No. 06/2021 provides that in relation to the reserve requirements in national and foreign currency, the balances of deposit accounts in foreign and national currency, opened at the Banco Nacional de Angola on behalf of each banking credit institution, are eligible. The following assets are eligible for compliance with the reserve requirement in foreign currency:

- Treasury Bonds in foreign currency, belonging to the own portfolio recorded in SIGMA, issued from 2015 onwards, up to 50% (fifty per cent) of the effective enforceability, excluding the 2% (two per cent) referred to in the previous sub-paragraph; and,

- The balance of the foreign currency deposit account, opened at the Banco Nacional de Angola, on behalf of each Banking Credit Institution. Deduced from the corresponding 100% (one hundred percent) of the deposits on behalf of the Central Government held in the credit institution.

For the fulfilment of the minimum reserve requirements the following are also eligible:

- 80% (eighty percent) of the assets representing the value of loan disbursements in national currency, relating to projects in the agriculture, livestock, forestry and fishing sectors, granted until 14 April 2021, provided that they have a residual maturity equal to or greater than 24 (twenty-four) months; and

- 100% (one hundred percent) of the loans, defined in accordance with the provisions of Article 6 of Notice No. 10/2020, of 3 April, on Granting Credit to the Real Sector of the Economy, whatever the residual maturity; and

- Loans defined in accordance with the provisions of Article 10 of Notice No. 09/2022, of 6 April, on the granting of mortgages, whatever the residual maturity.

In accordance with Instruction No. 08/2021, the Banking Credit Institutions must deposit the amount corresponding to the total Balances of the Central Government, recorded in their trial balances in specific accounts opened at the Banco Nacional de Angola, at the close of each working day, by 8 a.m. of the following business day, in the same currencies in which those balances are recorded.

5. LOANS AND ADVANCES TO CREDIT INSTITUTIONS

As at 30 June 2022 and 31 December 2021, the caption Loans and advances to credit institutions is detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022	31/12/2021
Demand deposits	20 371 158	23 212 633
Accumulated impairment losses (Note 17)	(2 850)	(7 570)
	20 368 308	**23 205 063**

A reconciliation of the changes in the book value and stage impairment losses of Loans and advances to credit institutions is presented below:

Amounts stated in thousand of Kwanzas

	30/06/2022 Stage 1	
	Book Value	Impairment losses
Balance as at 1 January 2022	**23 212 633**	**7 570**
Originated / derecognised financial assets	(1 709 138)	(3 017)
Exchange rate changes and other movements	(1 132 337)	(1 703)
Balance as at 30 June 2022	**20 371 158**	**2 850**

Amounts stated in thousand of Kwanzas

	31/12/2021 Stage 1	
	Book Value	Impairment losses
Balance as at 1 January 2022	**26 295 341**	**18 548**
Originated / derecognised financial assets	(1 915 115)	(7 863)
Exchange rate changes and other movements	(1 167 593)	(3 115)
Balance as at 30 June 2022	**23 212 633**	**7 570**

As at 30 June 2022 and 31 December 2021, the balance by currency of Loans and advances to credit institutions is detailed as follows:

Amounts stated in thousand of Kwanzas

Assets / (Liabilities)	30/06/2022	31/12/2021
In kwanzas	10	-
In dollars	8 460 152	8 183 508
In Euro	10 316 858	13 394 868
In other currencies	1 591 288	1 626 687
	20 368 308	**23 205 063**

Demand deposits are not remunerated.

6. OTHER LOANS AND ADVANCES TO CENTRAL BANKS AND CREDIT INSTITUTIONS

As at 30 June 2022 and 31 December 2021, the caption Other loans and advances to central banks and credit institutions is detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022	31/12/2021
Other loans and advances to credit institutions abroad:		
In United States dollars	318 373 392	379 884 495
In Euro	15 614 550	44 200 415
In Pound Sterling	3 997 265	5 992 752
	337 985 207	**430 077 662**
Other loans and advances to central banks		
Other credit institutions in the country		
In Kwanzas	201 769 212	124 624 305
In United States dollars		
In Euro		
In Pound Sterling		
	201 769 212	124 624 305
Income receivable	4 267 796	1 977 580
	544 022 215	556 679 547
Accumulated impairment losses (Note 17)	(240 676)	(353 978)
	543 781 539	**556 325 569**

As at 30 June 2022 and 31 December 2021, other loans and advances to credit institutions had residual maturities of less than 3 months.

Other loans and advances to central banks refer to reverse repos, which are accounted for in accordance with the accounting policy described in Note 2.4.

As at 30 June 2022 and 31 December 2021, other loans and advances to credit institutions earned interest at the following annual weighted average rates:

	30/06/2022	31/12/2021
In United States dollars	1,32%	0,12%
In Euros	0,08%	0,09%
In Kwanzas	10,74%	13,16%
In Pound Sterling	0,95%	0,11%

The reconciliation of the changes in the book value and stage impairment losses of other loans and advances to central banks and credit institutions is presented below:

Amounts stated in thousand of Kwanzas

	30/06/2022 Stage 1	
	Book value	Impairment losses
Balance as at 1 January 2022	**556 679 547**	**353 978**
Originated financial assets	541 832 955	317 160
Derecognised financial assets	(556 679 547)	(353 978)
Exchange rate changes and other movements	2 189 260	(76 484)
Balance as at 30 June 2022	**544 022 215**	**240 676**

Amounts stated in thousand of Kwanzas

	31/12/2021 Stage 1	
	Book value	Impairment losses
Balance as at 1 January 2021	**649 862 691**	**770 956**
Originated financial assets	563 657 129	332 576
Derecognised financial assets	(649 862 691)	(770 956)
Exchange rate changes and other movements	(6 977 582)	21 402
Balance as at 31 December 2021	**556 679 547**	**353 978**

7. FINANCIAL ASSETS AND AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss are detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022					
	Currency	Average interest rate	Nominal value	Fair value	Accrued interest	Book value
Debt securities						
Treasury Bonds in national currency:						
Not indexed	AOA	16,79%	75 072 000	77 084 450	3 617 546	80 701 996
Indexed to the US dollar	AOA	7,12%	24 331 244	23 790 930	422 369	24 213 299
Derivatives	AOA	-	3 198 095	934 860	-	934 860
Equity instruments						
Visa Incl. - Class C (Series I)	USD	-	-	1 171 573	-	1 171 573
EMIS	AOA	-	-	1 370 672	-	1 370 672
IMC – Instituto de mercado de capitais	AOA	-	-	337	-	337
SWIFT	EUR	-	-	22 894	-	22 894
Participation units	AOA	-	-	804 692	-	804 692
			102 601 339	**105 180 408**	**4 039 915**	**109 220 323**

Amounts stated in thousand of Kwanzas

	31/12/2021					
	Currency	Average interest rate	Nominal value	Fair value	Accrued interest	Book value
Debt securities						
Treasury Bills in national currency:	AOA	-			-	-
Treasury Bonds in national currency:						
Not indexed	AOA	15,81%	55 806 000	54 882 215	2 230 918	57 113 132
Indexed to the US dollar	AOA	7,13%	32 087 140	32 586 642	572 151	33 158 794
Derivatives	AOA	-	2 415 597	627 133	-	627 133
Equity instruments						
Visa Incl. - Class C (Series I)	USD	-	-	1 671 271	-	1 671 271
EMIS	AOA	-	-	1 370 672	-	1 370 672
IMC – Instituto de mercado de capitais	AOA	-	-	337	-	337
SWIFT	AOA	-	-	32 278	-	32 278
Participation units		-	-	1 011 174	-	1 011 174
			90 308 737	**92 181 722**	**2 803 069**	**94 984 791**

Debt securities

As at 30 June 2022 and 31 December 2021, the Bank holds Treasury Bonds issued by the Angolan State, to be traded in the secondary market with other banks, or with its customers.

Equity instruments

As at 30 June 2022, the equity securities portfolio recorded at fair value through profit or loss, refers to:

Shares
- 13,896 Class C (Series I) shares of Visa Inc. (2021: 13 896);
- shareholding in EMIS – Empresa Interbancária de Serviços, S.A.R.L. (18.81%) (2021: 18.81%);
- shareholding in IMC – Instituto de Mercado de Capitais (2%) (2021: 2%);

Participation Units in Funds as at 30 June 2022:
- 255,932 (1.71%) Participation units in Fundo BFA Oportunidades VII;
- 404,759 (2.7%) Participation units in Fundo BFA Oportunidades IX;
- 23,898 (0.24%) Participation units in Fundo BFA Oportunidades XI;
- 8,327 (0.04%) Participation units in Fundo BFA Oportunidades XII;
- 1,728 (0.02%) Participation units in Fundo BFA Oportunidades XV; and
- 2,921 (0.03%) Participation units in Fundo BFA Oportunidades XVI.

Participation Units in Funds as at 31 December 2021:
- 208,608 (1.41%) Participation units in Fundo BFA Oportunidades VII;
- 344,987 (2.53%) Participation units in Fundo BFA Oportunidades IX;
- 242,333 (2.48%)Participation units in Fundo BFA Oportunidades IV;
- 29,642 (0.15%) Participation units in Fundo BFA Oportunidades VI;
- 58,820 (0.39%) Participation units in Fundo BFA Oportunidades VIII; and
- 4,318 (0.03%) Participation units in Fundo BFA Oportunidades X.

EMIS

As at 30 June 2022, the shareholding corresponded to 18.81% of the share capital of EMIS. EMIS was set up in Angola to manage electronic means of payment and complementary services.

In the period ended 30 June 2022 and 31 December 2021, this Company did not distribute any dividends.

Derivatives

As at 30 June 2022 and 31 December 2021, the caption Derivatives – Currency forwards is detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022	31/12/2021
Financial assets at fair value through profit or loss		
	934 860	627 133
Derivative financial instruments	934 860	627 133
Financial liabilities at fair value through profit or loss		
	(275 246)	(1 023 025)
Derivative financial instruments	(275 246)	(1 023 025)
	659 614	**(395 892)**

As at 30 June 2022 and 31 December 2021, the derivative financial instruments correspond to currency forwards contracted with non-financial entities.

As at 30 June 2022 and 31 December 2021, the notional amounts of the currency forwards are recorded in off-balance sheet items, totalling AOA 3,959,788 thousand and AOA 5,190,049 thousand, respectively.

The valuation model for financial instruments is described in Note 30.4.

The maturity of the financial instruments of this caption are detailed in Note 30.2.

As at 30 June 2022 and 30 June 2021, changes in the fair value of debt securities recorded at fair value through profit or loss and the capital gains realised by the Bank, resulting from transactions in these securities are recorded under Net gains/(losses) on financial assets and liabilities measured at fair value through profit or loss in the income statement.

Net gains/(losses) on financial assets and liabilities measured at fair value through profit or loss are detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022	30/06/2021
Net gains/(losses) on assets and liabilities at fair value through profit or loss		
Debt securities	6 053 253	14 105 954
Currency forwards	1 055 505	4 656 597
Equity instruments	(110 025)	228 731
Participation units	72 296	29 228
	7 071 029	**19 020 510**

8. INVESTMENTS AT AMORTISED COST

As at 30 June 2022 and 31 December 2021, the caption Investments at amortised cost is detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022											
	Internal risk level	Country	Currency	Nominal value	Acquisition cost	Premium/ accrued discount	Changes in foreign exchange rates	Accrued interest	Gross value	Impairment (Note 17)	Net book value	Average interest rate
Debt securities												
Treasury Bills	A	Angola	AOA	-	-	-		-	-	-		0,00%
Treasury Bills in national currency	A	Angola	AOA	102 399 594	87 858 540	8 013 520	-	-	95 872 060	(558 030)	95 314 030	-
Treasury Bonds in national currency:												
Not indexed	A	Angola	AOA	615 618 600	496 548 520	56 340 759	-	22 759 017	575 648 296	(7 227 745)	568 420 551	15,88%
Treasury Bonds in foreign currency:	A	Angola	USD	301 186 795	218 203 925	(36 752)	83 412 840	2 851 267	304 431 280	(2 884 958)	301 546 322	5,26%
				1 019 204 989	**802 610 985**	**64 317 527**	**83 412 840**	**25 610 284**	**975 951 636**	**(10 670 733)**	**965 280 903**	

Amounts stated in thousand of Kwanzas

	31/12/2021											
	Internal risk level	Country	Currency	Nominal value	Acquisition cost	Premium/ accrued discount	Changes in foreign exchange rates	Accrued interest	Gross value	Impairment (Note 17)	Net book value	Average interest rate
Debt securities												
Treasury Bills in national currency	A	Angola	AOA	78 911 111	67 857 002	1 680 108	-	-	69 537 110	(714 058)	68 823 052	-
Treasury Bonds in national currency:												
Not indexed	A	Angola	AOA	731 129 200	578 217 018	71 439 299	-	23 033 625	672 689 942	(7 500 049)	665 189 893	14,64%
Treasury Bonds in foreign currency:	A	Angola	USD	395 296 317	218 940 802	-	176 365 277	3 728 715	399 031 744	(5 258 514)	393 773 230	5,46%
				1 205 336 628	**865 014 822**	**73 119 407**	**176 365 277**	**26 762 340**	**1 141 258 796**	**(13 472 621)**	**1 127 786 175**	

Amounts stated in thousand of Kwanzas

	30/06/2022					
	Stage 1		Stage 2		Total	
	Book value	Impairment losses	Book value	Impairment losses	Book value	Impairment losses
Balance as at 1 January 2022	**950 296 520**	**10 935 771**	**190 962 276**	**2 536 850**	**1 141 258 796**	**13 472 621**
Impact in profit or loss						
Purchased or originated financial assets	100 131 177	1 330 825	-	-	100 131 177	1 330 825
Variations due to changes in credit risk		(988 538)	-	(1 011 500)	-	(2 000 038)
Derecognised financial assets	(187 170 176)	(940 563)	(8 731 794)	(58 052)	(195 901 970)	(998 615)
Subtotal	**863 257 521**	**10 337 495**	**182 230 482**	**1 467 298**	**1 045 488 003**	**11 804 793**
Transfers to:						
Stage 1	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-
Exchange rate changes and other movements	(27 888 854)	(567 839)	(41 647 513)	(566 221)	(69 536 367)	(1 134 060)
Balance as at 30 June 2022	**835 368 667**	**9 769 656**	**140 582 969**	**901 077**	**975 951 636**	**10 670 733**

The breakdown of investments at amortised cost, by residual maturity, is shown in Note 30.2.

The fair value and the detail by fair value hierarchy of the investment portfolio at amortised cost are presented in Note 30.4.

As at 30 June 2022 and 31 December 2021, impairment losses for Treasury Bonds and Treasury Bills were calculated based on the credit risk parameters provided by Moody's international rating agency.

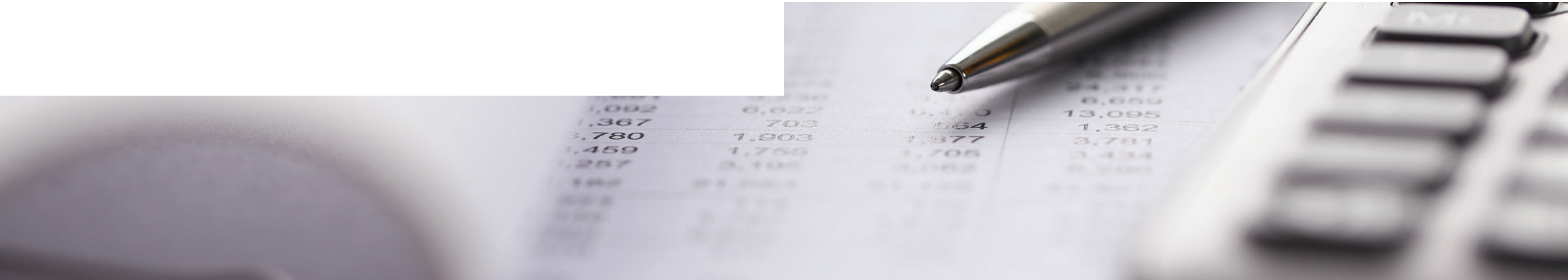
A reconciliation of the changes in the book value and stage impairment losses of investments at amortised cost is presented below:

As at 30 June 2022 and 31 December 2021, the impairment of investments at amortised cost is AOA 10,670,733 thousand and AOA 13,472,621, respectively (see Note 17).

The decrease in the impairment loss for 2021, in the amount of AOA 43,854,331 thousand, is mainly due to the increase in Angola's external rating (Moody's: 2020 - Caa1 and 2021 - B3) in the second half of 2021, which resulted in a reversal in the amount of AOA 43,725,986 thousand (see Note 17).

Amounts stated in thousand of Kwanzas

	31/12/2021					
	Stage 1		Stage 2		Total	
	Book value	Impairment losses	Book value	Impairment losses	Book value	Impairment losses
Balance as at 1 January 2021	**751 660 677**	**33 886 429**	**283 494 034**	**23 431 523**	**1 035 154 711**	**57 317 952**
Impact in profit or loss						
Purchased or originated financial assets	331 973 954	4 343 429	-	-	331 973 954	4 343 429
Variations due to changes in credit risk	-	(23 352 155)	-	(16 132 599)	-	(39 484 754)
Derecognised financial assets	(156 903 896)	(3 843 543)	(35 638 739)	(2 120 616)	(192 542 635)	(5 964 159)
Subtotal	**926 730 735**	**11 034 160**	**247 855 295**	**5 178 308**	**139 431 319**	**(41 105 484)**
Transfers to:						
Stage 1	-	-	-	-	-	-
Stage 2	25 823 136	2 353 307	(25 823 136)	(2 353 307)	-	-
Exchange rate changes and other movements	(2 257 351)	(2 451 696)	(31 069 883)	(288 151)	(33 327 234)	(2 739 847)
Balance as at 31 December 2021	**950 296 520**	**10 935 771**	**190 962 276**	**2 536 850**	**1 141 258 796**	**13 472 621**



9. LOANS AND ADVANCES TO CUSTOMERS

As at 30 June 2022 and 31 December 2021, this caption is detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022	31/12/2021
Loans falling due		
Credit cards	1 023 044	934 983
Consumer credit	59 609 273	58 411 430
Motor vehicle loans	34 990	14 697
Mortgages	22 555 391	24 616 959
Overdrafts	677 036	601 058
Corporate - less significant exposures	3 136 036	2 664 646
Corporate - significant exposures	251 142 742	215 102 934
State	76 643 806	83 785 714
Total loans falling due	**414 822 318**	**386 132 421**
Loans and interest overdue		
Credit cards	251 372	189 571
Consumer credit	2 166 556	2 418 193
Motor vehicle loans	460	528
Mortgages	1 204 367	1 451 882
Overdrafts	748 443	636 444
Corporate - less significant exposures	311 354	326 442
Corporate - significant exposures	9 546 645	9 954 369
Total loans and interest overdue	**14 229 197**	**14 977 429**
Total loans granted	429 051 515	401 109 850
Income receivable from loans granted	4 280 499	5 221 251
	433 332 014	406 331 101
Impairment for loans and advances (Note 17)	(50 800 865)	(53 371 637)
	382 531 149	352 959 464

As at 30 June 2022 and 31 December 2021, Loans and advances to customers earned interest at the following annual weighted average rates:

	30/06/2022	31/12/2021
In Kwanzas	15,84%	15,24%
In United States Dollars	6,52%	6,78%

As at 30 June 2022 and 31 December 2021, the group of ten largest debtors represented 54.99% and 49.81%, respectively, of the total loan portfolio (excluding guarantees provided and documentary credits).

In the period ended 30 June 2022, no write-offs were made. In the period ended 31 December 2021, loans were written off in the amount of AOA 4,755,121 thousand (Note 17), in accordance with the criteria defined by the Bank.

In the period ended 30 June 2022 and 31 December 2021, there were recoveries of loans and interest previously written off or written down from assets, in the amounts of AOA 190,491 thousand (Note 24) and AOA 859,827 thousand, respectively.

The loan portfolio, by segment, presents the following structure:

Amounts stated in thousand of Kwanzas

30/06/2022	Exposure												Impairment			
Segment	**Total exposure (including interest)**	**Loans in Stage 1**	**Of which no longer in default**	**Of which restructured**	**Loans in Stage 2**	**Of which no longer in default**	**Of which restructured**	**Of which purchased or originated credit impaired**	**Loans in Stage 3**	**Of which no longer in default**	**Of which restructured**	**Of which purchased or originated credit impaired**	**Total impairment (Note 17)**	**Loans in Stage 1**	**Loans in Stage 2**	**Loans in Stage 3**
Credit cards	1 274 416	964 531	-	-	68 877	827	-	-	241 008	-	-	-	225 005	5 492	3 764	215 749
Consumer credit	62 057 511	56 068 445	-	3 912	3 215 933	4 163	-	-	2 773 133	-	15 391	-	2 404 625	468 936	111 837	1 823 852
Motor vehicle loans	35 560	33 435	-	-	-	-	-	-	2 125	-	-	-	1 148	57	-	1 091
Mortgages	23 780 886	16 883 082	-	934 977	1 695 326	-	1 109 615	-	5 202 478	-	2 133 716	-	4 900 234	198 171	511 569	4 190 494
Overdrafts	1 425 479	530 523	-	-	230 525	-	-	-	664 431	-	-	-	240 470	229	185	240 056
Corporate - less significant exposures	3 529 937	2 789 118	17 486	934 193	201 649	-	171 097	-	539 170	-	213 800	-	399 204	31 185	47 174	320 845
Corporate - significant exposures	262 849 976	186 594 257	-	2 053 041	29 806 618	-	18 040 276	-	46 449 101	-	41 390 990	-	41 742 441	2 860 721	8 780 007	30 101 713
State	78 378 249	63 429 813	-	-	14 948 436	-	-	-	-	-	-	-	887 738	753 463	134 275	-
On-balance sheet exposure	**433 332 014**	**327 293 204**	**17 486**	**3 926 123**	**50 167 364**	**4 990**	**19 320 988**	**-**	**55 871 446**	**-**	**43 753 897**	**-**	**50 800 865**	**4 318 254**	**9 588 811**	**36 893 800**
Documentary credits and guarantees provided																
Corporate - less significant exposures	9 706 529	9 509 880	-	-	196 649	-	-	-	-	-	-	-	9 373	8 188	1 185	-
Corporate - significant exposures	60 513 834	60 298 080	-	-	215 754	-	-	-	-	-	-	-	201 449	196 918	4 531	-
Undrawn credit facilities	40 902 254	40 550 840	-	-	113 166	1 023	-	-	238 248	-	-		243 436	182 178	617	60 641
Off-balance sheet exposure	111 122 617	110 358 800	-	-	525 569	1 023	-	-	238 248	-	-	-	454 258	387 284	6 333	60 641
Total exposure	**544 454 631**	**437 652 004**	**17 486**	**3 926 123**	**50 692 933**	**6 013**	**19 320 988**	**-**	**56 109 694**	**-**	**43 753 897**	**-**	**51 255 123**	**4 705 538**	**9 595 144**	**36 954 441**

Amounts stated in thousand of Kwanzas

31/12/2021	Exposure												Impairment			
Segment	Total exposure (including interest)	Loans in Stage 1	Of which no longer in default	Of which restructured	Loans in Stage 2	Of which no longer in default	Of which restructured	Of which purchased or originated credit impaired	Loans in Stage 3	Of which no longer in default	Of which restructured	Of which purchased or originated credit impaired	Total impairment (Note 17)	Loans in Stage 1	Loans in Stage 2	Loans in Stage 3
Credit cards	1 124 554	886 140	248	-	24 345	1 027	-	-	214 069	-	-	-	209 784	8 724	2 743	198 317
Consumer credit	61 275 760	57 815 939	5 696	6 298	276 745	-	-	-	3 183 076	-	13 260	-	3 236 053	516 492	55 345	2 664 216
Motor vehicle loans	15 293	12 559	-	-	2 438	-	-	-	296	-	-	-	470	13	177	280
Mortgages	26 094 138	17 061 949	31 636	66 527	2 164 867	-	1 620 005	-	6 867 322	-	2 488 258	-	6 032 807	76 032	522 434	5 434 341
Overdrafts	1 237 502	566 410	-	-	71 512	-	-	-	599 580	-	-	-	291 524	545	197	290 782
Corporate - less significant exposures	3 080 933	2 235 756	-	980	180 770	-	147 456	-	664 407	-	193 830	-	503 239	40 768	66 281	396 190
Corporate - significant exposures	228 237 950	150 936 273	-	4 626 456	30 198 997	-	16 024 717	-	47 102 680	-	40 997 562	-	41 537 242	2 710 261	9 220 471	29 606 510
State	85 264 971	62 816 525	-	-	22 448 446	-	-	-	-	-	-	-	1 560 518	932 072	628 446	-
On-balance sheet exposure	**406 331 101**	**292 331 551**	**37 580**	**4 700 261**	**55 368 120**	**1 027**	**17 792 178**	**-**	**58 631 430**	**-**	**43 692 910**	**-**	**53 371 637**	**4 284 907**	**10 496 094**	**38 590 636**
Documentary credits and guarantees provided																
Corporate - less significant exposures	7 231 673	6 890 923	-	-	340 750	-	-	-	-	-	-	-	15 267	15 267	-	-
Corporate - significant exposures	69 896 229	69 680 475	-	-	215 754	-	-	-	-	-	-	-	289 370	289 370	-	-
Undrawn credit facilities	45 820 872	45 287 015	-	-	169 025				364 832				230 953	165 047	650	65 256
Off-balance sheet exposure	122 948 774	121 858 413	-	-	725 529	-	-	-	364 832	-	-	-	535 590	469 684	650	65 256
Total exposure	**529 279 875**	**414 189 964**	**37 580**	**4 700 261**	**56 093 649**	**1 027**	**17 792 178**	**-**	**58 996 262**	**-**	**43 692 910**	**-**	**53 907 227**	**4 754 591**	**10 496 744**	**38 655 892**

The loan portfolio and impairment by range of days past due presents the following structure:

Amounts stated in thousand of Kwanzas

30/06/2022	Exposure								
	Exposures without asignificant increase in credit risk since initial recognition (Stage 1)			Exposures with a significant increase in credit risk since initial recognition and which are not credit impaired (Stage 2)			Exposures credit impaired (Stage 3)		
Segment	**≤ 30 days**	**> 30 days ≤ 90 days**	**> 90 days**	**≤ 30 days**	**> 30 days ≤ 90 days**	**> 90 days**	**≤ 30 days**	**> 30 days ≤ 90 days**	**> 90 days**
Credit cards	964 531	-	-	28 545	40 332	-	37 656	6 600	196 752
Consumer credit	56 068 445	-	-	2 944 803	267 845	3 285	198 938	28 090	2 546 105
Motor vehicle loans	33 435	-	-	-	-	-	-	1 898	227
Mortgages	16 883 082	-	-	1 301 200	206 282	187 844	1 186 936	226 205	3 789 337
Overdrafts	530 523	-	-	141 948	85 837	2 740	4 565	2 793	657 073
Corporate - less significant exposures	2 789 101	17	-	172 311	29 328	10	163 920	105 989	269 261
Corporate - significant exposures	186 594 257	-	-	24 063 292	-	5 743 326	36 893 510	7 046	9 548 545
State	63 429 813	-	-	14 948 436	-	-	-	-	-
On-balance sheet exposure	**327 293 187**	**17**	**-**	**43 600 535**	**629 624**	**5 937 205**	**38 485 525**	**378 621**	**17 007 300**
Documentary credits and guarantees provided									
Corporate - less significant exposures	9 509 880	-	-	196 649	-	-	-	-	-
Corporate - significant exposures	60 298 080	-	-	215 754	-	-	-	-	-
Undrawn credit facilities	**40 550 840**	**-**	**-**	**86 581**	**26 585**	**-**	**223 659**	**1 999**	**12 590**
Off-balance sheet exposure	**110 358 800**	**-**	**-**	**498 984**	**26 585**	**-**	**223 659**	**1 999**	**12 590**
Total exposure	**437 651 987**	**17**	**-**	**44 099 519**	**656 209**	**5 937 205**	**38 709 184**	**380 620**	**17 019 890**

Amounts stated in thousand of Kwanzas

30/06/2022	Impairment								
	Impairment without a significant increase in credit risk since initial recognition (Stage 1)			Impairment without a significant increase in credit risk since initial recognition and which are not credit impaired (Stage 2)			Exposures credit impaired (Stage 3)		
Segment	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days
Credit cards	5 492	-	-	243	3 521	-	32 727	5 871	177 151
Consumer credit	468 936	-	-	49 143	61 681	1 013	108 788	15 832	1 699 232
Motor vehicle loans	57	-	-	-	-	-	-	872	219
Mortgages	198 171	-	-	374 907	70 397	66 265	861 391	182 580	3 146 523
Overdrafts	229	-	-	87	94	4	1 149	711	238 196
Corporate - less significant exposures	31 182	3	-	42 568	4 604	2	93 324	76 297	151 224
Corporate - significant exposures	2 860 721	-	-	6 482 677	-	2 297 330	21 912 511	2 488	8 186 714
State	753 463	-	-	134 275	-	-	-	-	-
On-balance sheet exposure	**4 318 251**	**3**	**-**	**7 083 900**	**140 297**	**2 364 614**	**23 009 890**	**284 651**	**13 599 259**
Documentary credits and guarantees provided									
Corporate - less significant exposures	8 188	-	-	1 185	-	-	-	-	-
Corporate - significant exposures	196 918	-	-	4 531	-	-	-	-	-
Undrawn credit facilities	**182 178**	**-**	**-**	**376**	**241**	**-**	**57 043**	**498**	**3 100**
Off-balance sheet impairment	**387 284**	**-**	**-**	**6 092**	**241**	**-**	**57 043**	**498**	**3 100**
Total impairment	**4 705 535**	**3**	**-**	**7 089 992**	**140 538**	**2 364 614**	**23 066 933**	**285 149**	**13 602 359**

Amounts stated in thousand of Kwanzas

31/12/2021	Exposure								
	Exposures without asignificant increase in credit risk since initial recognition (Stage 1)			Exposures with a significant increase in credit risk since initial recognition and which are not credit impaired (Stage 2)			Exposures credit impaired (Stage 3)		
Segment	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days
Credit cards	886 140	-	-	11 088	13 257	-	39 868	4 595	169 606
Consumer credit	57 815 939	-	-	32 037	241 423	3 285	243 695	51 702	2 887 679
Motor vehicle loans	12 559	-	-	-	2 438	-	-	68	228
Mortgages	17 061 949	-	-	1 942 464	142 375	80 028	1 504 590	375 287	4 987 445
Overdrafts	563 628	-	2 782	28 673	39 681	3 158	8 757	2 111	588 712
Corporate - less significant exposures	2 235 287	-	469	147 523	33 232	15	309 803	3 798	350 806
Corporate - significant exposures	150 936 273	-	-	29 602 360	7 998	588 639	36 513 648	88	10 588 944
State	62 816 525	-	-	22 448 446	-	-	-	-	-
On-balance sheet exposure	**292 328 300**	**-**	**3 251**	**54 212 591**	**480 404**	**675 125**	**38 620 361**	**437 649**	**19 573 420**
Documentary credits and guarantees provided									
Corporate - less significant exposures	6 890 923	-	-	340 750	-	-	-	-	-
Corporate - significant exposures	69 680 475	-	-	215 754	-	-	-	-	-
Undrawn credit facilities	**45 287 015**	**-**	**-**	**165 230**	**3 795**	**-**	**346 826**	**274**	**17 732**
Off-balance sheet exposure	**121 858 413**	**-**	**-**	**721 734**	**3 795**	**-**	**346 826**	**274**	**17 732**
Total exposure	**414 186 713**	**-**	**3 251**	**54 934 325**	**484 199**	**675 125**	**38 967 187**	**437 923**	**19 591 152**

Amounts stated in thousand of Kwanzas

31/12/2021	Impairment								
	Impairment without a significant increase in credit risk since initial recognition (Stage 1)			Impairment without a significant increase in credit risk since initial recognition and which are not credit impaired (Stage 2)			Exposures credit impaired (Stage 3)		
Segment	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days
Credit cards	8 724	-	-	238	2 505	-	36 944	4 348	157 025
Consumer credit	516 492	-	-	904	53 398	1 043	174 536	37 468	2 452 212
Motor vehicle loans	13	-	-	-	177	-	-	60	220
Mortgages	76 032	-	-	395 770	96 645	30 019	981 111	250 931	4 202 299
Overdrafts	544	-	1	52	132	13	2 669	611	287 502
Corporate - less significant exposures	40 469	-	299	62 852	3 426	3	178 939	2 266	214 985
Corporate - significant exposures	2 710 261	-	-	8 873 865	-	346 606	21 066 191	42	8 540 277
State	932 072	-	-	628 446	-	-	-	-	-
On-balance sheet exposure	**4 284 607**	**-**	**300**	**9 962 127**	**156 283**	**377 684**	**22 440 390**	**295 726**	**15 854 520**
Documentary credits and guarantees provided									
Corporate - less significant exposures	15 267	-	-	-	-	-	-	-	-
Corporate - significant exposures	289 370	-	-	-	-	-	-	-	-
Undrawn credit facilities	**165 047**	**-**	**-**	**623**	**27**	**-**	**60 576**	**74**	**4 606**
Off-balance sheet impairment	**469 684**	**-**	**-**	**623**	**27**	**-**	**60 576**	**74**	**4 606**
Imparidade total	**4 754 291**	**-**	**300**	**9 962 750**	**156 310**	**377 684**	**22 500 966**	**295 800**	**15 859 126**

The loan portfolio, by segment and by year, in which the operations were granted is detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022														
	Credit cards			Consumer credit			Motor vehicle loans			Mortgages			Overdrafts		
Segment	Number of transactions	Amount	Impairment recognised	Number of transactions	Amount	Impairment recognised	Number of transactions	Amount	Impairment recognised	Number of transactions	Amount	Impairment recognised	Number of transactions	Amount	Impairment recognised
2017 and prior years	18 238	1 091 975	223 074	4 891	1 486 209	1 007 408	70	844	219	240	4 148 014	2 131 466	9 100	1 055 794	154 349
2018	62	7 091	379	2 686	1 209 569	223 359	1	1 898	872	13	234 009	10 244	914	97 936	24 367
2019	1 696	69 033	1 044	7 305	6 368 627	358 819	2	4 637	6	575	15 956 406	2 287 125	714	112 363	34 085
2020	10	31	0	5 842	11 509 137	285 102	0	0	0	52	1 866 311	330 881	616	134 598	24 973
2021	1 589	86 600	463	10 236	24 777 109	363 656	1	1 118	2	29	1 055 342	110 367	824	19 756	2 624
2022	1 096	19 686	45	4 766	16 706 860	166 281	1	27 063	49	10	520 804	30 151	286	5 032	72
Total	**22 691**	**1 274 416**	**225 005**	**35 726**	**62 057 511**	**2 404 625**	**75**	**35 560**	**1 148**	**919**	**23 780 886**	**4 900 234**	**12 454**	**1 425 479**	**240 470**

Amounts stated in thousand of Kwanzas

	30/06/2022														
	Corporate - less significant exposures			Corporate - significant exposures			State			Documentarey credits and guarantees provided			Undrawn credit facilities		
Segment	Number of transactions	Amount	Impairment recognised	Number of transactions	Amount	Impairment recognised	Number of transactions	Amount	Impairment recognised	Number of transactions	Amount	Impairment recognised	Number of transactions	Amount	Impairment recognised
2016 and prior years	1 012	516 115	132 648	190	26 336 465	5 098 127	3	14 948 436	134 275	14	5 373 972	33 310	33 744	25 849 787	132 140
2017	385	92 392	24 898	10	4 745 795	458 659	1	47 350 494	583 492	4	319 411	3 517	4 072	177 002	651
2018	419	275 258	52 338	20	15 607 284	9 025 829	1	11 787 406	116 405	2	294 175	3 263	10 732	5 742 457	20 654
2019	373	110 750	8 515	18	65 488 873	21 986 995	0	0	0	16	12 848 383	51 687	6 911	735 772	4 757
2020	368	1 918 531	123 692	50	130 993 538	4 467 415	0	0	0	29	26 770 206	77 684	13 097	5 032 777	75 101
2021	47	616 891	57 113	39	19 678 021	705 416	1	4 291 913	53 566	97	24 614 216	41 361	6 246	3 364 459	10 133
Total	**2 604**	**3 529 937**	**399 204**	**327**	**262 849 976**	**41 742 441**	**6**	**78 378 249**	**887 738**	**162**	**70 220 363**	**210 822**	**74 802**	**40 902 254**	**243 436**

Amounts stated in thousand of Kwanzas

	31/12/2021														
	Credit cards			Consumer credit			Motor vehicle loans			Mortgages			Overdrafts		
Segment	Number of transactions	Amount	Impairment recognised	Number of transactions	Amount	Impairment recognised	Number of transactions	Amount	Impairment recognised	Number of transactions	Amount	Impairment recognised	Number of transactions	Amount	Impairment recognised
2016 and prior years	18 204	960 426	204 826	4 516	1 800 990	1 540 914	72	296	280	281	5 102 022	3 157 619	8 081	815 665	154 099
2017	362	22 620	3 053	711	183 840	106 598	4	2 780	1	13	377 345	1 032	862	84 880	23 676
2018	66	6 099	416	4 257	2 735 640	286 367	1	2 438	177	13	237 101	10 235	981	96 363	33 349
2019	1 721	76 697	1 188	9 560	10 733 524	491 567	3	8 530	10	612	17 128 785	2 318 554	773	114 428	42 239
2020	10	466	1	6 843	15 257 501	401 037	-	0	0	56	2 063 956	388 264	563	109 499	36 135
2021	1 597	58 246	300	10 690	30 564 263	409 570	1	1 250	2	34	1 184 929	157 103	407	16 667	2 026
Total	**21 960**	**1 124 554**	**209 784**	**36 577**	**61 275 758**	**3 236 053**	**81**	**15 294**	**470**	**1 009**	**26 094 138**	**6 032 807**	**11 667**	**1 237 502**	**291 524**

Amounts stated in thousand of Kwanzas

	31/12/2021														
	Corporate - less significant exposures			Corporate - significant exposures			State			Documentarey credits and guarantees provided			Undrawn credit facilities		
Segment	Number of transactions	Amount	Impairment recognised	Number of transactions	Amount	Impairment recognised	Number of transactions	Amount	Impairment recognised	Number of transactions	Amount	Impairment recognised	Number of transactions	Amount	Impairment recognised
2016 and prior years	693	717 577	128 705	199	21 757 277	5 406 775	3	22 448 446	628 446	3	2 651 096	35 319	32 049	27 412 949	150 396
2017	207	118 806	51 058	21	7 581 293	711 249	-	-	-	13	3 851 604	5 843	2 180	1 036 510	5 385
2018	329	91 349	23 033	13	6 507 646	399 636	1	47 268 165	701 365	4	319 411	4 290	5 661	424 365	1 693
2019	367	617 500	104 550	23	20 846 859	9 132 053	1	15 548 360	230 707	3	3 657 540	4 928	13 060	5 091 921	26 383
2020	184	203 951	43 030	22	65 251 342	21 530 019	-	-	-	22	15 681 507	62 406	7 678	3 113 206	13 217
2021	130	1 331 750	152 863	60	106 293 533	4 357 510	-	-	-	113	50 966 744	191 851	12 919	8 741 921	33 879
Total	**1 910**	**3 080 933**	**503 239**	**338**	**228 237 950**	**41 537 242**	**5**	**85 264 971**	**1 560 518**	**158**	**77 127 902**	**304 637**	**73 547**	**45 820 872**	**230 953**

The detail of the amount of the gross credit exposure and the amount of impairment set up for the exposures analysed individually and collectively, by segment, corresponds to the following:

Amounts stated in thousand of Kwanzas

By segment: 30/06/2022	Credit cards		Consumer credit		Motor vehicle loans		Mortgages		Overdrafts	
	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment
Colective impairment	1 272 805	223 975	60 119 433	1 559 446	35 560	1 148	20 095 967	2 671 145	1 360 632	240 413
Individual impairment	1 611	1 030	1 938 078	845 179	0	0	3 684 919	2 229 089	64 847	57
Total	**1 274 416**	**225 005**	**62 057 511**	**2 404 625**	**35 560**	**1 148**	**23 780 886**	**4 900 234**	**1 425 479**	**240 470**

Amounts stated in thousand of Kwanzas

By segment: 30/06/2022	Corporate - less significant exposures		Corporate - significant exposures		State		Documentary credits and guarantees provided		Undrawn credit facilities	
	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment
Colective impairment	2 299 275	231 895	6 111 631	120 945	1 054	1	4 916 888	4 173	11 519 281	73 966
Individual impairment	1 230 662	167 309	256 738 345	41 621 496	78 377 195	887 737	65 303 475	206 649	29 382 973	169 470
Total	**3 529 937**	**399 204**	**262 849 976**	**41 742 441**	**78 378 249**	**887 738**	**70 220 363**	**210 822**	**40 902 254**	**243 436**

Amounts stated in thousand of Kwanzas

By segment: 31/12/2021	Credit cards		Consumer credit		Motor vehicle loans		Mortgages		Overdrafts	
	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment
Colective impairment	1 123 757	208 987	58 706 622	1 767 385	15 293	470	21 793 104	3 039 489	1 192 906	291 512
Individual impairment	797	797	2 569 138	1 468 668	-	-	4 301 034	2 993 318	44 596	12
Total	**1 124 554**	**209 784**	**61 275 760**	**3 236 053**	**15 293**	**470**	**26 094 138**	**6 032 807**	**1 237 502**	**291 524**

Amounts stated in thousand of Kwanzas

By segment: 31/12/2021	Corporate - less significant exposures		Corporate - significant exposures		State		Documentary credits and guarantees provided		Undrawn credit facilities	
	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment
Colective impairment	2 834 516	438 286	4 845 847	148 076	-	-	1 539 816	8 016	11 339 062	83 741
Individual impairment	246 417	64 953	223 392 103	41 389 165	85 264 971	1 560 518	75 588 086	296 621	34 481 810	147 212
Total	**3 080 933**	**503 239**	**228 237 950**	**41 537 241**	**85 264 971**	**1 560 518**	**77 127 902**	**304 637**	**45 820 872**	**230 953**

The detail of the amount of the gross credit exposure and the amount of impairment set up for the exposures analysed individually and collectively, by sector of activity, corresponds to the following:

Amounts stated in thousand of Kwanzas

By business sector: 30/06/2022	Real Estate, rental and services rendered by Companies		Cultural, recreational and sports activities		Public admistration, defence and mandatory social security		Agriculture, forestry and fishing		Accommodation and catering	
	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment
Colective impairment	198 634	13 395	860 650	46 148	1 217	55	1 044 866	33 378	253 879	12 784
Individual impairment	98 189	823	2 667 743	152 258	78 377 195	887 736	54 379 989	22 552 860	2 224 978	118 461
Total	**296 823**	**14 218**	**3 528 393**	**198 406**	**78 378 412**	**887 791**	**55 424 855**	**22 586 238**	**2 478 857**	**131 245**

Amounts stated in thousand of Kwanzas

By business sector: 30/06/2022	Banks and insurance		Wholesale and retail trade		Construction		Education		Extractive industries	
	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment
Colective impairment	0	0	2 754 297	121 573	433 727	10 971	51 868	7 350	269 710	2 934
Individual impairment	18 822	1	39 204 452	897 672	90 607 936	5 528 907	608 235	418 970	1 658 044	1 340 196
Total	**18 822**	**1**	**41 958 749**	**1 019 245**	**91 041 663**	**5 539 878**	**660 103**	**426 320**	**1 927 754**	**1 343 130**

Amounts stated in thousand of Kwanzas

By business sector: 30/06/2022	Manufacturing industries		Other service companies		Retail		Production and distribution of energy, water and gas		Health and social services		Transport, storage and communication	
	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment
Colective impairment	132 121	2 008	1 319 715	76 491	82 961 473	4 699 054	296 837	5 574	161 223	2 459	556 137	14 794
Individual impairment	19 717 817	2 544 545	39 662 760	8 000 268	5 646 087	3 086 537	680 899	55 238	277 715	9 153	6 204 799	158 272
Total	**19 849 938**	**2 546 553**	**40 982 475**	**8 076 759**	**88 607 560**	**7 785 591**	**977 736**	**60 812**	**438 938**	**11 612**	**6 760 936**	**173 066**

Amounts stated in thousand of Kwanzas

By business sector: 31/12/2021	Real Estate, rental and services rendered by Companies		Cultural, recreational and sports activities		Public admistration, defence and mandatory social security		Agriculture, forestry and fishing		Accommodation and catering	
	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment
Colective impairment	75 560	11 541	173 665	28 396	219	140	719 776	21 995	357 764	44 317
Individual impairment	182 741	2 568	1 895 153	349 142	85 264 971	1 560 518	49 983 889	21 723 828	3 199 262	63 138
Total	**258 301**	**14 109**	**2 068 818**	**377 538**	**85 265 190**	**1 560 658**	**50 703 665**	**21 745 823**	**3 557 026**	**107 455**

Amounts stated in thousand of Kwanzas

By business sector: 31/12/2021	Banks and insurance		Wholesale and retail trade		Construction		Education		Extractive industries	
	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment
Colective impairment	0	0	1 913 239	117 167	339 405	42 158	60 769	8 879	211 248	65 629
Individual impairment	918 529	2 604	25 721 972	615 426	78 106 896	5 660 886	703 361	483 346	2 076 563	876 098
Total	**918 529**	**2 604**	**27 635 211**	**732 593**	**78 446 301**	**5 703 044**	**764 130**	**492 225**	**2 287 811**	**941 727**

Amounts stated in thousand of Kwanzas

By business sector: 31/12/2021	Manufacturing industries		Other service companies		Retail		Production and distribution of energy, water and gas		Health and social services		Transport, storage and communication	
	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment
Colective impairment	541 049	10 613	1 796 655	202 283	82 930 264	5 311 331	456 879	2 307	264 939	3 698	670 616	23 751
Individual impairment	19 570 015	2 581 798	36 703 311	8 257 807	6 892 447	4 484 262	152 278	66 092	0	0	4 447 666	104 841
Total	**20 111 064**	**2 592 411**	**38 499 966**	**8 460 090**	**89 822 711**	**9 795 593**	**609 157**	**68 399**	**264 939**	**3 698**	**5 118 282**	**128 592**

The restructured loan portfolio by restructuring measure applied is detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022											
	Loans in Stage 1			Loans in Stage 2			Loans in Stage 3			Total		
Measure applied	Number of transactions	Exposure	Impairment	Number of transactions	Exposure	Impairment	Number of transactions	Exposure	Impairment	Number of transactions	Exposure	Impairment
Term extension	5	2 098 185	36 938	7	3 137 829	407 375	24	37 293 406	22 310 428	36	42 529 420	22 754 741
New loan	26	1 827 938	168 857	27	16 183 159	3 182 267	66	6 460 491	6 063 501	119	24 471 588	9 414 625
Total	**31**	**3 926 123**	**205 795**	**34**	**19 320 988**	**3 589 642**	**90**	**43 753 897**	**28 373 929**	**155**	**67 001 008**	**32 169 366**

Amounts stated in thousand of Kwanzas

	31/12/2021											
	Loans in Stage 1			Loans in Stage 2			Loans in Stage 3			Total		
Measure applied	Number of transactions	Exposure	Impairment	Number of transactions	Exposure	Impairment	Number of transactions	Exposure	Impairment	Number of transactions	Exposure	Impairment
Term extension	7	4 662 227	63 736	6	199 313	20 175	16	36 738 731	21 355 937	29	41 600 271	21 439 848
New loan	6	38 033	143	32	17 592 867	3 422 565	81	6 954 179	6 263 661	119	24 585 079	9 686 369
Total	**13**	**4 700 260**	**63 879**	**38**	**17 792 180**	**3 442 740**	**97**	**43 692 910**	**27 619 598**	**148**	**66 185 350**	**31 126 217**

The movement of inflows and outflows in the restructured loan portfolio was as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022	31/12/2021
Opening balance of restructured loans portfolio (gross of impairment + interest)	**66 185 350**	**56 817 540**
Restructured loans in the period	953 451	23 671 241
Accrued interest on the restructured loan portfolio	3 781	5 424 849
Settlement of restructured loans (partial or total)	(954 974)	(1 681 522)
Loans reclassified from "restructured" to "normal"	-	(575 351)
Interest written off from restructured loans	-	(16 151 828)
Other	813 400	(1 319 579)
Closing balance of restructured loans portfolio (gross of impairment + interest)	**67 001 008**	**66 185 350**

In 2021, the Bank cancelled a set of interest payments related to operations that were restructured or undergoing restructuring and for which the customers are not currently complying with the obligations initially assumed.

The detail of the guarantees underlying the loan portfolio of the corporate, construction and real estate promotion, and residential segments is as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022											
	Corporate				Construction and Real Estate promotion				Mortgages			
	Real Estate		Other real guarantees		Real Estate		Other real guarantees		Real Estate		Other real guarantees	
	Number of properties	Amount	Number	Amount	Number of properties	Amount	Number	Amount	Number of properties	Amount	Number	Amount
< 50MAOA	13	296 342	187	2 360 595	1	47 100	5	115 583	115	3 685 567	3	69 621
> = 50MAOA e < 100 MAOA	11	695 167	21	1 263 407	-	79 219	1	80 500	129	9 480 052	1	51 385
> = 100 MAOA e < 500 MAOA	31	8 247 904	40	8 587 821	-	-	5	1 358 263	119	20 769 698	6	1 368 128
> = 500 MAOA e < 1000 MAOA	8	6 282 038	13	9 097 500	1	925 719	3	2 446 614	4	2 590 435	-	-
> = 1000 MAOA e < 2000 MAOA	26	17 263 734	4	5 092 786	1	1 900 000	3	3 837 998	3	2 929 459	-	-
> = 2000 MAOA e < 5000 MAOA	7	18 602 634	11	24 496 037	1	4 311 867	7	19 668 692	-	-	-	-
> = 5.000 MAOA	20	250 174 995	8	78 448 667	2	185 857 411	5	62 051 157	-	-	-	-
Total	**116**	**301 562 814**	**284**	**129 346 813**	**6**	**193 121 316**	**29**	**89 558 807**	**371**	**39 455 211**	**10**	**1 489 134**

Amounts stated in thousand of Kwanzas

	31/12/2021											
	Corporate				Construction and Real Estate promotion				Mortgages			
	Real Estate		Other real guarantees		Real Estate		Other real guarantees		Real Estate		Other real guarantees	
	Number of properties	Amount	Number	Amount	Number of properties	Amount	Number	Amount	Number of properties	Amount	Number	Amount
< 50MAOA	18	391 927	196	2 304 778	1	47 100	5	132 064	87	2 704 322	3	69 621
> = 50MAOA e < 100 MAOA	12	824 863	23	1 273 723	-	0	1	80 500	119	8 624 732	1	66 598
> = 100 MAOA e < 500 MAOA	32	7 729 595	49	9 514 361	1	102 671	5	1 358 263	175	32 268 917	7	1 379 842
> = 500 MAOA e < 1000 MAOA	10	6 402 449	11	7 224 057	2	1 500 124	4	2 950 014	4	2 536 818	1	554 981
> = 1000 MAOA e < 2000 MAOA	20	11 534 350	7	7 164 116	1	1 900 000	5	6 787 998	3	2 464 775	-	-
> = 2000 MAOA e < 5000 MAOA	7	17 761 109	9	25 622 605	-	0	4	10 201 979	1	2 441 916	-	-
> = 5.000 MAOA	17	215 988 023	6	85 586 065	2	238 578 600	5	46 558 489	-	0	-	-
Total	**116**	**260 632 316**	**301**	**138 689 705**	**7**	**242 128 495**	**29**	**68 069 307**	**389**	**51 041 480**	**12**	**2 071 042**

In order to mitigate the credit risk, credit operations have associated guarantees, namely mortgages or pledges. The fair value of these guarantees is determined at the date the loan is granted and is periodically reassessed.

The loan-guarantee ratio of the corporate, construction and real estate promotion, and residential segments has the following structure:

Amounts stated in thousand of Kwanzas

	30/06/2022					
	Number of properties	Number of other real guarantees	Loans in Stage 1	Loans in Stage 2	Loans in Stage 3	Impairment
Corporate						
Without guarantee	-	-	12 161 139	269 527	6 592 350	6 404 442
< 50%	3	13	17 448 010	401 762	35 724 791	21 787 200
> = 50% and < 75%	2	21	1 011 987	-	1 366 125	562 808
> = 75% and < 100%	-	44	6 887 108	30 573	224 912	137 852
> = 100%	111	206	69 735 597	21 825 634	2 164 779	7 695 357
Construction and Real Estate promotion						
Without guarantee	-	-	14 389 450	3 055 007	747 137	2 786 278
< 50%	-	1	1 377 212	-	-	14 683
> = 50% and < 75%	-	-	-	-	-	-
> = 75% and < 100%	3	11	33 857 431	-	-	594 453
> = 100%	3	17	33 045 193	4 425 838	144 395	2 144 463
Mortgages						
Without guarantee	-	-	7 667 338	1 042 988	2 110 964	2 373 436
< 50%	9	-	197 906	5 348	-	574
> = 50% and < 75%	-	-	-	-	-	-
> = 75% and < 100%	7	1	271 177	-	164 211	128 766
> = 100%	355	9	8 746 661	646 990	2 927 303	2 397 458
Total	**494**	**323**	**206 796 209**	**31 703 667**	**52 166 967**	**47 027 770**

Amounts stated in thousand of Kwanzas

	31/12/2021					
	Number of properties	Number of other real guarantees	Loans in Stage 1	Loans in Stage 2	Loans in Stage 3	Impairment
Corporate						
Without guarantee	-	-	9 887 611	224 477	6 991 602	6 733 783
< 50%	2	11	10 202 414	-	51 856 384	20 837 477
> = 50% and < 75%	2	19	3 397 189	8 631 383	2 814 891	2 903 383
> = 75% and < 100%	-	39	18 487 378	1 177 278	510 970	578 618
> = 100%	112	232	98 309 758	16 687 078	3 406 841	5 255 397
Construction and Real Estate promotion						
Without guarantee	-	-	23 203 840	5 252 595	761 950	3 290 262
< 50%	-	1	1 377 212	-	-	22 483
> = 50% and < 75%	-	-	-	-	-	-
> = 75% and < 100%	2	11	24 329 356	-	-	555 949
> = 100%	5	17	21 245 117	3 315 366	-	1 848 458
Residential						
Without guarantee	-	-	7 863 715	1 191 882	2 865 929	2 420 254
< 50%	8	-	176 348	-	-	42 096
> = 50% and < 75%	1	1	78 782	-	-	214
> = 75% and < 100%	5	-	72 898	-	-	555 949
> = 100%	375	11	8 898 724	972 985	-	1 848 458
Total	**512**	**342**	**227 530 342**	**37 453 044**	**69 208 567**	**46 892 781**

The distribution of the loan portfolio and impairment measured by internal risk levels is presented as follows:

Amounts stated in thousand of Kwanzas

Segment	Exposure as at 30/06/2022							
	Risk grade A	Risk grade B	Risk grade C	Risk grade D	Risk grade E	Risk grade F	Risk grade G	Total
Credit carts	-	1 001 185	20 491	8 463	1 419	906	241 952	1 274 416
Consumer credit	1 089 393	57 926 192	407 933	79 473	126 293	64 239	2 363 988	62 057 511
Motor vehicle loans	-	33 434	1 898	-	-	-	228	35 560
Mortgages	45 868	16 567 493	163 298	-	242 425	59 451	6 702 351	23 780 886
Overdrafts	-	640 462	103 306	21 127	9 992	3 255	647 337	1 425 479
Corporate - less significant exposures	99 946	2 802 370	9 194	35 875	97 731	4 791	480 030	3 529 937
Corporate - significant exposures	84 320 699	120 727 160	-	35 486 522	1 241 034	142 500	20 932 061	262 849 976
State	78 378 249	-	-	-	-	-	-	78 378 249
On-balance sheet exposure	**163 934 155**	**199 698 296**	**706 120**	**35 631 460**	**1 718 894**	**275 142**	**31 367 947**	**433 332 014**
Documentary credits and guarantees provided								
Corporate - less significant exposures	68 861	9 637 668	-	-	-	-	-	9 706 529
Corporate - significant exposures	7 443 371	53 070 463	-	-	-	-	-	60 513 834
Undrawn credit facilities	7 580 460	33 237 339	39 712	13 671	771	1 069	29 232	40 902 254
Off-balance sheet exposure	**15 092 692**	**95 945 470**	**39 712**	**13 671**	**771**	**1 069**	**29 232**	**111 122 617**
Total exposure	**179 026 847**	**295 643 766**	**745 832**	**35 645 131**	**1 719 665**	**276 211**	**31 397 179**	**544 454 631**

Amounts stated in thousand of Kwanzas

Segment	Impairment as at 30/06/2022							
	Risk grade A	Risk grade B	Risk grade C	Risk grade D	Risk grade E	Risk grade F	Risk grade G	Total
Credit carts	-	25 946	1 975	2 009	477	239	194 359	225 005
Consumer credit	5 067	622 909	57 364	20 930	58 098	29 735	1 610 522	2 404 625
Motor vehicle loans	-	57	872	-	-	-	219	1 148
Mortgages	64	251 199	65 970	-	155 879	41 821	4 385 301	4 900 234
Overdrafts	-	1 664	782	309	2 249	833	234 633	240 470
Corporate - less significant exposures	929	105 523	867	1 275	48 733	1 753	240 124	399 204
Corporate - significant exposures	998 058	5 110 192	-	21 355 447	994 062	101 825	13 182 857	41 742 441
State	887 738	-	-	-	-	-	-	887 738
On-balance sheet exposure	**1 891 856**	**6 117 490**	**127 830**	**21 379 970**	**1 259 498**	**176 206**	**19 848 015**	**50 800 865**
Documentary credits and guarantees provided								
Corporate - less significant exposures	4	9 369	-	-	-	-	-	9 373
Corporate - significant exposures	70 459	130 990	-	-	-	-	-	201 449
Undrawn credit facilities	40 505	196 258	777	353	88	65	5 390	243 436
Off-balance sheet exposure	**110 968**	**336 617**	**777**	**353**	**88**	**65**	**5 390**	**454 258**
Total exposure	**2 002 824**	**6 454 107**	**128 607**	**21 380 323**	**1 259 586**	**176 271**	**19 853 405**	**51 255 123**

Amounts stated in thousand of Kwanzas

Segment	Exposure as at 31/12/2021							
	Risk grade A	Risk grade B	Risk grade C	Risk grade D	Risk grade E	Risk grade F	Risk grade G	Total
Credit cards	-	914 516	1 307	317	1 583	240	206 591	1 124 554
Consumer credit	976 439	57 022 537	288 197	92 891	162 473	111 600	2 621 622	61 275 759
Motor vehicle loans	-	12 559	2 438	-	68	-	228	15 293
Mortgages	87 634	17 663 993	180 920	41 370	123 265	80 277	7 916 678	26 094 137
Overdrafts	145	590 338	39 554	12 934	93 365	4 308	496 858	1 237 502
Corporate - less significant exposures	230 494	2 273 774	58 242	36 244	117 418	12 465	352 296	3 080 933
Corporate - significant exposures	57 720 287	112 588 576	7 993	34 904 598	1 215 589	285 018	21 515 891	228 237 952
State	85 264 971	-	-	-	-	-	-	85 264 971
On-balanche sheet exposure	**144 279 970**	**191 066 293**	**578 651**	**35 088 354**	**1 713 761**	**493 908**	**33 110 164**	**406 331 101**
Documentary credits and guarantees provided								
Corporate - less significant exposures	80 200	7 151 473	-	-	-	-	-	7 231 673
Corporate - significant exposures	4 078 699	65 817 530	-	-	-	-	-	69 896 229
Undrawn credit facilities	2 879 067	42 894 799	3 528	1 188	699	1 671	39 920	45 820 872
Off-balanche sheet exposure	**7 037 966**	**115 863 802**	**3 528**	**1 188**	**699**	**1 671**	**39 920**	**122 948 774**
Total exposure	**151 317 936**	**306 930 095**	**582 179**	**35 089 542**	**1 714 460**	**495 579**	**33 150 084**	**529 279 875**

Amounts stated in thousand of Kwanzas

Segment	Impairment as at 31/12/2021							
	Risk grade A	Risk grade B	Risk grade C	Risk grade D	Risk grade E	Risk grade F	Risk grade G	Total
Credit cards	-	34 782	67	162	1 256	206	173 311	209 784
Consumer credit	5 439	689 866	66 685	23 421	106 850	75 383	2 268 410	3 236 054
Motor vehicle loans	-	13	177	-	60	-	220	470
Mortgages	131	415 738	99 559	18 327	85 001	48 558	5 365 492	6 032 806
Overdrafts	-	3 039	1 502	268	25 925	1 156	259 634	291 524
Corporate - less significant exposures	3 597	182 607	10 615	32 306	71 826	7 977	194 314	503 242
Corporate - significant exposures	870 593	5 158 021	-	20 655 337	1 006 356	149 024	13 697 908	41 537 239
State	1 560 518	-	-	-	-	-	-	1 560 518
On-balanche sheet exposure	**2 440 278**	**6 484 066**	**178 605**	**20 729 821**	**1 297 274**	**282 304**	**21 959 289**	**53 371 637**
Documentary credits and guarantees provided								
Corporate - less significant exposures	3 347	11 920	-	-	-	-	-	15 267
Corporate - significant exposures	47 590	241 780	-	-	-	-	-	289 370
Undrawn credit facilities	24 496	197 853	42	12	143	404	8 003	230 953
Off-balanche sheet exposure	**75 433**	**451 553**	**42**	**12**	**143**	**404**	**8 003**	**535 590**
Total exposure	**2 515 711**	**6 935 619**	**178 647**	**20 729 833**	**1 297 417**	**282 708**	**21 967 292**	**53 907 227**

As at 30 June 2022 and 31 December 2021, the risk levels presented in the table above, are in accordance with the classification of Instruction No. 9/2015 of the Banco Nacional de Angola.

As at 30 June 2022 and 31 December 2021, the portfolio of loans and advances to customers according to credit risk categories (Stage 1, Stage 2 and Stage 3) is detailed as follows:

Amounts stated in thousand of Kwanzas

30/06/2022	Exposure				Impairment			
Segment	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Credit cards	964 531	68 877	241 008	1 274 416	5 492	3 764	215 749	225 005
Consumer credit	56 068 445	3 215 933	2 773 133	62 057 511	468 936	111 837	1 823 852	2 404 625
Motor vehicle loans	33 435	-	2 125	35 560	57	-	1 091	1 148
Mortgages	16 883 082	1 695 326	5 202 478	23 780 886	198 171	511 569	4 190 494	4 900 234
Overdrafts	530 523	230 525	664 431	1 425 479	229	185	240 056	240 470
Corporate - less significant exposures	2 789 118	201 649	539 170	3 529 937	31 185	47 174	320 845	399 204
Corporate - significant exposures	186 594 257	29 806 618	46 449 101	262 849 976	2 860 721	8 780 007	30 101 713	41 742 441
State	63 429 813	14 948 436	-	78 378 249	753 463	134 275	-	887 738
On-balance sheet exposure	**327 293 204**	**50 167 364**	**55 871 446**	**433 332 014**	**4 318 254**	**9 588 811**	**36 893 800**	**50 800 865**
Documentary credit and guarantees provided								
Corporate - less significant exposures	9 509 880	196 649	-	9 706 529	8 188	1 185	-	9 373
Corporate - significant exposures	60 298 080	215 754	-	60 513 834	196 918	4 531	-	201 449
Undrawn credit facilities	40 550 840	113 166	238 248	40 902 254	182 178	617	60 641	243 436
Off-balance sheet exposure	**110 358 800**	**525 569**	**238 248**	**111 122 617**	**387 284**	**6 333**	**60 641**	**454 258**
Total exposure	**437 652 004**	**50 692 933**	**56 109 694**	**544 454 631**	**4 705 538**	**9 595 144**	**36 954 441**	**51 255 123**

Amounts stated in thousand of Kwanzas

31/12/2021	Exposure				Impairment			
Segment	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Credit cards	886 140	24 345	214 069	1 124 554	8 724	2 743	198 317	209 784
Consumer credit	57 815 939	276 745	3 183 076	61 275 760	516 492	55 345	2 664 216	3 236 053
Motor vehicle loans	12 559	2 438	296	15 293	13	177	280	470
Mortgages	17 061 949	2 164 867	6 867 322	26 094 138	76 032	522 434	5 434 341	6 032 807
Overdrafts	566 410	71 512	599 580	1 237 502	545	197	290 782	291 524
Corporate - less significant exposures	2 235 756	180 770	664 407	3 080 933	40 768	66 281	396 190	503 239
Corporate - significant exposures	150 936 273	30 198 997	47 102 680	228 237 950	2 710 261	9 220 471	29 606 510	41 537 242
State	62 816 525	22 448 446	-	85 264 971	932 072	628 446	-	1 560 518
On-balanche sheet exposure	**292 331 551**	**55 368 120**	**58 631 430**	**406 331 101**	**4 284 907**	**10 496 094**	**38 590 636**	**53 371 637**
Documentary credits and guarantees provided								
Corporate - less significant exposures	6 890 923	340 750	-	7 231 673	15 267	-	-	15 267
Corporate - significant exposures	69 680 475	215 754	-	69 896 229	289 370	-	-	289 370
Undrawn credit facilities	45 287 015	169 025	364 832	45 820 872	165 047	650	65 256	230 953
Off-balanche sheet exposure	**121 858 413**	**725 529**	**364 832**	**122 948 774**	**469 684**	**650**	**65 256**	**535 590**
Total exposure	**414 189 964**	**56 093 649**	**58 996 262**	**529 279 875**	**4 754 591**	**10 496 744**	**38 655 892**	**53 907 227**

The movement in the caption Loans and advances to customers, by stage, for the periods ended 30 June 2022 and 31 December 2021 was as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022							
	Stage 1		Stage 2		Stage 3		Total	
	Gross book value	Impairment losses	Gross book value	Impairment losses	Gross book value	Impairment losses	Gross book value	Impairment losses
Balance as at 1 January 2022	**292 331 551**	**4 284 907**	**55 368 120**	**10 496 094**	**58 631 430**	**38 590 636**	**406 331 101**	**53 371 637**
Purchased or originated financial assets	38 834 441	467 314	2 773 066	318 187	685 180	237 207	42 292 687	1 022 708
Variations due to changes in credit risk		(619 869)		(643 493)		399 083	-	(864 279)
Derecognised financial assets	(7 727 123)	(63 286)	(2 910 311)	(595 105)	(1 224 464)	(510 474)	(11 861 898)	(1 168 865)
Transfers to:								
Stage 1	1 312 694	304 060	(1 142 711)	(224 386)	(169 983)	(79 674)	-	-
Stage 2	(4 118 096)	(66 251)	5 041 392	580 868	(923 296)	(514 617)	-	-
Stage 3	(441 866)	(4 519)	(324 712)	(166 155)	766 578	170 674	-	-
Loans written off from assets							-	-
Settlements, exchange rate changes and other	7 101 603	15 898	(8 637 480)	(177 199)	(1 893 999)	(1 399 035)	(3 429 876)	(1 560 336)
Balance as at 30 June 2022	**327 293 204**	**4 318 254**	**50 167 364**	**9 588 811**	**55 871 446**	**36 893 800**	**433 332 014**	**50 800 865**

Amounts stated in thousand of Kwanzas

	31/12/2021							
	Stage 1		Stage 2		Stage 3		Total	
	Gross book value	Impairment losses	Gross book value	Impairment losses	Gross book value	Impairment losses	Gross book value	Impairment losses
Balance as at 1 January 2021	**183 347 025**	**3 891 170**	**171 497 880**	**22 329 302**	**34 278 909**	**28 225 009**	**389 123 814**	**54 445 481**
Purchased or originated financial assets	140 054 174	5 145 146	-	-	-	-	140 054 174	5 145 146
Variations due to changes in credit risk	-	(1 822 200)	-	389 040	-	8 736 045	-	7 302 885
Derecognised financial assets	(21 386 716)	(109 812)	(56 812 541)	(2 120 194)	(5 699 236)	(4 612 089)	(83 898 493)	(6 842 095)
Transfers to:							-	-
Stage 1	12 899 855	245 557	(12 835 023)	(211 991)	(64 832)	(33 566)	-	-
Stage 2	(14 739 515)	(2 669 191)	16 914 470	3 647 909	(2 174 955)	(978 718)	-	-
Stage 3	(1 581 259)	(395 114)	(50 334 619)	(11 633 491)	51 915 878	12 028 605	-	-
Loans written off from assets	-	-	-	-	(4 775 121)	(4 775 121)	(4 775 121)	(4 775 121)
Interest on loans and advances written off	-	-	(3 442 205)	-	(16 515 828)	-	(19 958 033)	-
Settlements, exchange rate changes and other	(6 262 013)	(649)	(9 619 842)	(1 904 481)	1 666 615	471	(14 215 240)	(1 904 659)
Balance as at 31 December 2021	**292 331 551**	**4 284 907**	**55 368 120**	**10 496 094**	**58 631 430**	**38 590 636**	**406 331 101**	**53 371 637**

The risk factors associated with the impairment model, by segment, correspond to the following:

	Impairment in June 2022 - Average parameters			
	PD		LGD	
Segment	Stage 1	Stage 2	Stage 1and 2	Stage 3
Credit cards	0,3%	7,4%	50,9%	91,4%
Consumer credit	2,5%	10,1%	45,9%	92,0%
Motor vehicle loans	0,3%	n.a	45,9%	98,6%
Mortgages	0,6%	78,7%	53,4%	78,3%
Overdrafts	0,2%	0,4%	24,8%	33,9%
Corporate - less significant exposures	9,9%	39,1%	35,0%	53,4%
Corporate - significant exposures	6,5%	57,2%	33,2%	82,8%

	Impairment in December 2021 - Average parameters			
	PD		LGD	
Segment	Stage 1	Stage 2	Stage 1and 2	Stage 3
Credit cards	0,5%	23,6%	50,9%	94,2%
Consumer credit	2,7%	46,7%	45,9%	95,0%
Motor vehicle loans	0,3%	24,5%	45,9%	99,3%
Mortgages	1,0%	87,2%	53,4%	78,0%
Overdrafts	0,3%	1,5%	24,8%	43,4%
Corporate - less significant exposures	9,1%	47,9%	35,0%	72,4%
Corporate - significant exposures	10,8%	44,9%	35,6%	86,8%

10. NON-CURRENT ASSETS HELD FOR SALE

As at 30 June 2022 and 31 December 2021, this caption is detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022	31/12/2021
Non-current assets held for sale		
Properties	606 591	606 592
Accumulated impairment losses (Note 17)	(600 133)	(514 111)
	6 458	**92 481**

The amounts disclosed refer to properties received as payment, which are not in use and are available for immediate sale.

11. INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As at 30 June 2022 and 31 December 2021, Investments in subsidiaries, associates and joint ventures, are presented as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022				
	Country	Acquisition year	Number of shares	% held	Acquisition cost
SHAREHOLDINGS IN SUBSIDIARIES					
SOFHA – Sociedade de Fomento Habitacional	Angola	2008	n.a	50%	375
BFA – Gestão de Activos	Angola	2016	n.a	99,99%	50 000
Total investments in subsidiaries, associates and joint ventures					**50 375**

Amounts stated in thousand of Kwanzas

	31/12/2021				
	Country	Acquisition year	Number of shares	% held	Acquisition cost
SHAREHOLDINGS IN SUBSIDIARIES					
SOFHA – Sociedade de Fomento Habitacional	Angola	2008	n.a	50%	375
BFA – Gestão de Activos	Angola	2016	n.a	99,99%	50 000
Total investments in subsidiaries, associates and joint ventures					**50 375**

In 2021, the subsidiaries did not distribute dividends.

12. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the periods ended 30 June 2022 and 31 December 2021, the captions Property, plant and equipment and Intangible assets presented the following movement:

Amounts stated in thousand of Kwanzas

	30/06/2022													
	Balances as at 31/12/2021								Amortisation		Balances as at 30/06/2022			
	Gross assets	Accumulated amortisation	Impairment	Net assets	Increases	Impairment	Transfers	Write-offs, disposals and other	for the period	Write-offs	Gross assets	Accumulated amortisation	Impairment	Net assets
Property, plant and equipment														
Real Estate for own use	27 495 674	(10 749 062)	(436 259)	16 310 353	-	21 509	1 643 550	-	(454 260)	-	29 139 224	(11 203 322)	(414 750)	17 521 152
Furniture, tools, facilities and equipment	32 808 362	(20 400 028)	-	12 408 334	2 991 016	-	-	(28 564)	(2 867 610)	28 364	35 770 814	(23 239 274)	-	12 531 540
Assets under construction	1 686 812	-	-	1 686 812	554 256	-	(1 643 550)	(243 847)	-	-	353 671	-	-	353 671
Right-of-use assets:														
Branches	4 625 011	(2 158 978)	-	2 466 033	182 819	-	-	(63 887)	(351 598)	3 789	4 743 943	(2 506 787)	-	2 237 156
Offices and central services	2 521 622	(1 552 028)	-	969 594	-	-	-	-	(271 130)	-	2 521 622	(1 823 158)	-	698 464
Other	408 771	(284 074)	-	124 697	218 662	-	-	-	(63 286)	-	627 433	(347 360)	-	280 073
Subtotal	**69 546 252**	**(35 144 170)**	**(436 259)**	**33 965 823**	**3 946 753**	**21 509**	**-**	**(336 298)**	**(4 007 884)**	**32 153**	**73 156 707**	**(39 119 901)**	**(414 750)**	**33 622 056**
Intangible assets														
Automatic data processing systems (Software)	7 219 769	(5 470 242)	-	1 749 527	6 794 044	-	-	-	(1 489 734)	-	14 013 813	(6 959 976)	-	7 053 837
Organisation and expansion costs	101 571	(101 571)	-	-		-	-	-	-	-	101 571	(101 571)	-	-
Transfers	93 923	(93 923)	-	-		-	-	-	-	-	93 923	(93 923)	-	-
Other intangible assets	29	(29)	-	-		-	-	-	-	-	29	(29)	-	-
Subtotal	**7 415 292**	**(5 665 765)**	**-**	**1 749 527**	**6 794 044**	**-**	**-**	**-**	**(1 489 734)**	**-**	**14 209 336**	**(7 155 499)**	**-**	**7 053 837**
Total	**76 961 544**	**(40 809 935)**	**(436 259)**	**35 715 350**	**10 740 797**	**21 509**	**-**	**(336 298)**	**(5 497 618)**	**32 153**	**87 366 043**	**(46 275 400)**	**(414 750)**	**40 675 893**

Amounts stated in thousand of Kwanzas

	31/12/2021													
	Balances as at 31/12/2020								Amortisation		Balances as at 31/12/2021			
	Gross assets	Accumulated amortisation	Impairment	Net assets	Increases	Impairment	Transfers	Write-offs, disposals and other	for the period	Write-offs	Gross assets	Accumulated amortisation	Impairment	Net assets
Property, plant and equipment														
Real Estate for own use	25 572 546	(9 812 289)	(432 624)	15 327 633	501 897	(3 635)	1 421 231		(936 185)	(588)	27 495 674	(10 749 062)	(436 259)	16 310 353
Furniture, tools, facilities and equipment	24 496 083	(15 694 321)	-	8 801 762	7 727 396			584 883	(4 838 220)	132 513	32 808 362	(20 400 028)	-	12 408 334
Assets under construction	2 229 361	-	-	2 229 361	1 312 935		(1 421 231)	(434 253)	-		1 686 812	-	-	1 686 812
Right-of-use assets:														
Branches	4 186 441	(1 440 218)	-	2 746 223	650 919			(212 349)	(784 585)	65 825	4 625 011	(2 158 978)	-	2 466 033
Offices and central services	2 412 845	(1 008 436)	-	1 404 409	108 777				(543 592)		2 521 622	(1 552 028)	-	969 594
Other	250 158	(184 226)	-	65 932	158 613				(99 848)		408 771	(284 074)	-	124 697
Subtotal	**59 147 434**	**(28 139 490)**	**(432 624)**	**30 575 320**	**10 460 537**	**(3 635)**	**-**	**(61 719)**	**(7 202 430)**	**197 750**	**69 546 252**	**(35 144 170)**	**(436 259)**	**33 965 823**
Intangible assets														
Automatic data processing systems (Software)	5 154 664	(4 940 419)	-	213 472	2 065 105	-	-	-	(529 823)	-	7 219 769	(5 470 242)	-	1 749 527
Organisation and expansion costs	101 571	(101 571)	-	-	-	-	-	-	-	-	101 571	(101 571)	-	-
Transfers	93 923	(93 923)	-	-	-	-	-	-	-	-	93 923	(93 923)	-	-
Other intangible assets	29	(29)	-	-	-	-	-	-	-	-	29	(29)	-	-
Subtotal	**5 350 187**	**(5 135 942)**	**-**	**213 472**	**12 525 642**	**(3 635)**	**-**	**-**	**(529 823)**	**-**	**7 415 292**	**(40 809 935)**	**(436 259)**	**1 749 527**
Total	**64 497 621**	**(33 275 432)**	**(432 624)**	**30 788 792**	**14 590 747**	**(3 635)**	**-**	**-**	**(7 732 253)**	**197 750**	**76 961 544**	**(46 475 700)**	**(436 259)**	**35 715 350**

Amounts stated in thousand of Kwanzas

	30/06/2021													
	Balances as at 31/12/2020								Amortisation		Balances as at 30/06/2021			
	Gross assets	Accumulated amortisation	Impairment	Net assets	Increases	Impairment	Transfers	Write-offs, disposals and other	for the period	Write-offs	Gross assets	Accumulated amortisation	Impairment	Net assets
Property, plant and equipment														
Real Estate for own use	25 572 546	(9 812 289)	(432 624)	15 327 633	663 405	(10 202)	-		(406 714)	(587)	26 235 951	(10 219 590)	(442 826)	15 573 535
Furniture, tools, facilities and equipment	24 496 083	(15 694 321)	-	8 801 762	2 981 176			(101 536)	(2 223 323)	101 522	27 375 723	(17 816 122)	-	9 559 601
Assets under construction	2 229 361	-	-	2 229 361	145 359			(367 600)	-	-	2 007 120	-	-	2 007 120
Right-of-use assets:	-	-	-	-							-	-	-	
Branches	4 186 441	(1 440 218)	-	2 746 223	340 244			(167 704)	(373 703)	61 432	4 358 981	(1 752 489)	-	2 606 492
Offices and central services	2 412 845	(1 008 436)	-	1 404 409	108 777				(272 462)	-	2 521 622	(1 280 898)	-	1 240 724
Other	250 158	(184 226)	-	65 932	156 791				(49 856)	-	406 949	(234 082)	-	172 867
Subtotal	**59 147 434**	**(28 139 490)**	**(432 624)**	**30 575 320**	**4 395 752**	**(10 202)**	**-**	**(636 840)**	**(3 326 058)**	**162 367**	**62 906 346**	**(31 303 181)**	**(442 826)**	**31 160 339**
Intangible assets														
Automatic data processing systems (Software)	5 153 891	(4 940 419)	-	213 472	94 410	-	-	-	(123 062)	-	5 248 301	(5 063 481)	-	184 820
Organisation and expansion costs	101 571	(101 571)	-	-	-	-	-	-	-	-	101 571	(101 571)	-	-
Transfers	93 923	(93 923)	-	-	-	-	-	-	-	-	93 923	(93 923)	-	-
Other intangible assets	29	(29)	-	-	-	-	-	-	-	-	29	(29)	-	-
Subtotal	**5 349 414**	**(5 135 942)**	**-**	**213 472**	**94 410**	**-**	**-**	**-**	**(123 062)**	**-**	**5 443 824**	**(5 259 004)**	**-**	**184 820**
Total	**64 496 848**	**(33 275 432)**	**(432 624)**	**30 788 792**	**4 490 162**	**(10 202)**	**-**	**(636 840)**	**(3 449 120)**	**162 367**	**68 350 170**	**(36 562 185)**	**(442 826)**	**31 345 159**

The increase in the automatic data processing systems relates to the acquisition of software.

13. CURRENT AND DEFERRED TAX ASSETS AND LIABILITIES

As at 30 June 2022 and 31 December 2021, the balances of current tax assets and liabilities were as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022	31/12/2021
Current tax assets	145 408	67 985
Total - Current tax assets	**145 408**	**67 985**
Current tax liabilities:	-	-
VAT	588 606	551 093
On capital gains	7 880 726	513 053
On income from employment	581 770	581 030
Taxation of remuneration	333 956	333 626
Total - Current tax liabilities	**9 385 058**	**1 978 802**

In the period ended 30 June 2022 and 31 December 2021, the income tax expense recognised in the income statement, as well as the tax charge, measured by the ratio between the tax assessed and the profit for the period before that assessment, can be summarised as follows:

Amounts stated in thousand of Kwanzas

	30/06/2020	30/06/2021
Current tax liabilities		
Industrial tax	-	-
Capital gains tax	12 502 180	6 279 959
Deferred tax assets	-	(433 610)
Adjustment to estimates of prior periods	-	-
Industrial tax	-	-
Total tax recorded in profit or loss	**12 502 180**	**5 846 349**
Profit before tax	**79 729 604**	**68 469 282**
Effective tax rate	15,68%	8,54%

The reconciliation between the nominal tax rate and the tax charge for the periods ended 30 June 2022 and 31 December 2021, can be analysed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022		30/06/2021	
	Tax rate	Value	Tax rate	Value
Profit before tax		79 729 604		68 469 282
Tax calculated using nominal tax rate	35,00%	27 905 361	35,00%	23 964 249
Tax benefits on income from public debt securities	-44,45%	(35 439 524)	-43,70%	(29 920 341)
Other permanent differences	9,45%	7 534 163	-20,86%	(14 281 342)
Capital gains tax (CGT)	15,68%	12 502 180	29,56%	20 237 434
Adjustment to estimates of prior periods	-	-	9,17%	6 279 959
Deferred tax assets	-	-	-0,63%	(433 610)
Income tax	**15,68%**	**12 502 180**	**8,54%**	**5 846 349**

Industrial Tax

As mentioned in Note 2.16, the Bank is subject to Industrial Tax, and the applicable tax rate is 35% for the periods ended 30 June 2022 and 30 June 2021.

Deferred Taxes

As at 30 June 2022 and 31 December 2021, the Bank had no deferred tax assets.

The Bank applies a rate of 35% to calculate deferred taxes.

As at 30 June 2022, tax losses carried forward from previous periods, by year of expiry, are analysed as follows:

Amounts stated in thousand of Kwanzas

Year	Expiry year	Tax losses
2019	31/12/2022	19 792 674
2020	31/12/2025	101 766 200
2021	31/12/2026	53 786 987
		175 345 861

The Bank has not recorded deferred tax assets related to tax losses, as it considers that the requirements for their recognition in accordance with IAS 12 have not been demonstrated.

As at 30 June 2022 and 31 December 2021, the Bank had no deferred tax assets.

The movement in deferred tax assets in the period ended 31 December 2021 was as follows:

Amounts stated in thousand of Kwanzas

	Balances as at 31/12/2021	Increases	Refunds/ write-offs	Foreign exchange differences	Balances as at 30/06/2022
Provisions temporarily not accepted as a tax cost:					
Provisions for Banking Risks, Retirement compensation and Social Fund	759 346	-	759 346	-	-
Impact of adoption of IFRS 9	886 442		886 442	-	-
	1 645 788	**-**	**1 645 788**	**-**	**-**

The tax authorities may review the Bank's tax position for a period of five years, and as a result of different interpretations of tax law, potential adjustments to the respective tax/tax losses assessed may arise.

The Bank's Board of Directors believes that any additional settlements, which may result from these reviews, will not be significant for the financial statements.

14. OTHER ASSETS

As at 30 June 2022 and 31 December 2021, this caption is detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022	31/12/2021
Foreign exchange transactions		
Foreign exchange spot transactions	273 244	699 659
	273 244	**699 659**
Other assets of a tax nature		
Other taxes receivable	2 039 328	2 039 328
	2 039 328	**2 039 328**
Other amounts of a civil nature		
Sundry debtors:		
Public sector - Government	712 790	1 157 245
Private sector – Corporate	2 460 178	1 190 727
Private sector – Staff	1 357 078	1 139 326
Private sector – Retail	1 459	1 526
Advances to fixed asset suppliers	3 399 359	7 275 581
	7 930 864	**10 764 405**

Amounts stated in thousand of Kwanzas

	30/06/2022	31/12/2021
Other amounts of an administrative and commercial nature		
Advance payment of salaries	112 726	-
Prepaid expenses:		
Rents and leasing	31 905	45 697
Insurance	348 240	0
Other	482 546	222 625
	862 691	**268 322**
Office material	1 040 174	2 325 517
Other advances:		
Cash shortfalls	150 754	10 352
Accruals	1 046 228	1 516 896
Other	5 404	4 208
	1 202 386	**1 531 456**
	13 461 413	**17 628 687**

At 30 June 2022 and 31 December 2021, the balance of the caption Foreign exchange spot transactions corresponds to foreign exchange transactions to be settled on D+1.

As at 30 June 2022 and 31 December 2021, the caption Other amounts of a civil nature – Tax essentially represents taxes recoverable through the provisional settlement of an Industrial Tax.

As at 30 June 2022 and 31 December 2021, the caption Other amounts of a civil nature – Sundry debtors: Advances to fixed assets suppliers refers to advances made to suppliers of property, plant and equipment in the course of the Bank's business.

As at 30 June 2022 and 31 December 2021, the caption Other amounts of an administrative or commercial nature – Accruals refers to outstanding operations at the end of the month which were settled in the first days of the following month.

15. DEPOSITS FROM CENTRAL BANKS AND OTHER CREDIT INSTITUTIONS

As at 30 June 2022 and 31 December 2021, this caption is detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022	31/12/2021
Transactions in the Interbank Money Market		
Deposits from credit institutions in the country - Loan (AOA)	10 130 226	28 280
Deposits from credit institutions abroad	4 230 061	-
Deposits from other entities		
Certified cheques	560 762	1 107 188
Deposits linked to letters of credit	-	652 222
Other	48 824	66 312
	14 969 873	**1 854 002**

BNA's deposits in national currency with the institution amount to AOA 5,000,000 thousand and bear interest at a rate of 21.9%.

The remaining amount in national currency is remunerated at an interest rate of 15.1%.

The grading of deposits from other credit institutions, by residual maturity, is disclosed in Note 30.2.

As at 30 June 2022 and 31 December 2021, the balance of the caption Deposits from other entities relates essentially to interbank clearing values, namely, certified cheques and import letters of credit.

16. DEPOSTIS FROM CUSTOMERS AND OTHER LOANS

As at 30 June 2022 and 31 December 2021, the caption Deposits from customers and other loans is detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022	31/12/2021
Demand deposits from residents		
In national currency	553 077 220	588 564 644
In foreign currency	246 060 388	223 745 350
	799 137 608	**812 309 994**
Demand deposits from non-residents		
In national currency	38 500 003	22 878 216
In foreign currency	4 491 148	5 079 930
	42 991 151	27 958 146
Interest on demand deposits	14 279	47 582
Total demand deposits	**842 143 038**	**840 315 722**
Term deposits from residents		
In national currency	412 476 058	349 998 784
In foreign currency	565 111 844	798 601 311
	977 587 902	1 148 600 095
Term deposits from non-residents	7 369 221	7 942 977
Interest on term deposits	9 673 766	8 460 702
Total term deposits	**994 630 889**	**1 165 003 774**
Total deposits	**1 836 773 927**	**2 005 319 496**

As at 30 June 2022 and 31 December 2021, term deposits from customers have the following structure, according to the residual maturity of the operations:

Amounts stated in thousand of Kwanzas

	30/06/2022	31/12/2021
Up to 1 month	227 337 165	349 272 143
1 to 3 months	358 929 322	388 496 597
3 to 6 months	184 655 402	257 201 342
6 to 12 months	213 103 332	161 100 664
1 to 3 years	10 605 668	8 933 028
	994 630 889	**1 165 003 774**

As at 30 June 2022 and 31 December 2021, interest on customer term deposits earned interest at the following annual weighted average rates:

Amounts stated in thousand of Kwanzas

	30/06/2022	31/12/2021
In Kwanzas	10,58%	10,99%
In US dollars	1,11%	1,07%
In Euros	0,08%	0,09%

As at 30 June 2020 and 31 December 2021, demand and term deposits, by type of customer, presented the following structure:

Amounts stated in thousand of Kwanzas

	30/06/2022	31/12/2021
Demand deposits		
Public sector - Government	115 593 746	71 940 643
Public sector - Corporate	17 313 082	16 679 791
Corporate	428 746 497	460 998 603
Retail	280 489 713	290 696 685
	842 143 038	**840 315 722**
Term deposits		
Public sector - Government	29 901 734	21 619 220
Public sector - Corporate	17 221 151	15 093 284
Corporate	484 047 508	548 715 883
Retail	463 460 496	579 575 387
	994 630 889	**1 165 003 774**
	1 836 773 927	**2 005 319 496**

17. IMPAIRMENT AND PROVISIONS

During the periods ended 30 June 2022 and 31 December 2021, the movement in impairment and provisions was as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022								
		Increases	Decreases						
	Balance as at 31/12/2021	Charge for the period	Refunds and write-offs	Subtotal	Write-offs	Charge-off	Exchange rate differences and other	Transfers	Balance as at 30/06/2022
Impairment of other financial assets									
Loans and advances to credit institutions (Note 5)	7 570	13 840	(16 857)	(3 017)	-	-	(1 703)	-	2 850
Other loans and advances to central banks and credit institutions (Note 6)	353 978	120 550	(157 368)	(36 818)	-	-	(76 484)	-	240 676
Investments at amortised cost (Note 8)	13 472 621	253 574	(1 921 402)	(1 667 828)	-	-	(1 134 060)		10 670 733
	13 834 169	387 964	(2 095 627)	(1 707 663)	-	-	(1 212 247)	-	10 914 259
Impairment of other assets									
Non-current assets held for sale (Note 10)	514 111	86 022	-	86 022	-	-	-	-	600 133
Property, plant and equipment and intangible assets (Note 12)	436 259		(21 509)	(21 509)	-	-	-	-	414 750
	950 370	86 022	(21 509)	64 513	-	-	-	-	1 014 883
Loan impairment (Note 9)	**53 371 637**	**1 396 226**	**(2 406 662)**	**(1 010 436)**	**-**	**-**	**(1 560 336)**	**-**	**50 800 865**
Provisions:									
Of a social or statutory nature	21 554 210	-	-	-	-	(1 029 227)	(4 201 839)		16 323 144
Of an administrative and commercial nature	26 880 849	1 986 690	(8 026 371)	(6 039 681)	-	(32 175)	(825 152)		19 983 841
Guarantees provided and undrawn credit facilities (Note 9)	**535 590**	**92 962**	**(147 488)**	**(54 526)**	**-**	**-**	**(26 806)**	**-**	**454 258**
	48 970 649	**2 079 652**	**(8 173 859)**	**(6 094 207)**	**-**	**(1 061 402)**	**(5 053 797)**	**-**	**36 761 243**
	117 126 825	**3 949 864**	**(12 697 657)**	**(8 747 793)**	**-**	**(1 061 402)**	**(7 826 380)**	**-**	**99 491 250**

Amounts stated in thousand of Kwanzas

	31/12/2021								
		Increases	Decreases						
	Balance as at 31/12/2020	Charge for the period	Refunds and write-offs	Subtotal	Write-offs	Charge-off	Exchange rate differences and other	Transfers	Balance as at 31/12/2021
Impairment of other financial assets									
Loans and advances to credit institutions (Note 5)	18 548	24 461	(32 324)	(7 863)	-	-	(3 115)	-	7 570
Other loans and advances to central banks and credit institutions (Note 6)	770 956	478 838	(811 414)	(332 576)	-	-	(84 402)	-	353 978
Investments at amortised cost (Note 8)	57 317 952	8 273 101	(49 378 585)	(41 105 484)	-	-	(2 739 847)	-	13 472 621
	58 107 456	8 776 400	(50 222 323)	(41 445 923)	-	-	(2 827 364)	-	13 834 169
Impairment of other assets									
Non-current assets held for sale (Note 10)	338 833	175 278	-	175 278	-	-	-	-	514 111
Property, plant and equipment and intangible assets (Note 12)	432 624	3 635	-	3 635	-	-	-	-	436 259
	771 457	178 913	-	178 913	-	-	-	-	950 370
Loan impairment (Note 9)	**54 445 480**	**15 520 121**	**(10 361 809)**	**5 158 312**	**(4 755 121)**	**-**	**(1 477 034)**	**-**	**53 371 637**
Provisions:									
Of a social or statutory nature	22 831 006	3 052 396	-	3 052 396	-	(1 116 368)	(3 212 824)	-	21 554 210
Of an administrative and commercial nature	18 544 002	9 617 280	(1 413 864)	8 203 416	-	(202 020)	(345 960)	681 411	26 880 849
Guarantees provided and undrawn credit facilities (Note 9)	**93 063**	**588 927**	**(141 303)**	**447 624**	**-**	**-**	**(5 097)**	**-**	**535 590**
	41 468 071	**13 258 603**	**(1 555 167)**	**11 703 436**	**-**	**(1 318 388)**	**(3 563 881)**	**681 411**	**48 970 649**
	154 792 464	**37 734 037**	**(62 139 299)**	**(24 405 262)**	**(4 755 121)**	**(1 318 388)**	**(7 868 279)**	**681 411**	**117 126 825**

Amounts stated in thousand of Kwanzas

	30/06/2021								
		Increases	Decreases						
	Balance as at 31/12/2020	Charge for the period	Refunds and write-offs	Subtotal	Write-offs	Charge-off	Exchange rate differences and other	Transfers	Balance as at 31/12/2021
Impairment of other financial assets									
Loans and advances to credit institutions (Note 5)	18 548	10 155	(20 396)	(10 241)	-	-	(525)	-	7 782
Other loans and advances to central banks and credit institutions (Note 6)	770 956	306 298	(473 870)	(167 572)	-	-	(8 429)	-	594 955
Investments at amortised cost (Note 8)	57 317 952	7 623 945	(3 678 494)	3 945 451	-	-	(125 868)	-	61 137 535
	58 107 456	7 940 398	(4 172 760)	3 767 638	-	-	(134 822)	-	61 740 272
Impairment of other assets									
Non-current assets held for sale (Note 10)	338 833	87 639	-	87 639	-	-		-	426 472
Property, plant and equipment and intangible assets (Note 12)	432 624	10 202	-	10 202	-	-		-	442 826
	771 457	97 841	-	97 841	-	-	-	-	869 298
Loan impairment (Note 9)	**54 445 480**	**1 490 629**	**(2 633 947)**	**(1 143 318)**	**(2 201 577)**		**(131 152)**	**-**	**50 969 433**
Provisions:									
Of a social or statutory nature	22 831 006	-	-	-	-	(126 666)	(416 391)	-	22 287 949
Of an administrative and commercial nature	18 544 002	1 367 033	(815 806)	551 227	-	(105 459)	(8 537)	-	18 981 233
Guarantees provided and undrawn credit facilities (Note 9)	**93 063**	**80 611**	**(89 966)**	**(9 355)**	**-**	**-**	**(447)**	**-**	**83 261**
	41 468 071	**1 447 644**	**(905 772)**	**541 872**	**-**	**(232 125)**	**(425 375)**	**-**	**41 352 443**
	154 792 464	**10 976 512**	**(7 712 479)**	**3 264 033**	**(2 201 577)**	**(232 125)**	**(691 349)**	**-**	**154 931 446**

In the period ended 30 June 2022, the Bank reversed impairment, on a net basis, in the amount of AOA 1,667,828 thousand for the portfolio of Impairment of other financial assets – Investments at amortised cost (see Note 8).

In the period ended 30 June 2022, the Bank reversed impairment, on a net basis, in the amount of AOA 1,010,436 thousand (see Note 9). In addition, the Bank reverted impairment, on a net basis, in the amount of AOA 54,526 thousand (see Note 9).

In 2018, the Bank created the Social Responsibility Department, which is composed of the nuclei (i) monitoring the "BFA Solidário" projects and (ii) subsidies and is responsible for the social actions of the Bank while the incorporation process of the Fundação BFA is not completed.

Since it is the intention of the Board of Directors of the Bank that the provision existing on 30 June 2022 in the amount of 16 323 144 thousand AKZ be used as a monetary endowment for the initial assets of Fundação BFA, it is also its intention that it be alternatively used through the social activity to be developed by the Social Responsibility Directorate until the incorporation of Fundação BFA is completed.

As at 30 June 2022 and 31 December 2021, the caption Provisions of an administrative and commercial nature consists of provisions to cover several contingencies, frauds, ongoing legal proceedings and other liabilities, corresponding to the best estimate of the costs that the Bank will bear in the future with these liabilities.

As at 30 June 2022 and 31 December 2021 the caption Guarantees provided includes the impairment recognised for off-balance sheet captions of documentary credits, guarantees provided and unused limits in the loan portfolio.

18. OTHER LIABILITIES AND LEASE LIABILITIES

As at 30 June 2022 and 31 December 2021, this caption is detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022	31/12/2021
Foreign exchange transactions		
Foreign exchange spot transactions	274 841	342
	274 841	**342**
Taxes payable - withheld from third parties		
On income	525 979	473 677
Other	27 416	166 488
	553 395	**640 165**
Liabilities of a civil nature	5 183 467	4 830 416
Liabilities of a statutory nature - Dividends outstanding	48 150 000	96 300 000
Liabilities of an administrative and commercial nature		
Staff – salaries and wages		
Holiday pay and holiday allowance	6 320 717	6 298 915
Performance bonus	2 943 464	6 928 434
Pension funds	120 084	-
Other staff costs	327 584	1 292 810
	9 711 849	**14 520 159**
Other administrative and marketing costs payable		
Liabilities to be settled	65 132	202 759
Accrued costs	15 345 770	16 345 381
ATM transactions - to be settled	15 985 146	7 066 231
VAT payable	2 484 896	1 769 248
Deposit Guarantee Fund	527 399	1 248 947
Other	5 660 906	1 949 658
	40 069 249	**28 582 223**
	103 942 801	**144 873 306**
Lease liabilities	5 473 884	6 185 862
	109 416 685	**151 059 167**

At 30 June 2022 and 31 December 2021, the balance of the caption Foreign exchange spot transactions corresponds to foreign exchange transactions to be settled on D+1.

The balance of the caption Tax charges payable – withheld on behalf of third parties includes amounts payable to the Tax Authorities in the month following the month to which it relates. The balance of the caption Liabilities of a civil nature corresponds to invoices for services rendered outstanding to the Bank's suppliers.

The balance of the caption Liabilities of a statutory nature corresponds to dividends with deferred payment allocated to the Bank's shareholders pending payment, in the amount of AOA 48,150,000 thousand and AOA 96,300,000 thousand, respectively, as per Note 19.

As at 30 June 2022 and 31 December 2021, the balance of the caption Liabilities of an administrative and marketing nature – Staff – Salaries and wages includes the amounts of holidays and holiday allowances, performance bonus and other staff costs.

The balance of the caption Other administrative and marketing costs payable – Accrued costs includes the amount of AOA 18,177,555 thousand (2021: AOA 16,345,381 thousand) related to accrued costs with external supplies and services rendered and not yet invoiced by the suppliers. The caption ATM cash withdrawals – to be settled corresponds to operations carried out at ATMs that were settled in the first days of the following month.

As at 30 June 2022 and 31 December 2021, the caption Lease liabilities corresponds to the present value of lease payments to be settled over the lease term, recognised under IFRS 16.

The detail of the lease liabilities by maturity is presented below:

Amounts stated in thousand of Kwanzas

	30/06/2022	31/12/2021
Lease liabilities		
Up to 1 year	2 658 594	2 641 077
1 to 5 years	3 275 869	4 588 052
More than 5 years	1 220 794	1 433 012
	7 155 257	**8 662 141**
Interest to be accrued on the net interest income	1 681 373	2 476 279
	5 473 884	**6 185 862**

Lease liabilities relate to the lease agreements for branches and offices used by the Bank in the course of its business.

19. EQUITY

Share Capital

The Bank was incorporated with a share capital of AOA 1,305,561 thousand (equivalent to Euro 30,188,657 at the exchange rate in force on 30 June 2002), represented by 1,305,561 registered shares of one thousand Kwanzas each, having been subscribed and paid-up by incorporation of all assets and liabilities, including property or real estate rights of any nature, as well as all the rights and obligations of the former BFE Branch.

At the end of the 2004, 2003 and 2002, the Bank increased its share capital by AOA 537,672 thousand, AOA 1,224,333 thousand and AOA 454,430 thousand, respectively, through the incorporation of the special reserve for the maintenance of own funds, in order to maintain the counter value in kwanzas of the initial capital endowment in foreign currency.

By Unanimous Resolution of the General Meeting, of 4 October 2018, it was decided to increase BFA's share capital by incorporating reserves recorded under the caption Other reserves and Retained earnings in the amount of AOA 11,478,004 thousand. This capital increase was carried out within the scope of Notice No. 02/2018 of the Banco Nacional de Angola, which defines that the minimum value of fully paid-up share capital in national currency is AOA 7,500,000 thousand.

Consequently, as at 30 June 2022 and 31 December 2021, the share capital of the Bank amounts to AOA 15,000,000 thousand, represented by 15,000,000 nominal shares of one thousand kwanzas each, resulting from the aforementioned capital increases.

As at 30 June 2022 and 31 December 2021, the shareholder structure of the Bank is as follows:

	30/06/2022		31/12/2021	
	Number of shares	%	Number of shares	%
Unitel, S.A.	7 785 000	51,90%	7 785 000	51,90%
Banco BPI, S.A.	7 213 050	48,09%	7 213 050	48,09%
Other BPI Group entities	1 950	0,01%	1 950	0,01%
	15 000 000	**100%**	**15 000 000**	**100%**

On 7 October 2016, Unitel, S.A. (Unitel) entered into an agreement with Banco BPI, S.A. (Banco BPI) for the purchase of 2% of the share capital of BFA, the materialisation of which entailed an increase in Unitel's percentage interest in BFA from 49.9% to 51.9%. On the same date, the new shareholders' agreement concerning BFA was also signed.

The completion of this operation was dependent on the verification of the following suspensive conditions:

- Authorisation of the Banco Nacional de Angola (BNA) for the increase in the qualified shareholding already held by Unitel in BFA and authorisation for the capital transactions necessary for the payment to Banco BPI and the transfer to Portugal of the agreed price of Euro 28 million;
- Authorisation from the BNA to change the Articles of Association (By-laws) of BFA; and
- Approval of the operation by the General Meeting of Banco BPI.

On 12 December 2016, the Banco Nacional de Angola communicated that it did not object to the practice of the following acts:

i) Partial amendment of the By-laws of BFA;
ii) Increase in Unitel's qualified shareholding in the share capital of BFA through the acquisition from Banco BPI of 26,111 ordinary shares representative of 2% of share capital;
iii) Indirect acquisition of the qualified shareholding representative of 48.01% of the share capital of BFA, following the settlement of the general and mandatory public tender offer launched by Caixabank for all the shares representative of Banco BPI's share capital.

The BNA established as a condition that the three operations referred to above are indivisible, i.e., it is assumed that they must occur simultaneously or almost simultaneously or, if it is not possible for any reason to ensure their simultaneity, the operation referred to in (ii) must precede the operations referred to in (i) and (iii).

On 5 January 2017, pursuant to the share purchase and sale agreement entered into 2016, the sale by Banco BPI to Unitel of the shareholding representing 2% of the share capital of BFA was completed.

On 26 November 2018, a share capital increase took place which corresponded to an increase in the shareholding of each shareholder in proportion to their respective shareholdings in the Bank's share capital at that date, with 13,694,439 shares with a nominal value of AOA 1,000 having been issued. Accordingly, as at 31 December 2018, the Bank had a total of 15,000,000 ordinary shares outstanding. Considering that since 31 December 2018 there have been no changes in the Bank's share capital, the number of ordinary shares outstanding for the period ended 30 June 2022 and 31 December 2021 is 15,000,000 shares.

Other reserves and Retained earnings

As at 30 June 2022 and 31 December 2021, this caption is detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022	31/12/2021
Other reserves and retained earnings		
Legal reserve	17 155 909	17 155 909
Other reserves and retained earnings	311 678 403	233 442 537
	328 834 312	**250 598 446**

By unanimous resolution of the General Meeting held on 7 April 2022, it was decided to distribute dividends to shareholders in the amount of AOA 78,235,866 thousand, corresponding to 50% of the net profit obtained in the previous period (AOA 156,471,732), with the remaining amount being transferred to Other reserves (AOA 78,235,866 thousand).

The unanimous resolution of the General Meeting of 16 June 2021 approved the distribution, by way of extraordinary dividends with deferred liquidation, of other reserves and retained earnings in the amount of AOA 160,500,000 thousand – payable in three instalments on the following dates:
- 40% corresponding to AOA 64,200,000 thousand on 30 September 2021;
- 30% corresponding to AOA 48,150,000 thousand on 30 June 2022; and
- 30% corresponding to AOA 48,150,000 thousand on 30 June 2023.

IFRIC 17 – Distributions of non-cash assets to owners stipulates that the dividend payable is recorded considering the fair value of the asset to be delivered, which, in this case, given the fact that this distribution is made through cash outflow, its fair value was considered to be AOA 160,500,000 thousand. The amount not yet settled is detailed in Note 18.

In accordance with the legislation in force, the Bank must set up a legal reserve fund up to the amount of its capital. To this end, a minimum of 10% of the previous year's net profit is transferred to this reserve. This reserve can only be used to cover accumulated losses, when the other reserves have been exhausted. As at 30 June 2022, the Bank is complying with the legal reserve requirements, and therefore no amount has been transferred.

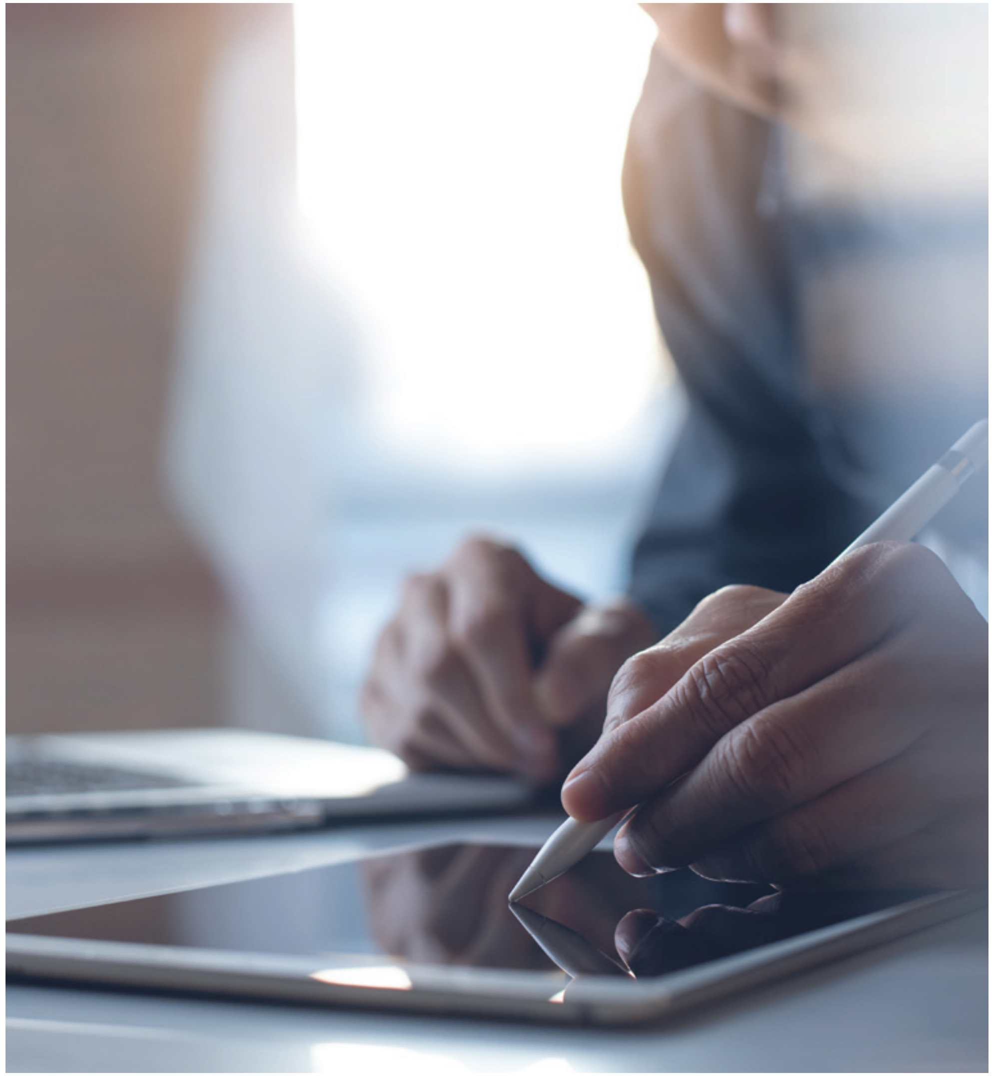
Earnings and dividend per share

In the period ended 30 June 2022 and 31 December 2021, the basic earnings per share and the dividend attributed, relating to the profit of the previous year, were as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022	31/12/2021
Average number of ordinary shares issued	15 000 000	15 000 000
Net profit/(loss) for the period	67 227 424	156 471 732
Dividends distributed in the period relating to the previous period	78 235 866	71 878 876
Extraordinary dividends attributed during the period	-	160 500 000
Basic earnings per share	4,48	10,43
Diluted earnings per share	4,48	10,43
Dividend per share attributed during the period	5,22	15,49

In accordance with the provisions of IAS 33 - Earnings per share, the basic earnings per share and the dividend paid during the year should be adjusted retrospectively for all the years affected, in the event of an increase or decrease in the number of ordinary shares.



20. NET INTEREST INCOME

In the period ended 30 June 2022 and 2021, this caption is detailed as follows:

Amounts stated in thousand of Kwanzas

Interest and similar income	30/06/2022	30/06/2021
For short-term investments:		
Term deposits with credit institutions abroad	644 378	240 974
Term deposits with credit institutions in the country	71 604	256 852
Other	6 843	1 064
Income from reverse purchase agreements	8 694 102	1 579 416
	9 416 927	**2 078 306**
From securities:		
From securities at fair value through profit or loss		
Treasury Bills	-	14 420 085
Treasury Bonds	6 257 531	5 401 152
From investments at amortised cost		
Treasury Bills	6 651 417	-
Treasury Bonds	78 929 213	63 814 770
	91 838 161	**83 636 007**
From loans granted		
Corporate and Government		
Loans	18 252 009	16 684 624
Credit current account	3 133 969	2 610 450
Other loans	1 059	6 838
Mortgages	164 314	180 116
Consumer credit	4 572 046	4 313 558
Other credit	1 456 977	1 531 499
Interest overdue	-	1 617 240
	27 580 374	**26 944 325**
Total interest and similar income	**128 835 462**	**112 658 638**

Amounts stated in thousand of Kwanzas

Interest and similar expense	30/06/2022	30/06/2021
Interest and similar expense		
Demand Deposits	227 915	234 811
Term deposits	23 511 975	21 034 257
	23 739 890	**21 269 067**
Funding liquidity:		
From transactions in the Interbank Money Market	194 528	155 106
	194 528	155 106
Other interest and similar expense	389 020	490 878
	389 020	490 878
Total interest and similar expense	**24 323 438**	**21 915 051**
	104 512 024	**90 743 587**

21. FEES AND COMMISSIONS INCOME/(EXPENSE)

In the period ended 30 June 2022 and 2021, this caption is detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022	30/06/2021
Fees and commissions income		
Fees and commissions on ATMs and TPAs	5 543 190	3 841 814
Fees and commissions on securities	2 358 739	3 434 652
Fees and commissions on cards	1 059 654	645 749
Fees and commissions on payment orders issued	948 628	1 049 822
Fees and commissions on currency sales	801 697	716 477
Fees and commissions on services rendered	719 201	99 073
Fees and commissions on guarantees and sureties provided	470 051	369 071
Fees and commissions on open import documentary credits	426 130	473 072
Fees and commissions on the issuance of cheques	348 330	571 818
Fees and commissions on interbank services	256 865	257 135
Fees and commissions on card cancellation/replacement	97 878	110 580
Other fees and commissions	1 462 971	809 367
	14 493 334	**12 378 630**
Fees and commissions expense		
Fees and commissions on cards	(5 099 676)	(2 935 261)
Fees and commissions on ATMs and TPAs	(474 330)	(380 527)
Other fees and commissions	(582 887)	(125 908)
	(6 156 893)	**(3 441 696)**
Total	**8 336 441**	**8 936 934**

The variation in the caption Fees and commissions income – Fees and commissions on ATMs and TPAs and in the caption Fees and commissions expense – Fees and commissions on cards, compared to the same period of the previous year, is due to the increase in EMIS prices and its impact on the corresponding prices.

22. FOREIGN EXCHANGE GAINS/(LOSSES)

In the period ended 30 June 2022 and 2021, this caption is detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022	30/06/2021
Changes in exchange rates on assets and liabilities denominated in foreign currency	(5 823 625)	(2 385 266)
Foreign currency purchase and sale transactions	11 958 651	7 611 043
	6 135 026	**5 225 777**

The caption Changes in exchange rates on assets and liabilities denominated in foreign currency essentially refers to the foreign exchange gains/(losses) related to the exchange revaluation of the Bank's assets and liabilities in foreign currency and securities in Kwanzas indexed to US Dollars.

23. NET GAINS/(LOSSES) ON SALE OF OTHER ASSETS

In the period ended 30 June 2022 and 2021, this caption is detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022	30/06/2021
Net gains/(losses) on sale of assets		
Gains on sale of property, plant and equipment	5 266	22 413
Losses on sale of property, plant and equipment	(203)	(197)
	5 063	**22 216**

24. OTHER OPERATING INCOME/(EXPENSE)

In the period ended 30 June 2022 and 2021, this caption is detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022	30/06/2021
Operating income:		
Recovery of administrative and commercial expenses	2 862 468	2 627 060
Gains on credit recovery	190 491	702 482
Other	1 795 090	1 266 258
	4 848 049	**4 595 800**
Operating expense:		
Contribution to Deposits Guarantee Fund	(452 061)	(929 004)
Taxes and fees not levied on income	(4 959 056)	(3 369 476)
Penalties applied by regulatory authorities	(323 262)	(223 488)
Other	(60 619)	(6 328)
	(5 794 998)	**(4 528 296)**
	(946 949)	**67 504**

In the period ended 31 June 2022 and 2022, the caption Taxes and fees not levied on income includes a balance for value added tax in the amount of AOA 3,884,579 thousand and AOA 2,537,086 thousand, respectively.

In the period ended 30 June 2022 and 2021, the caption Other operating income – Recovery of administrative and commercial expenses refers, essentially, to: (i) the reimbursement of communication and shipping expenses originally borne by the Bank, namely in execution of payment order operations and (ii) gains from lease renegotiations.

25. STAFF COSTS

In the period ended 30 June 2022 and 2021, this caption is detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022	30/06/2021
Members of the Management and Supervisory Bodies		
Monthly remuneration	1 061 362	873 977
Additional remuneration	1 599 966	1 045 025
Mandatory social charges	202 806	76 553
Optional social charges	-	-
	2 864 134	**1 995 555**
Staff		
Monthly remuneration	20 521 725	20 590 639
Additional remuneration	2 727 615	2 384 366
Mandatory social charges	1 262 077	1 279 314
Optional social charges	1 521 434	2 074 490
Other	78 892	70 940
	26 111 743	**26 399 749**
Pension costs		
Supplementary pension plan	1 684 358	1 638 797
	1 684 358	**1 638 797**
	30 660 235	**30 034 101**

In 2013, with reference to the last day of the year, the Bank set up the BFA Pension Fund ("Fundo de Pensões BFA") to cover the liabilities with retirement pensions for old age, disability and survival that the Bank granted to its Angolan employees registered with the Social Security, having used the provisions previously set up as an initial contribution to the BFA Pension Fund (defined contribution plan). In accordance with the contract for the set-up of the Fund, BFA will contribute annually with 10% of the salary subject to Angolan Social Security charges, applied on fourteen salaries. As at 30 June 2022 and 30 June 2021, the Bank's contribution to the BFA Pension Fund amounted to AOA 1,684,358 thousand and AOA 1,638,797 thousand, respectively.

This Fund is financed by a defined contribution system that the Bank has set up, as mentioned in the previous paragraph.

The responsibility for the management of the BFA Pension Fund rests with Fenix – Sociedade Gestora de Fundos de Pensões, S.A. The Bank assumes the role of depositary of the Fund.

26. EXTERNAL SUPPLIES AND SERVICES

In the period ended 30 June 2022 and 2021, this caption is detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022	30/06/2021
Audit, advisory and other specialised technical services	7 421 818	7 380 629
Safety, maintenance and repair	3 267 109	4 468 408
Sundry materials	1 768 930	1 798 883
Advertising and marketing	1 767 021	1 261 994
Transport, travel and accommodation	1 592 159	1 307 271
Communication	1 216 589	1 512 347
Water and energy	316 783	484 467
Insurance	214 434	234 989
Rentals	158 067	174 944
Other external supplies and services	250 060	175 060
	17 972 970	**18 798 992**

27. OFF-BALANCE SHEET CAPTIONS

These captions are detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022	31/12/2021
Liabilities to third parties:		
Guarantees provided	45 442 492	52 613 339
Commitments to third parties		
- Open documentary credits	24 777 871	24 514 563
	70 220 363	**77 127 902**
Liabilities for services rendered:		
Services rendered by the Bank		
- Safekeeping of securities	1 003 579 448	1 069 424 885
- Cheque clearing on foreign banks	153 569	174 030
- Documentary remittances	(49 174 525)	(69 805 310)
	954 558 492	**999 793 605**

As at 31 December 2021, the caption Open documentary credits includes open documentary credits secured by hold on deposits with the Bank, in the amount of AOA 652,222 thousand (Note 15).

As at 30 June 2022 and 31 December 2021, the Bank has constituted provisions to cover the credit risk assumed on the granting of guarantees and documentary credits, in the amounts of AOA 454,258 thousand and AOA 535,589 thousand, respectively (Notes 9 and 17).

As at 30 June 2022 and 31 December 2021, the notional amounts of the forwards are recognised in the off-balance sheet captions in the amounts of AOA 3,959,788 thousand and AOA 5,190,049 thousand, respectively.

As at 30 June 2022 and 31 December 2021, the caption Safekeeping of securities refers essentially to securities of customers in the custody of the Bank.

28. RELATED PARTIES

In accordance with IAS 24, entities related to the Bank are considered to be:

- the entities that exercise, directly or indirectly, a significant influence over the management and financial policy of the Bank – Shareholders;
- those over which the Bank exercises, directly or indirectly, a significant influence over their financial management and policy – Associates and joint ventures and the Pension Fund;
- key management personnel of the Bank, considering for this purpose executive and non-executive members of the Board of Directors and companies in which the members of the Board of Directors have control or joint control;
- subsidiaries, joint ventures or associates of the shareholder holding control over the Bank;
- key personnel of the shareholder with control over the Bank (executive and non-executive members of the Board of Directors);
- entities controlled or jointly controlled by key personnel of the shareholder with control over the Bank; and
- entities controlled or jointly controlled by the close family members of the key personnel of the Shareholders.

The related entities of the Bank with which it maintained balances or transactions in the period ended 30 June 2022 and 31 December 2021 are as follows:

BFA Shareholders
Banco BPI
Unitel

Members of Corporate Bodies – UNITEL	Companies in which Members of the Corporate Bodies have significant influence
António Miguel Ferreira Geraldes	
João Boa Francisco Quipipa	• ARLOQUI GESTÃO EMPREENDIMENTOS SA • JBFQ EMPREENDIMENTOS
Amílcar Frederico Alves de Lima Safeca	• NODIBRAND-SISTEMAS, TECNOLOGIA E CONSULTORIA • ANTOSC, S.A • ANGLOBAL - COMERCIO, INDUSTRIA E SERVIÇOS, SA
Luiz Henrique Soares Rosa	

UNITEL investees

- ANGOLA CABLES, S.A.
- UNITEL INTERNATIONAL BV
- HOLDFINANCE
- UNI TELECOMUNICAÇÕES
- UNITEL SOCIEDADE IMOBILIÁRIA
- TELEACE JLT
- UNICANDA – AGRO-INDUSTRIAL (SU), S.A.
- UNITEL SPM – SERVIÇOES DE PAGAMENTOS MÓVEIS (SU) S.A.
- UNITEAL SOCIEDADE IMOBILIÁRIA, S.A (USI – MOBILIÁRIA, SA)

BFA – Members of Corporate Bodies and Companies in which Members have control

Board of Directors	Companies in which Members have control or joint control
Rui Jorge Carneiro Mangueira	
António José Simões Matias	
Divaldo Kenda Feijó Palhares	
Jacinto Manuel Veloso	• BLENDGEST CONSULTING LDA • VLS GLOBAL
Luís Roberto Fernandes Gonçalves	
Natacha Sofia da Silva Barradas	
João Fernando Quiúma	• F Q & FILHOS LDA
Filomeno da Costa Alegre Alves de Ceita	
Paulo Lelis de Freitas Alves	
Osvaldo Salvador de Lemos Macaia	
Sebastião Machado Francisco Massango	• SEILMA, LDA • HONGAMBANDU RESTAURAÇÃO E CARTERING
Vera Cristina dos Anjos Tangue Escórcio	
António Manuel Costa Alfaia	

Supervisory Board	Companies in which Members have control or joint control
Ari Nelson Correia Brandão João Filipe Melão Dias Valdir de Jesus Lima Rodrigues	• ADVISORS PRESTAÇÃO DE SERVIÇOS LDA • PISON IMOBILIARIA LDA • ATELIER DO PEIXE LDA

BFA investees

BFA GESTÃO DE ACTIVOS SGOIC. S.A.

Board of Directors	Companies in which Members have control or joint control
Luís Roberto Fernandes Gonçalves*	
Vera Cristina dos Anjos Tangue Escórcio*	
Rui Elvídio Gonçalves de Oliveira	• EUROCUANZA LDA • SOCONCRETO CONSTRUÇÕES , S.A • RUCATUR, LDA • RUCATUR - RUCA'S PLACE
Manuel André	• TALARA COMERCIAL LDA
Carla Yessénia de Lousada L. E. de Jesus	• CNST-SERV,LDA

*Other members of the Board of Directors are Directors of BFA identified above.

Supervisory Board	Companies in which Members have control or joint control
Henrique Manuel Camões Serra	• C&S - ASSURANCE AND ADVISORY, S.A • CE-MAGNUS - CONSULTORIA EMPRESARIAL SA • PANNELL KERR FORTSTER PORTUGAL,SA • PKF ANGOLA-AUDITORES E CONSULTORES S.A
Catarino Eduardo César	
Eliana Maria Fortes dos Santos	
Ana Marisa da Rocha Domingos	

Pension Fund

Fundo de pensões BFA

Qualified Entities

Unitel Shareholders	Qualified Entities
MS TELCOM - MERCURY, SERVIÇOS DE TELECOMUNICAÇÃO, S.A – 25% GENI S.A.RL - 25% VIDATEL - 25% PT VENTURES, SGPS S.A – 25%	• Sonangol E.P

As at 30 June 2022 and 31 December 2021, the main balances and transactions maintained by the Bank with related entities are as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022							
	BFA Shareholders							
	BPI	Unitel	Members of the BFA's Board of Directors	Companies in which the members of the Board of Directors have significant influence	Investees	BFA Pension Fund	Related parties via Unitel	Total
Cash and deposits	**5 698 631**	**-**	**-**	**-**	**-**	**-**	**-**	**5 698 631**
Loans and advances to credit institutions repayable on demand	5 698 631	-	-	-	-	-	-	5 698 631
Short-term investments	**281 834 240**	**-**	**-**	**-**	**-**	**-**	**-**	**281 834 240**
Other loans to credit institutions	281 834 240	-	-	-	-	-	-	281 834 240
Loans granted	**2 032**	**-**	**186 120**	**-**	**242 813**	**-**	**10 886 792**	**11 317 757**
Deposits from customers	**10 166 381**	**150 450 785**	**2 479 360**	**4 879 048**	**165 715**	**9 024 094**	**9 486 698**	**186 652 081**
Demand deposits	10 166 381	3 293 283	714 541	4 879 048	138 641	2 325	3 403 640	22 597 859
Term deposits	-	147 157 502	1 764 819	-	27 074	9 021 769	6 083 058	164 054 222
Other liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Interest and similar income	**153 214**	**n.d.**	**n.d.**	**n.d.**	**n.d.**	**n.d.**	**n.d.**	**153 214**
Interest and similar expense	**-**	**n.d.**	**n.d.**	**n.d.**	**n.d.**	**n.d.**	**n.d.**	**-**
Fees and commissions	**-**	**n.d.**	**n.d.**	**n.d.**	**n.d.**	**n.d.**	**n.d.**	**-**
Securities used as deposits	**-**	**79 206 903**	**2 581 913**	**-**	**1 481 100**	**33 197 468**	**4 227 168**	**120 694 552**
Participation units	**-**	**6 000 000**	**60 740**	**-**	**-**	**-**	**34 934**	**6 095 674**
Documentary credits	**-**	**4 192 162**	**-**	**26 930 064**	**-**	**-**	**400 179**	**31 522 405**
Bank guarantees	**-**	**11 852 987**	**-**	**-**	**-**	**-**	**-**	**11 852 987**

Amounts stated in thousand of Kwanzas

	31/12/2021							
	BFA Shareholders							
	BPI	Unitel	Members of the BFA's Board of Directors	Companies in which the members of the Board of Directors have significant influence	Investees	BFA Pension Fund	Related parties via Unitel	Total
Cash and deposits								
Loans and advances to credit institutions repayable on demand	12 693 152	-	-	-	-	-	-	12 693 152
Short-term investments								
Other loans to credit institutions	213 800 555	-	-	-	-	-	-	213 800 555
Loans granted	**2 294**	**-**	**216 990**	**-**	**291 445**	**-**	**11 290 759**	**11 801 488**
Deposits from customers								
Demand deposits	-	2 111 377	231 622	31 195 308	349 494	-	4 487 310	38 375 110
Term deposits	-	186 023 168	646 299	-	236 553	5 055 442	2 082 343	194 043 805
Other liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Interest and similar income	**197 903**	**n.d.**	**n.d.**	**n.d.**	**n.d.**	**n.d.**	**n.d.**	**197 903**
Interest and similar expense	**-**	**n.d.**	**n.d.**	**n.d.**	**n.d.**	**n.d.**	**n.d.**	**-**
Fees and commissions	**-**	**n.d.**	**n.d.**	**n.d.**	**n.d.**	**n.d.**	**n.d.**	**-**
Securities used as deposits	**-**	**103 312 304**	**2 285 173**	**-**	**1 031 600**	**39 209 865**	**4 153 681**	**149 992 623**
Participation units	**-**	**3 800 000**	**35 000**	**-**	**21 000**	**-**	**144 934**	**4 000 934**
Documentary credits	**-**	**4 083 603**	**-**	**-**	**-**	**-**	**-**	**4 083 603**
Bank guarantees	**-**	**15 362 084**	**-**	**-**	**-**	**-**	**-**	**15 362 084**

The balances relating to the shareholder BPI include the amounts of La Caixa Group, BPI's parent company.

The information presented in respect of the Members of BFA's Corporate Bodies includes the main balances and transactions maintained by the Bank with:

- Members of the BFA's Corporate Bodies; and
- Close family members of the members of the BFA's Corporate Bodies.

The information presented in respect of the Companies in which BFA's Corporate Bodies have a significant influence or control includes the main balances and transactions maintained by the Bank with:

- Companies in which members of BFA's Corporate Bodies have significant influence; and
- Companies in which close members of the members of BFA's Corporate Bodies have significant influence.

The information presented regarding the Related parties via Unitel includes the main balances and transactions maintained by the Bank with:

- Members of the Board of Directors of Unitel;
- Companies in which the members of the Board of Directors of Unitel have a significant influence;
- Close family members of the members of the Board of Directors of Unitel; and
- Unitel investees.

The information presented with reference to the period ended 30 June 2022 and 2020 does not include income and expenses with Unitel, with the Members of BFA's Corporate Bodies, with the Companies in which they have a significant influence or control, with the Investees, with the BFA Pension Fund and with related parties via Unitel.

29. BALANCE SHEET BY CURRENCY

As at 30 June 2022 and 31 December 2021, the balance sheets by currency have the following structure:

Amounts stated in thousand of Kwanzas

	30/06/2022					
	Kwanzas	United States dollar	Euro	Indexed to the US dollar	Other currencies	Total
Cash and deposits at central banks	174 148 553	43 887 662	124 809 744	-	276 040	343 121 999
Loans and advances to credit institutions	10	8 460 152	10 316 858	-	1 591 288	20 368 308
Other loans and advances to central banks and credit institutions	205 809 779	318 372 210	15 605 508	-	3 994 042	543 781 539
Financial assets at fair value through profit or loss	83 807 345	1 171 573	22 894	24 218 511	-	109 220 323
Investments at amortised cost	663 734 582	301 546 321	-	-	-	965 280 903
Loans and advances to customers	367 803 471	14 575 358	152 319	-	1	382 531 149
Non-current assets held for sale	6 458	-	-	-	-	6 458
Investments in subsidiaries, associates and joint ventures	50 375	-	-	-	-	50 375
Property, plant and equipment	33 622 056	-	-	-	-	33 622 056
Intangible assets	7 053 837	-	-	-	-	7 053 837
Current tax assets	145 408	-	-	-	-	145 408
Other assets	12 845 926	-	463 427	-	152 060	13 461 413
Total Assets	**1 549 027 800**	**688 013 276**	**151 370 750**	**24 218 511**	**6 013 431**	**2 418 643 768**
Deposits from central banks and other credit institutions	10 691 199	19 312	4 256 586	-	2 776	14 969 873
Deposits from customers and other loans	1 018 038 785	674 253 212	142 366 801	-	2 115 129	1 836 773 927
Financial liabilities at fair value through profit or loss	275 246	-	-	-	-	275 246
Provisions	21 695 098	13 556 817	1 509 303	-	25	36 761 243
Current tax liabilities	9 385 058	-	-	-	-	9 385 058
Lease liabilities	5 152 009	-	-	321 875	-	5 473 884
Other liabilities	90 166 901	7 283 062	4 092 024	-	2 400 814	103 942 801
Total Liabilities	**1 155 404 296**	**695 112 403**	**152 224 714**	**321 875**	**4 518 744**	**2 007 582 032**
Net Assets/(Liabilities)	**393 623 504**	**(7 099 127)**	**(853 964)**	**23 896 636**	**1 494 687**	**411 061 736**

Amounts stated in thousand of Kwanzas

	31/12/2021					
	Kwanzas	United States dollar	Euro	Indexed to the US dollar	Other currencies	Total
Cash and deposits at central banks	221 741 798	30 350 958	170 722 062	-	644 562	423 459 380
Loans and advances to credit institutions	-	8 183 508	13 394 868	-	1 626 687	23 205 063
Other loans and advances to central banks and credit institutions	126 572 934	379 590 725	44 174 247	-	5 987 663	556 325 569
Financial assets at fair value through profit or loss	60 181 925	1 671 271	32 278	33 099 317	-	94 984 791
Investments at amortised cost	734 019 657	393 766 518	-	-	-	1 127 786 175
Loans and advances to customers	329 445 209	23 308 135	206 116	-	4	352 959 464
Non-current assets held for sale	92 481	-	-	-	-	92 481
Investments in subsidiaries, associates and joint ventures	50 375	-	-	-	-	50 375
Property, plant and equipment	33 965 823	-	-	-	-	33 965 823
Intangible assets	1 749 527	-	-	-	-	1 749 527
Current tax assets	67 981	3	1	-	-	67 985
Other assets	5 910 659	10 951 971	766 057	-	-	17 628 687
Total Assets	**1 513 798 369**	**847 823 089**	**229 295 629**	**33 099 317**	**8 258 916**	**2 632 275 320**
Deposits from central banks and other credit institutions	1 135 679	135 349	579 319	-	3 655	1 854 002
Deposits from customers and other loans	973 519 239	806 201 433	222 081 266	-	3 517 558	2 005 319 496
Financial liabilities at fair value through profit or loss	1 023 025	-	-	-	-	1 023 025
Provisions	27 542 900	19 271 728	2 156 021	-	-	48 970 649
Current tax liabilities	1 978 783	19	-	-	-	1 978 802
Lease liabilities	5 758 467	-	-	427 395	-	6 185 862
Other liabilities	128 740 920	6 696 066	6 019 540	-	3 416 779	144 873 305
Total Liabilities	**1 139 699 013**	**832 304 595**	**230 836 146**	**427 395**	**6 937 992**	**2 210 205 141**
Net Assets/(Liabilities)	**374 099 356**	**15 518 494**	**(1 540 517)**	**32 671 922**	**1 320 924**	**422 070 179**

30. RISK MANAGEMENT

BFA's activities are exposed to a variety of financial risk factors, including the effects of changes in market prices: foreign exchange risk, credit risk, liquidity risk and cash flow risks associated with interest rate risk, among others.

BFA's risk management is controlled by the Risk Management Department, in accordance with policies approved by the Board of Directors. In this sense, the Board of Directors has defined, in writing, the main global risk management principles, as well as specific policies for some areas, such as interest rate risk, liquidity risk and credit risk.

The Board of Directors defines the principles for risk management as a whole and policies that cover specific areas, such as exchange risk, interest rate risk, credit risk, the use of derivatives and other non-derivative financial instruments, as well as the investment of excess liquidity.

Main Risk Categories

Crédit – Credit risk is the uncertainty of recovery of an investment and its return, due to the debtor's (or guardian, if applicable) inability to fulfil its financial commitments to the Bank, causing a financial loss to the creditor. Credit risk is reflected in debt securities or other receivables.

Market – Market risk reflects the potential loss that can be recorded by a given portfolio as a result of changes in rates (interest and exchange rates) and/or the prices of the different financial instruments that comprise it, considering both the correlations between them and the respective volatilities. Accordingly, Market Risk encompasses interest rate risk, exchange rate and other price risks.

Liquidity – Liquidity risk reflects the inability of the Bank to meet its liabilities associated with financial liabilities on each maturity date without incurring significant losses as a result of a deterioration in the conditions of access to financing (financing risk) and/or sale of its assets for amounts lower than the amounts usually practised in the market (market liquidity risk).

Real Estate - Real estate risk is the probability of negative impacts on the Bank's income or capital level due to fluctuations in the market price of real estate assets.

Operating – Operating risk is the potential loss resulting from failures or inadequacies in internal processes, information systems, human behaviour or external events.

30.1 Credit risk

Credit risk corresponds to the risk of default by counterparties, with which the Bank maintains open positions in financial instruments, as a creditor. In accordance with the BFA's General Credit Regulations, the granting of credit in the Bank is based on the following fundamental principles:

Formulation of proposals

Loan operations, or guarantees, subject to the decision of BFA:

- Are adequately characterised in the Technical Data Sheet, containing all the essential and accessory elements necessary for the formalisation of the operation;
- Respect the specific product sheet;
- Are accompanied by a duly substantiated credit risk analysis;
- Contain the signatures of the proposing bodies.

Credit risk analysis

In the credit risk analysis, the total exposure of the Bank to the customer, or to the group to which the customer belongs, is considered, according to the terms of the legislation applicable at any time. Exposures in respect of the same customer or economic group are classified, having as reference those that represent the greatest risk

Currently, considering the regulations of the Banco Nacional de Angola:

- For a single customer, all its liabilities vis-à-vis the Bank, in force or potential, already contracted or committed, for financing and guarantees are considered (total exposure of the Bank to the customer);

- For a group of customers, the sum of the liabilities of each customer that constitutes the group is considered (total exposure of the Bank to the group); and
- The existence of guarantees with State risk, or with immediate liquidity, has an impact on the calculation of the value of the Global Exposure.

Classification of Risk

The Bank classifies loan operations in ascending order of risk, according to the following grades:

Grade A: Minimum risk
Grade B: Very low risk
Grade C: Low risk
Grade D: Moderate risk
Grade E: High risk
Grade F: Very high risk
Grade G: Maximum risk

The individual classification of the exposure considers the characteristics and risks of the operation and of the borrower, and is initially classified based on the following criteria adopted by the Bank:

Grade A: operations that are:

(i) assumed by the Angolan State, encompassing its central and provincial administrations;

(ii) assumed by central administrations, central banks of countries, included in group 1 (defined in Instruction No. 1/2015, of 14 January, of the Banco Nacional de Angola), international organisations and multilateral development banks;

(iii) fully guaranteed by cash deposits, or certificates of deposit, constituted or issued by the lending institution, or by institutions in a controlling or group relationship with the lending institution and having their head office in Angola, or a country included in group 1, multilateral development banks and international organisations, provided that the exposure and the deposit or certificate are denominated in the same currency;

(iv) fully guaranteed by cash deposits or certificates of deposit constituted or issued by the lending institution or by branches of the lending institution, not covered by the preceding paragraph, provided that the exposure and the deposit or certificate are denominated in the same currency;

(v) fully guaranteed by securities or bonds issued by the Angolan State, or by the Banco Nacional de Angola.

Grade B and others: remaining loans.

The classification of exposures is revised whenever there are signs of impairment in late payments.

Within the scope of the regular review of loan operations, including loan operations overdue, BFA reclassifies overdue loan operations into those that are due, based on an analysis of the economic prospects of collectability, namely considering the existence of guarantees, the borrowers' or guarantors' assets and the existence of operations whose risk BFA equates to State risk, or even when the situation of delay results from the Bank's exclusive responsibility due to a one-off failure in its processes.

Association of Guarantees

When granting loans to individuals or small companies with a maturity of more than 36 months, in the absence of short-term financial investments, BFA requires, as a rule, the provision of a real guarantee on property.

Loan operations are associated with guarantees considered adequate to the risk of the borrower, the nature and term of the operation, which are duly substantiated, in terms of sufficiency and liquidity.

Real guarantees are assessed prior to the loan decision, and these assessments are periodically reviewed. Exceptions to this rule (with decisions being conditional on a subsequent assessment) imply that disbursement will only occur after the Bank has obtained the guarantee assessment.

The main types of collateral for loans and advances to customers are:

- Mortgages on residential properties;
- Encumbrances on Company assets, such as facilities, inventory or accounts receivable;
- Encumbrances on financial instruments, such as debt securities or shares; and
- Encumbrances on term deposits at the institution.

Long-term financing and loans to corporate entities usually have an associated guarantee. On the contrary, revolving credit products do not generally have an associated guarantee.

Collaterals obtained as a guarantee for financial assets, other than loans and advances to customers, always depends on the type of financial instrument. Debt instruments do not normally have an associated guarantee, with the exception of securitised instruments, which have portfolios of financial instruments as collateral. On the other hand, derivative instruments have associated guarantees.

The Bank's policies on collateral obtained as security have not changed significantly during the reporting year, nor have there been any significant changes in the quality of the collateral held by the Bank since the previous year.

The Bank monitors collateral obtained as security for impaired loans and advances to customers as it becomes more likely that the Bank will take ownership of such collateral to mitigate possible credit losses. Loans to impaired customers (stage 3) and the collaterals obtained as guarantee are detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022			
	Gross loans	**Impairment**	**Net loans**	**Value of collateral**
Retail				
Credit cards	241 008	215 749	25 259	-
Current accounts	21 478	11 239	10 239	-
Loans	1 615 658	1 135 818	479 840	2 166 818
Leasing	6 365 081	4 881 618	1 483 463	8 429 242
Overdrafts	663 733	239 637	424 096	-
	8 906 958	**6 484 061**	**2 422 897**	**10 596 060**
Corporate				
Current accounts	71 252	64 953	6 299	417 504
Loans	46 705 568	30 246 316	16 459 252	28 662 461
Leasing	80 159	49 062	31 097	1 684 146
Overdrafts	107 509	49 408	58 101	-
	46 964 488	**30 409 739**	**16 554 749**	**30 764 111**
Total	**55 871 446**	**36 893 800**	**18 977 646**	**41 360 171**

Amounts stated in thousand of Kwanzas

	31/12/2021			
	Gross loans	**Impairment**	**Net loans**	**Value of collateral**
Retail				
Credit cards	214 069	198 317	15 752	-
Current accounts	21 478	21 478	-	-
Loans	2 178 519	1 856 732	321 787	1 253 702
Leasing	7 875 176	6 244 104	1 631 072	11 776 182
Overdrafts	599 096	290 492	308 604	-
	10 888 338	**8 611 123**	**2 277 215**	**13 029 884**
Corporate				
Current accounts	172 476	111 273	61 203	941 195
Loans	47 345 354	29 774 455	17 570 899	36 973 592
Leasing	164 439	55 095	109 344	4 195 945
Overdrafts	60 823	38 690	22 133	-
	47 743 092	**29 979 513**	**17 763 579**	**42 110 732**
Total	**58 631 430**	**38 590 636**	**20 040 794**	**55 140 616**

Exclusions due to incidents

The Bank does not grant loans and advances to customers who have registered material incidents in the last 24 months known to BFA, nor to other companies that are part of a group with customers in that situation. The following are considered material incidents:

- Delays in making payments of principal or interest owed to a credit institution of more than 45 days;
- Irregular use of means of payment for which that person or entity is responsible;
- Pending legal actions against that person or entity that have potential adverse effects on their economic or financial position.

Exceptions to these rules have specific decision rules under the Bank's general credit regulation, which are stricter.

Restructurings

In principle, BFA only formalises ongoing loan restructuring operations after assessing the customer's ability to comply with the new plan, if the following criteria are met:

- New guarantees (more liquid and/or more valuable) are presented for the new operation;
- Interest and late payment fees are paid in advance (in the event of a non-performing operation); and
- There is a significant partial settlement of the outstanding principal (performing and/or non- performing).

Exceptionally, and if none of the above assumptions are met, BFA admits formalising the formal restructuring of private individuals' debts, if it is verified that in the last 6 months, deposits were made of a minimum amount equal to the instalment amount foreseen for the restructured operation.

Loan operations restructured due to the customer's financial difficulties are defined in the General Credit Regulations and comply with the regulator's specific regulations in this matter.

Restructuring operations are marked, for the purpose of increasing risk, and periodically monitored as to compliance with the established plan and are only unmarked when certain conditions of regularity in complying with the plan are met.

Operations subject to renegotiation are maintained at least at the same risk level in which they were classified in the month immediately prior to the renegotiation. Reclassification to a lower risk level only occurs if there is regular and significant repayment of the operation, payment of interest due and on arrears, or depending on the quality and value of new guarantees presented for the renegotiated operation.

Monitoring of non-performing loans

Non-performing loans are monitored by the commercial teams, as a rule until it is 60 days overdue, with monitoring being done by a specialised team. After 60 days of default, the management of the relationship is transferred to this specialised team, which has the mission of collaborating in loan recovery actions, being able to take over negotiations and restructuring proposals. This team is responsible for monitoring the processes under its management.

The restructuring negotiations follow the principles mentioned above.

This team is responsible for the management and relationship with the customer, with the aim of recovering the loan, resorting to the enforcement, through the courts, if necessary.

Impairment

BFA implemented a model to calculate impairment losses of the loan portfolio, in accordance with the requirements set out in IFRS 9.

BFA calculates the impairment losses of the loan portfolio monthly based on the implemented model, with the amount of impairment determined being approved by the Executive Committee of the Board of Directors.

The first application and the respective outcomes of this model were calculated with reference to 1 January 2018. Since that reference date, monthly calculations have been carried out. The half-yearly results are approved by the Board of Directors of the Bank.

Securities and bonds

As at 30 June 2022 and 31 December 2021, BFA's securities portfolio complies with the principle of the high credit quality of its issuers, consisting mainly of securities issued by the Angolan State and by the Banco Nacional de Angola.

As at 30 June 2022 and 31 December 2021, the maximum exposure to credit risk presents the following detail:

Amounts stated in thousand of Kwanzas

	30/06/2022			31/12/2021		
	Gross book value	Impairment	Net book value	Gross book value	Impairment	Net book value
On-balance sheet						
Cash and deposits at central banks	343 121 999	-	343 121 999	423 459 380	-	423 459 380
Loans and advances to credit instititutions	20 371 158	(2 850)	20 368 308	23 212 633	(7 570)	23 205 063
Other loans and advances to central banks and credit institutions	544 022 215	(240 676)	543 781 539	556 679 547	(353 978)	556 325 569
Financial assets at fair value through profit or loss	109 220 323	-	109 220 323	94 984 791	-	94 984 791
Investments at amortised cost	975 951 636	(10 670 733)	965 280 903	1 141 258 796	(13 472 621)	1 127 786 175
Loans and advances to customers	433 332 014	(50 800 865)	382 531 149	406 331 101	(53 371 637)	352 959 464
Other assets	13 461 413	-	13 461 413	17 628 687	-	17 628 687
	2 439 480 758	**(61 715 124)**	**2 377 765 634**	**2 663 554 935**	**(67 205 806)**	**2 596 349 129**
Off-balance sheet						
Guarantees provided, open documentary credits and undrawn facilities	111 122 617	(454 258)	110 668 359	122 950 994	(535 590)	122 415 404
Total	**2 550 603 375**	**(62 169 382)**	**2 488 433 993**	**2 786 505 929**	**(67 741 396)**	**2 718 764 533**

For financial assets recognised in the balance sheet, the maximum exposure to credit risk is represented by the book value net of impairment. For off-balance sheet items, the maximum exposure from guarantees is the maximum amount the Bank would have to pay if the guarantees were called and from loan and other credit-related commitments of an irrevocable nature is the total amount of commitments made.

As at 30 June 2022 and 31 December 2021, the credit quality of financial assets is as follows:

Amounts stated in thousand of Kwanzas

			30/06/2022		
	Source of rating	Rating grade	Gross exposure	Impairment	Net exposure
Cash and deposits at central banks	External rating	B+ to B-	321 373 174	-	321 373 174
	Unrated	N/ D	21 748 825	-	21 748 825
			343 121 999	-	343 121 999
Loans and advances to credit institutions	External rating	AAA to AA-	1 813 275	(1)	1 813 274
		A+ to A-	1 180 355	(31)	1 180 324
		BBB+ to BBB-	12 950 826	(762)	12 950 064
		BB+ to BB-	3 892 054	(866)	3 891 188
		B+ to B-	534 648	(1 190)	533 458
		CCC+ to CCC	-	-	-
		CCC to CC-	-	-	-
	Unrated	N/ D	-	-	-
			20 371 158	(2 850)	20 368 308
Other loans and advances to central banks and credit institutions	External rating	AAA to AA-	36 439 429	(9 280)	36 430 149
		A+ to A-	42 235 682	(12 320)	42 223 362
		BBB+ to BBB-	255 254 819	(202 123)	255 052 696
		BB+ to BB-	4 282 506	(16 953)	4 265 553
		B+ to B-	205 809 779	-	205 809 779
		CCC+ to CCC	-	-	-
		CCC to CC-	-	-	-
	Unrated	N/ D	-	-	-
			544 022 215	(240 676)	543 781 539

Amounts stated in thousand of Kwanzas

			30/06/2022		
	Source of rating	Rating grade	Gross exposure	Impairment	Net exposure
Financial assets at fair value through profit or loss	External rating	B+ to B-	104 915 295	-	104 915 295
	Unrated	N/ D	4 305 028	-	4 305 028
			109 220 323	-	109 220 323
Investments at amortised cost	External rating	B+ to B-	975 951 636	(10 670 733)	965 280 903
		N/ D	-	-	-
			975 951 636	(10 670 733)	965 280 903
Loans and advances to customers - On-balance sheet	Internal rating	Grade A	163 934 155	(1 891 856)	162 042 299
		Grade B	199 698 296	(6 117 490)	193 580 806
		Grade C	706 120	(127 830)	578 290
		Grade D	35 631 460	(21 379 970)	14 251 490
		Grade E	1 718 894	(1 259 498)	459 396
		Grade F	275 142	(176 206)	98 936
		Grade G	31 367 947	(19 848 015)	11 519 932
			433 332 014	(50 800 865)	382 531 149
Loans and advances to customers - Off-balance sheet	Internal rating	Grade A	15 092 692	(110 968)	14 981 724
		Grade B	95 945 470	(336 617)	95 608 853
		Grade C	39 712	(777)	38 935
		Grade D	13 671	(353)	13 318
		Grade E	771	(88)	683
		Grade F	1 069	(65)	1 004
		Grade G	29 232	(5 390)	23 842
			111 122 617	(454 258)	110 668 359
		Total	**2 537 141 962**	**(62 169 382)**	**2 474 972 580**

Amounts stated in thousand of Kwanzas

			31/12/2021		
	Source of rating	Rating grade	Gross exposure	Impairment	Net exposure
Cash and deposits at central banks	External rating	B+ to B-	395 923 933	-	395 923 933
	Unrated	N/ D	27 535 447	-	27 535 447
			423 459 380	-	423 459 380
Loans and advances to credit institutions	External rating	AAA to AA-	1 212 190	(1)	1 212 189
		A+ to A-	1 329 397	(42)	1 329 355
		BBB+ to BBB-	15 134 526	(1 057)	15 133 469
		BB+ to BB-	4 289 590	(1 420)	4 288 170
		B+ to B-	-	-	-
		CCC+ to CCC	1 246 930	(5 050)	1 241 880
		CCC to CC-	-	-	-
	Unrated	N/ D	-	-	-
			23 212 633	(7 570)	23 205 063
Other loans and advances to central banks and credit institutions	External rating	AAA to AA-	47 179 220	(12 264)	47 166 956
		A+ to A-	48 285 933	(16 987)	48 268 946
		BBB+ to BBB-	309 664 725	(244 223)	309 420 502
		BB+ to BB-	24 976 735	(80 504)	24 896 231
		B+ to B-	126 572 934	-	126 572 934
		CCC+ to CCC	-	-	-
		CCC to CC-	-	-	-
	Unrated	N/ D	-	-	-
			556 679 547	(353 978)	556 325 569

Amounts stated in thousand of Kwanzas

			31/12/2021		
	Source of rating	Rating grade	Gross exposure	Impairment	Net exposure
Financial assets at fair value through profit or loss	External rating	B+ to B-	90 271 926	-	90 271 926
	Unrated	N/ D	4 712 865	-	4 712 865
			94 984 791	-	94 984 791
Investments at amortised cost	External rating	B+ to B-	1 141 258 796	(13 472 621)	1 127 786 175
		N/ D	-	-	-
			1 141 258 796	(13 472 621)	1 127 786 175
Loans and advances to customers - On-balance sheet	Internal rating	Grade A	144 279 970	(2 440 278)	141 839 692
		Grade B	191 066 293	(6 484 066)	184 582 227
		Grade C	578 651	(178 605)	400 046
		Grade D	35 088 354	(20 729 822)	14 358 533
		Grade E	1 713 761	(1 297 274)	416 487
		Grade F	493 908	(282 304)	211 604
		Grade G	33 110 164	(21 959 288)	11 150 875
			406 331 101	(53 371 637)	352 959 464
Loans and advances to customers - Off-balance sheet	Internal rating	Grade A	7 037 966	(75 433)	6 962 533
		Grade B	115 863 802	(451 553)	115 412 249
		Grade C	3 528	(42)	3 570
		Grade D	1 188	(12)	1 200
		Grade E	699	(143)	842
		Grade F	1 671	(404)	2 075
		Grade G	39 920	(8 003)	47 923
			122 948 774	(535 590)	122 413 184
		Total	**2 768 875 022**	**(67 741 396)**	**2 701 133 626**

As at 31 December 2020, the amount of undrawn credit facilities from irrevocable commitments amounts to AOA 35,052,058 thousand and is not disclosed in the tables in this Note.

As at 30 June 2022 and 31 December 2021, interest income and expenses from financial instruments not measured at fair value through profit or loss, net of impairment, are detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022			31/12/2021		
	Gains	Losses	Net gains/(losses)	Gains	Losses	Net gains/(losses)
Assets						
Other loans and advances to central banks and credit institutions	9 574 297	(120 550)	9 453 747	8 358 352	(478 838)	7 879 514
Investments at amortised cost	93 759 563	(253 574)	93 505 989	194 936 716	(8 273 101)	186 663 615
Loans and advances to customers	29 987 034	(1 396 226)	28 590 808	60 193 213	(15 967 745)	44 225 468
	133 320 894	(1 770 350)	131 550 544	263 488 281	(24 719 684)	238 768 597
Liabilities						
Deposits from customers and other loans	-	(23 739 890)	(23 739 890)	-	(42 171 750)	(42 171 750)
Deposits from central banks and other credit institutions	-	(194 528)	(194 528)	-	(472 050)	(472 050)
	-	(23 934 418)	(23 934 418)	-	(42 643 800)	(42 643 800)
Off-balance sheet						
Guarantees provided	470 051	-	470 051	780 266	-	780 266
Documentary credits	426 130	-	426 130	1 324 922	-	1 324 922
	896 181	**-**	**896 181**	**2 105 188**	**-**	**2 105 188**
	134 217 075	**(25 704 768)**	**108 512 307**	**265 593 469**	**(67 363 484)**	**198 229 985**

As at 30 June 2022 and 31 December 2021, Net gains/(losses) on financial instruments are detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022					
	Against profit or loss			Against equity		
	Gains	Losses	Net gains/ (losses)	Gains	Losses	Net gains/ (losses)
Assets						
Financial assets at fair value through profit or loss	7 209 843	(1 243 042)	5 966 801	-	-	-
	7 209 843	(1 243 042)	5 966 801	-	-	-
Liabilities						
Financial liabilities at fair value through profit or loss	-	(275 246)	(275 246)	-	-	-
	-	**(275 246)**	**(275 246)**	**-**	**-**	**-**

Amounts stated in thousand of Kwanzas

	31/12/2021					
	Against profit or loss			Against equity		
	Gains	Losses	Net gains/ (losses)	Gains	Losses	Net gains/ (losses)
Assets						
Financial assets at fair value through profit or loss	12 388 738	(2 655 194)	9 733 544	-	-	-
	12 388 738	(2 655 194)	9 733 544	-	-	-
Liabilities						
Financial liabilities at fair value through profit or loss	-	(1 023 025)	(1 023 025)	-	-	-
	-	**(1 023 025)**	**(1 023 025)**	**-**	**-**	**-**

As at 30 June 2022 and 31 December 2021, the geographical concentration of credit risk exposure presents the following detail:

Amounts stated in thousand of Kwanzas

	30/06/2022				
	Angola	Other African countries	Europe	Other	Total
Assets					
Cash and deposits at central banks	343 121 999	-	-	-	343 121 999
Loans and advances to credit institutions	-	5 725 222	12 275 521	2 367 565	20 368 308
Other loans and advances to central banks and credit institutions	205 809 779	56 301 210	276 529 896	5 140 654	543 781 539
Financial assets at fair value through profit or loss	108 025 856	-	-	1 194 467	109 220 323
Investments at amortised cost	965 280 903	-	-	-	965 280 903
Loans and advances to customers	382 531 149	-	-	-	382 531 149
Total	**2 004 769 686**	**62 026 432**	**288 805 417**	**8 702 686**	**2 364 304 221**

Amounts stated in thousand of Kwanzas

	31/12/2021				
	Angola	Other African countries	Europe	Other	Total
Assets					
Cash and deposits at central banks	423 459 380	-	-	-	423 459 380
Loans and advances to credit institutions	-	4 642 525	16 296 979	2 265 559	23 205 063
Other loans and advances to central banks and credit institutions	126 572 934	44 174 247	367 865 779	17 712 609	556 325 569
Financial assets at fair value through profit or loss	93 281 242	-	-	1 703 549	94 984 791
Investments at amortised cost	1 127 786 175	-	-	-	1 127 786 175
Loans and advances to customers	352 959 464	-	-	-	352 959 464
Total	**2 124 059 195**	**48 816 772**	**384 162 758**	**21 681 717**	**2 578 720 442**

As at 30 June 2022 and 31 December 2021, the sectoral concentration of loans and advances to customers is as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022						
	Loans and advances to customers					Impairment	
	Falling due	Overdue	Loans and advances to customers - off-balance sheet	Total exposure	Relative weight	Value	Total impairment / exposure
Corporate							
Real Estate, rental and services rendered by Companies	281 731	15 092	716 870	1 013 693	0%	16 609	0%
Other collective, social and personal service activities	3 477 768	50 625	228 509	3 756 902	1%	205 093	0%
Central Government	78 378 263	149	-	78 378 412	14%	887 791	2%
Agriculture, livestock, game and forestry	54 809 269	615 586	829 415	56 254 270	10%	22 592 419	44%
Accommodation and catering	2 453 808	25 049	341 338	2 820 195	1%	132 896	0%
Financial activities	18 822	0	6 250 361	6 269 183	1%	1 202	0%
Wholesale and retail trade	41 406 094	552 655	24 879 066	66 837 815	12%	1 078 676	2%
Construction	90 151 679	889 984	20 489 110	111 530 773	20%	5 740 024	11%
Education	224 766	435 337	7 000	667 103	0%	426 320	1%
Extractive industries	324 764	1 602 990	14 000	1 941 754	0%	1 343 489	3%
Manufacturing industries	19 465 797	384 141	9 669 959	29 519 897	5%	2 589 898	5%
Other service companies	35 788 818	5 193 657	21 049 973	62 032 448	11%	8 126 702	16%
Production and distribution of energy, gas and water	937 111	40 625	24 000	1 001 736	0%	60 946	0%
Health and social services	409 484	29 454	218 811	657 749	0%	12 512	0%
Transport, storage and communication	6 748 379	12 557	17 746 085	24 507 021	5%	195 871	0%
	334 876 553	**9 847 901**	**102 464 497**	**447 188 951**		**43 410 448**	
Retail							
Consumer	61 165 652	2 429 236	8 473 670	72 068 558	13%	2 733 793	5%
Mortgages	22 451 182	1 204 367	-	23 655 549	4%	4 870 779	10%
Other purposes	609 430	747 693	184 450	1 541 573	0%	240 103	0%
	84 226 264	**4 381 296**	**8 658 120**	**97 265 680**		**7 844 675**	
Total	**419 102 817**	**14 229 197**	**111 122 617**	**544 454 631**		**51 255 123**	

Amounts stated in thousand of Kwanzas

	31/12/2021						
	Loans and advances to customers					Impairment	
	Performing	Overdue	Loans and advances to customers - off-balance sheet	Total exposure	Relative weight	Value	Total impairment / exposure
Corporate							
Real Estate, rental and services rendered by Companies	243 483	14 818	429 823	688 124	0%	16 953	0%
Other collective, social and personal service activities	1 785 271	283 547	1 039 270	3 108 088	1%	383 053	1%
Central Government	85 264 971	219	-	85 265 190	16%	1 560 658	3%
Agriculture, livestock, game and forestry	50 138 940	564 725	793 105	51 496 770	10%	21 752 163	40%
Accommodation and catering	3 460 373	96 653	342 338	3 899 364	1%	108 346	0%
Financial activities	918 529	-	8 722 050	9 640 579	2%	5 372	0%
Wholesale and retail trade	27 045 880	589 331	24 629 700	52 264 911	10%	872 423	2%
Construction	77 547 529	898 772	21 861 167	100 307 468	19%	5 892 953	11%
Education	256 291	507 839	7 000	771 130	0%	492 225	1%
Extractive industries	210 899	2 076 912	178 370	2 466 181	0%	1 727 504	3%
Manufacturing industries	20 110 221	843	8 204 223	28 315 287	5%	2 643 122	5%
Other service companies	33 310 670	5 189 296	25 478 238	63 978 204	12%	8 362 845	16%
Production and distribution of energy, gas and water	573 555	35 602	15 900	625 057	0%	68 587	0%
Health and social services	264 283	656	271 687	536 626	0%	4 253	0%
Transport, storage and communication	5 105 963	12 319	22 941 530	28 059 812	5%	157 152	0%
	306 236 858	**10 271 532**	**114 914 401**	**431 422 791**		**44 047 609**	
Retail							
Consumer	59 918 127	2 620 960	7 918 712	70 457 799	13%	3 535 438	7%
Mortgages	24 642 256	1 451 882	-	26 094 138	5%	6 032 807	11%
Other purposes	556 431	633 055	117 881	1 307 367	0%	291 373	1%
	85 116 814	**4 705 897**	**8 036 593**	**97 859 304**		**9 859 618**	
Total	**391 353 672**	**14 977 429**	**122 950 994**	**529 282 095**		**53 907 227**	

The exposure to credit risk by class of financial assets, rating level and stage, as at 30 June 2022 and 31 December 2021, presents the following detail:

Amounts stated in thousand of Kwanzas

	30/06/2022				
	Stage 1 (12 months)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Purchased or originated credit impaired (POCI) financial assets	Total
Cash and deposits at central banks:					
B+ to B-	321 373 174	-	-	-	321 373 174
N/ D	21 748 825	-	-	-	21 748 825
	343 121 999	-	-	-	343 121 999
Loans and advances to credit institutions:					
AAA to AA-	1 813 275	-	-	-	1 813 275
A+ to A-	1 180 355	-	-	-	1 180 355
BBB+ to BBB-	12 950 826	-	-	-	12 950 826
BB+ to BB-	3 892 054	-	-	-	3 892 054
B+ to B-	534 648	-	-	-	534 648
CCC+ to CCC	-	-	-	-	-
CCC to CC-	-	-	-	-	-
N/ D	-	-	-	-	-
	20 371 158	-	-	-	20 371 158
Other loans and advances to central banks and credit institutions:					
AAA to AA-	36 439 429	-	-	-	36 439 429
A+ to A-	42 235 682	-	-	-	42 235 682
BBB+ to BBB-	255 254 819	-	-	-	255 254 819
BB+ to BB-	4 282 506	-	-	-	4 282 506
B+ to B-	205 809 779	-	-	-	205 809 779
CCC+ to CCC	-	-	-	-	-
CCC to CC-	-	-	-	-	-
N/ D	-	-	-	-	-
	544 022 215	-	-	-	544 022 215

Amounts stated in thousand of Kwanzas

	30/06/2022				
	Stage 1 (12 months)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Purchased or originated credit impaired (POCI) financial assets	Total
Investments at amortised cost:					
B+ to B-	835 368 667	140 582 969	-	-	975 951 636
N/ D	-	-	-	-	-
	835 368 667	140 582 969	-	-	975 951 636
Loans and advances to customers - On-balance sheet:					
Grade A	148 972 416	14 961 713	27	-	163 934 156
Grade B	177 676 821	21 424 429	1 136 796	-	199 698 296
Grade C	162 876	466 787	76 458	-	706 121
Grade D	14 205	118 004	35 499 251	-	35 631 460
Grade E	18 987	91 696	1 608 212	-	1 718 895
Grade F	-	5 544	269 599	-	275 143
Grade G	987 653	13 099 190	17 281 104	-	31 367 947
	327 293 204	50 167 363	55 871 447	-	433 332 014
Loans and advances to customers - Off-balance sheet:					
Grade A	15 090 743	50	1 900	-	15 092 693
Grade B	95 255 518	481 934	208 017	-	95 945 469
Grade C	8 896	27 614	3 202	-	39 712
Grade D	1 485	10 935	1 251	-	13 671
Grade E	69	103	599	-	771
Grade F	-	-	1 069	-	1 069
Grade G	2 089	4 933	22 210	-	29 232
	110 358 800	525 569	238 248	-	111 122 617
Total gross book value	**2 180 536 043**	**191 275 901**	**56 109 695**	**-**	**2 427 921 639**
Accumulate impairment / Provision	14 718 790	10 496 151	36 954 441		62 169 382
Net book value	**2 195 254 833**	**201 772 052**	**93 064 136**	**-**	**2 490 091 021**

Amounts stated in thousand of Kwanzas

	31/12/2021				
	Stage 1 (12 months)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Purchased or originated credit impaired (POCI) financial assets	Total
Cash and deposits at central banks:					
B+ to B-	395 923 933	-	-	-	395 923 933
N/ D	27 535 447	-	-	-	27 535 447
	423 459 380	-	-	-	423 459 380
Loans and advances to credit institutions:					
AAA to AA-	1 212 190	-	-	-	1 212 190
A+ to A-	1 329 397	-	-	-	1 329 397
BBB+ to BBB-	15 134 526	-	-	-	15 134 526
BB+ to BB-	4 289 590	-	-	-	4 289 590
B+ to B-	-	-	-	-	-
CCC+ to CCC	1 246 930	-	-	-	1 246 930
CCC to CC-	-	-	-	-	-
N/ D	-	-	-	-	-
	23 212 633	-	-	-	23 212 633
Other loans and advances to central banks and credit institutions:					
AAA to AA-	47 179 220	-	-	-	47 179 220
A+ to A-	48 285 933	-	-	-	48 285 933
BBB+ to BBB-	309 664 725	-	-	-	309 664 725
BB+ to BB-	24 976 735	-	-	-	24 976 735
B+ to B-	126 572 934	-	-	-	126 572 934
CCC+ to CCC	-	-	-	-	-
CCC to CC-	-	-	-	-	-
N/ D	-	-	-	-	-
	556 679 547	-	-	-	556 679 547

Amounts stated in thousand of Kwanzas

	31/12/2021				
	Stage 1 (12 months)	Stage 2 (lifetime ECL)	Stage 3 (lifetime ECL)	Purchased or originated credit impaired (POCI) financial assets	Total
Investments at amortised cost:					
B+ to B-	950 296 520	190 962 276	-	-	1 141 258 796
N/ D	-	-	-	-	-
	950 296 520	190 962 276	-	-	1 141 258 796
Loans and advances to customers - On-balance sheet:					
Grade A	121 806 413	22 448 468	25 089	-	144 279 970
Grade B	170 374 645	19 228 098	1 463 550	-	191 066 293
Grade C	68 411	320 000	190 240	-	578 651
Grade D	28 936	70 487	34 988 931	-	35 088 354
Grade E	2 262	135 388	1 576 111	-	1 713 761
Grade F	-	39 538	454 370	-	493 908
Grade G	50 884	13 126 141	19 933 139	-	33 110 164
	292 331 551	55 368 120	58 631 430	-	406 331 101
Loans and advances to customers - Off-balance sheet:					
Grade A	7 023 291	150	14 525	-	7 037 966
Grade B	114 829 675	718 618	315 509	-	115 863 802
Grade C	2 477	804	247	-	3 528
Grade D	477	411	300	-	1 188
Grade E	91	-	608	-	699
Grade F	-	-	1 671	-	1 671
Grade G	2 402	5 546	31 972	-	39 920
	121 858 413	725 529	364 832	-	122 948 774
Total gross book value	**2 367 838 044**	**274 055 925**	**58 996 262**	**-**	**2 673 890 231**
Accumulate impairment / Provision	(16 052 560)	(34 099 134)	(17 589 702)		(67 741 396)
Net book value	**2 351 785 484**	**212 956 791**	**41 406 560**	**-**	**2 606 148 835**

30.2 Liquidity Risk

Liquidity risk corresponds to the risk of the Bank presenting difficulties in obtaining the financial resources it needs to meet its financial commitments when they become due. Liquidity risk may consist, for example, in the inability to sell a financial instrument quickly for an amount representative of its fair value, because of its large size, in relation to the volume normally traded, or because of some discontinuity in the market.

Within the scope of the Bank's internal policies with respect to exposure to liquidity risk, the respective follow-up and monitoring of the established principles and limits is ensured by the Risk Management Department.

As at 30 June 2022 and 31 December 2021, the total contractual cash flows are detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022									
	Maturity dates									
	On demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Undetermined	Total
Assets										
Cash and deposits at central banks	343 121 999	-	-	-	-	-	-	-	-	343 121 999
Loans and advances to credit institutions	20 371 158	-	-	-	-	-	-	-	-	20 371 158
Other loans and advances to central banks and credit institutions	-	381 464 370	150 402 538	12 155 307	-	-	-	-	-	544 022 215
Financial assets at fair value through profit or loss	-	1 027 517	335 377	5 139 408	4 608 618	77 495 326	17 243 909		3 370 168	109 220 323
Investments at amortised cost	-	27 669 203	32 154 795	204 002 531	135 307 112	386 897 415	133 347 584	56 572 996		975 951 636
Loans and advances to customers	-	24 763 941	5 631 428	14 758 346	25 623 895	121 958 004	121 644 078	104 723 125	14 229 197	433 332 014
Total Assets	**363 493 157**	**434 925 031**	**188 524 138**	**236 055 592**	**165 539 625**	**586 350 745**	**272 235 571**	**161 296 121**	**17 599 365**	**2 426 019 345**
Liabilities										
Deposits from central banks and other credit institutions	14 969 873									14 969 873
Deposits from customers and other loans	842 143 038	227 337 165	358 929 322	184 655 402	213 103 332	10 605 668		-	-	1 836 773 927
Financial liabilities at fair value through profit or loss	-	275 246	-	-	-	-	-	-	-	275 246
Total Liabilities	**857 112 911**	**227 612 411**	**358 929 322**	**184 655 402**	**213 103 332**	**10 605 668**	**-**	**-**	**-**	**1 852 019 046**
Liquidity Gap	**(493 619 754)**	**207 312 620**	**(170 405 184)**	**51 400 190**	**(47 563 707)**	**575 745 077**	**272 235 571**	**161 296 121**	**17 599 365**	**574 000 299**
Accumulated Liquidity Gap	**(493 619 754)**	**(286 307 134)**	**(456 712 318)**	**(405 312 128)**	**(452 875 835)**	**122 869 242**	**395 104 813**	**556 400 934**	**574 000 299**	

Amounts stated in thousand of Kwanzas

	31/12/2021									
	Maturity dates									
	On demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Undetermined	Total
Assets										
Cash and deposits at central banks	423 459 380	-	-	-	-	-	-	-	-	423 459 380
Loans and advances to credit institutions	23 212 633	-	-	-	-	-	-	-	-	23 212 633
Other loans and advances to central banks and credit institutions	-	408 061 806	148 617 741	-	-	-	-	-	-	556 679 547
Financial assets at fair value through profit or loss	-	6 032	10 612 467	22 317	20 793 162	53 544 155	3 896 571	2024355	4 085 732	94 984 791
Investments at amortised cost	-	-	20 957 164	174 922 563	310 451 919	447 177 073	187 750 077	-	-	1 141 258 796
Loans and advances to customers	-	9 286 511	3 669 006	8 508 457	31 422 666	129 367 672	58 680 019	150 419 341	14 977 429	406 331 101
Total Assets	**446 672 013**	**417 354 349**	**183 856 378**	**183 453 337**	**362 667 747**	**630 088 900**	**250 326 667**	**152 443 696**	**19 063 161**	**2 645 926 248**
Liabilities										
Deposits from central banks and other credit institutions	718 322	1 135 680	-	-	-	-	-	-	-	1 854 002
Deposits from customers and other loans	840 315 715	349 272 143	388 496 597	257 201 342	161 100 671	8 933 028	-	-	-	2 005 319 496
Financial liabilities at fair value through profit or loss	-	1 023 025	-	-	-	-	-	-	-	1 023 025
Total Liabilities	**841 034 037**	**351 430 848**	**388 496 597**	**257 201 342**	**161 100 671**	**8 933 028**	**-**	**-**	**-**	**2 008 196 523**
Liquidity Gap	**(394 362 024)**	**65 923 501**	**(204 640 219)**	**(73 748 005)**	**201 567 076**	**621 155 872**	**250 326 667**	**152 443 696**	**19 063 161**	**637 729 725**
Accumulated Liquidity Gap	**(394 362 024)**	**(328 438 523)**	**(533 078 742)**	**(606 826 747)**	**(405 259 671)**	**215 896 201**	**466 222 868**	**618 666 564**	**637 729 725**	

As at 30 June 2022 and 31 December 2021, the contractual cash flows related to capital are detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022									
	Maturity dates									
	On demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Undetermined	Total
Assets										
Cash and deposits at central banks	343 121 999	-	-	-	-	-	-	-	-	343 121 999
Loans and advances to credit institutions	20 371 158	-	-	-	-	-	-	-	-	20 371 158
Other loans and advances to central banks and credit institutions	-	380 826 985	146 957 984	11 969 450	-	-	-	-	-	539 754 419
Financial assets at fair value through profit or loss	-	1 020 953	322 689	5 088 217	4 432 578	74 497 233	16 443 358		3 370 168	105 175 196
Investments at amortised cost		26 810 536	31 546 157	203 597 793	132 244 357	373 765 499	128 912 127	53 464 883	-	950 341 352
Loans and advances to customers	-	24 583 699	5 584 943	24 852 851	14 592 179	120 225 625	120 437 270	104 723 961	14 050 987	429 051 515
Total Assets	**363 493 157**	**433 242 173**	**184 411 773**	**245 508 311**	**151 269 114**	**568 488 357**	**265 792 755**	**158 188 844**	**17 421 155**	**2 387 815 639**
Liabilities										
Deposits from central banks and other credit institutions	14 969 873	-		-	-	-	-	-	-	14 969 873
Deposits from customers and other loans	842 128 759	225 812 202	354 622 563	183 070 206	211 130 104	10 322 048	-	-	-	1 827 085 882
Financial liabilities at fair value through profit or loss	-	275 246	-	-	-	-	-	-	-	275 246
Total Liabilities	**857 098 632**	**226 087 448**	**354 622 563**	**183 070 206**	**211 130 104**	**10 322 048**	**-**	**-**	**-**	**1 842 331 001**
Liquidity Gap	**(493 605 475)**	**207 154 725**	**(170 210 790)**	**62 438 105**	**(59 860 990)**	**558 166 309**	**265 792 755**	**158 188 844**	**17 421 155**	**545 484 638**
Accumulated Liquidity Gap	**(493 605 475)**	**(286 450 750)**	**(456 661 540)**	**(394 223 435)**	**(454 084 425)**	**104 081 884**	**369 874 639**	**528 063 483**	**545 484 638**	

Amounts stated in thousand of Kwanzas

	31/12/2021									
	Maturity dates									
	On demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Undetermined	Total
Assets										
Cash and deposits at central banks	423 459 380	-	-	-	-	-	-	-	-	423 459 380
Loans and advances to credit institutions	23 212 633	-	-	-	-	-	-	-	-	23 212 633
Other loans and advances to central banks and credit institutions	-	407 388 242	147 313 725	-	-	-	-	-	-	554 701 967
Financial assets at fair value through profit or loss	-	5 609	10 135 371	21 813	20 443 908	51 043 305	3 802 508	2 023 486	4 085 732	91 561 732
Investments at amortised cost	-	-	20 164 424	171 877 819	308 236 732	432 274 577	181 964 742			1 114 518 294
Loans and advances to customers	-	8 232 492	3 514 211	8 223 923	29 848 400	126 079 244	58 497 523	151 736 628	14 917 993	401 050 414
Total Assets	**446 672 013**	**415 626 343**	**181 127 731**	**180 123 555**	**358 529 040**	**609 397 126**	**244 264 773**	**153 760 114**	**19 003 725**	**2 608 504 420**
Liabilities										
Deposits from central banks and other credit institutions	718 322	1 135 680		-	-	-	-	-	-	1 854 002
Deposits from customers and other loans	840 283 485	347 705 020	384 755 175	255 485 109	160 027 769	8 570 318	-	-	-	1 996 826 876
Financial liabilities at fair value through profit or loss	-	1 769 226	-	-	-	-	-	-	-	1 769 226
Total Liabilities	**841 001 807**	**350 609 926**	**384 755 175**	**255 485 109**	**160 027 769**	**8 570 318**	**-**	**-**	**-**	**2 000 450 104**
Liquidity Gap	**(394 329 794)**	**65 016 417**	**(203 627 444)**	**(75 361 554)**	**198 501 271**	**600 826 808**	**244 264 773**	**153 760 114**	**19 003 725**	**608 054 316**
Accumulated Liquidity Gap	**(394 329 794)**	**(329 313 377)**	**(532 940 821)**	**(608 302 375)**	**(409 801 104)**	**191 025 704**	**435 290 477**	**589 050 591**	**608 054 316**	

30.3 Market Risk

Market risk corresponds to the possible fluctuation of the fair value or future cash flows associated with a financial instrument, due to changes in market prices. Market risk encompasses interest rate risk and exchange rate risk.

Interest rate risk

The interest rate risk corresponds to the risk arising from adverse movements in interest rates resulting in a mismatch in the amount, maturities or interest-fixing dates observed in financial instruments with interest receivable and payable.

As at 30 June 2022 and 31 December 2021, financial instruments by exposure to interest rate risk were as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022				
	Exposure to		Not subject to interest rate risk	Derivatives	Total
	Fixed rate	Variable rate			
Assets	**2 355 223 749**	**4 775 444**	**3 370 168**	**-**	**2 364 304 221**
Cash and deposits at central banks	343 121 999	-	-	-	343 121 999
Loans and advances to credit institutions	20 368 308	-	-	-	20 368 308
Other loans and advances to central banks and credit institutions	543 781 539	-	-	-	543 781 539
Financial assets at fair value through profit or loss	104 915 295	-	3 370 168	934 860	109 220 323
Investments at amortised cost	965 280 903	-	-	-	965 280 903
Loans and advances to customers	377 755 705	4 775 444			382 531 149
Liabilities	**1 846 904 153**	**-**	**4 839 647**	**275 246**	**1 852 019 046**
Deposits from central banks and other credit institutions	10 130 226	-	4 839 647	-	14 969 873
Deposits from customers and other loans	1 836 773 927	-	-	-	1 836 773 927
Financial liabilities at fair value through profit or loss	-	-		275 246	275 246
Total	**4 202 127 902**	**4 775 444**	**8 209 815**	**1 210 106**	**4 216 323 267**

Amounts stated in thousand of Kwanzas

	31/12/2021				
	Exposure to		Not subject to interest rate risk	Derivatives	Total
	Fixed rate	Variable rate			
Assets	**2 569 201 263**	**4 806 314**	**4 085 732**	**-**	**2 578 720 442**
Cash and deposits at central banks	423 459 380	-	-	-	423 459 380
Loans and advances to credit institutions	23 205 063	-	-	-	23 205 063
Other loans and advances to central banks and credit institutions	556 325 569	-	-	-	556 325 569
Financial assets at fair value through profit or loss	90 271 926	-	4 085 732	627 133	94 984 791
Investments at amortised cost	1 127 786 175	-	-	-	1 127 786 175
Loans and advances to customers	348 153 150	4 806 314			352 959 464
Liabilities	**2 005 347 776**	**-**	**1 825 722**	**1 023 025**	**2 008 196 523**
Deposits from central banks and other credit institutions	28 280	-	1 825 722	-	1 854 002
Deposits from customers and other loans	2 005 319 496	-	-	-	2 005 319 496
Financial liabilities at fair value through profit or loss	-	-		1 023 025	1 023 025
Total	**4 574 549 039**	**4 806 314**	**5 911 454**	**1 650 158**	**4 586 916 965**

As at 30 June 2022 and 31 December 2021, financial instruments with exposure to interest rate risk by maturity date or prefixation date are detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022								
	Refixing dates/Maturity dates								
	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Undetermined	Total
Assets	**796 776 519**	**188 358 451**	**234 798 631**	**163 824 171**	**578 799 410**	**266 445 301**	**131 931 570**	**3 370 168**	**2 364 304 221**
Cash and deposits at central banks	343 121 999	-	-	-	-	-	-	-	343 121 999
Loans and advances to credit institutions	20 368 308	-	-	-	-	-	-	-	20 368 308
Other loans and advances to central banks and credit institutions	381 223 694	150 402 538	12 155 307	-	-	-	-	-	543 781 539
Financial assets at fair value through profit or loss	1 027 517	335 377	5 139 408	4 608 618	77 495 326	17 243 909	-	3 370 168	109 220 323
Investments at amortised cost	27 646 237	32 096 969	202 753 152	133 845 042	381 681 098	131 422 244	55 836 161	-	965 280 903
Loans and advances to customers	23 388 764	5 523 567	14 750 764	25 370 511	119 622 986	117 779 148	76 095 409	-	382 531 149
Liabilities	**1 084 450 076**	**358 929 322**	**184 655 402**	**213 103 332**	**10 605 668**	**-**	**-**	**-**	**1 851 743 800**
Deposits from central banks and other credit institutions	14 969 873		-	-	-	-	-	-	14 969 873
Deposits from customers and other loans	1 069 480 203	358 929 322	184 655 402	213 103 332	10 605 668	-	-	-	1 836 773 927

Amounts stated in thousand of Kwanzas

	31/12/2021								
	Refixing dates/Maturity dates								
	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	Undetermined	Total
Assets	**865 367 696**	**183 590 897**	**182 159 902**	**357 254 697**	**620 049 415**	**245 501 855**	**120 710 248**	**4 085 732**	**2 578 720 442**
Cash and deposits at central banks	423 459 380	-	-	-	-	-	-	-	423 459 380
Loans and advances to credit institutions	23 205 063	-	-	-	-	-	-	-	23 205 063
Other loans and advances to central banks and credit institutions	407 775 072	148 550 497	-	-	-	-	-	-	556 325 569
Financial assets at fair value through profit or loss	6 032	10 612 467	22 317	20 793 162	53 544 155	3 896 571	2 024 355	4 085 732	94 984 791
Investments at amortised cost	-	20 898 209	173 982 903	306 714 993	441 051 254	185 138 816	-	-	1 127 786 175
Loans and advances to customers	10 922 149	3 529 724	8 154 682	29 746 542	125 454 006	56 466 468	118 685 893	-	352 959 464
Liabilities	**1 190 306 180**	**389 632 277**	**257 201 342**	**161 100 671**	**8 933 028**	**-**	**-**	**-**	**2 007 173 498**
Deposits from central banks and other credit institutions	718 322	1 135 680	-	-	-	-	-	-	1 854 002
Deposits from customers and other loans	1 189 587 858	388 496 597	257 201 342	161 100 671	8 933 028	-	-	-	2 005 319 496

As at 30 June 2022 and 31 December 2021, the average interest rates for the main financial assets and liabilities are as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022			30/06/2021		
	Average balance of the period	"Interest for the period"	Average interest rate	Average balance of the period	"Interest for the period"	Average interest rate
Investments						
Financial assets at fair value through profit or loss	97 593 611	12 908 948	28%	307 652 588	19 821 237	13%
Loans and advances to customers	419 831 558	27 580 374	14%	372 705 074	26 944 325	15%
Investments at amortised cost	1 058 605 216	78 929 213	15%	1 075 043 325	63 814 770	12%
Other loans and advances to central banks and credit institutions	550 350 881	9 416 927	3%	612 607 021	2 078 306	1%
	2 126 381 266	**128 835 462**	**12%**	**2 368 008 008**	**112 658 638**	**10%**
Deposits						
Deposits from customers	1 921 046 712	23 739 890	2%	2 197 275 905	21 269 067	2%
Interbank deposits	7 499 077	194 528	5%	6 778 041	155 106	5%
Other deposits	5 829 873	389 020	14%	7 149 539	490 878	14%
	1 934 375 662	**24 323 438**	**3%**	**2 211 203 485**	**21 915 051**	**2%**
Net interest income		**104 512 024**			**90 743 587**	

As at 30 June 2022 and 30 June 2021, the sensitivity analysis of the results generated by financial instruments to changes in interest rates presents the following detail:

Amounts stated in thousand of Kwanzas

	30/06/2022					
	Change in interest rate					
	-150bps	-100bps	-50bps	50bps	100bps	150bps
Interest and similar income	(15 087 261)	(10 046 909)	(5 017 847)	5 017 847	10 046 909	15 087 261
Interest and similar expense	(14 380 447)	(9 575 176)	(4 781 722)	4 781 722	9 575 176	14 380 447
Total	**(29 467 708)**	**(19 622 085)**	**(9 799 569)**	**9 799 569**	**19 622 085**	**29 467 708**

Amounts stated in thousand of Kwanzas

	30/06/2021					
	Change in interest rate					
	-150bps	-100bps	-50bps	50bps	100bps	150bps
Interest and similar income	(17 011 824)	(11 328 194)	(5 657 616)	5 657 616	11 328 194	17 011 824
Interest and similar expense	(16 482 101)	(10 974 484)	(5 480 484)	5 480 484	10 974 484	16 482 101
Total	**(33 493 926)**	**(22 302 678)**	**(11 138 100)**	**11 138 100**	**22 302 678**	**33 493 926**

Currency risk

Currency risk is the fluctuation of the fair value or future cash flows of a financial instrument due to changes in exchange rates.

The securities portfolio of the Bank is divided between securities denominated in national currency and in foreign currency, taking into consideration the overall structure of its balance sheet, in order to avoid incurring, in this manner, currency risk.

As at 30 June 2022 and 31 December 2021, financial instruments by currency are detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022					
	AOA	Indexed to the US dollar	United States dollar	Euro	Other currencies	Total
Assets						
Cash and deposits at central banks	174 148 553	-	43 887 662	124 809 744	276 040	343 121 999
Loans and advances to credit institutions	10	-	8 460 152	10 316 858	1 591 288	20 368 308
Other loans and advances to central banks and credit institutions	205 809 779	-	318 372 210	15 605 508	3 994 042	543 781 539
Financial assets at fair value through profit or loss	83 807 345	24 218 511	1 171 573	22 894	-	109 220 323
Investments at amortised cost	663 734 582	-	301 546 321	-	-	965 280 903
Loans and advances to customers	367 803 471	-	14 575 358	152 319	1	382 531 149
	1 495 303 740	**24 218 511**	**688 013 276**	**150 907 323**	**5 861 371**	**2 364 304 221**
Liabilities						
Deposits from central banks and other credit institutions	10 691 199	-	19 312	4 256 586	2 776	14 969 873
Deposits from customers and other loans	1 018 038 785	-	674 253 212	142 366 801	2 115 129	1 836 773 927
Financial liabilities at fair value through profit or loss	275 246	-	-	-	-	275 246
	1 029 005 230	**-**	**674 272 524**	**146 623 387**	**2 117 905**	**1 852 019 046**
	466 298 510	**24 218 511**	**13 740 752**	**4 283 936**	**3 743 466**	**512 285 175**

Amounts stated in thousand of Kwanzas

	31/12/2021					
	AOA	Indexed to the US dollar	United States dollar	Euro	Other currencies	Total
Assets						
Cash and deposits at central banks	221 741 798	-	30 350 958	170 722 062	644 562	423 459 380
Loans and advances to credit institutions	-	-	8 183 508	13 394 868	1 626 687	23 205 063
Other loans and advances to central banks and credit institutions	126 572 934	-	379 590 725	44 174 247	5 987 663	556 325 569
Financial assets at fair value through profit or loss	60 181 925	33 099 317	1 671 271	32 278	-	94 984 791
Investments at amortised cost	734 019 657	-	393 766 518	-	-	1 127 786 175
Loans and advances to customers	329 445 209	-	23 308 135	206 116	4	352 959 464
	1 471 961 523	**33 099 317**	**836 871 115**	**228 529 571**	**8 258 916**	**2 578 720 442**
Liabilities						
Deposits from central banks and other credit institutions	1 135 679	-	135 349	579 319	3 655	1 854 002
Deposits from customers and other loans	973 519 239	-	806 201 433	222 081 266	3 517 558	2 005 319 496
Financial liabilities at fair value through profit or loss	1 023 025	-	-	-	-	1 023 025
	975 677 943	**-**	**806 336 782**	**222 660 585**	**3 521 213**	**2 008 196 523**
	496 283 580	**33 099 317**	**30 534 333**	**5 868 986**	**4 737 703**	**570 523 919**

The sensitivity analysis (considering Treasury Bonds indexed to the US dollar and currency forwards) of the asset value of financial instruments to changes in exchange rates, as at 30 June 2022 and 31 December 2021, has the following detail:

Amounts stated in thousand of Kwanzas

	30/06/2022					
	-20%	-10%	-5%	5%	10%	20%
United States dollar	(2 748 150)	(1 374 075)	(687 038)	687 038	1 374 075	2 748 150
Euro	(856 787)	(428 394)	(214 197)	214 197	428 394	856 787
Other currencies	(748 693)	(374 347)	(187 173)	187 173	374 347	748 693
Total	**(4 353 630)**	**(2 176 816)**	**(1 088 408)**	**1 088 408**	**2 176 816**	**4 353 631**

Amounts stated in thousand of Kwanzas

	31/12/2021					
	-20%	-10%	-5%	5%	10%	20%
United States dollar	(6 106 867)	(3 053 433)	(1 526 717)	1 526 717	3 053 433	6 106 867
Euro	(1 173 797)	(586 899)	(293 449)	293 449	586 899	1 173 797
Other currencies	(947 541)	(473 770)	(236 885)	236 885	473 770	947 541
Total	**(8 228 204)**	**(4 114 102)**	**(2 057 051)**	**2 057 051**	**4 114 102**	**8 228 204**

30.4 Fair value of financial assets and liabilities

The Bank classified the financial instruments recorded in the balance sheet at fair value in accordance with the hierarchy established in IFRS 13.

Instruments listed in active markets (level 1)

This category includes financial instruments with available quoted prices in official markets and those in which there are entities that usually disclose prices of transactions for these instruments traded in liquid markets.

Priority in the prices used is given to those observed in official markets, in cases where there is more than one official market the option falls on the main market where these financial instruments are traded.

This category includes, among others, the following financial instruments: (i) derivatives traded on an organised market and (ii) listed shares.

Valuation methods with observable market parameters/prices (level 2)

This category includes financial instruments valued through internal models, namely discounted cash flow models, which require judgments that vary according to the complexity of the products being valued and use assumptions similar to those that an unrelated party would use in estimating the fair value of the same financial instrument. The Bank uses as inputs in its models variables provided by the market, such as interest rate curves and credit spreads. It also includes instruments whose valuation is obtained through quotations disclosed by independent entities but whose markets have the lowest liquidity.

This category includes, among others, the following financial instruments: (i) unlisted bonds; and (ii) over-the-counter (OTC) derivatives.

Valuation methods with non-observable parameters in the market (level 3)

This level includes the valuations determined by the use of internal valuation models or quotations provided by third parties but where the parameters used are not observable in the market. The bases and assumptions used in the calculation of the fair value are in accordance with the principles of IFRS 13.

This category includes, among others, the following financial instruments: (i) debt securities valued using inputs that are not observable in the market; (ii) unquoted shares; (iii) over-the-counter (OTC) market derivatives with quotes provided by third parties.

As at 30 June 2022 and 31 December 2021, the book value of financial instruments is detailed as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022			
	Measured at fair value	Measured at amortised cost	Impairment	Net value
Assets				
Cash and deposits at central banks	-	343 121 999	-	343 121 999
Loans and advances to credit institutions	-	20 371 158	(2 850)	20 368 308
Other loans and advances to central banks and credit institutions	-	544 022 215	(240 676)	543 781 539
Financial assets at fair value through profit or loss	109 220 323	-	-	109 220 323
Investments at amortised cost	-	975 951 636	(10 670 733)	965 280 903
Loans and advances to customers	-	433 332 014	(50 800 865)	382 531 149
	109 220 323	**2 316 799 022**	**(61 715 124)**	**2 364 304 221**
Liabilities				
Deposits from central banks and other credit institutions	-	14 969 873	-	14 969 873
Deposits from customers and other loans	-	1 836 773 927	-	1 836 773 927
Financial liabilities at fair value through profit or loss	275 246	-	-	275 246
	275 246	**1 851 743 800**	**-**	**1 852 019 046**

Amounts stated in thousand of Kwanzas

	31/12/2021			
	Measured at fair value	Measured at amortised cost	Impairment	Net value
Assets				
Cash and deposits at central banks	-	423 459 380	-	423 459 380
Loans and advances to credit institutions	-	23 212 633	(7 570)	23 205 063
Other loans and advances to central banks and credit institutions	-	556 679 547	(353 978)	556 325 569
Financial assets at fair value through profit or loss	94 984 791	-	-	94 984 791
Investments at amortised cost	-	1 141 258 796	(13 472 621)	1 127 786 175
Loans and advances to customers	-	406 331 101	(53 371 637)	352 959 464
	94 984 791	**2 550 941 457**	**(67 205 807)**	**2 578 720 441**
Liabilities				
Deposits from central banks and other credit institutions	-	1 854 002	-	1 854 002
Deposits from customers and other loans	-	2 005 319 496	-	2 005 319 496
Financial liabilities at fair value through profit or loss	1 023 025	-	-	1 023 025
	1 023 025	**2 007 173 498**	**-**	**2 008 196 523**

As at 30 June 2022 and 31 December 2021, the fair value of the Bank's financial instruments is presented as follows:

Amounts stated in thousand of Kwanzas

	30/06/2022				
	Net book value	Fair value of financial instruments		Total	Difference
		Recorded in the balance sheet at fair value	Recorded in the balance sheet at amortised cost		
Assets					
Cash and deposits at central banks	343 121 999	-	343 121 999	343 121 999	-
Loans and advances to credit institutions	20 368 308	-	20 368 308	20 368 308	-
Other loans and advances to central banks and credit institutions	543 781 539	-	543 781 539	543 781 539	-
Financial assets at fair value through profit or loss	109 220 323	109 220 323	-	109 220 323	-
Investments at amortised cost	965 280 903	-	1 052 911 856	1 052 911 856	87 630 953
Loans and advances to customers	382 531 149	-	398 761 038	398 761 038	16 229 889
	2 364 304 221	**109 220 323**	**2 358 944 740**	**2 468 165 063**	**103 860 842**
Liabilities					
Deposits from central banks and other credit institutions	14 969 873	-	14 969 873	14 969 873	-
Deposits from customers and other loans	1 836 773 927	-	1 836 773 927	1 836 773 927	-
Financial liabilities at fair value through profit or loss	275 246	275 246	-	275 246	-
	1 852 019 046	**275 246**	**1 851 743 800**	**1 852 019 046**	**-**

Amounts stated in thousand of Kwanzas

	31/12/2021				
	Net book value	Fair value of financial instruments		Total	Difference
		Recorded in the balance sheet at fair value	Recorded in the balance sheet at amortised cost		
Assets					
Cash and deposits at central banks	423 459 380	-	423 459 380	423 459 380	-
Loans and advances to credit institutions	23 205 063	-	23 205 063	23 205 063	-
Other loans and advances to central banks and credit institutions	556 325 569	-	556 325 569	556 325 569	-
Financial assets at fair value through profit or loss	94 984 791	94 984 791	-	94 984 791	-
Investments at amortised cost	1 127 786 175	-	1 209 795 237	1 209 795 237	82 009 062
Loans and advances to customers	352 959 464	-	366 812 648	366 812 648	13 208 183
	2 578 720 441	**94 984 791**	**2 579 597 896**	**2 674 582 687**	**95 862 246**
Liabilities					
Deposits from central banks and other credit institutions	1 854 002	-	1 854 002	1 854 002	-
Deposits from customers and other loans	2 005 319 496	-	2 005 319 496	2 005 319 496	-
Financial liabilities at fair value through profit or loss	1 023 025	1 023 025	-	1 023 025	-
	2 008 196 523	**1 023 025**	**2 007 173 498**	**2 008 196 523**	**-**

The fair value of financial instruments should be estimated, whenever possible, using quotations on an active market. A market is considered active, and therefore liquid, when it is accessed by equally knowledgeable counterparties and where transactions are carried out on a regular basis. Almost all the financial instruments of the Bank are not listed on active markets

In view of the absence of quotations on active markets, the valuation of financial instruments is carried out in the following terms:

a) Financial instruments recorded in the balance sheet at fair value:

Treasury Bonds in Angolan currency that are non-readjustable and Treasury Bonds in Angolan currency indexed to the US dollar exchange rate issued by the Angolan State and held by the Bank for trading in the secondary market with other banks are revalued based on a discounted cash-flows model. The discount curve used can be observed directly on BODIVA's daily report, which the Bank considers to be an active market.

Currency forwards are revalued using a discounted cash-flows model. The amounts in foreign currency are updated with an interest rate curve directly observed from Bloomberg and the amounts in national currency are updated with a curve built with interbank money market yields and reference rates (Luibor) observed on the BNA website.

Since they are not listed on a stock exchange and provided that there is observable market data, the equity instruments, with the exception of Visa Incl, are valued by the equity method and the Participation Units by the quotation made available by the fund management company.

b) Financial instruments recorded in the balance sheet at amortised cost:

For financial instruments recorded in the balance sheet at amortised cost, the Bank calculates their fair value using valuation techniques based on the conditions applicable to similar transactions on the reference date of the financial statements, namely the value of the respective discounted cash flows based on the interest rates considered most appropriate, i.e.:

- Non-adjustable Treasury Bills and Treasury Bonds in national currency issued by the Angolan State are valued, for disclosure purposes, based on a discounted cash-flows model. The discount curve used can be observed directly on BODIVA's daily report, which the Bank considers to be an active market.

- Treasury Bonds in dollars issued by the Angolan State are valued, for disclosure purposes, based on a discounted cash-flows model. As there are not yet any significant transactions of this instrument in BODIVA, the discount curve is built based on the yields of the last issues of these bonds.

- For loans and advances to customers, the average interest rates charged by the Bank in the period ended 30 June 2022 and 31 December 2021, respectively, were used for operations with similar characteristics and net of accumulated impairment losses; and

- Regarding Cash and deposits at central banks, Loans and advances to other credit institutions repayable on demand, Other loans and advances to central banks and credit institutions, Deposits from central banks and Deposits from other credit institutions and Deposits from customers and other loans, as they are essentially short-term investments, the balance sheet value was considered a reasonable approximation of their fair value.

It should be noted that the fair value presented does not correspond to the realisation value of these financial instruments in a sale or liquidation scenario and was not calculated for that purpose.

As at 30 June 2022 and 31 December 2021, the fair value of financial instruments recorded in the balance sheet at fair value presents the following detail by valuation methodology:

Amounts stated in thousand of Kwanzas

	30/06/2022			
	Level 1 Prices on active markets	Level 2 Observable market inputs	Level 3 Other valuation techniques	Total
Assets				
Financial assets at fair value through profit or loss	1 171 573	105 850 155	2 198 595	109 220 323
Debt securities issued by the State				
Non-adjustable Treasury Bonds in national currency	-	81 046 932	-	81 046 932
Treasury Bonds in national currency indexed to the US dollar exchange rate	-	23 868 363		23 868 363
Equity instruments				
VISA	1 171 573	-	-	1 171 573
Other equity instrumens	-	-	1 393 903	1 393 903
Participation units	-	-	804 692	804 692
Derivatives	-	934 860	-	934 860
Liabilities				
Financial liabilities at fair value through profit or loss	-	275 246	-	275 246
Derivatives	-	275 246	-	275 246

Amounts stated in thousand of Kwanzas

	31/12/2021			
	Level 1 Prices on active markets	Level 2 Observable market inputs	Level 3 Other valuation techniques	Total
Assets				
Financial assets at fair value through profit or loss	1 671 271	90 899 058	2 414 462	94 984 791
Debt securities issued by the State				
Non-adjustable Treasury Bonds in national currency	-	56 095 869	-	56 095 869
Treasury Bonds in national currency indexed to the US dollar exchange rate	-	34 176 056		34 176 056
Equity instruments				
VISA	1 671 271	-	-	1 671 271
Other equity instrumens	-	-	1 403 289	1 403 289
Participation units	-	-	1 011 173	1 011 173
Derivatives	-	627 133	-	627 133
Liabilities				
Financial liabilities at fair value through profit or loss	-	1 023 025	-	1 023 025
Derivatives	-	1 023 025	-	1 023 025

30.5 Capital management

The Bank's capital and solvency ratio are determined in accordance with the applicable regulatory standards, namely with Notice No. 8/2021 as at 30 June 2022. The applicable instructions are as follows: Instruction No. 13/2021, Instruction No. 14/2021, Instruction No. 15/2021, Instruction No. 16/2021, Instruction No. 17/2021, Instruction No. 19/2021, Instruction No. 22/2021, Instruction No. 2/2022 and Instruction No. 5/2022.

Angolan credit institutions should hold a level of own funds compatible with the nature and scale of operations, duly weighted by the risks inherent to the operations, with a minimum regulatory capital ratio of 8%, a minimum Tier 1 (T1) capital ratio of 6% and a minimum Common Equity Tier 1 (CET1) capital ratio of 4.5%.

Regulatory capital ratio comprises:

1. Tier 1 capital – comprises: i) Paid-up share capital; ii) Positive retained earnings of previous periods; iii) Legal, statutory and other reserves arising from non-distributed profits, or set up to increase capital; iv) Net profit of the previous period; v) Provisional net profit of the current period; vi) Equity instruments; and, vii) Share premium.

2. The negative elements of Tier 1 capital – comprise: (i) Own shares in the portfolio, at book value in the balance sheet; (ii) Losses carried forward of previous periods; (iii) Net loss of the previous period; (iv) Provisional net loss of the current period; (v) Intangible assets net of amortisation, including goodwill included in the valuation of significant investments of the institution; vi) Expenses with deferred costs related to pension liabilities; vii) Deferred tax assets depending on future profitability; viii) Adjustments on impairment losses on financial instruments in relation to that determined by the Banco Nacional de Angola in the prudential supervision; ix) Positive revaluation differences arising from the application of the equity method; x) Actuarial losses not recognised in profit and loss; xi) The amount of the items that need to be deducted from additional Tier 1 capital items that exceed the Institution's additional Tier 1 capital items; xii) The exposure value of incomplete transactions; (xii) The applicable amount of Common Equity Tier 1 instruments of credit institutions held directly, indirectly and synthetically with which the Institution has cross-holdings that the Banco Nacional de Angola considers to have been set up to artificially inflate the Institution's capital; (xv) The applicable amount of Common Equity Tier 1 instruments of credit institutions held by the Institution directly, indirectly and synthetically where the Institution has a significant investment in such entities, excluding underwriting positions held for a period of five (5) business days or less; (xvi) Any tax on Common Equity Tier 1 items that is foreseeable at the time it is calculated, except where the Institution appropriately adjusts the amount of Common Equity Tier 1 items to the extent that such tax reduces the amount by which those items may be used to hedge risks or losses.

3. Additional Tier 1 capital – comprises (i) Preference shares; ii) Hybrid and/or convertible instruments; iii) Other instruments whose issue conditions have been previously approved by the Banco Nacional de Angola; and iv) Share premium relating to the items included in the previous sub-paragraphs.

4. The negative elements of additional Tier 1 capital – comprise: i) Additional Tier 1 instruments held directly, indirectly and synthetically, including additional Tier 1 instruments that the Institution may be obliged to acquire as a result of existing contractual obligations; ii) Additional Tier 1 instruments of credit institutions held directly, indirectly and synthetically, with which the Institution has cross-holdings that the Banco Nacional de Angola considers to have been set up to artificially inflate the Institution's capital; iii) The applicable amount of additional Tier 1 instruments of credit institutions held directly, indirectly and synthetically, where the Institution does not have a significant investment in those credit institutions; (iv) The applicable amount of additional Tier 1 capital instruments of credit institutions held directly, indirectly and synthetically by the Institution, where the institution has a significant investment in such credit institutions, excluding underwriting positions held for a period of five business days or less; (v) The amount of items required to be deducted from Tier 2 capital items in excess of the Institution's Tier 2 capital items (vi) Any tax on additional Tier 1 capital items that is foreseeable at the time it is calculated, except where the Institution appropriately adjusts the

amount of additional Tier 1 capital items to the extent that such tax reduces the amount by which those items may be used to hedge risks or losses.

5. Tier 2 capital – comprises: i) Redeemable preference shares; ii) Reserves from the revaluation of real estate for own use; iii) Subordinated debt, in the form of loans or bonds issued, whose issue conditions were previously approved by the Banco Nacional de Angola; iv) Other instruments whose issue conditions were previously approved by the Banco Nacional de Angola; and, v) Share premium relating to the items included in the previous points.

6. The negative elements of Tier 2 capital – comprise: i) Common Equity Tier 2 instruments held directly, indirectly and synthetically, including Tier 2 instruments that the Institution may be obliged to acquire as a result of existing contractual obligations; ii) Tier 2 instruments of directly, indirectly and synthetically held credit institutions with which the Institution has cross-holdings that the Banco Nacional de Angola considers to have been set up to artificially inflate the Institution's capital; (iii) The applicable amount of Tier 2 instruments of credit institutions held directly, indirectly and synthetically, where the Institution does not have a significant investment in such credit institutions; and, (iv) Tier 2 instruments of credit institutions held directly, indirectly and synthetically by the Institution, where the Institution has a significant investment in such entities, excluding underwriting positions held for a period of five business days or less.

The Net Profit of the prior exercise and current period referred to in the previous paragraphs may only be considered when certified by the chartered accountant, member of the supervisory board or statutory auditor and by the external auditor.

The table below shows the capital and the solvency ratio of the Bank as at 30 June 2022:

Amounts stated in thousand of Kwanzas

		30/06/2022
Regulatory Capial Ratio		
Tier I		370 344 187
Tier II		-
	Total	**370 344 187**
Regulatory Capial Requirements		
Credit Risk Requirements		34 720 091
Market Risk Requirements		3 615 306
Operational Risk Requirements		36 077 505
Excesses of Prudential Limits for Large Exposures		188
	Total	**74 413 090**
Regulatory Solvency Ratio		**39,81%**

As at 31 December 2021, the Bank's capital was determined in accordance with the applicable regulatory standards at date, namely with Notice No. 8/2021. Considering the requirements for the solvency ratio were it as applicable at date Notice No. 3/2016, Notice No. 4/2016 and Notice No. 5/2016 as well as Instruction No. 12/2016, Instruction No. 13/2016, Instruction No. 14/2016, Instruction No. 15/2016, Instruction No. 16/2016, Instruction No. 17/2016 and Instruction No. 18/2016.

The table below shows the capital and the solvency ratio of the Bank as at 31 December 2021:

Amounts stated in thousand of Kwanzas

	31/12/2021
Regulatory Capial Ratio	**357 681 771**
Credit Risk Requirements	35 591 863
Market Risk Requirements	5 834 991
Operational Risk Requirements	36 077 505
Regulatory Solvency Ratio	**46,15%**

31. RECENTLY ISSUED ACCOUNTING STANDARDS AND INTERPRETATIONS

Reference to the Conceptual Framework (Amendments to IFRS 3)

In May 2020, the IASB issued Reference to the Conceptual Framework, which made amendments to IFRS 3 Business Combinations.

The amendments updated IFRS 3 by replacing a reference to an old version of the Board's Conceptual Framework for Financial Reporting with a reference to the latest version, which was issued in March 2018.

The Amendments shall be applied to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.

The Bank has no impacts resulting from the adoption of this interpretation.

Property, Plant and Equipment – Proceeds before Intended Use, Amendments to IAS 16 Property, Plant and Equipment

In May 2020, the IASB issued Property, Plant and Equipment – Proceeds before Intended Use, which made amendments to IAS 16 Property, Plant and Equipment.

The Amendments would prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in a manner intended by management. Instead, an entity would recognise those sales proceeds in profit or loss.

The Amendments shall be applied retrospectively for annual periods beginning on or after 1 January 2022, with earlier application permitted.

The Bank has no impacts resulting from the adoption of this interpretation.

Onerous Contracts - Cost of Fulfilling a Contract

In May 2020, the IASB issued Onerous Contracts – Cost of Fulfilling a Contract, which made amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The objective of the Amendments is to clarify the requirements of IAS 37 on onerous contracts regarding the assessment of whether, in a contract, the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The Amendments shall be applied for annual periods beginning on or after 1 January 2022, with earlier application permitted.

The Bank has no impacts resulting from the adoption of this interpretation.

Annual Improvements to IFRS Standards 2018 – 2020

On 14 May 2020, the IASB issued Annual Improvements to IFRS Standards 2018-2020 containing the following amendments to IFRSs:

(a) permit an entity that is a subsidiary, associate or joint venture, who becomes a first-time adopter later than its parent and elects to apply paragraph D16(a) of IFRS 1 First-time Adoption of International Financial Reporting Standards, to measure the cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS;

(b) clarify that the reference to fees in the 10 per cent test includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf (IFRS 9);

(c) remove the potential confusion regarding the treatment of lease incentives applying IFRS 16 Leases as was illustrated in Illustrative Example 13 accompanying IFRS 16; and

(d) remove the requirement in paragraph 22 of IAS 41 Agriculture for entities to exclude cash flows for taxation when measuring fair value applying IAS 41.

The Amendments shall be applied for annual periods beginning on or after 1 January 2022, with earlier application permitted.

The Bank has no impacts resulting from the adoption of this interpretation.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies

Following feedback that more guidance was needed to help companies decide what accounting policy information should be disclosed, the Board has today issued amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements.

The key amendments to IAS 1 include: i) requiring companies to disclose their material accounting policies rather than their significant accounting policies; ii) clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and iii) clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a Company's financial statements.

IASB also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material:

"Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements."

The amendments are effective from 1 January 2023 but may be applied earlier.

The Bank is evaluating the impacts that this standard will have on its financial statements.

Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

The IASB has issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates.

The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

The Bank is evaluating the impacts that this standard will have on its financial statements.

Amendments to IAS 12: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

The IASB issued amendments to IAS 12 - Income Taxes on 7 May 2021.

The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations, i.e., transactions for which companies recognise both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

The Bank is evaluating the impacts that this standard will have on its financial statements.

32. SUBSEQUENT EVENTS

In response to the current conflict in Ukraine, several countries have announced economic sanctions on Russia and in some cases Belarus. Possible further sanctions may be implemented in the near future and could cover additional individuals, entities and a wider range of goods and services.

The economic impacts resulting from the conflict may be of various natures, such as: 1) Significant disruption of operations in Ukraine, Russia and Belarus; 2) Liquidity challenges resulting from the applied economic sanctions; 3) Specific effects on the Banking, financial services, energy sectors, among others resulting from the applied sanctions; 5) Increased uncertainty in the global economy, and 6) among others. These events and current market conditions may have significant implications for the entities' financial statements. As a result, the Board's understanding of, and response to, potential impacts is critical.

The Bank's Board of Directors has implemented a number of internal controls related to the prevention of money laundering and the financing of terrorism, as well as international sanctions and embargoes, which include analysis and verification of clients and counterparties against lists of commonly accepted and mandatory international sanctions, throughout its process of accepting clients and monitoring transactions. As a consequence of the above in line with the regularly developed, the Bank is carrying out procedures to update its portfolio of customers and counterparties, based on the most recent updates of the lists of verified international sanctions.

The Bank did not observe, in the period ended 30 June 2022, a significant financial impact on its financial statements arising from this situation, nor does it estimate at this date that such a situation will occur.

33. EXPLANATION ADDED FOR TRANSLATION

These financial statements are a free translation of the financial statements originally issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.

KPMG

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LIMITED REVIEW REPORT

(Free translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail.)

To the Board of Directors of
Banco de Fomento Angola, S.A.

Introduction

1. We have performed a limited review audit on the accompanying interim condensed financial statements of **Banco de Fomento Angola, S.A.** ("Bank"), which comprise the interim condensed balance sheet as of 30 June 2022 which shows total assets of AOA 2,418,643,768 thousand and a total equity of AOA 411,061,736 thousand, including a net profit of AOA 67,227,424 thousand, the interim condensed income statement and the interim condensed statement of other comprehensive income, the interim condensed statement of changes in equity and the interim condensed statement of cash flows for the six-month period ended on that date and the notes to the financial statements.

Responsibilities of the Board of Directors for the Financial Statements

2. The Board of Directors is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with IAS 34 – Interim Financial Reporting and for such internal control as the Board deems necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an independent opinion on these interim condensed financial statements. We conducted our limited review audit in accordance with the Technical Standards of the Angolan Institute of Accountants and Chartered Accountants on Simplified Reviews – Reviewing Historical Financial Statements ("*Normas Técnicas da Ordem dos Contabilistas e Peritos Contabilistas de Angola sobre Trabalhos de Exame Simplificado - Trabalhos Para Rever Demonstrações Financeiras Históricas*"). That standard requires us to conclude on whether anything has come to our attention that leads us to believe that the interim condensed financial statements, as a whole, are not prepared, in all materially relevant aspects, in accordance with IAS 34 – Interim Financial Reporting. This standard also requires that we comply with all relevant ethical requirements.

4. A limited review, in accordance with the Technical Standards, is work designed to provide reasonable assurance. The auditor performs procedures that consist primarily of making inquiries of the Board of Directors and others within the Bank, as appropriate, applying analytical procedures and evaluating the evidence obtained.

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5. The procedures performed on a limited review are substantially reduced than the procedures performed in an audit conducted in accordance with the International Standards on Auditing. Consequently, we do not express an audit opinion on those financial statements.

Conclusion

6. Based on our limited review, nothing has come to our knowledge that leads us to believe that the interim condensed financial statements referred to in paragraph 1 above do not fairly present, in all materially material aspects, the financial position of **Banco de Fomento Angola, S.A.** as of 30 June 2022 and its financial performance and cash flows for the six-month period ended on that date, in accordance with IAS 34 – Interim Financial Reporting.

Luanda, 20 September 2022

KPMG Angola – Audit, Tax, Advisory, S.A.
Represented by
Maria Inês Rebelo Filipe
(Chartered Accountant Member no. 20140081)

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OPINION OF THE SUPERVISORY BOARD

1. In compliance with the mandatory legal and regulatory, article 441, g) of the Law of Commercial Companies (Law 1/04 of 13 February), article 71, point 2 of the Basic Law of Financial Institutions (Law 14/21 of 19 May), in conjunction with point 1,d) of article 15 of the Corporate Governance Code of Financial Institutions (Notice nº *1/22*, of 28 January), with point 5 of article 6 of the Accounting Standardization and Harmonization Process in the Angolan Banking Sector (Notice 5/19, of 30 August) article 8, point 1 of the Regulations of the Supervisory Board of the Banco de Fomento Angola, S.A. (approved on July 19, 2022), it is the responsibility of the Supervisory Board to issue an opinion on the Board of Directors' interim condensed 2022 Financial Report of BANCO DE FOMENTO ANGOLA, S.A.

2. It is the responsibility of the Board of Directors of BANCO DE FOMENTO ANGOLA, S.A. to present the interim condensed 2022 Financial Report.

3. The Supervisory Board is responsible for verifying the information contained in the interim condensed 2022 Financial Report, in order to issue a professional and impartial opinion, based on its supervisory activity.

4. The Supervisory Board analyzed the interim condensed 2022 Financial Report, which comprise the interim condensed balance sheet as of 30 June 2022 which shows total assets of AOA 2,418,643,768 thousand and a total equity of AOA 411,061,736 thousand, including a net profit of AOA 67,227,424 thousand, the interim condensed income statement and the interim condensed statement of other comprehensive income, the interim condensed statement of changes in equity and the interim condensed statement of cash flows for the six-month period ended on that date and the notes to the financial statements.

5. The Supervisory Board analyzed the External Auditor's Limited Review Report for the interim condensed financial statements for the period ended 30 June 2022, which was issued without any reserve, declaring that "*based on our limited review, nothing has come to our knowledge that leads us to believe that the interim condensed financial statements referred to in paragraph 1 above do not fairly present, in all materially material aspects, the financial position of Banco de Fomento Angola, S.A. as of 30 June 2022 and its financial performance and cash flows for the six-month period ended on that date, in accordance with IAS 34 – Interim Financial Reporting*".

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Free translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail.

6. In accordance with the above and taking into account the work carried out, this Supervisory Board proposes:

   a) Approval of the interim condensed financial statements for the period ended 30 June 2022.

7. We express our gratitude for the collaboration provided by the Board of Directors, Executive Committee, Directors and External Auditors of the BANCO DE FOMENTO ANGOLA, S.A..

Luanda September 26, 2022

SUPERVISORY BOARD

Ari Brandão	João Dias	Valdir Rodrigues
(Presidente)	(Vice-Presidente)	(Vogal)
Perito Contabilista nº 20120120		

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