Annual Report

2021

Standard Bank IT CAN BE™

01 INTRODUCTION

Standard Bank of Angola aims to convey a clear and transparent message to all the stakeholders, presenting not only the financial performance but also the activity developed in a challenging context.

1.1 Our reporting suite

The purpose of this document is to present the financial evolution, complying with regulatory and legal requirements (BNA, CMC and Companies Act), **but above all it aims to make SBA known to all stakeholders and share their vision for the future!**

With this in mind, we must also consider the Group it is a part of and conduct a retrospective analysis of the most significant events that occurred during the financial year 2021. Among which, we highlight the developments in the fight against Covid-19, with the massive vaccination of the world's population and the subsequent restrictive measures, as well as the Kwanza's appreciation against foreign currencies.

Sandard Bank Angola's Headquarters

Considering the vision of this report, it was developed taking into consideration Strategic, Governance, Business, Financial, Operational and Social information prepared by multiple areas of the Bank, creating an aggregated vision and reflecting the importance of all parties in the **pursuit of SBA's goals!**

This report includes indicators of various types of risk, as well as capital management. Finally, something that makes the Bank very proud and which has become an increasing priority, can't be left out: SBA's impact in society through several social, economic and environmental initiatives.

SBA's Annual Report for the 2021 financial year will address several themes, such as:

The characterization of the Bank and the Standard Bank Group (SB Group);

The macroeconomic context in which **SBA operates, both at national and international level**;

The description of the main **guidelines of SBA's strategy for the 2022** financial year.

The operationalisation of the strategy is based on the following key principles:

Client-focused Approach

To present information on the major business lines: Large Companies and Investment Banking (Corporate and Investment Banking or CIB), Small and Medium-sized Companies (Business and Commercial Clients or BCC), Individuals (Consumer High Net Worth or CHNW). In order to support these business lines throughout the 2021 financial year, the Bank has created the following support areas: Client Solutions, Innovation and Engineering;

People as a key asset

To address the most relevant facts of People and Culture, as well as actions undertaken in the context of this pandemic;

Risk and Conduct

To highlight how the Bank identifies, manages and mitigates risk, describing its main policies and control environment;

Operational Excellence

To offer Customers services and products that meet their expectations;

Strength in financial results

To demonstrate performance and financial strength, by disclosing figures and main indicators of SBA's activity;

Social Responsability

To have a space to reveal the impact on the Angolan society. Being able to contribute is something that is part of SBA's and Group's nature.

The report presented has the contribution of SBA's Management Team, using internal and external sources of information of common use. Although it contains non-audited information, the Bank has set the necessary procedures to ensure the greatest possible security for the disclosed information and the use, whenever possible, of the information contained in SBA's financial statements (attached), which have been audited by PwC.

In conclusion, it aims to convey a clear and transparent message to all stakeholders, not only in a traditionally financial sense, but also incorporating a comprehensive vision of SBA's activity.

1.2 SBA's Mission, Vision and Values

Vision Overview

SBA has been consistently recognized as a reliable and sustainable financial institution, with a relevant role in the promotion of financial literacy and financial inclusion in Angola.

Corporate Culture

SBA's culture is determined by mission, vision, values and purpose.

The African genesis of the Bank and international integration culture have guided Standard Bank of Angola's strategy in order to optimize all the opportunities that Africa, and particularly Angola, presents to the Bank.

The Code of Ethics encourages SBA to be more responsible and to respect their Clients, one of the reference points for the Bank's Employees.

Mission

To be the leading financial institution in Angola and in Africa, capable of serving the whole territory, offering a differentiated experience to Clients, while creating value for the surrounding societies.

Vision

To be the leader in the financial services in Angola and Africa, through service excellence and innovation, in order to add value to all stakeholders and to connect Africa to the the rest of the world.

Values

The values presented guide the behaviour and qualities that define the Bank and are at the genesis for the implementation of SBA's strategy:

- **Serving Clients**
- **Developing Employees**
- **Creating value for shareholders**
- **Promoting mutual respect**
- **Being proactive**
- **Constantly raising the bar**
- **Working as a team**
- **Upholding the highest levels of integrity**

1.3 Who we are

SBA stands out for their intrinsic values, fundamentally based on integrity, honesty, transparency and consistency.

The Culture is based on the “how it is done”, recognising “what is done”. The constant search for optimisation of operational performance leverages not only the diversification of the products offered, but also the quality of supply, positioning the Bank with an outstanding level of service excellence.

Sandard Bank Angola’s Headquarters

About the Bank

Standard Bank of Angola, S.A. is a company incorporated under Angolan law, with registered office in Talatona, Luanda, which was authorized to operate by National Bank of Angola on 9 March 2010, having started operating on 27 September 2010.

The Bank carries out banking activities as permitted and defined by law, by obtaining resources from third parties in the form of deposits or other funds, which SBA applies with their equity in order to grant loans, make deposits at the BNA, invest in Credit Institutions, purchase securities and other assets. In addition, the Bank provides other banking services and performs various types of foreign currency operations.

SBA belongs to a financial group with a history of more than 150 years that aims to drive the development of the African continent and, consequently contribute to the growth of the Angolan market, while respecting the values and principles on which the organisational structure is based.

By focusing efforts on satisfying Clients, partners and the community, SBA carries out their activity in a rigorous manner, constantly evaluating the risks and mitigating them through the diversification of:

- products offering;
- investments;
- processes and systems' modernisation.

'Board of Directors' Composition

Octávio Castelo Paulo
CHAIRMAN

Luís Teles
EXECUTIVE DIRECTOR

Yonne de Castro
EXECUTIVE DIRECTOR

Eduardo Clemente
EXECUTIVE DIRECTOR

António Coutinho
NON-EXECUTIVE DIRECTOR

Silvano Araújo
NON-EXECUTIVE DIRECTOR

Patrício Vilar
NON-EXECUTIVE DIRECTOR

From Africa to the Rest of the World

SBA has contributed to the development and growth of Angola, currently presenting many opportunities that potentiate their change, with a large agricultural potential, rapid population growth, predominantly young age population, and accelerated digital growth.

The Bank's strategy is based on 6 metrics:

Client Focus

The main priority is to provide a unique and customized experience to the Client, by creating increasingly more technological solutions centred on their needs, envisioning their experience, anticipating future needs, and focusing on financial inclusion and digitalisation.

People and Culture

The Bank considers their Employees as one of the most important assets for the strategic objectives execution, and recognises that their training and performance are directly connected to the Client Satisfation level. With the aim that Employees achieve an increasingly digital DNA, the Bank is committed to provide constant training to their Employees to develop the future leaders of Angola.

Risk and Conduct

SBA believes that it is essential to do the right business in the right way. The effective management of risk, employee, market and conduct reflects high ethical standards and it is an indicator of responsible business practices. By doing so, the Bank is able to earn the trust of all stakeholders. In fact, SBA's licence to operate is based on such confidence, leaving no room for negotiating the compliance with all applicable laws and regulations.

Operational Excellence

Through the integration and effective coordination of the several Information Systems. With the objective of efficiently delivering products/services to Clients.

Financial Outcome

The delivery of sustainable shareholders' returns relies directly on the Client and Employees' satisfaction, as well as on the effective and efficient management of operational risks and conduct. In this context, the Bank is committed to ensure the right balance between the capital allocated to strategic investments and the respective return.

Social-economic Environment

The Bank remains committed to conducting business in a sustainable manner and driving economic growth in Angola. This is achieved by creating a positive impact on community life through their Clients, projects and partnerships. Such considerations are core to business decision-making.

Standard Bank Group

20 African countries

Present in 20 African countries, including Angola, Mozambique, South Africa, Namibia, Tanzania, Zambia, Uganda, Botswana and Kenya.

7 Locations outside Africa

The Group has an active presence in the world's largest financial centres, namely the United Kingdom, the United States of America, Brazil, the United Arab Emirates, China, the Isle of Man and Jersey.

Standard Bank of Angola

652
Employees

91
ATM's

51 654
Active Clients

1.4 Historical Milestones

Operating in Angola since 2010, Standard Bank of Angola offers complete solutions in financial products and services through an ecosystem of partnerships.

SBA has demonstrated continuous efforts to fully meet the needs of each Client, from individuals, small and medium-sized companies to large organisations, constantly seeking to deliver the best digital and in-person experiences.

The Bank operates in the most relevant economic areas and exercises leadership in segments that are recognised by several players within the banking sector.

2010

Constitution of the Bank on the 27th September 2010

2011

33 billion Kwanzas net assets

3 Branches in Luanda

Capital increase 24,5 million US Dollars

2012

62 billion Kwanzas net assets

Expansion to other provinces

Capital increase 50 million US Dollars

2013

143 billion Kwanzas net assets

32 points of contact with the Client

Deposit portfolio of 135 billion Kwanzas

2014

200 billion Kwanzas net assets

Clients' boom

Governance Model Strengthening

2015

299 billion Kwanzas net assets

Employee Expansion

Best Investment Bank in Angola for the 4th consecutive year

2016

368 billion Kwanzas net assets

Bank's sector consolidation in Angola

+50% Net Income

2017

317 billion Kwanzas net assets

Best Investment Bank in Angola for the 6th consecutive year

2018

+90% Net Income

443 billion Kwanzas of net assets

Issuance of treasury bonds listed on BODIVA in the amount of 4,7 billion Kwanzas

2019

606 billion Kwanzas of net assets

Considered the best Investment Bank and Cash Management provider in Angola

2020

The Banker - Bank of the Year in Angola 2020

Recognized by ASSERTYS as the Bank with the best service quality in Angola

880 billion Kwanzas of net assets

1st Bank in Angola to obtain certification from SWIFT Global Payments Innovation (GPI) and to be a GPI Member

10 year anniversary of Standard Bank of Angola

2021

28 February 2021 - Closing of the transition process to the new Standard Bank Angola headquarters

The international publication Global Finance, one of the most relevant in the financial sector, awarded Standard Bank Angola the following prizes:

- Best Provider of Foreign Exchange Operations in Angola 2021
- Best Treasury and Cash Management Provider in Angola 2021
- Best Investment Bank in Angola 2021

Standard Bank IT CAN BE™

02
THE LEADERSHIP'S VISION

SBA wants to constantly offer exceptional services to the Clients, as well as be relevant in Clients' lives. To be more than a Bank and address Clients' needs as an integral part of the ecosystems in which SBA lives and operates.

2.1 Chairman and CEO's statement

Octávio Castelo Paulo
CHAIRMAN

Luís Teles
CEO

2021 will be marked as the year in which the trend of economic recession was reversed in Angola.

As opposed to what was verified over the previous 5 years, in 2021, the country achieved a slightly positive economic growth. It was mostly driven by the expansion of the non-oil economy, although the rise in oil prices also had a relevant impact. Nevertheless, it is important to note that, regardless of the economic growth and the appreciation of the Kwanza against the US Dollar, inflation remained above the targets set by the BNA, which directly affected Angolans' purchasing power.

The initiatives carried out by the Government to support the productive sector, in particular "Aviso 10", were critical to the growth of the non-oil sectors and to the economic recovery. After Standard Bank of Angola became the second highest Banker under "Aviso 10/2020", 3rd of April, of National Bank of Angola, **in 2021, SBA reasserted the commitment towards the real economy, complying with and exceeding the regulator's demands. As a result, Standard Bank of Angola ended the year as the Bank that provided the highest amount of credit to the economy under "Aviso 10".**

Angola is our home, we drive its growth - this continues to be our purpose, and we live it intensely every day.

The investment in a new building for the Bank's headquarters is an example of this and it allows us to have a permanent address in Angola, to improve the working conditions of our Employees and to raise the service quality to our Clients.

In 2021, we ensured Standard Bank of Angola's presence in the discussion of major issues in Angola, thereby actively contributing to its development. In this way, we participated in several conferences focused on critical issues for the country, in privatisation processes, especially the BCI stock exchange auction, in the National Development Strategy, contributing to relevant discussions for the Angolan economy and society, such as volunteering and social responsibility, investment in the Cloud, innovation and cryptocurrencies, new regulations for the banking sector, interactions with international investors, multilateral organisations, among several others. Furthermore, and maintaining the trend of previous years, the focus on social responsibility, through the Blue Heroes, is increasing, with a growing number of actions, volunteers and beneficiaries, even in times of pandemic. Through the actions carried out, we intended to help the less fortunate, with greater focus on areas such as Education, Health and Entrepreneurship, which are key pillars for the promotion of social development.

We are committed to increasing the impact we have on Angolans' lives and we are aware that improving the service and increasing proximity to our Clients are key factors to achieve this goal.

Digital projects, such as the SB24 platform, and physical ones, in particular the Agency Banking project ("Pontos Azuis"), were critical to achieve these goals, as they allow us to provide support to our Clients at all stages of their lives, and to fully understand their needs. **"Pontos Azuis" will also be a valuable driver for increasing financial inclusion**, as they enable all segments of the population to benefit from banking services, which is a goal we are committed to achieve. The excellent results obtained throughout the Assertys study, which ranked SBA as the bank with the best Customer service in Angola in 2021, as well as in the Net Promoter Score and Client Satisfaction Index, **signal that we are moving in the right direction, converting our Clients into our fans and partners.**

Our ambition is to be the best company to work for in Angola.

Our Employees are our greatest asset and we want them to find, in Standard Bank of Angola, a place of professional and personal growth.

For such purpose, we provide individual development tools, encouraging all Employees to develop key skills for the present and for the future - in 2021, Employees benefited from more than 100 thousand hours of training.

We continue to invest heavily in Angolan talent, recruiting both experienced Employees and recent graduates, directly contributing to their development and insertion in the labour market. Internal mobility, enhanced by the reorganisation of the Bank's organic structure, is also used as a way of ensuring that Employees are allocated to the tasks that best suit their capabilities, thereby adding value to the Bank and to themselves.

The physical and psychological well-being of our Employees is, and will continue to be a priority for us.

The physical and mental health impacts of the Covid-19 pandemic and the measures adopted to address it, such as burnout or increased anxiety, were not underestimated by us. Therefore, **we ensured that everything was done to provide Employees with the necessary support to stay healthy**: webinars and masterclasses were created for knowledge sharing, vaccination support was made available, and all the measures advised by the health authorities were taken.

We know that technological transformation is a key step for the future success of any organisation.

As such, it is placed at the centre of SBA's strategy considering that not only digital solutions, but also a change in culture and the development of the future's competencies, are vital to this transformation.

Standard Bank of Angola's Headquarters

The multiple difficulties felt throughout this year, did not prevent SBA from maintaining a performance of excellence.

The increase in the number of active Clients was coupled with an increase in lending to the economy, maintaining a very low volume of non-performing loans and supporting the growth of the economy. The Bank's financial strength continued its process of sustained improvement, with increased levels of solvency, efficiency and profitability in 2021. The focus on combating money laundering and terrorism's financing is maintained, as well as operational excellence. **Standard Bank of Angola continues to be internationally recognised for their service excellence and, in 2021,** they were recognised by Global Finance as the best foreign exchange operations provider, the best treasury and cash management provider and the best investment bank in Angola.

We believe that 2022 will be challenging but also a year of great opportunities. However, we will maintain our focus on service excellence and growth as a benchmark financial institution, ensuring an increasingly personalised service and approachable to all Angolans.

At the close of another year, we must express our gratitude to all those who contributed to another year of growth and success. We extend our deepest gratefulness to our Regulators, Clients, Employees, Shareholders, Suppliers and Partners, for their permanent support and collaboration, and for the trust they have placed in us. **Without them we would not be the Bank we so proudly are.**

It Can Be.

Sincerely,

Octávio Castelo Paulo
Chairman of the Board of Directors

Luis Teles
Chief Executive Officer

03 HOW TO CREATE VALUE

SBA has set their roots in Angola, making it their permanent home, and being fully committed to its development and growth.

3.1 Operating Context

The year of 2021 was inevitably defined by the economic recovery after a year of recession due to Covid-19. Additionally, the year was also defined by the significant inflation growth in developed countries, which had not been seen for decades.

Building the Future of Africa

It is expected that, in the coming years, particularly in 2022 and 2023, economic growth will continue to recover at a global scale. However, inflation may force a greater adjustment of monetary policies to a level that decelerates such growth.

World Economy

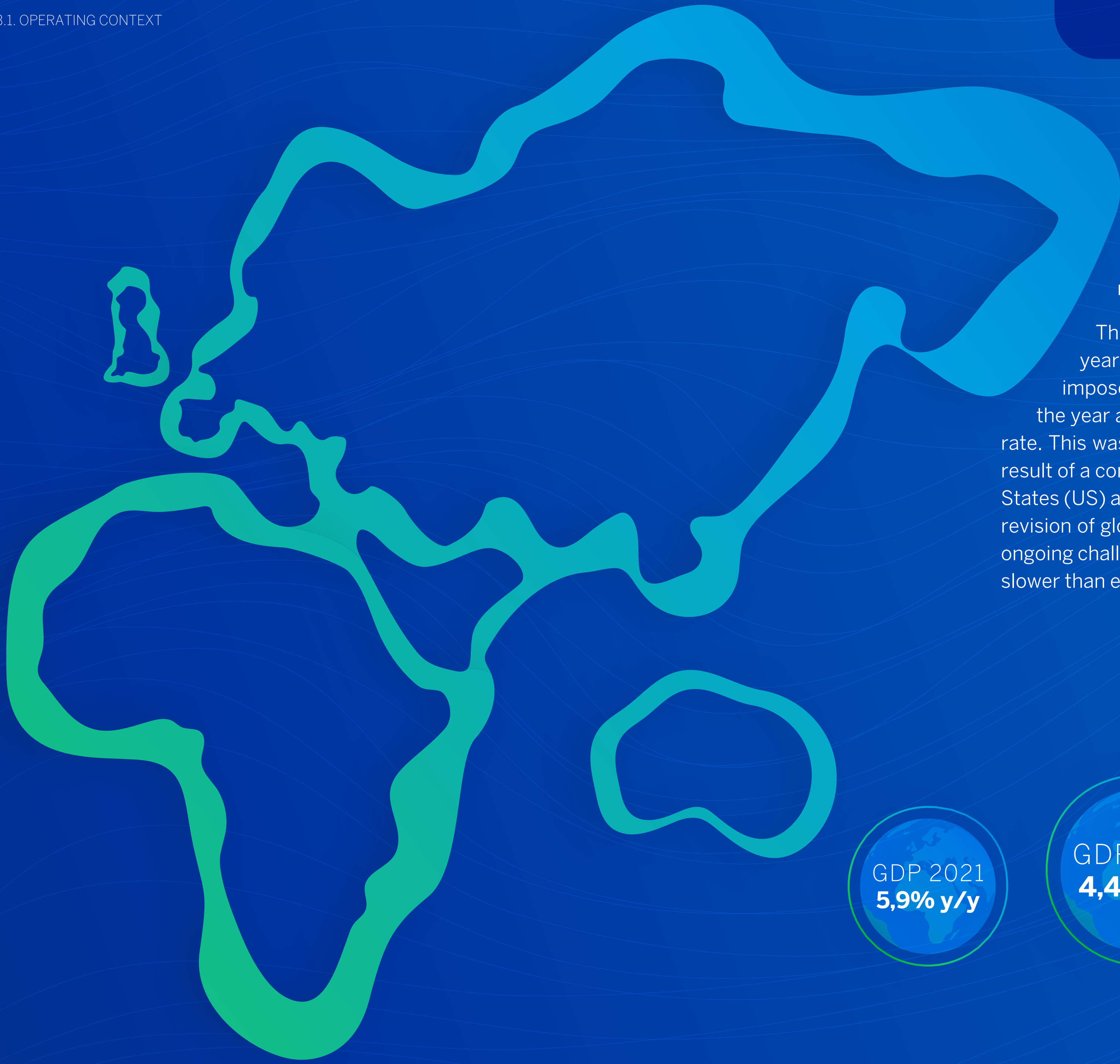
In 2021, global economy continued to suffer from the serious crisis related to the Covid-19 pandemic. The restrictions on the mobility of people, goods and services together with the containment and prevention policies had a strong impact on the world economy, which caused drastic reductions in demand. Despite the difficulties felt at the beginning of the year, the economic indicators of many countries/states recovered, albeit slightly, in the second semester.

Meanwhile, Governments and Central Banks adopted expansionist monetary and tax policies in order to mitigate the effects of the crisis and to stimulate the economic recovery.

After an unexpected 2020, with a worldwide economic shrinkage, and a global recovery in 2021, the Bank expects growth to continue into 2022, even if slower than initially forecasted due to the impact of the coronavirus variant, Omicron, on global activity. With the ongoing administration of the vaccines and their boosters in 2022, the global economic recovery will be accelerated.

Global Context

In 2021, the world economy experienced a broad-based recovery, with real GDP growth estimated at 5.9% y/y, according to the most recent forecast (January 2022) of the International Monetary Fund (IMF). They expect a recovery from the Covid-19 pandemic effects, which resulted in a global contraction of 3.1% y/y in 2020.



According to the January update of the World Economic Outlook (WEO), the IMF revised the global GDP growth projections for 2022 downwards by 0,5 percentage points (pp) to 4,4% y/y, while the projections for 2023 were revised upwards by 0.2 pp to 3,8% y/y.

The downward revision of GDP growth for the year 2022, was due to the health restrictions imposed by Omicron verified at the beginning of the year and a higher than expected global inflation rate. This was mainly due to higher energy prices, as a result of a contractionary monetary policy in the United States (US) and worldwide. Additionally, this downward revision of global GDP growth to 2022 also reflects the ongoing challenges in China's real estate sector and the slower than expected recovery in private consumption.

Real GDP (% variation; y/y)	2017	2018	2019	2020	2021e	2022f	2023f
World Economy	**3.8**	**3.6**	**2.8**	**-3.1**	**5.9**	**4.4**	**3.8**
Developed economies	**2.5**	**2.3**	**1.7**	**-4.5**	**5.0**	**3.9**	**2.6**
USA	2.3	2.9	2.3	-3.4	5.6	4.0	2.6
Euro Area	2.6	1.9	1.5	-6.4	5.2	3.9	2.5
United Kingdom	1.7	1.3	1.4	-9.4	7.2	4.7	2.3
Japan	1.7	0.6	0.0	-4.5	1.6	3.3	1.8
EMDEs	**4.8**	**4.6**	**3.7**	**-2.0**	**6.5**	**4.8**	**4.7**
Brazil	1.3	1.8	1.4	-3.9	4.7	0.3	1.6
Russia	1.8	2.8	2.0	-2.7	4.5	2.8	2.1
India	6.8	6.5	4.0	-7.3	9.0	9.0	7.1
China	6.9	6.8	6.0	2.3	8.1	4.8	5.2
Sub-Saharan Africa	**3.0**	**3.3**	**3.1**	**-1.7**	**4.0**	**3.7**	**4.0**
Nigeria	0.8	1.8	2.3	-1.9	2.7	2.9	2.2
South Africa	1.2	1.5	0.1	-6.4	3.7	0.2	-1.3
Angola	-0.1	-2.0	-0.7	-5.6	0.2	2.3	1.4
Mozambique	3.7	3.4	2.3	-1.2	2.2	3.1	3.4

Source: IMF WEO Oct 21 - WEO Update Jan 22; Standard Bank Research - Jan 22 AMR

On the other hand, there are factors that support growth in 2022, namely the easing of pressure on the supply chains of goods and services, which were greatly affected in 2020 by the pandemic, as well as monetary and tax stimuli that some countries are considering applying in their economies.

Inflation will continue to be an important indicator, particularly in developed countries, where inflation has reached peak levels since decades. Reviewing the available data, the rise in energy prices and government incentives to promote a faster economic recovery from the effects of the pandemic, may be the cause of a higher than expected inflation.

As can be seen, the expected worldwide inflation for 2021 is 5,9%, a rise of 1,1 p.p. y/y.

For 2022, it is expected that world inflation will decrease by 0,5 p.p.

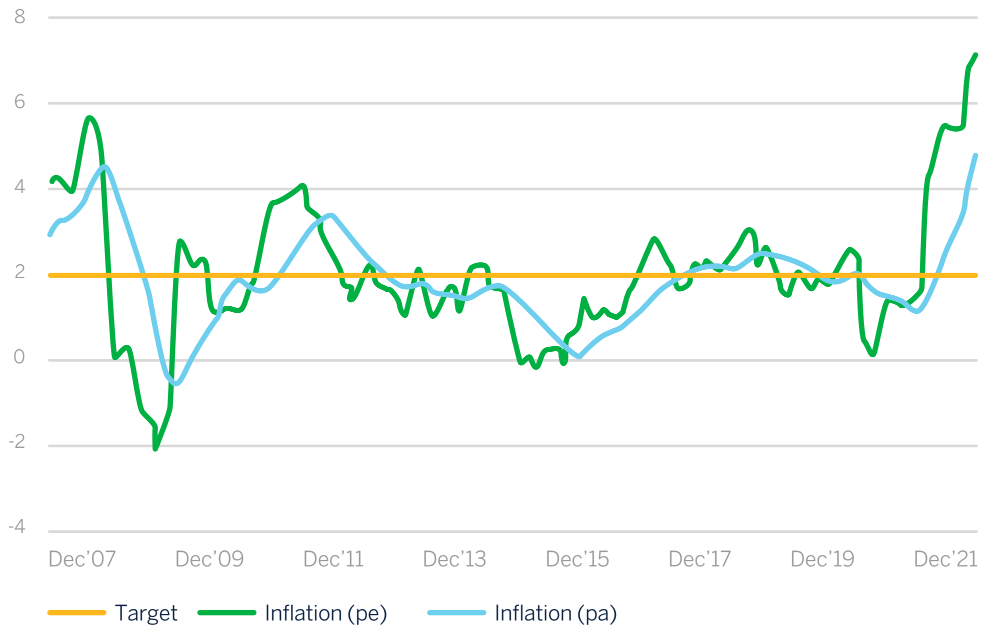
The increase in the expected inflation rate for 2021 has left some economic agents in alert, namely the Central Banks of the main world economies, in particular the Federal Reserve of the United States of America (FED). They are considering bringing forward the increase in the reference interest rate expected to occur in 2023 to 2022 as a means of controlling the rise in inflation.

Inflation (annual average %; y/y)

	2017	2018	2019	2020	2021e	2022f	2023f
World Economy	**3.2**	**3.6**	**3.5**	**3.2**	**4.3**	**3.8**	**3.3**
Developed economies	**1.7**	**2.0**	**1.4**	**0.7**	**3.1**	**3.9**	**2.1**
USA	2.1	2.4	1.8	1.2	4.3	5.9	2.7
Euro Area	1.5	1.8	1.2	0.3	2.2	3.0	1.7
United Kingdom	2.7	2.5	1.8	0.9	2.2	2.6	2.0
Japan	0.5	1.0	0.5	0.0	-0.2	0.7	0.7
EMDEs	**4.4**	**4.9**	**5.1**	**5.1**	**5.7**	**5.9**	**4.7**
Brazil	3.4	3.7	3.7	3.2	7.7	5.3	3.5
Russia	3.7	2.9	4.5	3.4	5.9	4.8	4.5
India	3.6	3.4	4.8	6.2	5.6	4.9	4.3
China	1.6	2.1	2.9	2.4	1.1	1.8	1.9
Sub-Saharan Africa	**10.6**	**8.3**	**8.2**	**10.3**	**10.7**	**8.6**	**7.1**
Nigeria	16.6	12.2	11.4	13.2	16.9	14.9	12.5
South Africa	5.3	4.6	4.1	3.3	4.6	5.2	4.4
Angola	29.8	19.6	17.1	22.2	25.7	23.0	14.8
Mozambique	15.1	3.9	2.8	3.1	5.7	6.5	6.3

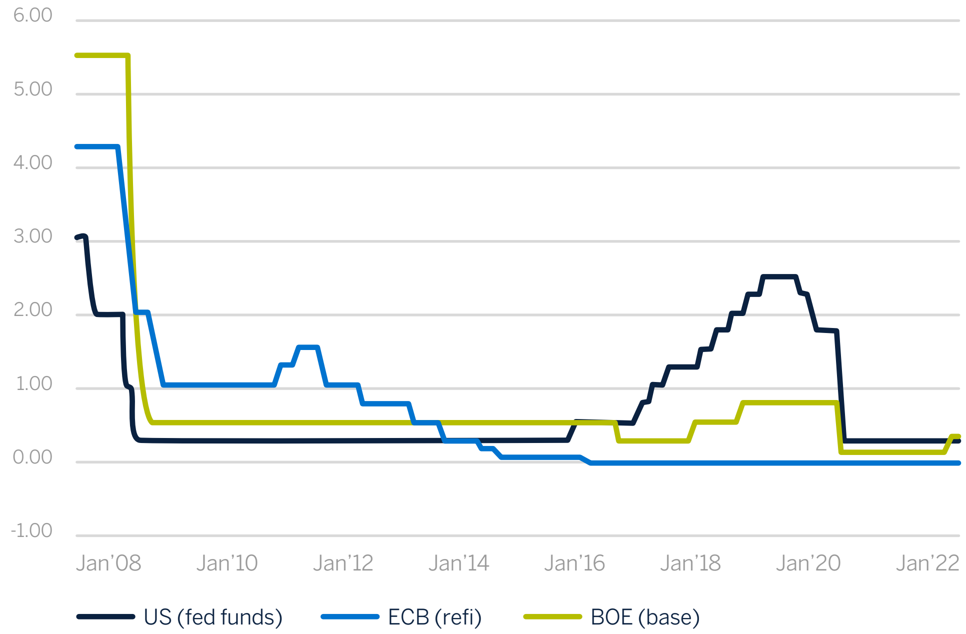
Source: IMF WEO Oct 21 - WEO Update Jan 22; Standard Bank Research - Jan 22 AMR

ANNUAL INFLATION USA (%;Y/Y)



Source: US Bureax of Labor Statistics; Standard Bank Research

MONETARY POLICY INTEREST RATE (%)



Source: Various Central Banks; Standard Bank Research

As verified, in 2021 there was a strengthening of the USD against the EUR. With the rise in interest rate predicted by FED, it is expected that the USD remains strong against the EUR, in the short term, since it is expected that the 10-year Treasury Bonds bear an interest rate higher than 2%.

However, in the medium/long term, there is the expectation of a USD correction against the EUR, due to the high tax deficit and trade balance of the United States of America.

The FED is expected to raise rates by 100bps this year, with a 25bps increase per quarter. The Bank of England appears to have a similar pace. In contrast, the European Central Bank (ECB) is expected to keep interest rates unchanged over the course of 2022.

The Central Banks of the countries known as emerging markets will follow the same strategy used by FED in order to control the rise in the inflation rate in 2021.

Exchange Rates

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
End of period										
EUR/USD	1.320	1.375	1.210	1.086	1.052	1.200	1.145	1.123	1.227	1.133
GBP/USD	1.625	1.656	1.558	1.474	1.234	1.351	1.280	1.320	1.365	1.348
USD/JPY	86.745	105.315	119.695	120.320	116.895	112.685	109.913	108.545	103.080	115.116
USD/CNY	6.230	6.054	6.206	6.494	6.945	6.507	6.878	6.961	6.538	6.352
USD/ZAR	8.457	10.497	11.571	15.477	13.739	12.372	14.375	14.044	14.687	15.948
Variation (%;y/y)										
EUR/USD		4.164	-11.985	-10.233	-3.172	14.093	-4.567	-1.886	9.231	-7.701
GBP/USD		1.877	-5.937	-5.368	-16.287	9.531	-5.287	3.156	3.371	-1.248
USD/JPY		21.408	13.654	0.522	-2.847	-3.602	-2.460	-1.244	-5.035	11.676
USD/CNY		-2.831	2.513	4.633	6.951	-6.312	5.704	1.216	-6.086	-2.836
USD/ZAR		24.115	10.231	33.752	-11.229	-9.944	16.186	-2.301	4.574	8.588

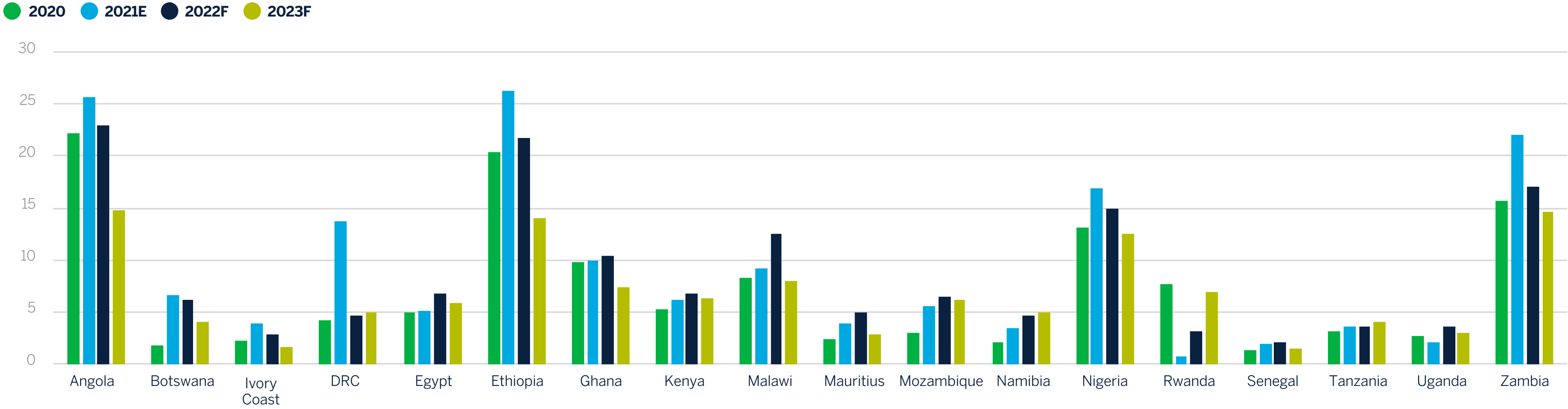
Source: Bloomberg; Standard Bank Research

Leading nations reaffirmed their commitment to address fossil fuels.

With the economic recovery, demand for Oil has been rising and production has not been able to keep pace with this growth. This situation is partly due to the lack of investment by the OPEC countries in the exploration and extraction of this raw material.

The cost of the shift to renewable energy has made some Central Banks, such as the ECB, question whether energy price increases should necessarily be seen as transitory, as they usually have been.

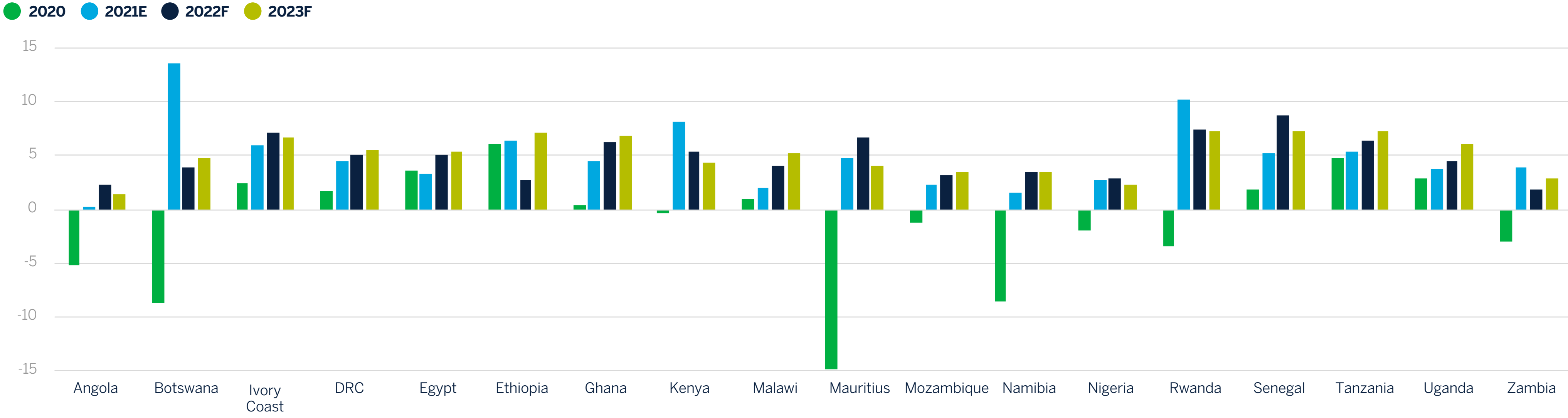
AVERAGE ANNUAL INFLATION (%;Y/Y)



Source: Standard Bank Research – Jan 2022 edition of African Markets Revealed (AMR)

Certainly, before December 2021 (the date of Omicron's emergence) there was a sense of relief around the world, as some of the measures were eased and "normality" was being restored.

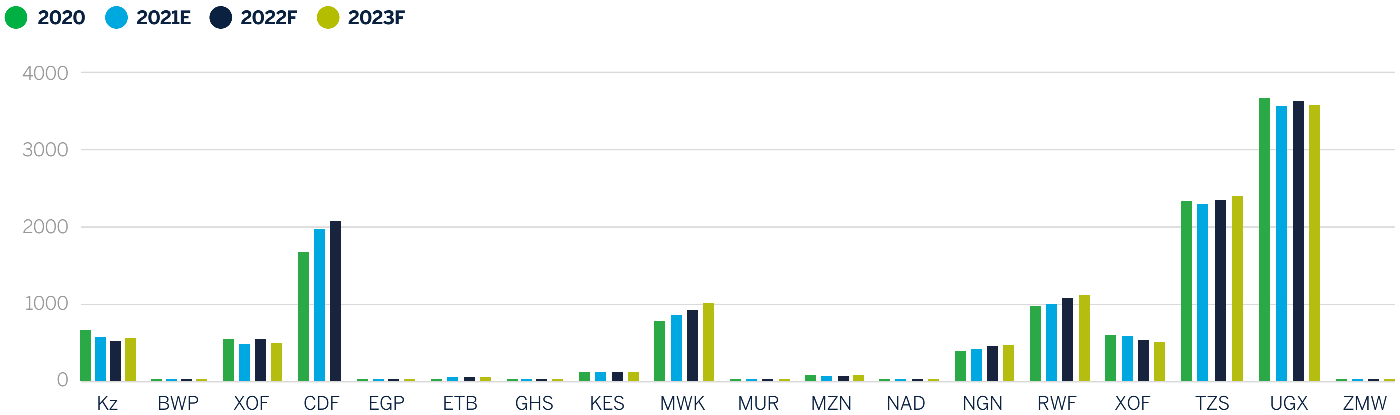
GDP GROWTH (%;Y/Y)



Source: Standard Bank Research – Jan 2022 edition of African Markets Revealed (AMR)

In fact, the high transmissibility of Omicron has resulted, unsurprisingly, in notable increases of new cases in many countries in Africa and globally since the beginning of December 2021. However, most African governments have refused to apply public health restrictions, except when absolutely necessary, preferring to focus on vaccination and booster doses.

INTERNATIONAL EXCHANGE RATES AGAINST USD (END OF PERIOD)



Source: Standard Bank Research – Jan 2022 edition of African Markets Revealed (AMR)

Risks for 2022

Top Risks for 2022

In the past, the most significant risks to be considered were of various natures, namely political and economic, such as diplomatic tensions and protectionist measures, respectively. Currently, the greatest risks are associated with the evolution of the Covid-19 pandemic crisis.

The IMF has downgraded global growth projections for 2022 on the back of Omicron-imposed health constraints and higher than expected global inflation rate. **However, IMF points out that these projections are constrained with respect to the factors set out below:**

Social distance will continue in 2022, however, improved standards of work-related safety and hygiene and, most importantly, the gradual extension of vaccination and booster doses will bring transmission rates to lower levels around the world by the end of 2023;

Medium/long term impacts are still uncertain as they depend on several factors, such as the number of bankruptcies and the possible lag in adjusting the allocation of resources;

Expansionist policies of Governments and Central Banks are expected to continue, probably until 2025. Additionally, the crisis response measures already announced and implemented to date are valued at USD 6 000 billion;

Success of vaccination might anticipate the economic recovery worldwide.

In addition to the risks identified above, 2022 brought an additional challenge, the beginning of the armed conflict between Ukraine and Russia. One of the first economic consequences that this conflict brought to the global economies was the significant increase in oil prices, which, to date, are trading at their highest historical levels ever. This situation could further increase global inflation and reduce global growth. The oil price increase is not only impacted by the war but also by Western sanctions imposed on Russia.

As an oil producer, Angola might benefit from the rising price of oil. Such impacts will be presented below, when Angola's economic prospects are discussed.

Angolan Economy

Angola's medium-term prospects appear to be improving due to progress on structural reforms, including economic diversification measures and import substitution initiatives, as well as the increase in oil prices and exchange rate liquidity, that should support the appreciation of the Kwanza and ease inflationary pressures.

A more stable perspective for oil production post-2022 should support real GDP growth - however downside risks persist due to the pandemic and subdued investment.

General Overview

Angola continues to make progress in rebalancing its economy, aiming to increase the contribution of non-oil sectors and reduce oil dependence. However, there is still a long way to go, as the economy remains heavily dependent on this raw material.

GDP growth for 2022, has been upward revised from 2,3% y/y to 2,6% y/y, due to the increase in oil prices.

Growth may then decelerate to 2,2% y/y in 2023, as the impact of the planned tax expansion in 2022 takes place, when general government spending grows by 29,4% y/y in nominal terms.

Combined oil and gas production, declining since 2016, may grow 1,2% y/y in 2022 to 1,255 million bpd, as a result of recent investments. However, it will require higher levels of investment to smooth growth volatility.

Oil prices

2021
USD 77,35/bbl

2020
USD 47,70/bbl

Oil prices increased during 2021, causing Angola's average crude oil price to rise about 68,4% y/y in 2021 to USD 77,35/bbl from a minimum of USD 47,70/bbl in 2020, which helped to boost the economy after a 5-year recession. The SBA estimates GDP growth at 0,2% y/y for 2021, after a 5,6% y/y recession in 2020.

Reform progress, supported by a three-year IMF financing programme that ended in December 2021, combined with external borrowing from multilateral creditors, DSSI savings and debt rescheduling with China, also **created space for foreign exchange liquidity improvements; the Kwanza appreciated 18,2% y/y against the USD in 2021.**

With the estimated oil production falling by 11,6% y/y to an average of 1 124,5 m bpd in 2021 and LNG production estimated to fall by 17.5% y/y to 120.5 k BOE/day, the growth recovery was supported by the non-oil economy which is estimated to have grown by 5,4% y/y, mainly on base effects, offsetting the 11,4% y/y fall in oil GDP.

Improved foreign exchange liquidity in 2021 supported the non-oil economic recovery, but the economic outlook is still fragile due to the pandemic. Angola's heavy reliance on its oil sector and subdued investment remain a concern. High unemployment, last reported at 34,1% y/y in the third quarter of 2021, combined with rigid inflation of 27% y/y by December 2021, mainly due to food price pressures, are also showing to be more persistent.

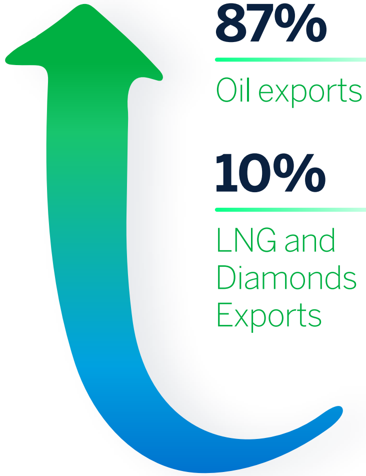
Increased government spending in 2022, aims to further support ongoing reforms to increase production of goods and services as well as reduce the unemployment rate. Oil prices, trading at around USD 80/bbl, well above the USD 59/bbl assumed in the FY2022 budget, should support the recovery by lifting net exports, with domestic general expenditure (DGE) due to existing foreign currency liquidity.

Balance of Payments

Trade flows from exports of oil, natural gas and diamonds should further support the current account (C/A). **As oil exports represent about 87% of the total exports, with LNG and diamonds accounting for 5% each**, the export base will benefit from rising international commodity prices.

Nevertheless, despite a 1,2% y/y increase in the expected combined oil and gas production in 2022, the Bank estimates a slight moderation in average oil prices. As a result, export revenue **is projected at USD 32,3 billion for 2022, a drop of 1,9% y/y, from an estimated USD 33 billion in 2021, when exports increased 57% y/y due to a 73% increase in average oil prices.**

Foreign exchange reserves benefited from higher oil prices in 2021 and increased external financing, **closing the year with a growth of 3,7% y/y, to a gross balance of USD 15,4 billion. This represented an import coverage ratio of more than 10 million**. The increase in net foreign exchange reserves, **which excludes obligations to the IMF, was stronger, at 11,5% y/y, for a final balance of USD 9,8 billion**. The Bank verifies a slight decline in foreign exchange reserves, around USD$14 billion or an import coverage ratio of 8 million, as the C/A surplus decreases.



87%
Oil exports

10%
LNG and Diamonds Exports

+ 1,2% y/y
Oil and gas production

Export revenue forecast 2022
USD 32,3 billion

Exchange Rate Outlook

The USD/Kz exchange rate, traded at an official level, is around 530,0 in February 2022, showing a fall of 4,5% since January, after having appreciated by 15.4% y/y in 2021, to 554,98, due to improved exchange rate liquidity. This development resulted from a very restrictive monetary policy and the progress of structural reforms, while the Balance of Payments benefited from higher oil prices and increased external financing.

The Bank anticipates that the Kwanza will maintain its appreciation during 2022, expecting it to close 2022 at USD/Kz 451,8. At this time, the Kwanza is considered to be close to its fair value, after the cumulative increase of 234,5% in the USD/Kz pair between the beginning of 2018 (when the exchange rate reforms began) and the end of 2021. During the same period, the differential between the official exchange rate and the parallel exchange rate reduced from 60% to 20%.

Monetary Policy

The BNA will likely keep its main interest rate during 2022 at around 20%, following the 450bps increase recorded in July 2021. Nonetheless, the monetary policy is likely to remain rigid to support currency stability and ease inflation.

Moreover, it is the Bank's perspective that inflation, reported in December 2021 (27% y/y) reflects the negative impact of the severe drought that affected food production in certain parts of the country, higher overall food prices, as well as high import dependency.

To help curb inflation, the government has reduced taxes on some basic products and is implementing a strategic food reserve programme to supply the market with about 354 tonnes of basic foodstuffs, mainly imported. The programme is expected to grow to 520 tonnes and cover 11 essential goods. In light of the above, it is projected that inflation will be 20% y/y by December 2022.

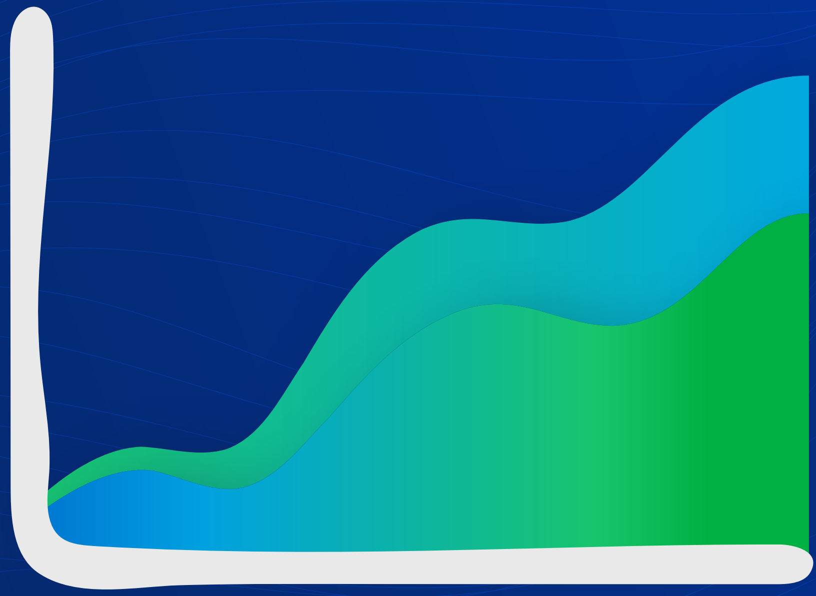
The BNA's restrictive monetary policy is reflected in the slowdown of local currency money supply growth from 20,7% y/y in December 2020 to 1% y/y in December 2021.

Inflation
Dec 2021
27% y/y

Inflation
Dec 2022
20% y/y

Monetary Supply
Dec 2021
1% y/y

Monetary Supply
Dec 2020
20,7% y/y



Treasury Bonds
182 days
13,98%

Treasury Bonds
365 days
16,99%

2022

Net amortizations of internal debt
1 616,3
billion Kwanzas

Net foreign debt
1 615,2
billion Kwanzas

Yield Curve Outlook

The improved tax performance in 2021 has caused domestic borrowing needs to decline. Yields on 182-day and 365-day Treasury bonds fell to 13,98% and 16,99%, respectively, at the end of 2021. The yield curve is expected to decline even further this year.

For tax year 2022 net amortisations of domestic debt are expected to rise to Kz 1 616,3 billion, which is the result of the net effect of new loans of Kz 3 050,3 billion and amortisations of Kz 4 314,3 billion.

In addition, net foreign debt is expected to increase to Kz 1 615,2 billion, as a result of expected amortisations of Kz 2 218,3 billion and new loans of Kz 3 833,5 billion. The Bank also expects that the government will continue with this increase via the Eurobond market, rising from USD 2 billion to USD 3,5 billion in 2022.

Tax Policy

Assuming an estimated surplus of 3% of GDP in tax year 2021, the government budget targets a zero tax balance for tax year 2022, i.e. tax revenue will be offset by expenditure in tax year 2022.

Oil export revenue may increase by 1,2% y/y (to 11,2% of GDP), and combined with non-oil revenue growth of 24,5% y/y (11,2% of GDP), overall revenue is expected to increase by 11,1% y/y, to 21,3% of GDP.

Tax reforms to reduce dependence on the oil sector are expected to decrease the oil contribution to revenue to 52,6% of GDP in 2022, having reached 81,2% in 2012. The implementation of VAT from 2020, combined with measures to broaden the tax base and economic diversification, should slowly reduce Angola's dependence on the oil sector. Still, tax risks remain high as Angola's tax performance remains exposed to crude oil price risk, with no mechanisms in place to hedge this risk.

GDP REVENUES

Oil Export

1,2% y/y

11,2% y/y

General Revenue

11,1% y/y

21,3% y/y

Medium-term economic growth scenarios

	Q1:22	Q2:22	Q3:22	Q4:22	Q1:23	Q2:23	Q3:23	Q4:23	Q1:24	Q2:24	Q3:24	Q4:24	Q1:25	Q2:25	Q3:25	Q4:25
Base Case Scenario																
GDP (% y/y) pa	2.6	2.7	2.5	2.6	2.4	2.1	2	2.2	2	2.1	2	2.1	2	1.9	1.7	1.9
CPI (% y/y) pe	27.5	25	21.2	17.9	15.3	13.8	13.4	13.6	14.6	16.1	17.6	18.2	17.2	16.9	16	14.7
BNA rate (%) pe	20	20	20	20	17.5	17.5	15.5	15.5	15.5	15.5	15.5	17.5	17.5	17.5	17.5	15.5
3-m rate (%) pe	13.2	13	12.6	12.3	12.8	12.6	15.3	15.3	15.4	15.6	15.7	17.6	17.5	17.4	17.4	15.4
6-m rate (%) pe	13.9	13.7	13.3	13	14.5	14.3	15.4	15.5	15.6	15.7	15.9	17.7	17.6	17.6	17.5	15.6
USD/Kz pe	463.8	436.6	430	451.8	461.4	471.2	481.1	491.3	506.2	521.5	537.3	553.6	567	580.7	594.8	609.1
Best Case Scenario																
GDP (% y/y) pa	3.8	3.9	3.7	3.8	4.4	4.1	4	4.2	3.4	3.5	3.4	3.5	3.4	3.3	3.1	3.3
CPI (% y/y) pe	27	23.3	18.2	14.1	11.4	10.2	9.9	9.9	10.5	11.5	12.5	12.4	11.5	11.5	11.3	10.8
BNA rate (%) pe	20	20	19	15	12.5	12.5	12.5	12.5	12.5	12.5	12.5	13.5	12.5	12.5	12.5	12.5
3-m rate (%) pe	13.2	12.8	11.4	7.4	7.9	7.8	12.2	12.2	12.3	12.4	12.5	13.4	12.4	12.4	12.4	12.3
6-m rate (%) pe	13.9	13.5	12.1	8.1	9.5	9.4	12.4	12.4	12.4	12.5	12.6	13.5	12.5	12.5	12.5	12.5
USD/Kz pe	453.7	414.1	403.7	424.2	430.6	437.1	443.6	450.3	461.2	472.4	483.8	495.5	504.5	513.6	522.9	532.4
Worst Case Scenario																
GDP (% y/y) pa	1.8	1.9	1.7	1.8	0.8	0.5	0.4	0.6	1	1.1	1	1.1	0.9	0.8	0.6	0.7
CPI (% y/y) pe	27.7	26	22.9	19.9	17.8	16.2	16	16.2	16.9	18	19	19.6	19.3	19.7	19.5	18.5
BNA rate (%) pe	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20
3-m rate (%) pe	12.3	11.1	10.8	11.5	11.3	11.1	11.1	11.1	11.2	11.3	11.4	11.5	11.4	11.5	11.5	11.4
6-m rate (%) pe	13	11.8	11.5	12.2	12	11.8	11.8	11.8	11.9	12	12.1	12.2	12.1	12.2	12.2	12.1
USD/Kz pe	508.9	524.4	540.2	556.6	575.2	594.4	614.2	634.7	655.9	677.8	700.4	723.7	743.5	763.7	772.9	782.2

Source: National Bank of Angola; Instituto de Estatística de Angola; Bloomberg; Ministério das Finanças; Standard Bank Research

Notes: pa –period average; pe –periond end

Annual indicators

	2017	2018	2019	2020	2021e	2022f	2023f
Output							
Population (million)	28.4	29.3	30.2	31.4	32.1	33.1	34.1
Nominal GDP (Kz bn)	20 262.3	25 627.7	30 330.4	34 368.7	49 441.5	54 578.2	59 770.0
Nominal GDP (USD bn)	122.1	101.4	83.1	59.4	79.7	120.3	126.4
GDP / capita (USD)	4 306.3	3 465.1	2 755.1	1 890.2	2 482.9	3 636.7	3 704.9
Real GDP growth (%)	-0.1	-2.0	-0.7	-5.6	0.2	2.6	2.2
Oil output (000 bpd)	1 632.4	1 477.7	1 383.1	1 271.5	1 124.5	1 155.3	1 162.4
LNG output (000 BOE/day)	189.6	115.3	140.7	146.0	120.5	123.7	125.6
Central Government Operations							
Budget balance (commitment) / GDP (%)	-6.3	2.1	0.6	-1.9	3.0	0.0	0.0
Budget balance (cash basis) / GDP (%)	-5.8	-0.7	-0.2	-1.1	2.3	0.0	0.0
Domestic debt / GDP (%)	28.5	30.7	34.6	33.3	23.7	19.1	17.4
External debt / GDP (%)	37.4	59.8	79.4	95.5	66.8	47.2	46.1
Balance of Payments							
Goods and Services Exports (USD m)	35.6	41.4	35.2	21.0	33.0	37.8	35.2
Goods and Services Imports (USD m)	-28.3	-25.9	-22.3	-15.1	-18.3	-20.6	-22.4
Trade balance (USD m)	7.3	15.5	12.9	5.9	14.7	17.1	12.8
Current account (USD m)	-0.6	7.4	5.1	0.9	9.2	11.4	6.9
- % of GDP	-0.5	7.3	6.2	1.5	11.5	9.5	5.5
Capital and Financial account (USD m)	-4.2	-7.8	-3.2	-3.4	-0.5	2.9	1.0
- FDI (USD bn)	-8.7	-6.5	-1.7	-2.0	-2.8	-2.4	-2.5
Basic balance / GDP (%)	-3.9	-0.4	2.3	-4.2	10.9	11.9	6.3
FX reserves (USD m) pe	18.2	16.2	17.2	14.9	15.5	15.7	15.2
- Import cover (months) pe	7.7	7.5	9.3	11.8	10.2	9.1	8.2
Sovereign Credit Rating							
S&P	B-	B-	B-	CCC+	CCC+	B	B
Moody's	B2	B3	B3	Caa1	B3	B2	B2
Fitch	B	B	B	CCC	CCC	B	B
Monetary & Financial Indicators							
Consumer inflation (%) pa	30.4	19.7	17.1	22.2	25.7	23.7	14.4
Consumer inflation (%) pe	23.7	18.6	16.9	25.1	27.0	17.9	13.6
M2 LCY money supply (% y/y) pa	0.8	0.3	2.7	11.9	13.4	6.2	8.9
M2 LCY money supply (% y/y) pe	0.5	-6.2	14.1	20.7	0.9	10.7	8.4
Policy interest rate (%) pa	16.33	17.25	15.58	15.50	17.75	20.00	17.25
Policy interest rate (%) pe	18.00	16.50	15.50	15.50	20.00	20.00	15.50
3-m rate (%) pe	16.2	13.6	9.5	19.0	19.4	12.3	15.3
USD/Kz pa	165.9	252.9	364.8	578.3	620.4	453.6	472.9
USD/Kz pe	165.9	308.6	482.2	656.2	555.0	451.8	491.3

Source: National Bank of Angola; Instituto de Estatística de Angola; Bloomberg; Ministério das Finanças; Standard Bank Research

Notes: pa –period average; pe –periond end; na – not available; nr – not rated

3.2 SBA Figures

Standard Bank of
Angola's Headquarters

ACTIVITY INDICATORS (MILLION KWANZAS)	DECEMBER 2021	DECEMBER 2020	VARIATION
Total Assets	968 274	880 282	10%
Solvency Ratio	45%	38%	7 p.p.
Return on equity	45%	31%	18 p.p.
Transformation Ratio	35%	20%	15 p.p.
Credit to Clients	238 959	143 075	67%
Equity	169 486	116 982	49%
Credit Quality –			
Impairment coverage for credit over credit granted	2%	2%	0%
Non-performing credit (+90 days) over credit granted	0%	1%	-1 p.p.
Deposits	678 258	691 667	-2%
Net Interest Margin	76 389	51 187	49%
Cost-to-income Ratio	32%	37%	-5 p.p.
Net Income	75 736	36 131	110%
Clients	51 654	36 983	14 671
Employees	652	635	17
Points of Representation	35	26	9
ATM's	91	57	34

3.3 Delivery Model

Following the Group's guidelines, SBA stands out for their values, fundamentally based on integrity, honesty, transparency and consistency.

The Bank's Culture is based on "how we do it", recognising this is as important as "what we do".

Eduardo Clemente
Yonne de Castro
Luís Teles
Board members

Delivery Model

The constant search for the optimisation of the Bank's operational performance allows SBA to offer their Clients a diversified set of products, with increasing levels of quality. This places the Bank at a level of excellence regarding their offers and operations.

The successful execution of the business strategy makes the Bank more robust and capable of creating long-term sustainable value for all stakeholders.

Resource Allocation

The Bank applies a formal decision-making structure to define the resources to be allocated for the implementation of projects or programmes designed to achieve the Bank's strategic objectives.

STRATEGY

1. Is the investment or opportunity aligned with the Bank's strategy?
2. Does it create value for Clients and supports the ability to deliver an integrated financial services offering?
3. Does it drive Angola's growth?

no

yes

CAPABILITIES

Is the investment or opportunity in line with risk appetite and available resources, and can it be delivered through the Bank's expertise, processes and digital platforms?

no

yes

VALUE

Will the investment or opportunity generate an adequate return and/or unlock future opportunities for value creation?

no

yes

The investment or opportunity will be prioritised taking into consideration the resources available at each moment.

The investment or opportunity will be classified as low priority, subject to a trade-off of decisions or even fail for approval.

Value created

51 654

ACTIVE CLIENTS

INCREASING THE CLIENTS BASE

Growth of the Clients base through digital solutions, fostering financial inclusion.

113 063

HOURS OF IN-CLASS TRAINING

EMPLOYEES TRAINING

Employees are SBA's most important asset, the focus is on training and qualification through the development of future-oriented technological competences.

45%

RETURN-ON-EQUITY

STRONG CAPITAL AND LIQUIDITY RATIOS

Maintain strong capital and liquidity levels in order to have the flexibility to manage uncertainty and change, as well as to enhance growth.

239 324

MILLION KWANZAS

SUPPORTING THE DIVERSIFICATION AND GROWTH OF THE ANGOLAN ECONOMY

Financing Clients, with the aim of encouraging the diversification and growth of the Angolan economy.

Yandi Carlos
Carolina Remisio
Eva Santos
Marcelo Barreto
Raquel Bastos
Aronildo Neto

Executive Comittee Members

3.4 SBA's Strategy

SBA's Strategy is focused on the Client, sustained by the purpose of providing simple, relevant and value-adding solutions.

SBA's Strategy

The Standard Bank Group is present across several countries and has a wide reach, especially in Africa, which means a great diversity of Clients and Employees. Therefore, the Group requires a clear focus to meet the strategic objectives.

Three strategic areas of focus were defined, together with the main areas of action and deadlines for the short, medium and long term. The focus areas and the definition of priorities and deadlines were transferred to the business lines and corporate functions, which are responsible for their implementation.

SBA's Purpose

The reason why SBA has become a reference in Angola

"Angola is our home, we drive her growth"

SBA's Values

SBA's values underpin the behaviour and qualities that define the Bank.

- Being proactive
- Investing in people's growth
- Constantly raising the bar
- Encouraging teamwork
- Promoting respect among all
- Meeting the clients's needs
- Maintain high levels of integrity

SBA's Vision

Bank's expected achievements

Leading financial services in Angola, by delivering exceptional and value-added Client experiences.

SBA's Culture

The purpose, vision, values and approach are aligned with the SBA culture.

SBA's culture comprises key characteristics required for achieving the defined strategy, and is supported by the principle of doing the right business, in the right way.

Strategic Pillars

STRATEGY IMPLEMENTATION REQUIREMENTS

It enables efforts to be directed towards resources' prioritisation and allocation.

Execution Structure

TIME OF EXECUTION

It allows expectations to be set so that business lines can plan and deliver short-term priorities and medium- and long-term aspirations.

KPIs

STRATEGY EXECUTION MEASURES

It allows progress to be measured against the defined execution milestones.

Strategic Pillars

CLIENT FOCUS

Clients at the centre of every action.

Providing a product offering that meets Clients' expectations and needs.

PEOPLE AND CULTURE

Employees are the Bank's most important asset.

Employees' performance is directly linked to the degree of Clients' satisfaction.

The Bank invests continuously in workforce training, skills development, creation of new career opportunities and promotion of health and well-being at work.

DIGITALISATION AND INNOVATION

A greater and better digital experience for Clients and Employees.

The digitalisation of products and processes improves the quality of Clients' service.

Digitisation enables the creation of personalised, secure and relevant experiences for both Clients and Employees, in real time.

CLIENT FOCUS

The Bank's main priority is to enable Clients to have a unique and **personalised experience** by creating solutions centred on their needs, through the following strategic objectives:

Re-imagining the Client's experience

Anticipating **Clients' future needs**

Fostering **financial inclusion**

PEOPLE AND CULTURE

The Bank considers Employees to be the **most important asset**, and, as such, they are an essential cornerstone for the execution of the strategic objectives. The Bank also recognises that their training and performance are directly associated with the degree of Client satisfaction. Three strategic objectives have been defined:

Developing **Angola's future leaders**

Being an **agile organization** in constant learning

Persuing a **Digital DNA**

DIGITALISATION AND INNOVATION

The commitment to digitalisation is **fundamental for the Bank to adopt the best practices, services and products** for an increasingly agile society. This commitment involves developing digital channels and reformulating internal processes, as well as adopting new technologies that challenge the traditional relationship between the Bank and the Client.

Driving Digital Transformation by digitalising the core business to improve operational efficiency and Client and Employee experience

Diversifying the Bank's products, **investing in new disruptive services**, superior to those offered in traditional banking, in order to increase out Client retention

Creating differentiating and disruptive banking services, by integrating different market players, in order to provide Clients with end-to-end services within a unique ecosystem.

Execution Structure

HORIZON 1 | SHORT TERM | MANAGING THE PRESENT 2022

- Delivering a consistent and excellent Client experience;
- Accelerating digitalisation to meet Client's needs;
- Supporting the growth of Employees and prepare them for the required future skills;
- Continuing to generate Shareholder returns.

HORIZON 2 | MEDIUM-TERM | BEING READY FOR THE FUTURE 2023 - 2025

- Ensuring Client centricity in every action;
- Using digital technology and human labour to deliver innovative services and products;
- Remodelling infrastructures to remain relevant and competitive in the digital age.

HORIZON 3 | LONG-TERM | CREATING THE FUTURE > 2025

- Being a truly digital Bank with a positive impact on communities;
- **Truly human:** providing the necessary solution and opportunities for Clients and Employees to achieve growth, prosperity and fulfilment;
- **Truly digital:** being a digital and data-driven Organisation to better serve Clients.

SBA's KPIs

CLIENT FOCUS

- Increasing the active Client base;
- Improving Client satisfaction
- Optimizing Standard Bank's brand awareness in Angola.

To provide an exceptional experience to Clients, placing them at the centre of everything the Bank does.

PEOPLE AND CULTURE

- Ensuring the existence of appropriate succession plans for all key functions;
- Improving Employee satisfaction and increasing the retention rate.

To keep Standard Bank of Angola at the top of the list for professionals that seek a development of excellence.

RISK AND CONDUCT

- Ensuring satisfactory internal and external audits and compliance with the resolution dates for identified situations;
- Ensuring compliance with internal policies and procedures.

To do the right business in the right way.

OPERATIONAL EXCELLENCE

- Ensuring the integration and coordination of the different information systems;
- Ensuring a more efficient decision-making process.

To quickly and effectively deliver the products/services to Clients.

FINANCIAL OUTCOME

- Increasing shareholder remuneration and optimising cost management;
- Ensuring the sustainability of revenue growth.

To deliver value to all stakeholders.

SOCIAL AND ECONOMIC ENVIRONMENT

- Contributing to job creation and business development;
- Making a difference in the community, by acting among the less fortunate segments of the population.

To create and maintain an organisation based on common values.

04 THE OPERATIONALISATION OF A STRATEGY

Despite the difficult circumstances in which people continue to live in, due to the impacts of Covid-19, in 2021, SBA maintained their excellent performance. The belief that the client should be in the center of everything remains key to achieve extremely positive results.

4.1 Client Focus

The Bank constantly offers their Clients a service of excellence. SBA's ambition is to understand their Clients' needs and desires, in order to become closer to them, both physically or digitally.

Corporate and Investment Banking

Corporate and Investment Banking (CIB) adresses the Clients' needs and provides a variety of products and services to large companies, the public sector and multinationals, in the agriculture, manufacturing, oil & gas and financial sectors.

Ricardo Ferreira
Corporate and Investment Banking Director

Corporate and Investment Banking Offering

CORPORATE AND INVESTMENT BANKING

Investment Banking

Financing

- Financial Structuring
- MLP Loans
- Leverage & Acquisition Finance
- Project Finance
- Real Estate Financing

Advisory

- Business Valuation
- Mergers & Acquisitions
- Capital Market Debt
- Capital Raisings
- Rating Advisory

Global Markets

- Spot and forward foreign exchange transactions
- Foreign exchange options
- Banknote transactions
- Global Market Research
- Public Debt Instruments
  - BT
  - Indexed and non-indexed OT
- Indexed deposits

Transactional Products and Services

- Integrated and innovative payment and transfer solutions
- Cash Management Solutions
- International Trade
  - Credit Letters
  - Bank Guarantees
  - Documentary Collections
- Securities Custody

Client Coverage

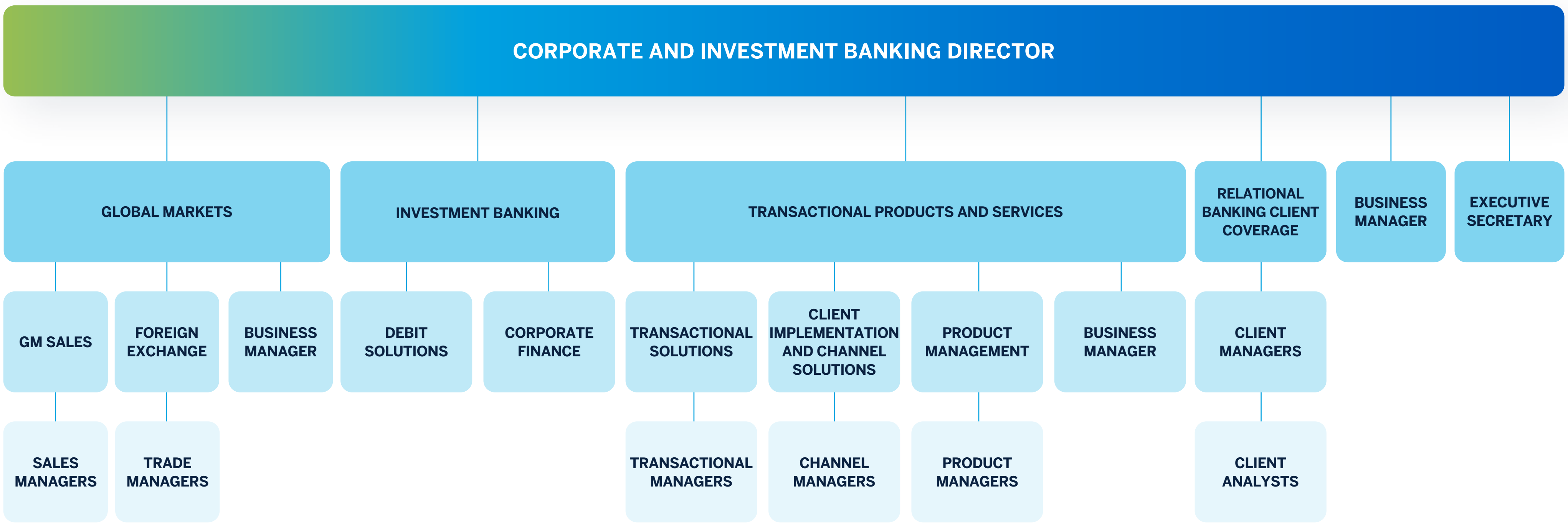
- Creation, monitoring and management of the relationship with large Corporate Clients

PRODUCTS

SERVICES

Corporate and Investment Banking Organisational Structure

CIB's organic structure relies on hierarchical levels, sectors and departments clearly defined and well interconnected. Through this structure it is possible to understand inter-relationships and mobility within the Board and departments, which allows an adequate level of flexibility, rapid adaptation to change, creativity and capacity to innovate.



Corporate and Investment Banking Performance 2021

Despite the significant progress in macroeconomic stability and structural reforms, Angola remains heavily dependent on the oil sector. To promote macroeconimic stability, private investments and a diversified economy, major reforms have been introduced over the last two years, such as VAT, the fiscal responsibility law, the liberalisation of the foreign exchange regime, private investments and privatisation.

2021 was a positive year for the CIB segment. The performance of the Corporate and Investment Banking reflects its resilience through a challenging operating environment, which was and continues to be charecterised by i) reduced oil production, ii) Covid-19 restrictions, iii) subdued interest rates, iv) scarcity of local currency liquidity and v) increased regulatory requirements.

The Corporate and Investment Banking business recorded a growth of 3% compared to 2020 reaching a total of 431 Clients.

CIB obtained a return on investment of 103% in 2021, a growth of 32%, compared to 2020.

The banking income reached a total of Kz 89 245 million, an increase of 38%, when compared to 2020. Net interest income increased 73% in 2021, compared to 2020 revenues and was 49% above the projected value for this year. This outcome was achieved by increasing financial investments, but mainly by the disbursements that occurred on 2021.

Fees, commissions and other banking income increased by 21% in 2021, compared to the results of 2020 and were 30% above the estimated value for 2021. These results were mainly influenced by foreign exchange revenues, as a consequence of the excellent relationship developed between the Bank and the market operating companies, added to the capacity to negotiate with the Oil sector.

Deposits reached a total of Kz 484 95 million, which represents a reduction of 11% compared to 2020. There was an increase of 7% in the level of term deposits, reaching Kz 142 868 million. Term deposits represent 30% of the deposit portfolio, while sight deposits represent 70% of total deposits. Deposits in local currency totalled Kz 299 901 million, and represent 62% of total deposits. The volume of foreign currency deposits recorded a total of Kz 185 049 million.

The deposits reduction was a consequence of the market liquidity shortage, resulting from the current economic situation. This is associated with the measures imposed by the Central Bank to control the devaluation of local currency and, consequently, inflation.

Credit granted to Corporate and Investment Banking Clients reached a level of Kz 177 132 million, the equivalent to an increase of 120% compared to 2020. This was essentially sustained by a significant increase in credit granted to companies, within the scope of BNA's "Aviso 10".

Thus, and with respect to the credits granted under "Aviso 10", 8 CIB Clients were approved in 2021, compared to the 4 Clients approved in 2020. Also, the amount of credit approved in 2021 was Kz 61 931 million, representing an increase of 76% compared to the amount approved in 2020. The amount disbursed in 2021 reached a total of Kz 52 116 million, which includes 69% of the amount approved in 2020 and 45% of the amount approved in 2021. It is expected that 55% of the amount approved in 2021 will be disbursed during 2022, as the projects for which the amounts were approved progress in terms of execution. There is a 95% growth in the amount disbursed in 2021, when compared to the amount disbursed in 2020. This reflects the commitment of Corporate Investment Banking to its Clients, in addition to the growth of the real economy and the Angolan socio-economic development.

Standard Bank of Angola's Headquarters

Only 14% of the credit granted to Corporate and Investment Banking Clients was in foreign currency.

The CIB segment achieved a transformation ratio (Credit/Deposit), of 37% in 2021, which represents a growth of more than 100%, when compared to the ratio recorded in 2020.

Similar to 2020, the CIB segment maintained a diversified credit portfolio, and supported different business sectors. The "FMCG" sector maintained the first place, with a share of 54%, followed by "Energy and Infrastructure" with 29%, "Miscellaneous" with 17% and "Oil and Gas" with 4%.

Corporate and Investment Banking maintained the quality level of the credit portfolio, with no overdue credit or Clients in default. This is a clear indication of an adequate risk management and alignment with the Bank's policies and procedures.

FOREIGN EXCHANGE MARKET

Standard Bank of Angola is one of the main players among the largest traders in the spot and forward foreign exchange market. With the liberalisation of the foreign exchange market, SBA has increased their participation. The trading approach, based on volume and relationship management, helped Standard Bank of Angola to be positioned as "the Bank of choice" for the operating companies, and to secure a share of more than 70% of the profits coming from the Oil sector and subsequent sales on the interbank market, equivalent to USD 518 million.

SBA's exceptional performance was recognised by Global Finance as "Best Foreign Exchange Operations Provider in Angola by 2021" and "Best Treasury and Cash Management Provider in Angola by 2021".

The good results obtained during 2021, in a particularly challenging market context, reflect the team's effort and the strength of the Standard Bank brand, with more than 150 years of experience based on two fundamental strategic axes: "what we do" and "how we do it".

The exchange rate of the Kwanza against the US Dollar appreciated approximately 14,57% from the end of December 2020 to December 2021. In 2021 Standard Bank of Angola bought a total of USD 2,7 billion, as a result of the liberalisation of the foreign exchange market.

The results of foreign exchange operations in 2021 amounted to USD 4,89 billion, an increase of 42% compared to the previous year.

CAPITAL MARKET

The year 2021 was marked by the privatisation of Banco BCI, which was the first company sale via a stock exchange auction in the country. This was the first stock exchange transaction in Angola, and the provision of financial intermediation services was carried out by Standard Bank of Angola.

The Bank assumed the third position of the most active members in the Stock Exchange based on the volume transacted in 2021, a position above the one recorded in the previous year. Compared to the same period of the previous year, the amount of transactions carried out on the Stock Exchange by Standard Bank of Angola fell 35,46%, reaching a total of Kz 149,9 billion, equivalent to a market share of 15,28%.

The reduction in the transaction value was observed in the overall market, with BODIVA recording a decrease of 17,71%. Factors such as the restrictive monetary policy adopted by the BNA, the greater availability of foreign currency on the foreign exchange market, the appreciation of the Kwanza against the US Dollar and the reduction in the stock of debt indexed to the exchange rate, contributed significantly to the reduction in transaction values.

SBA, through the CIB segment, continued to be actively involved with the main capital market players in matters related to regulation and implementation of new products and operational issues. This was always with the aim of raising the market in which the Bank operates to international standards.

Client focus continues to be one of the pillars of SBA's strategy, and in this sense, the Bank places the Client at the centre of their strategy, offering them investment opportunities and innovative solutions.

The year 2022 is expected to be more challenging for the capital market in Angola. The banking sector has few short term investment alternatives, in a scenario where restrictive monetary policies are expected to remain. However, opportunities are anticipated, such as the solidification of the Preferred Trader model for Treasury Bonds, the rules' adjustments for investments by non-residents and the implementation of the Buy & Sell Back market.

SBA remains optimistic regarding the potential of the Angolan market, will continue to work for the materialisation of investments by non-residents and to actively contribute to the execution of the privatisation plan. This way, Standard Bank of Angola will maintain their presence and relevance in the capital market.

Achievements of 2021

FOREIGN EXCHANGE MARKET OPERATIONS

- Significant participation in the USD purchase market for exporting companies (oil and mining).
- Implementation of the Bloomberg platform to bring more efficiency and transparency (extended to the Mining, Insurance and Aviation sectors).
- Active participation in the interbank foreign exchange market.
- Swift execution of Clients' foreign exchange orders.

CAPITAL MARKET PERFORMANCE

- One of the three largest banks trading on the stock exchange.
- Signing of an agreement for the SBA to become a primary leader.
- Successful completion of the intermediation of the purchase of USD bonds by Oil and Mining companies under the application of the abandonment funds.
- Robust investment portfolio in terms of quantity, return and average duration.

TRANSACTIONAL PRODUCTS AND SERVICES

- Increase in the Clients' product offering (cross selling products with GM and IB).
- 65% increase of annual average balances in Kwanzas - focus on the foreign payments, suppliers, capital and dividends, increasing the Bank's market share in terms of transaction volume.
- Increase of POS (19%) and CIT (12%) penetration.
- 37% increase in the volume of electronic payments.
- 40% increase in trade business, with a significant rise in documentary remittances, and diversification of the product offering.

INVESTMENT BANKING

- Privatisation of state-owned companies in Angola: Standard Bank Successfully completed the first sale of assets from Angola's privatisation (Banco BCI) through the first ever auction on the stock exchange.
- "Aviso 10" lending target largely exceeded.

Main challenges of 2021

- Restrictive monetary policy, adopted by the BNA.
- Legislative inhibition in the promotion and diversification of new products.
- FX Forwards still limited for the import of goods and equipment.
- Limit of the bank's foreign exchange position relatively low, impacting marketing and negotiation flexibility of banking products.
- Increase in interest rates, which negatively impacts the use of short term credit lines and increases the balance sheet.
- The macroeconomic environment and rising interest rates exert pressure on corporate lending.

Ambition for 2022

01

Maintaining the position of #1 Bank for multinational companies.

02

Increasing the percentage in revenues from large local companies.

03

Becoming the #1 Bank in the market for Investment Banking, Global Markets and Transactional Products and Services.

CIB's Strategy for 2022

Maintaining the focus on the Clients' needs and the commitment to the sustainable development of the business and the society. SBA aims to maintain a healthy risk environment, invest in training and growth of their Employees and be a more agile Institution, which is as close as possible to their Clients.

Thus, in 2022, the Bank will continue to invest in their main strategic pillars:

CLIENT FOCUS

CIB Clients Growth

Corporate and Investment Banking will maintain its commitment to ensure proximity with its Clients through various communication initiatives. It will also contribute to the dissemination of macroeconomic indicators in order to support decision-making, by holding "Economic Forums" in Webinar format. CIB will continue to support Clients in defining their strategies across different sectors of activity. The focus and support in diversifying the economy and substituting imports will continue to be a permanent concern.

As such, CIB expects to enlarge the Clients base, improve the results of Client Scoring Indicators (CSI) and increase lending rate to Clients. At the same time, CIB also intends to deliver an exceptional Client experience, by anticipating future needs and driving financial inclusion.

Operational Excellence

CIB will keep its focus on automation and digitisation of manual processes, in order to help growing productivity and, therefore, providing a better service to its Clients.

Assets growth

CIB aims to retain the trade as a lever for assets and liabilities, substantially increase the advisory services to Clients and financial institutions and execute pipeline deals, in particular under "Aviso 10".

PEOPLE AND CULTURE

Build a committed and empowered team

Continue to reward the performance results for the execution of the business strategy, ensure the adequacy of resources, empower the team and drive their growth. Thus, an improvement in the results of the Employee satisfaction index is expected to be achieved by 2022.

DIGITALISATION

Be the most innovative Corporate and Investment Banking in Angola

Be an efficient and modern Bank that simplifies, stabilises and eliminates IT architecture risk through system resilience. Continue to prioritise technology and digital initiatives, thus ensuring the focus on investments.

Consumer and High Net Worth Clients

Standard Bank Group is accelerating the execution of their strategy to be ready for the the future.

A reformulation of the Bank's management structure took place in the first half of 2021, creating a new business unit: the Consumer & High Net Worth Clients Department (hereinafter CHNW or Consumer & High Net Worth Clients). This unit aims to better meet Clients' needs by offering more relevant and impactful services and solutions as well as customised value propositions.

General Vision

The purpose of Standard Bank of Angola's Consumer and High Net Worth Clients Department is to help people to prosper, being closer to individual Clients, in order to achieve a greater financial inclusion.

The year 2021 was very challenging. Despite the maintenance of the epidemiological context of Covid-19, the massive diffusion of vaccinations and the easing of pressures around the various states of public calamity, the country's economic environment has improved. In spite of the enhancement of the employability indicators, the cost of living for the population continues to rise, due to high levels of inflation.

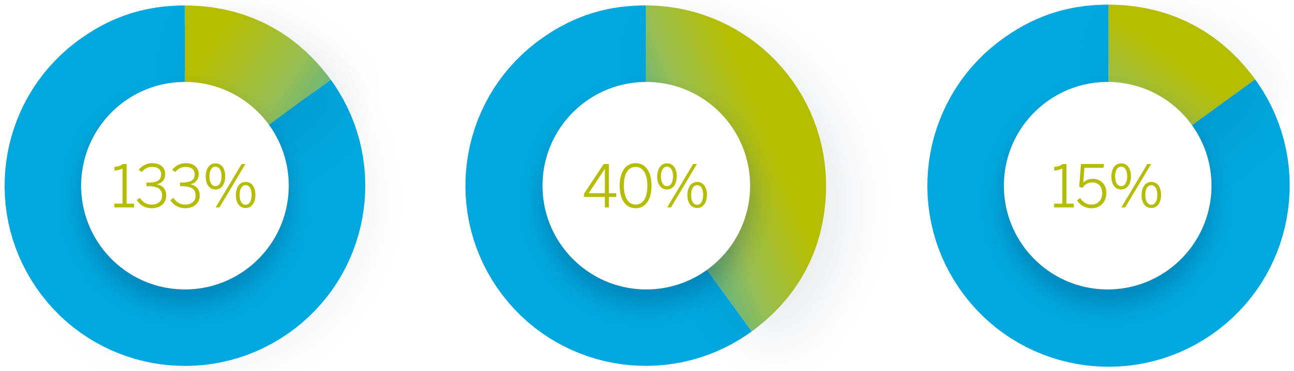
Even with the acceleration of the CHNW Department's transformation process, it remained resilient, disruptive and increasingly committed to positioning Standard Bank's brand in the Angolan market. **For the second consecutive year, Standard Bank was elected the best financial services provider in Angola.**

Organisational Structure

Performance 2021

During 2021, CHNW recorded a 133% year-on-year growth in net operating revenues, substantially driven by a 64% increase in net interest margin, as a direct result of the growth in foreign exchange sales for foreign operations.

The Bank registered a 40% year-on-year increase in the active Clients base, from 35 086 to 49 284.



OPERATING INCOME GROWTH
KZ 16 700 MILLION

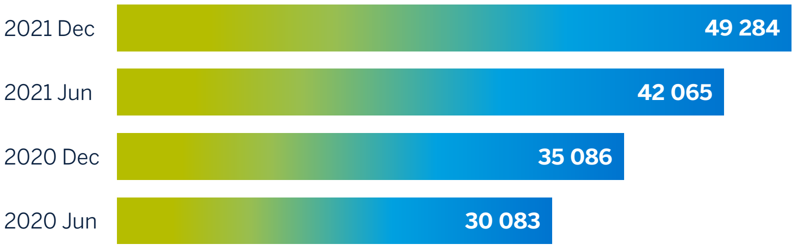
ACTIVE CLIENTS INCREASE
49 385 ACTIVE CLIENTS

CLIENT RESOURCES GROWTH
KZ 80 386 MILLION

The increase in the Clients base is a true reflection of the Clients' confidence in the Standard Bank of Angola brand, as well as in the excellence of the services provided by the Bank's Employees.

SBA's overall Net Promoter Score (NPS) performance, the metric that measures Clients satisfaction levels towards the Bank, has been steadily increasing year on year as a result of SBA's strategy of focusing on the Client experience. A positive NPS of 35 was achieved in 2021.

NUMBER OF CLIENTS



CHNW

SB24

With the implementation of the new SB24 digital platform in November 2020, CHNW recorded an increase of 10 000 digital Clients, a 72% increase year-on-year. Currently, 13 000 Clients use the APP SB24, which reflects a growing trend towards "mobile first".

During 2021, SB24 introduced an innovative feature for private Clients consisting of international transfers for family support. During this year 21 000 transfers were made digitally.

Meanwhile, developments are in progress for new platform functionalities and improvements.

Credit

CHNW seeks to support and improve people's lives by granting credit.

Regardless of an adverse macroeconomic context, impacted by high levels of inflation, it becomes crucial for building a lasting relationship to support Clients on a transversal dimension, supplying not only their basic financial needs, but also more complex needs that require a greater degree of knowledge and advice.

CHNW increased net credit, by 25%. Regarding the credit products offering, **there was an increase of 28% in consumer credit, 22% in housing credit and a decrease of 40% in bank overdrafts, compared to 2020.**

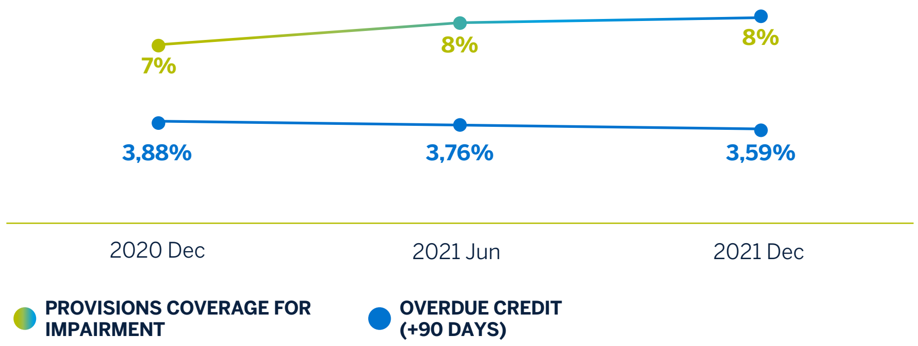
In this context, it is worth highlighting the excellent performance, both in terms of deposits and credit granted, which enabled the transformation ratio to remain at 19,40%.

The levels of credit default (+90 days) remains stable, with a rate of around 3.59%, well below the market benchmark, which is above 15%. This demonstrates the rigour and selectivity in what concerns the granting of credit.

CREDIT BY CLIENT SEGMENT (MILLION KWANZAS)

EVOLUTION OF CREDIT PRODUCTS (IN %)

QUALITY OF THE CREDIT PORTFOLIO (IN %)



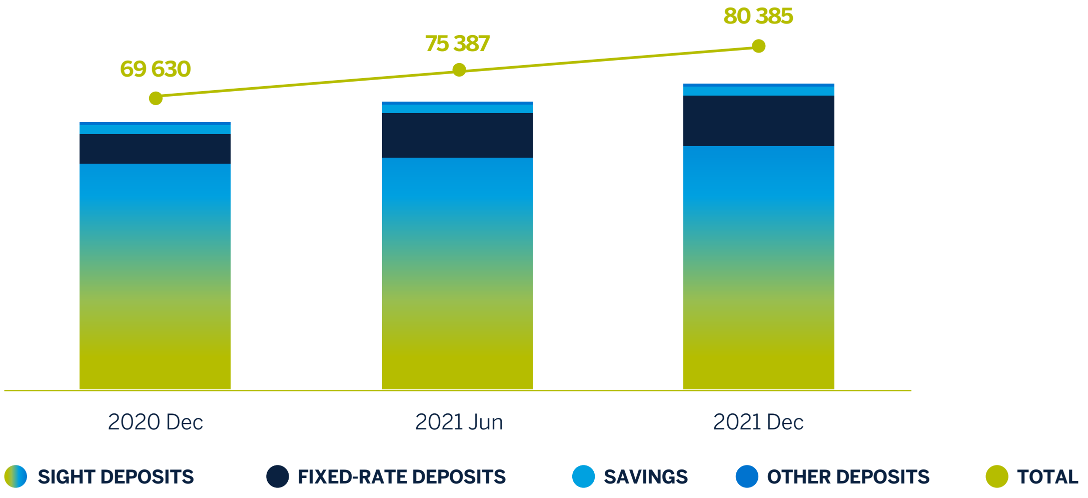
Deposits

CHNW maintained its policy of diversifying its product offering and presenting an increasingly competitive pricing.

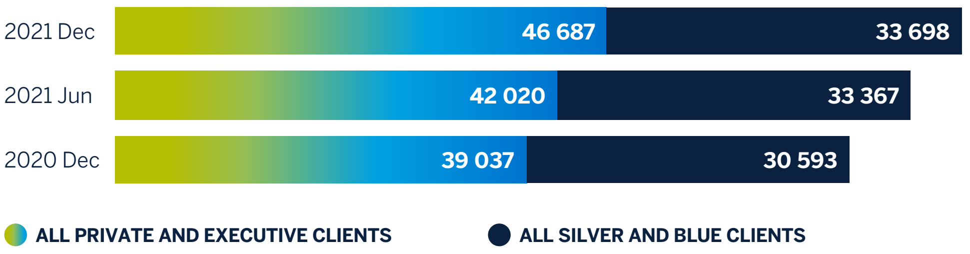
Consumer and High Net Worth Clients' deposits amounted to Kz 80 385 million, an increase of 15% compared to December 2020. This is a result of the strong commitment to digitalisation, qualified service (available across all service points), product offering alligned with the Clients' needs, as well as the growing commitment to financial inclusion.

The concentration of deposits in local currency remained, representing 78% of the total portfolio, which translates into an increase of 7.31 percentage points in relation to the same period in the previous year. Deposits in foreign currency amounted to Kz 17.609 million, about 13% below the December 2020 figure. Standard Bank of Angola maintains the commitment to operate the foreign currency accounts of their Clients, without any restriction, as long as the applicable laws and current regulations are met.

DEPOSITS BY CLIENT SEGMENT (MILLION KWANZAS)



DEPOSITS BY TYPE OF CLIENT (MILLIONS KWANZAS)



Distribution Channels

Standard Bank of Angola is currently operating in 6 provinces (Luanda, Cabinda, Namibe, Huíla, Benguela and Huambo), **with a commercial network of 36 physical channels:**

- 18 Branches
- 3 Corporate Centres (serves BCC segment Clients)
- 1 Client Service Point
- 3 Private Suite
- 10 "Ponto Azul" Banking Agents

Cláudia Viana
Consumer and High Net Worth Clients Director

SB24 Agency

SBA provides a Client Service Line, dedicated to strengthening the relationship between the Bank and their Clients, by providing information about their products and services, responding to the needs and clarifications arising from their daily banking operations and analysing any complaints.

During 2021, SBA replied to several calls and e-mails from their current and potential Clients, having registered an increase in the number of calls received of about 86% compared to the same period of the previous year. This increase is mainly explained by an increasingly robust Clients base, but also by a set of potential Clients increasingly interested in the range of products and services that SBA offers, namely in the SB24 digital platform.

Standard Bank of Angola's Headquarters

CHNW's Strategy

The strategy of the Consumer and High Net Worth Clients Department is based on "Angola is our home and we drive its growth" with the ambition of improving people's lives by being more than a Bank.

SBA's vision is materialised in two strategic initiatives, which are: 1) to defend our position as leader in Client Experience across all priority segments and 2) to significantly increase our Clients base by 2025.

Aware of the relevance of this process for society and fully committed to creating a disruptive concept, during 2021, 10 "Ponto Azul" Banking Agents were implemented. The strategy will be based on two main pillars:

1

Points of Representation

More Points of Representation in all the country's provinces, in order to create a brand that is recognised, available, convenient and close to Clients. This way, going to the Bank will be a seamless and uncomplicated experience.

Products and Services

2

An adequate products and services offer, designed to serve the interests and needs of a segment that, in its majority, will have their the first contact with the banking system, and therefore require simple. products with adequate commissioning.

Fully committed to the purpose of Financial Inclusion and determined to support the country in improving the access to the financial system, the "Ponto Azul" initiative appears as one of the main projects underway and fully aligned with the Bank's strategy.

Business and Commercial Clients

General Vision

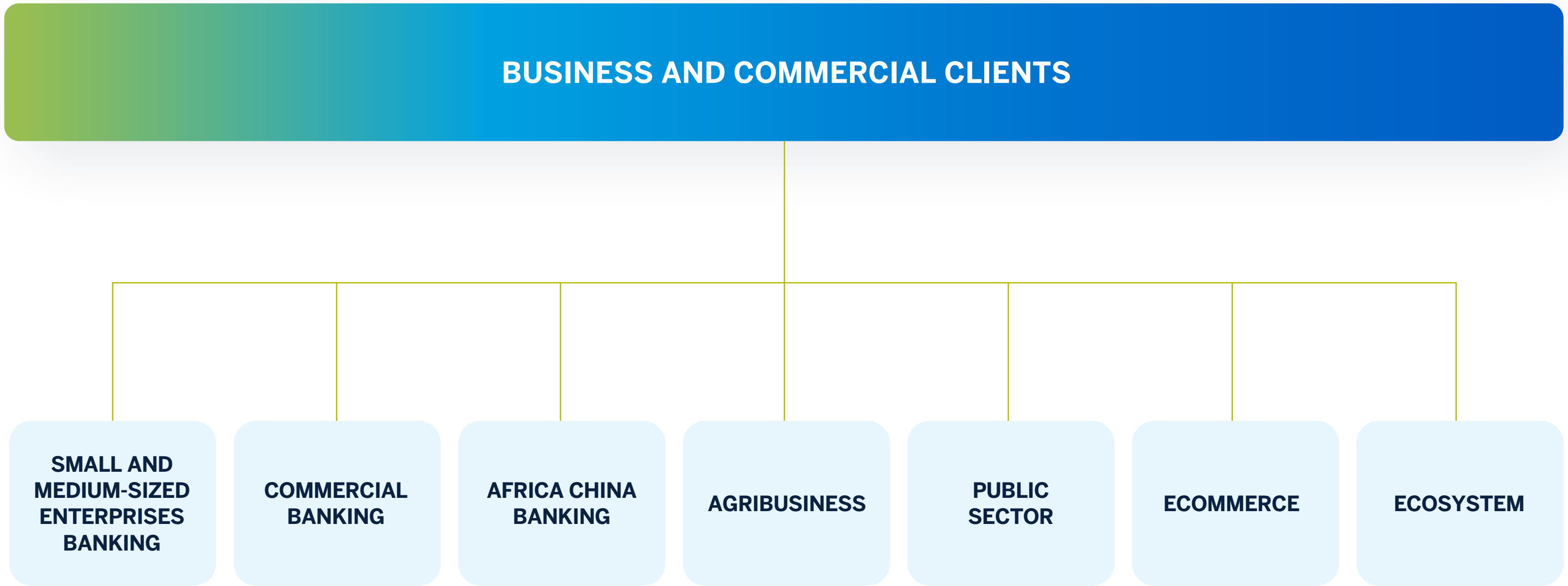
As part of the reformulation of its management structure, Standard Bank of Angola created the Small and Medium-sized Companies Department (hereinafter called Business and Commercial Clients or BCC) which adopts a specific organisational model, in order to meet the Clients' needs and create solutions aligned with their requirements.

BCC provides a new strategic vision of what the Bank's Clients' priorities are, i.e. it supports their financial services needs by becoming a key factor for building a sustainable and long-lasting relationship.

This Department offers a range of products and services to the Bank's Clients, such as credit, insurance products, cash collection and financial advice, with the constant aim of attracting new Clients, as well as keeping a partnership-based relationship with them.

Carolina Remisio
Business and Commercial Clients Director

Organisational Structure



BCC is divided into 7 areas in order to segment Clients, guaranteeing greater attention and monitoring of their needs. **In this way there are:**

01 SMALL AND MEDIUM-SIZED ENTERPRISES BANKING

This segment includes Clients with turnover equal to or less than USD 3.5 million. Clients benefit from a dedicated call centre to ensure a personalised service where the main focus is on Transactional Products and Services and deposits. This segment is also responsible for the unit's commercial and growth objectives and for ensuring that Clients receive a consistent and high quality service.

In order to complement the Client Contact Centre (CCC), and in order to offer a more personalised service to the SMEs segment, PME Online is a single point of contact, accessible by telephone and e-mail. The banking professionals involved in this service facilitate the account opening process, advise on investment solutions, facilitate transactions, provide payment and receipt options, advise on insurance solutions and ensure the treatment of different requests.

This service is characterised by its:

CONVENIENCE

- Banking professionals accessible by telephone and e-mail
- Resolution of diverse requests and feedback in real time and without requiring the physical Client's presence

SIMPLICITY

- Requests and banking services performed via phone and e-mail
- Easy and fast contact with the bank manager

PROFESSIONAL COUNSELING

- Banking professionals responsible for providing support to Clients regarding banking products and services as well as for presenting solutions that better address their needs

Available services:

- Bank statements via e-mail
- Account balance information
- Account activation
- Registration on digital e-banking platforms and mobile banking
- E-banking password unlocking
- Bank details confirmation and suitability letter
- Multicaixa debit card request
- Cheques request
- Data update
- Handling of miscellaneous requests

02

COMMERCIAL BANKING

Clients in this segment have a turnover between USD 3,5 million and USD 100 million. Clients benefit from products and services aligned to their needs provided by dedicated managers. They provide quality financial services tailored to the Clients' specific needs.

03

AFRICA CHINA BANKING

This segment leads and executes a value proposition for sector-related Clients and identifies new business opportunities, engaging Clients in the service delivery, if required.

04

AGRIBUSINESS

This area is focused on acquiring new agribusiness Clients, identifying new opportunities and on the portfolio management. It is a Bank-wide area that works with CIB to ensure the Bank is working with the entire Client value chain.

05

PUBLIC SECTOR

This area implements a tailored value proposition for Clients and establishes partnerships for the delivery of several integrated products and services, leveraging a team with extensive market knowledge.

06

ECOMMERCE

This area leads and executes the Digital platforms, Business to Business, the eCommerce value proposition and its related toolboxes, by customising them accordingly. It implements the Client value proposition and drives a consistent Client experience across all platforms. It partners with Client Solutions in the delivery of several integrated Client products and services. Additionally, it is aligned with other areas to deliver Client value propositions and reduce duplication across segments.

07

ECOSYSTEM

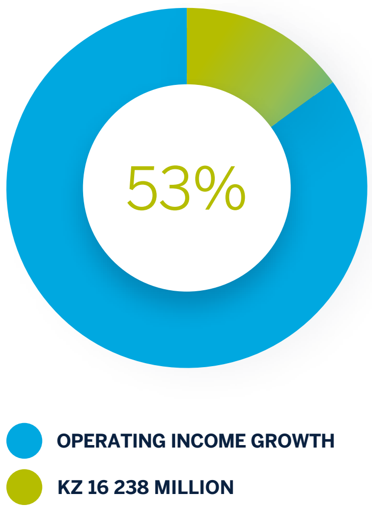
This area is focused on the acquisition of new ecosystems - networks that aggregate the interactions of multiple players in organisations' value chains, thus maximising commercial banking and allowing Clients to have a broader and more diversified experience.

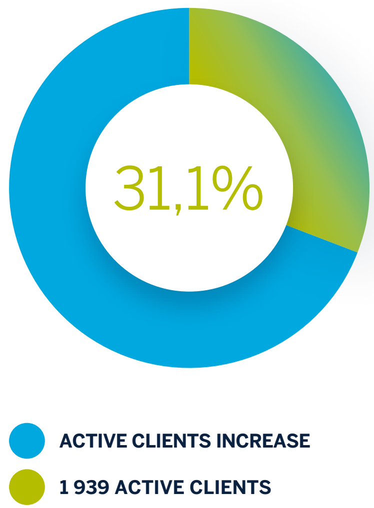
Performance 2021

The Business and Commercial Clients Department (BCC) of Standard Bank of Angola demonstrated resilience, recording a growth in net operating income of 107% in comparison with the same period of the previous year. The net operating income growth was mainly driven by two factors i) higher foreign exchange margins and ii) higher revenues from insurance commissions and documentary remittances.

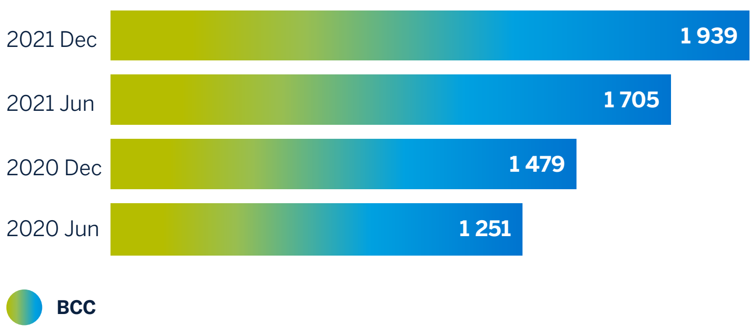
BCC is committed to change the course of Small and Medium Enterprises (SMEs) in Angola and play an increasingly inclusive role in their lives. To this end, it has provided these Clients with several operations related to international transfers and the issue of documentary remittances, which, in fact, played a preponderant role in increasing the margin to 193% in comparison with the same period of the previous year, as mentioned above.

BCC recorded a year-on-year increase in the active Clients base, rising from 1 479 Clients in December 2020 to 1 939 in December 2021.





NUMBER OF CLIENTS



The increase in the Clients base is a true reflection of the Clients' confidence in the Standard Bank of Angola brand, as well as in the excellence of the services provided by the Bank's Employees.

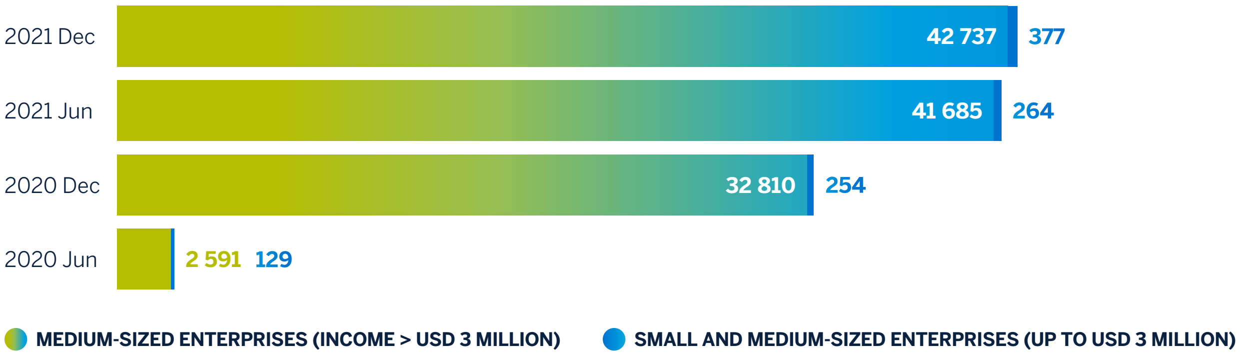
Credit

BCC seeks to support the promotion of the national economy, aiming to grant credit to SMEs. This support has been applied across all sectors and all companies, with special emphasis on SMEs in the agriculture, livestock, fisheries and production of essencial goods sectors.

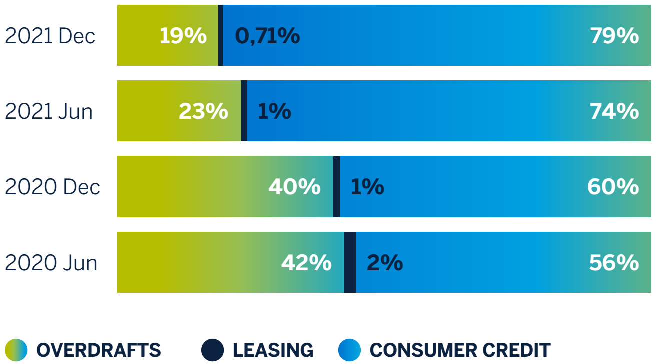
This segment substantially increased the net credit, by 33,1% in relation to the same period of the previous year. In the range of credit products offered by the Bank, there was, for the third consecutive period, a significant increase in consumer credit (+78,9%). This demonstrates the Bank's constant commitment to fostering the national economy, in accordance with BNA's "Aviso 10/20".

The levels of overdue credit (+90 days) were stable, with a rate of around 3%, well below the market which is still at levels above 15%. This, once again, demonstrates the rigour and selectivity in what concerns the granting of credit.

CREDIT BY CLIENT SEGMENT (MILLION KWANZAS)

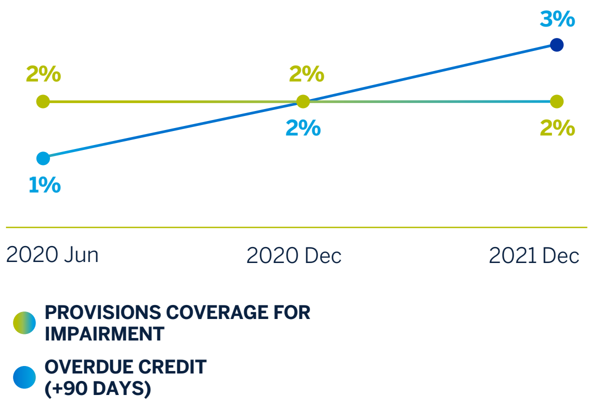


EVOLUTION OF CREDIT PRODUCTS (IN %)



Medium-long term credit proposals are taking a prominent role in BCC's credit portfolio.

QUALITY OF THE CREDIT PORTFOLIO (IN %)

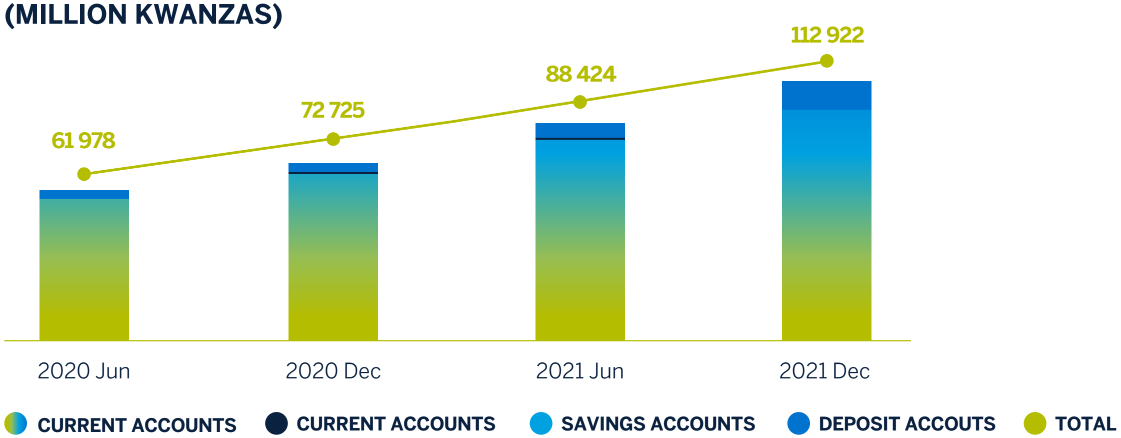


Deposits

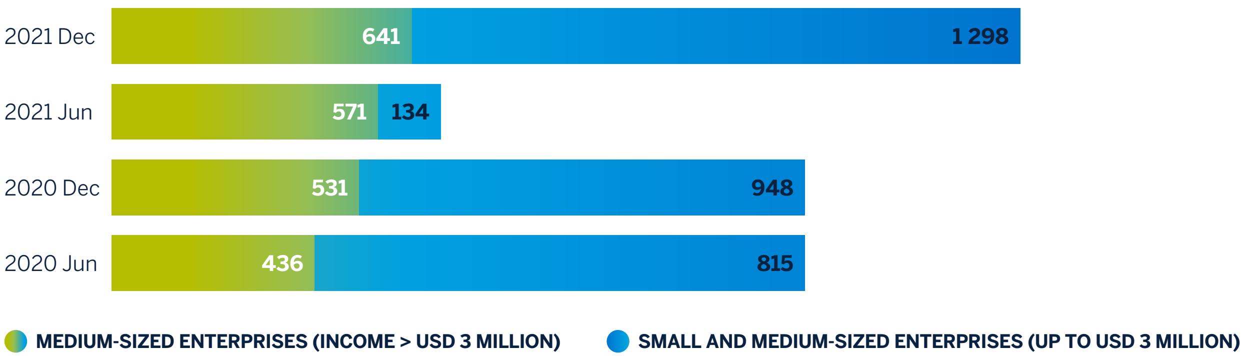
Clients' deposits totalled Kz 112 922 billion, an increase of 45,5% over the same period, which demonstrates the market's confidence in SBA's strength and rigour.

With regard to the distribution of deposits according to the currency contracted, the concentration of deposits in local currency continued, representing 62% of the total portfolio, which translates into an increase of 3 p.p. compared to December 2020. Deposits in foreign currency amounted to Kz 42 549 million (corresponding to an increase of 26% compared to December 2020). It should be noted that SBA maintains the commitment to operate the Clients' foreign currency accounts, without any restriction, as long as the applicable laws and current regulations are met.

CLIENTS DEPOSITS (MILLION KWANZAS)



TYPES OF CLIENTS

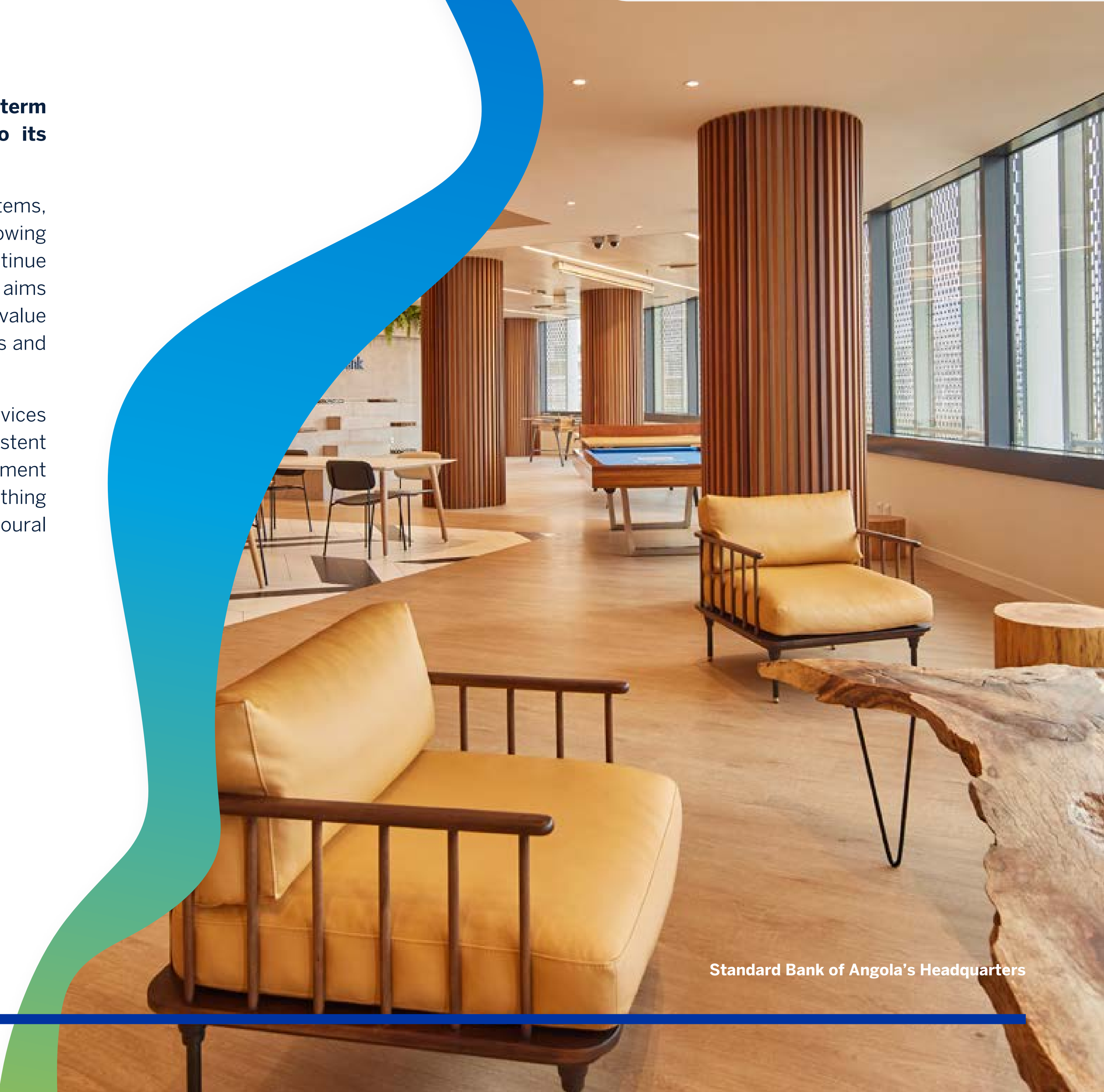


BCC’s Strategy

BCC’s main business model is to build long-term relationships and offer innovative solutions to its Clients from incorporation to business growth.

The strategy also involves acquiring new ecosystems, thereby maximising commercial banking, and allowing Clients to have a broader experience. BCC will continue to develop the relationship with the Bank’s Clients. It aims to have greater understanding of the Clients’ entire value chain and thereby be able to offer effective solutions and appropriate financial advice.

BCC intends to stand out for the quality of the services provided to Clients, which is the reason for the consistent and continuous investment in teams’ empowerment through training programmes, which cover everything from leadership skills to technical and behavioural competencies.



Standard Bank of Angola’s Headquarters

Client Solutions

General Vision

As a result of an organisational transformation process that aims to establish a platform-based business model that offers Clients and Partners an increasingly integrated, instantaneous, and valuable experience, a new department was created - the Client Solutions Department.

Created by a merge of new and existing skills, the Department declares itself as the Bank's modular producer, aiming to design and lead the implementation of new products, services and solutions that not only suit internal consumption, by business units, but also meet the Clients' and Partners' needs, in their respective ecosystems and platforms.

On the other hand, the goal is to focus on addressing the immediate needs of the Bank's Clients and Partners, but also to have a long-term strategic vision. Client Solutions will work in partnership with the business segments to create truly innovative solutions that complement and enhance the Bank's value proposition for Clients, partnering with the Engineering and Innovation Departments to ensure the delivery of those solutions.

SBA intends to be more than a Bank for their Clients and partners, and therefore aims to offer non-financial products and services, characterised by:

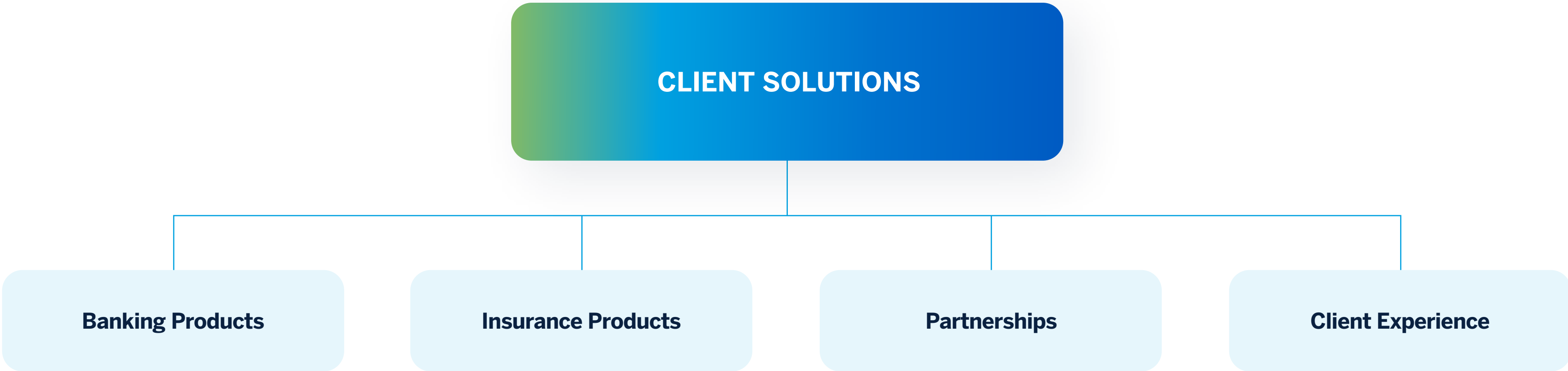
Partnerships in which the Partners' offer is used to enhance the value proposition of the financial products and services that the Bank provides to their Clients, contributing to a final product that brings together the characteristics of both entities;

Partnerships in which the Partners' offer is entirely distributed to Clients via distribution channels and representative points;

Partnerships in which SBA's financial products and services are distributed by the Partners, on their platforms and with the potential to reach all members of the ecosystem in which their Partners operate.

Organisational Structure

Client Solutions is currently made up of 4 Departments that aim to add value and support the execution of the Bank's strategy, namely **Banking Products; Insurance Products; Partnerships and Client Experience.**



Banking Products

This Department is responsible for the design, creation and maintenance of solutions that enable the Bank's Clients to benefit from financial products and services. These products include transactions, savings and credit, and the access to means of payments, such as debit and credit cards, homebanking and other digital solutions.

Insurance Products

With a mission that is similar to that of the Banking Products Department, the scope of the Insurance Products Department covers products and services linked to the insurance area.

More than a simple distribution channel for a wide variety of products offered by the Bank's partners, which undergo a selective process aimed at ensuring the delivery of a quality product to Clients, this Department plays a collaborative role with partners to align the offer to the demands of SBA Clients.

The Department has made the digitalization of the supply chain one of its primary goals, laying the groundwork for the beneficiaries of these solutions to increasingly join them through entirely digital channels and in an autonomous manner.

Partnerships

The Partnerships Department was created as a result of the strategic change process that the Bank undertook in 2021, with the purpose of becoming a forward-looking organisation that is not limited to the traditional offer of financial products and services.

Thus, aware of the paradigm shift required by this process, this Department is responsible for forming partnerships that aim to offer non-financial products and services, beyond what is conventional banking. The aim is to make the Bank the preferred destination for Clients and Partners in meeting their day-to-day needs, whether financial or otherwise.

With an initial focus on identifying potential market partnerships, the intention is for this first step to evolve towards offering new products and services that may be completely disruptive and that leverage the Bank's strategic objectives.

Client Experience

The creation of the Client experience Department reflects the Bank's growing commitment to being truly client-focused.

Responsible for defining the relationship model and quality of the Client service in order to ensure the best possible experience in all interactions that Clients have with SBA, the Department plays a fundamental role in listening to the Client and ensuring that its voice is actively considered in all processes of design, creation and evolution of new products and services that the Bank intends to include in their catalogue.

Client Solutions Offering

Payment Methods

Issuing of debit and credit cards, as well as an offer of Automatic Payment Terminals (TPA), payments via Direct Debit and online payments through the Online Payment Gateway.

Credit Products

During 2021, the Bank continued to present a wide range of financing solutions - home loans, car loans, structured products and distinct short, medium and long-term solutions for individuals and companies, aligned with the needs of the most demanding Clients.

The Bank continues to offer an instant credit product - Credijá, which was made available on the Internet and Mobile Banking (SB24) digital channels, maintaining its attractiveness and differentiated offer by allowing disbursement in 3 clicks and directly from the Client's account, in a totally digital process, without paper and without the need for notarial documents.

Insurance

Short and long-term personal insurance (life, health, car, travel, multi-risk, salary protection, funeral and personal accident) and corporate insurance (group health, transported goods, multi-risk, work accidents, business interruption, machinery breakdown, car fleet, third-party liability and group life).

Savings and Investment

Throughout 2021, the Bank maintained the private and corporate offering of term deposits, savings accounts, and investment accounts, in national and foreign currency.

The Bank also updated the interest rate for the Standard Term Deposit product, making it more competitive and appealing for Clients, and launched as several campaigns to encourage savings, by offering promotional remunerative rates for those who adhere.

Transactional Products

In 2021, SBA focused on optimising their offering of transactional products and services for international trade, foreign exchange transactions, payments and settlement management solutions, in order to improve operational efficiency and service levels.

Throughout the year, the International Transfers functionality was made available in the SB24 Internet and Mobile Banking channels, which allows Clients to manage their requests, monitor their status, as well as some operations such as the cancellation and repetition of the transfer request.

Cards, ATMs and TPAs

The year 2021 reflected a continuous increase in the Bank's Clients base, a clear expression of the Clients' commitment to the SBA brand, which resulted in the numbers of active cards, ATMs and TPAs.

For the year under review, there was a growth of around 113% in the number of active cards (debit and credit) compared with the same period in the previous year.

Active debit cards grew by 121%, closing with 84 784, with a penetration rate (number of active debit cards/ number of cards) of 97%.

With regard to credit cards, the growth was approximately 2%, with a penetration rate of 3%.

At the same time, the total number of active TPAs increased by 43% in relation to the figures recorded last year. The total number of active TPAs represented 68% of the number of TPAs registered. The average number of daily operations in TPAs increased 48% in relation to the same period last year, as a consequence of the increased use of these solutions by Clients.

There has been an increase in the use of cards as a payment method instead of physical cash.

In 2021, 91 ATMs remained operational, 54 of which were opened in 2021 alone.

Marcelo Barreto
Client Solutions
Director

	2021	2020
Active cards	**87 490**	41 084
Active debit cards	**84 784**	38 429
Active credit cards	**2 706**	2 655
Debit card penetration rate	**97%**	94%
TPAs	**3 398**	2 398
ATMs	**91**	57

SBA's Strategy

Four main pillars of action have been defined for 2021:

Optimisation, Digitisation and Automation

SBA recognises the need to improve the current processes, which consume the time and resources of their Employees. The focus on this interactive optimisation process will have the added benefit of enabling the organisation to increasingly focus on "change the bank" processes by ensuring that "run the bank" activities are executed efficiently.

Module production

The Bank recognises that the strategic concept of modular producers will enable the optimisation of tasks, as the Bank will be able to reuse the solutions developed in-house, both for internal and external consumption. In this way, the interactive optimisation processes developed over the modules will bring immediate benefits to all its users.

Partnerships

The Bank recognises the importance of investing in partnerships in the context of the strategy change, especially with regard to expanding the business model to include the offer of non-financial products and services. Above all, the Bank intends to be increasingly recognised as the Bank of choice in the country's partnership space.

Experience

The Bank recognises the importance of placing the Client at the centre of every action taken and of actively listening to them, so that their needs and ambitions can be met, as well as those of their Partners and Employees. Aware of the fact that clients' needs are. constantly changing throughout their lives and are influenced by lives' main events, the Bank offers a range of products and solutions adjusted to them, enhancing a personalised experience.

The Vision for 2022

In 2022, Client Solutions intends to focus on aspects that will bring added value to the operationalisation of the Bank's strategy, the growth of the institution and the impact that the Bank intends to have on society:

Financial inclusion

The typical financial offer focuses on the bankable population, leaving out a large percentage of the population who do not identify with the current offer. In 2022, Client Solutions will focus on building an offer of products and services that meets the needs of the unbanked or underbanked population, in order to create incentives for them to understand the benefits of using the formal financial system.

Restructuring the entire catalogue of products and services

With a catalogue made up of blocks that were mostly designed at different times and under different economic contexts, a process of analysis and product restructuring is urgently required in order to adapt the offer to the current Clients' needs.

Digital solutions and services

The focus on digital is clear and the relevance is evident - not only because of the trend in recent years in all sectors of the economy, but also because of the pandemic crisis that has been ravaging the world and that has increasingly demanded companies to adapt and to accelerate their digital transformation processes. In Angola, supported by the evolution of infrastructures, the massification of the internet access and the increased penetration of mobile devices, digital channels are increasingly assuming a significant relevance in the way Clients prefer to access products and services.

Innovation

General Vision

With the emergence of new business models, the constant changes in Client expectations and the rapid adoption of emerging technologies, it is essential to be prepared for the challenges resulting from this new dynamic that the world is witnessing. The banking business will be very different from what it is today, so it is necessary for SBA to readjust and seek to operate differently.

The most recent transformation, whose main objective is to turn the Bank into a platform that will extend the range of services and solutions offered to Clients, implies new adjustments to the current organic structure.

In this sense, it was necessary to formalise the Innovation Department in the third quarter of 2021, and to make changes to the internal structure of the Department, thus allowing better alignment with the defined strategy, as well as the new organisational model.

Summary 2021

In addition to the conclusion of the departmental restructuring, a recruitment process was carried out, which enabled the Bank to add new talents and skills to the new team.

In 2021, an innovative service was launched that allows Clients to make international transfers without requiring to be physically present in a bank branch; the transfer request is made in the app - the SB24. Thus, SBA is the only banking institution in the market that allows this type of transaction to be carried out entirely online.

Additionally, strategic partnerships were established with various players in the fintech and start-up ecosystem, with the aim of improving the service offer to Clients. In this regard, there are a number of pilot projects in progress that will be launched in the first quarter of 2022.

Aronildo Neto
Innovation Director

Outlook for 2022

SBA believes that 2022 will provide the Innovation Department with new challenges and opportunities to accelerate the business platform strategy.

Among the several initiatives underway, the following stand out:

- Increase the offer of innovative services via the digital platform - SB24 - and the introduction of Social Banking in the Angolan market, as well as the disruption of the current model for opening and managing accounts.
- Benefit from the Cloud Computing strategy to innovate Client service.
- Launch sandbox, an isolated environment available to Fintechs and Start-Ups, which will allow them to test their solutions by making use of the Bank's APIs.

Finally, the start-up ecosystem is considered highly important for the development of the financial sector and for economic diversification. In this sense, SBA will continue to collaborate with the ecosystem's many players to better understand what the true challenges are, how to overcome them, and how to create new value propositions to improve service for all Clients in the sector.

Engineering

Digital, Innovative and Disruptive

The future is inseparable from technology and, for the Bank, so is the present. To this end, the Bank has been promoting the digitalisation and automation of processes and procedures and the modernisation and integration of systems.

The Bank's innovation and digital transformation is a major concern, always with the purpose of making the Bank a more efficient, agile, and secure Organisation more capable to consistently provide excellent service to Clients and with the strong ambition of being more than a Bank.

The Vision is to be indissociable from the Client, creating an instantaneous, continuous, interconnected and frictionless experience.

General Vision

The financial year 2021 was characterised by the Bank's continuous adaptation to the current pandemic context. This new reality is faced with the same passion and drive for transformation, with the aim of continuously improving the Bank's service. The SBA has an ambitious programme underway, aligned with the objective of digitalising services and focusing on simplifying and localising the technology park, as well as creating the foundations that sustain the Business.

The purpose of the Engineering Department is to advise the Executive Committee and support the business areas, in order to ensure alignment between business strategy and its operationalisation, with regard to the areas of Technology & Operations, Data, Information Security and Property.

The Engineering Department has the following responsibilities:

- The management and maintenance of the architecture structure of Technology & Operations, Data, Information Security and Property;
- The implementation and continued use of the Agile methodology;
- The adoption/implementation of the technological platform business model;
- The delivery and management of Technology & Operations with digital at its core;
- The facilitation of the infrastructure transformation of SBA's internal and external ecosystem products, services and solutions;
- The coordination and management of all programmes, projects, strategic initiatives, ensuring delivery on time and on budget as planned;
- The coordination of all organisational change initiatives.

The Bank aims to

01 Drive Digital Transformation through the digitisation of the core to improve operational efficiency and the Client and Employee experience;

02 Diversify the Bank's products, investing in new, disruptive services that are more advanced than those offered in traditional Banking, in order to increase Client acquisition and retention;

03 Create differentiating and disruptive banking services, integrating different market players to provide Clients with end-to-end services in a unique ecosystem.

Functional Principles

01 **Simplified Architecture:** design and implement the architecture of next generation systems to facilitate IT operation and agile delivery of identified improvement points through cloud-based solutions exposed through Application Programming Interfaces (APIs).

02 **Big data:** leverage the IT operation on advanced analytics solutions that work with large volumes of data collected internally, externally or from new information sources.

03 **Digital DNA:** take advantage of the culture of digital transformation currently underway and the experience of the last few years to efficiently leverage digital objectives, continuing with the technical requalification of the Bank's Employees with regard to the future skills.

People & Culture

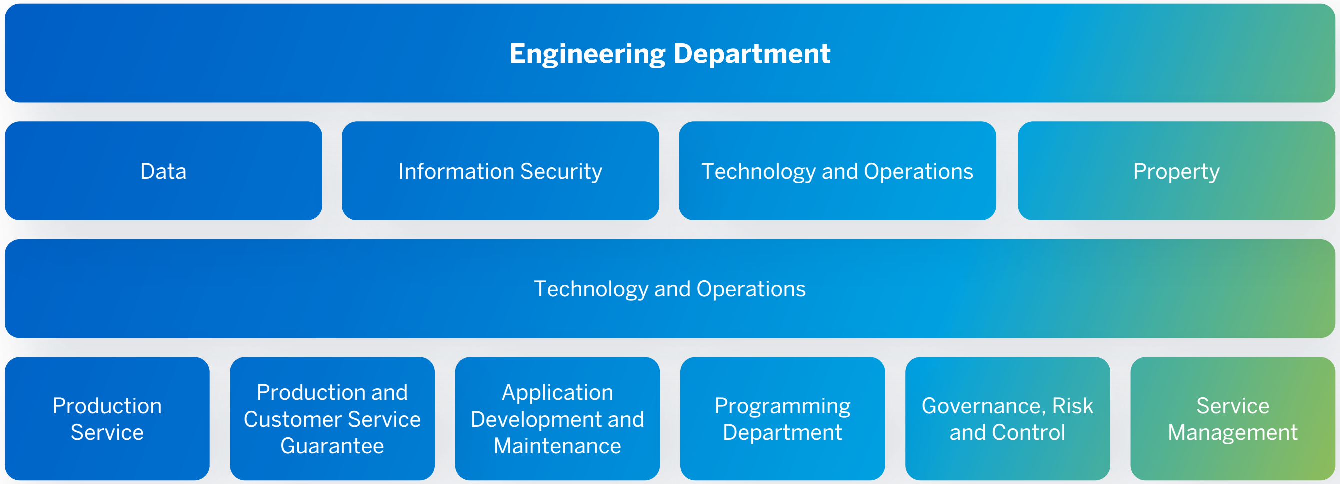
New ways of working (Agile)

The cultural transformation programme focused on the Agile methodology, defined during the first half of 2021, with the objective of increasing the Bank's adaptability, innovation and competitiveness, with impacts already visible through the application of the values and practices in the solutions development process, as well as in the way the different teams work. At this moment there are multiple business areas that use this new way of working to increase the levels of collaboration and increase the visibility of their work.

Additionally, the Bank continued and matured the process started in 2019 of adopting the Scaled Agile and Scrum (SAFe - Scaled Agile Framework) model of development and delivery of solutions. Currently, all of the Bank's development initiatives are based on this model, with a few exceptions where the solution to be delivered is better suited to waterfall project management.

New Engineering structure

During the second half of 2021, the main focus at the people level was to organise the new structure of the Engineering Department, ensuring the correct reporting lines and the organisation of people according to their competences.



Technology and Operations

This area was created considering the DevOps concept, that is, having Technology working in an integrated way with Operations, in order to create synergies.

This area has the following main responsibilities:

01 Manage, co-ordinate and deliver the Technology and Operations functions;

02 Define the standards and overall operation of the technology and ensure an efficient, stable, robust and secure technology infrastructure;

03 Ensure the SBA alignment with Technology and Operations through the 2-in-a-box model for increased agility;

04 Facilitate solutions, internal and external integrations, and the infrastructure transformation to become Future Ready;

05 Manage the delivery of the Bank's services, taking their quality to the next level, and offering a more integrated, efficient and streamlined Client experience;

06 Manage all Operations processes, ensuring a timely and error-free execution of all Client operations.

A BANKING CORE PREPARED FOR THE CHALLENGES OF THE FUTURE

In 2021, the Bank continued the process of maintaining the banking core prepared for all compliance and regulatory issues (such as AML and KYC), with a robust database integrated with the Data Reservoir making connections with other applications through APIs.

The database conversion project started in September 2020 and was successfully completed in April 2021 (despite being done in a remote working context and exclusively with internal resources). Its implementation will be the foundation for more innovative projects to be considered, thus becoming the foundation of SBA's transformation into an Organisation focused on Data, and using it as a competitive advantage in improving Client service.

In summary, the project has offered the following benefits:

- Increased scalability and stability;
- Creation of a basis for the introduction and use of Artificial Intelligence;
- Massive data processing (Big Data) through integration with other solutions, such as the Corporate Data Reservoir.

SIMPLIFICATION

The consolidation of digital channels is an integral part of the Bank's strategy to simplify and increase efficiency. In this sense, the E-Banking and Netplus solutions will be discontinued in early 2022, which will then lead to the newest digital platform - the SB24. The Bank will continue to focus on the use of new tools and technologies to reduce complexity in the Back-office, with a special focus on the automation of several processes.

The main areas of focus to ensure the Simplification objective, will require:

- Emphasis on continuous decommissioning of obsolete applications;
- Working closely with the Salesforce Programme to realise benefits;
- Ensure all new initiatives are aligned with the simplification strategy;
- Re-evaluation of partners to enable the digitisation strategy (already looking at Cloud);
- Architecture assessment to ensure that the cloud enablement allows the re-engineering of the existing solutions;
- Acceleration of the implementation/consolidation of initiatives that enable API systems integration (e.g.ESB)

CLOUD JOURNEY

One of the challenges faced by the SBA in 2021 was the migration to Cloud, as the Bank had to align their strategy with the regulatory requirements of the country and the Group. This challenge will continue throughout the 2022 financial year.

Data

Following the conversion of the core database system, the Bank is working on real-time data replication from the core to the central data warehouse, which will allow for continuous data updates and timely insights.

Part of this process also includes the introduction of tools that will allow for a better understanding of the needs of the Bank's Clients through the use of timely data and the creation of Client profiles based on Client behaviour.

The main responsibilities of the Data area are:

01 Define and execute the Bank's data strategy;

02 Define and deliver analytical solutions;

03 Define use cases to leverage and monetise the data within SBA;

04 Establish and ensure the SBA alignment with data standards and governance;

05 Position Data Management and analytics as strategic assets for SBA's Future Ready vision;

06 Ensure data quality and integrity and coordinate data mitigation.

In order to improve data capture, the Bank has been investing in tools and in training their Employees.

Abdul Razac
Engineering Director

Information Security

The Bank is aware of the increase in incidents at the country level and is strengthening controls in order to mitigate potential attacks. The Cyber Security programme was maintained, with a strong focus on the access management, taking into account the increase in the number of Employees working remotely.

A solution that allows the updating of security patches on the devices used by Employees working remotely was also implemented.

There are several ongoing projects aimed at strengthening security in the access to the Bank's network, among which are log analysis projects, which will allow greater control and more information on who accesses the Bank's network.

Client security is the Bank's main concern and, as in previous years, the Bank plans to conduct penetration tests on the various channels in use.

The Information Security area has the following main responsibilities:

01 Define information security strategies for complex Platform environments;

02 Form interoperable information security partnerships that will ensure third party involvement in the ecosystems;

03 Implement best practices in Information Security and shared devices delivering a secure SBA Client experience;

04 Ensure cyber security considering SBA's ambition to be a platform business as they will be operating in the Cloud and through APIs that will connect multiple entities.

Property

The Property area has the following main responsibilities:

01 Management, coordination and delivery of Real Estate Services for SBA:

- Project management & leasing;
- Maintenance ("hard services")
- Facilities ("soft services");
- Physical security;
- Logistics (fleet, filing, internal mail, travel management, warehouse)

02 Management and maintenance of SBA's real estate assets;

03 Management of internal hospitality services;

04 Ensure support and assistance for all Employee movements;

05 Ensure the electronic security of access to the Bank's buildings and points of representation;

06 Ensure the electronic security of access and control to the central treasury and the treasury departments of the Bank's branches;

07 Ensure and control the entire process of collecting physical cash from the various collection points contracted with Clients;

08 Ensure and control the entire deposit and withdrawal process with the BNA, in coordination with the treasury departments.

Engineering ambitions for 2022

Integration of OPS and Technology

Always Active:

- Simplify business processes and reduce complexity + focus on strategic capabilities

Automate Processes:

- Full front-to-back direct process to ensure clear processing, bringing an incredible consistent experience to Clients.

Rapid innovation and business agility

- Cloud Partnerships
- Greater agility to deliver solutions to Clients

Using data to improve Client experience

- Data as an asset;
- Monetisation of data;
- Data as an enabler of the decision-making process.

Enable technical delivery of partnerships and ecosystems

Development of the API market:

- Internal and External API's;
- Plug & Play services
- Seamless technical integration

Tracking Engineering skills

- Map the Engineering skills (requalification: hidden skill set vs new vacancies);
- Provide training to Engineering on FR skills;
- Develop a Client-focused mindset.

What has been done for SBA's Clients

Main Client Campaigns 2021

"Depósito de Natal" Campaign : Make a deposit of Kz 50 000 and become eligible to win several prizes (Smart TVs, mobile phones, shopping vouchers, etc). Make a deposit of Kz 250 000 to be eligible for the grand prize (Toyota Avanza car).

"Depósito a Prazo Rende Mais" Campaign: Term Deposit, minimum deposit of Kz 50 000 or Kz 5 000 000 with interest rates of 13% and 16% for periods of 6 or 12 months respectively.

Savings campaign focusing on "Swaip & Poupa": Savings product as the primary savings tool. Sign up for "Swaip & Poupa" and get a 30% discount on the Bank's life insurance products.

SB24 - Internet and Mobile Banking Platform: Facilitating migration to the new platform, driving adherence by communicating its features and benefits.

"BIG Depósito" 20% Campaign: Offering deposit campaign for Clients with 20% interest on term deposits during the Christmas season.

"Black Friday Special" Campaign: Black Friday Special Credit Card on international and online payments. No commission charged on payments and increased limits in foreign currency.

"Conta Simplificada" campaign: Account opening process for individuals and small business Clients with and without POS, with the aim of reaching the mass segment and making SBA a more accessible brand in Angola.

External Events and Sponsorship

Oil & Gas Banking Forum: The role of Banking in the Oil & Gas sector. The financing of the oil activity. Angolan Oil Fund.

Event promoted jointly by Standard Bank and Ametrade **on economic diversification and Public-Private Partnerships.**

Capital Markets Forum: Public-Private Partnerships and the Capital Market

Conference on the impact of Cryptocurrencies. Strategies and vision for the future.

Conference on Digital Transformation: The Challenges of Digital Acceleration in Angola.

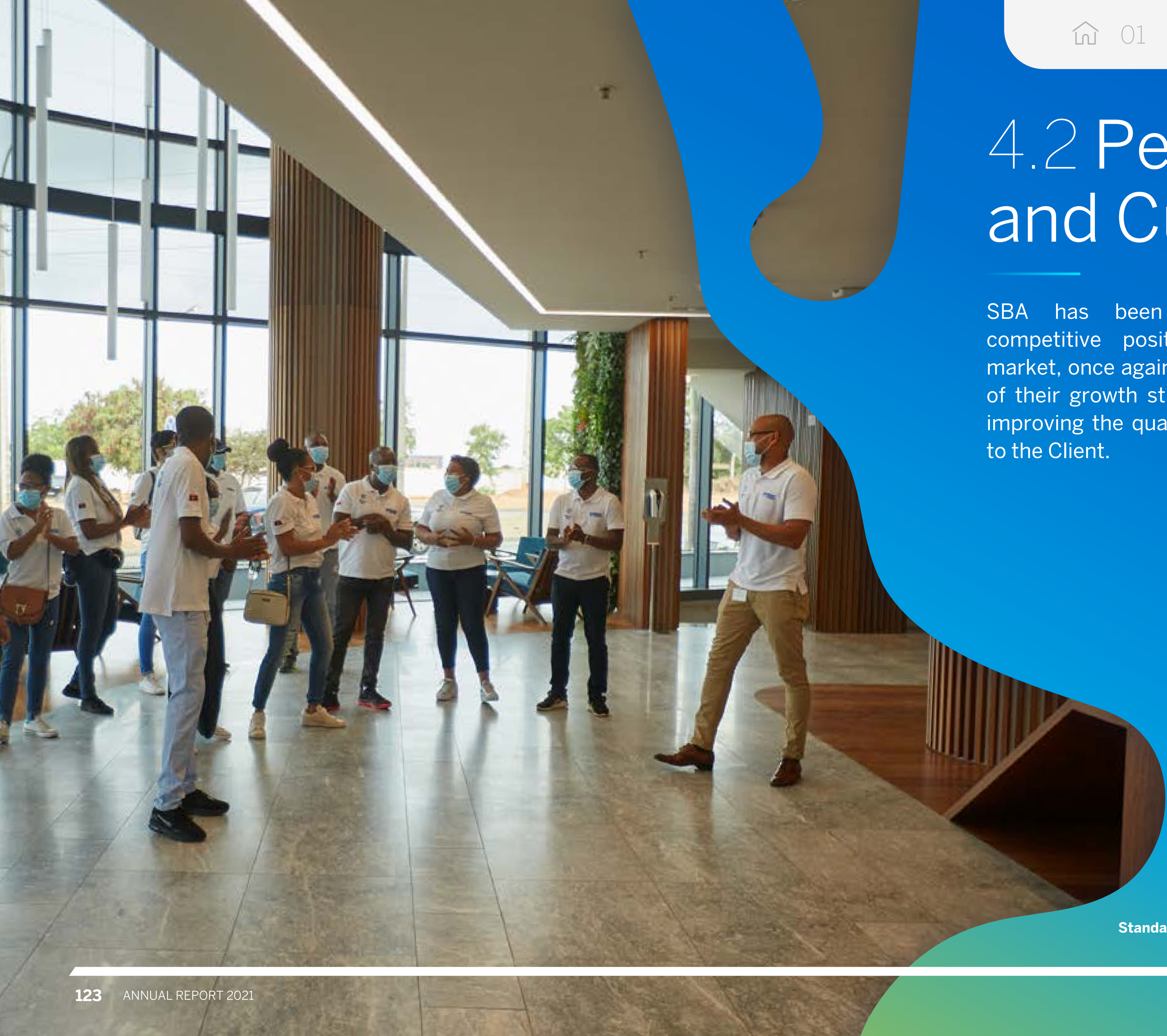
XI Banking Forum: Changes in the Angolan Banking Sector in the short and medium term.

X Luanda International Arbitration Conference: Ten Years of Angolan Arbitration, Review and Prospects

Advertisement related to Standard Bank of Angola's mediating role in the banking sector in the first stock market privatisation.

4.2 People and Culture

SBA has been strengthening their competitive position in the financial market, once again through the execution of their growth strategy with a focus on improving the quality of service provided to the Client.



Standard Bank of Angola's Headquarters

People and Culture

Even though the economic context is extremely challenging, the results achieved during 2021 reflect the success of the Bank's investment in their Employees.

To this end, the People and Culture Department (PC) plays a fundamental role through a relevant set of initiatives whose main purpose is to improve the levels of satisfaction and motivation among the Bank's Employees. In fact, the Bank can only grow as an Organisation when combining everyone's efforts in the pursuit of this objective.

The People and Culture Department's vision is "to be the best Organisation to work for" and is **based on 3 strategic pillars: developing the leaders of Angola's Future, being an Organisation of constant and agile learning, and also having a digital DNA.**

In this way, the Bank focuses on promoting, growing and valuing their Employees, ensuring that they are trained and motivated to provide the best service to internal and external Clients. The Bank uses their most important asset, Employees, to ensure service excellence.

People and Culture Department

The People and Culture Department is responsible for recruiting, selecting and hiring staff, as well as for managing the life cycle of the Bank's Employees.

Any recruitment action and consequent hiring requires the full involvement and prior approval of this Department. The PC has a strategy aligned with that of the Standard Bank Group, and throughout 2021, continued to support the business units in the pursuit of their objectives. In its strategy for 2022, the PC has as a priority the development of an added value proposition for Employees.

MAIN RESPONSIBILITIES

01 Manage the SBA recruitment process, namely, hiring new Employees, managing internal mobility and managing the departure of Employees;

02 Develop and retain the Bank's Employees, by managing Employee training, talent management, the definition of plans for Employee retention and/or succession;

03 Manage the remuneration and benefits process, namely the processing of salaries and allowances, and the attribution of benefits to Employees;

04 Monitor the process of performance evaluation, salary review and the awarding of bonuses to Employees.

Vanessa Rodrigues
Carolina Remisio
Yonne de Castro

Raquel Bastos
Eva Santos

Pillars of Action 2021

During 2021, the strategic priorities were revisited, to ensure a continued investment in the development of a young and highly qualified team, which is committed to providing an excellent service to the Bank's Clients.

In order to maintain its mission to support the Bank's growth through the training and development of their Employees, **the People and Culture Department was governed by the following principles:**

Helping to improve the business organisation so as facilitating the work of the Bank's Employees in serving the Clients

- Assurance of the focus on the "Future Ready Transformation" pillars, through the alignment of the structure and the respective Business Units;
- Recruitment of specialists in the areas of Talent Acquisition and Training;

Strengthening partnerships with the Bank's leaders to accelerate the growth of Standard Bank Culture

- Reduction of barriers between leadership and hierarchical lines in the Bank's management, promoting contact between them, where they can serve as inspiration for all Employees;
- Definition of priorities in terms of skills to develop the Bank's people;
- Strengthening of the importance and alignment of the corporate culture, as well as its leaderships, keeping the Client at the centre of the Bank's Culture;
- Implementation of the Graduate Programme, a project subdivided into the Digitalisation Programme and the Management and Business Programme, with the integration of 12 recent graduates;
- Design of the Female Leadership Programme, which will contribute to a more egalitarian and future-proof work environment;
- Implementation of quarterly People to People Seminars, creating greater proximity with the People and Culture Department and bringing transversal themes of interest for all;
- Continuity of the Pakhama Coaching programme aimed at strengthening the Bank's future leaders.

Considering the Power of Data for Decision Making

- Adoption of Cloud-oriented work tools, allowed SBA to adapt to the pandemic context easily and quickly, promoting a more agile and digital culture
- Adoption of the "Visier - Meaningful Workforce Insights" tool
- Focus on the development of skills called "Future Skills";
- Encouragement of the use of more digital and technologically advanced tools, focusing on the development of online learning platforms;
- Implementation of Masterclasses on Salesforce / Trailhead themes.

Supporting the Bank's Employees in building long and relevant careers aligned with their future aspirations

- Employees' empowerment with the tools of the future, improving their digital and human skills;
- Improvement of the Induction and Onboarding programmes, providing growth and development opportunities for current and new Employees;
- Continuity of the Accelerate Program - Phase IV, ensuring better development of the Bank's People in the commercial areas;
- Strengthening of the Employees' familiarisation with the use of the "Degreed" platform - which integrates different training and development solutions.

Guiding the Bank's Employees towards better performance and the Recognition of their Successes

- Encouraging a culture of high performance, recognising the successes and victories of SBA Employees;
- Development of compensation models, linked to Employee performance, in order to encourage and recognise performance improvement, with the implementation of the My Performance tool;
- Improvement of the Bank's Employees' quality of life, by implementing a Welfare policy and an extensive Well-being programme.


Standard Bank

Training and Development

SBA's success depends on the quality of their Employees, particularly those in key positions. **As such, SBA focused on investing in staff training and development for the year 2021, with the following framework:**

Propagation of the organisational culture with the aim of standardising behaviour in line with the Bank's culture, and also to promote personal and interpersonal excellence among Employees in the performance of their duties;

Training leaders with team and business management skills, motivating them to achieve the proposed objectives and also standardising good management and business practices that are transparent, mobilising and rigorous;

Promotion of a holistic vision of the future organisational trends, the preparation of the Bank's people for this transformation, and also the training in technological / innovative / digital skills for the Group's technological roadmap.

Always with a vision for what the Future awaits, the Bank is focused on preparing their people to expand their skills, boost talent management and promote a sense of belonging to the Group. In the course of 2021, SBA would like to highlight:

TOP 10 MOST ATTENDED TRAINING COURSES

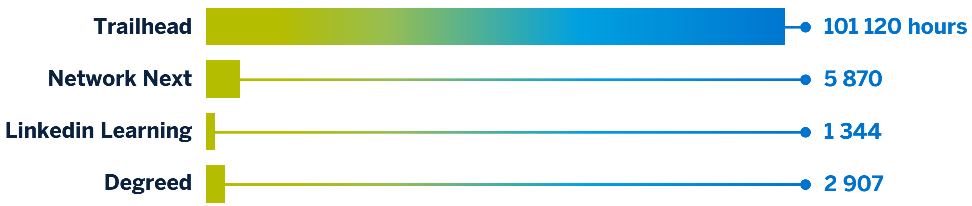
The search for learning and the awareness of continuous growth lead the Bank to observe that both soft and hard skills are important in the Organisation.

TOP 10 COMPLIANCE TRAININGS

Focus on the importance of training all Employees on Compliance issues, always with the most recent updates at national and international levels

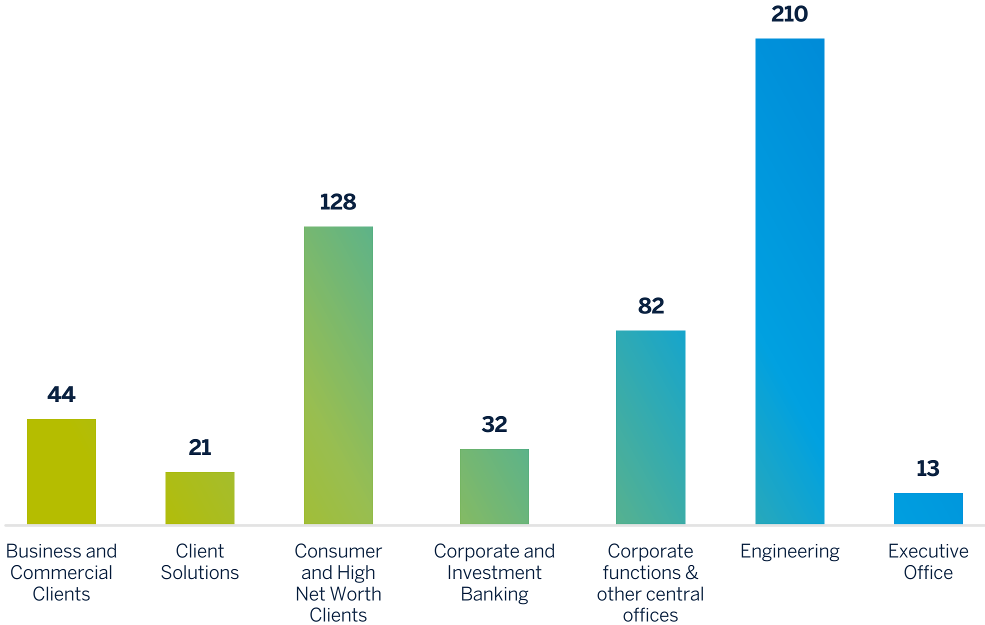
MOST USED TRAINING PLATFORMS

Standard Bank of Angola provides all Employees with digital training platforms enabling access to learning and knowledge.



CLIENT FOCUS TRAINING (no. of participants)

Bank's participation of 82% (2% above the target). Reinforcing the importance of the Client, a specific training course on Client focus was created, with a duration of 21 hours, transversal to the entire Organisation.



ANNUAL SUMMARY

0 Classroom training actions

124 700 Online training actions

113 063 Classroom training hours

173 Average hours of training per Employee

652 Trained Employees

Investment in training

Kz 130 340 772

Wellbeing Strategy

In order for the Bank to achieve their People Promise and be the best place to work in Angola, the strategy is based on 4 wellbeing pillars: emotional and mental, social, financial and physical.

Following the definition of the strategy for 2021, SBA's focus during the year was on providing support to Employees through **programmes and initiatives aimed at developing and maintaining healthy habits. Thus, the following areas were prioritised:**

Holistic approach focusing on emotional, mental, social, financial and physical wellbeing.

- Sessions to reinforce issues related to Mental Health. During the year, sessions were held in order to create greater involvement, connection and "demystification" of psychological issues and to encourage participation in the Employee Support Programme;
- Workshops/Webinars on various topics related to Wellbeing, namely: Stress Management, Interpersonal Relationships and Quality of Life at Work, Time Management, Burn out Syndrome, among others);
- In order for the Bank to encourage more active and healthy lifestyles, a series of Online Gymnastic Classes were made available, namely Yoga, Pilates, Tai Chi, Boxercise, Mindfulness, among others;
- As gymnastics in the workplace is a great ally in combating bad body posture and fatigue caused by excessive or repetitive efforts in the work environment, a series of videos were made available on the Bank's Corporate TVs to encourage employees to take breaks and stretch.

Counselling and Support are increasingly important for the Bank's Employees to have proper emotional support both in the workplace and at home, so that they can be resilient and perform their daily activities effectively.

To make this possible, SBA continues to ensure confidential access, **through the Employee Support Programme, to a team of Psychologists** to provide support in unforeseen situations or in situations where Employees feel overwhelmed.

Leadership Empowerment: The aim of these sessions is to enable team leaders to identify and support their teams in Wellbeing related issues

Build trust within teams so that Employees feel connected, respected and supported at work.

Sessions on Sickness Absence Management. These sessions aim to empower managers to effectively manage absences and support their teams.

Education and proactive wellbeing interventions aimed at reinforcing healthy behaviours.

Priorities for 2022

Aligned with the Bank's strategy, the People and Culture Department is geared towards the development and implementation of initiatives related to Wellbeing, Empowerment and adaptation to the Bank's three strategic pillars: Client Focus, People and Culture and Digitalisation and Innovation.

COVID-19: WE PROTECT THE BANK'S EMPLOYEES

Employee safety is the Bank's top priority and the Bank has therefore made every effort to ensure compliance with Health, Safety and Hygiene.

Therefore, and in order to reduce the risk of contamination among Employees, the Bank has adopted the following measures:

- Reduction of the face-to-face workforce interactions;
- Creation of conditions for Employees to work remotely;
- Instruction on daily self-assessment by all Employees who have to do face-to-face work;
- Random testing for Covid-19, to screen the direct contacts with Covid-19 positive Employees and their households;
- Biweekly decontamination of all facilities;
- Implementation of rotating schedules to decrease the chain of contamination;
- Creation of an app that allows, in an effective way, to report the place of work;
- Distribution of biosafety material to all Employees (masks, disinfectant gel, gloves,...);
- Measurement of the body temperature of all Employees who perform face-to-face work;

Provision of training on the spread of Covid-19 and related security measures;

Ensure the mandatory use of masks in all Facilities;

Ensure that the social distance between each workstation is respected;

Provision of regular communications about the current situation in the country and measures to be implemented;

Registration support for the Covid vaccination programme under the MINSA SBA protocol;

Carrying out workshops on Covid-19 and its impact on Angolan society;

Conduction of workshops to encourage adherence to the National vaccination plan against Covid-19.

Eva Santos
People and Culture Director

People and Culture in 2021

TOTAL EMPLOYEES

652
In 2021

635
In 2020

618
In 2019

42%
Women
(2020: 41%)

58%
Men
(2020: 59%)

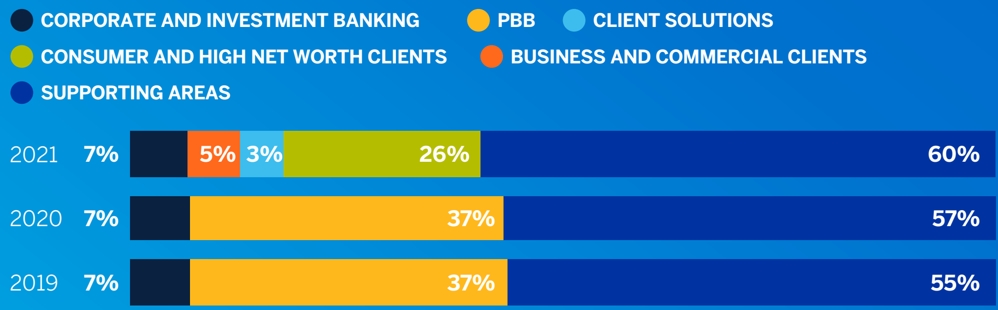
EXECUTIVE COMMITTEE

50% Men **50%** Women

During 2021, 49 Employees were hired for all areas of the Bank.

At the level of EXCO members, under the gender equity initiative, at the end of 2021 the Bank has a representation of 50% male and 50% female.

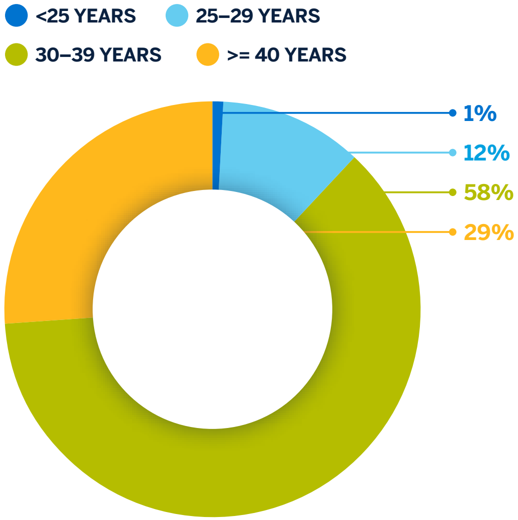
EVOLUTION OF THE NUMBER OF EMPLOYEES BY BUSINESS UNIT



As part of the restructuring process, the PBB Business Area is subdivided into the independent areas of Small and Medium-sized Companies (Business and Commercial Clients or BCC) and Households (Consumer High Net Worth Clients or CHNW).

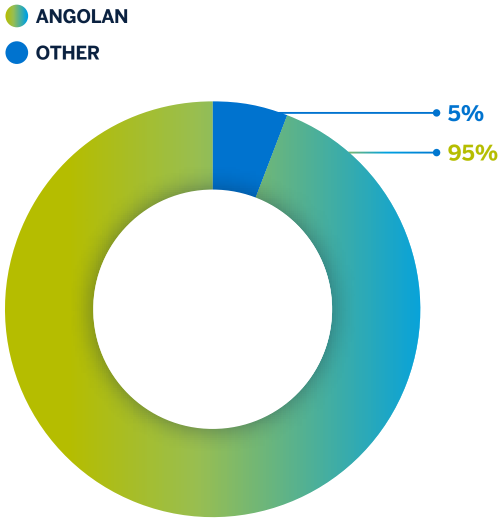

Standard Bank

AGE GROUPS



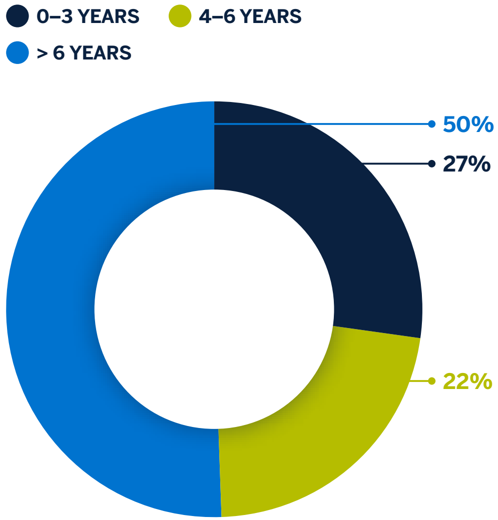
Of the admissions made during the year, the 25 to 39 age groups were the predominant ones.

NATIONALITY



Of the admissions made during 2021, 95% are Angolan nationals and 12% are of other nationalities.

TENURE



EDUCATION LEVEL OF EMPLOYEES

What has been done for SBA's Employees

Employee Campaigns

"Conta Simplificada" campaign: Account opening process for individuals and small business Clients with and without POS, with the aim of reaching the mass segment and making SBA a more accessible brand in Angola.

Internal alert campaign for the submission of extra income declarations with an informative and educational nature aimed at explaining the importance of everyone's participation.

To achieve the objectives and to listen to everyone's voice, the Bank has updated the **"És um fã" campaign with motivational teasers.**

Coupa Expenses is an app for Apple and Android that aims to make it easier to claim expenses. Explanatory teasers were made for the known application.

Employee Events

Virtual visit by Mr. Sim Tshabalala and Mr. Yinka Sanni. It was a historic moment as it was the first time that the Bank had the privilege of receiving a visit from the leading representatives of the Standard Bank Group**.**

SBA celebrated its 11th anniversary in an innovative way. With the restrictions imposed by the Covid-19 pandemic the Bank had a mixed event (on-site and remote via the ZAP VIVA television station).

It was possible for the Bank to be on the same rhythm as Jerusalema's beat. A contagious and unique beat that motivated the SBA team to stay positive and believe that it can be.

The Bank's end-of-year meeting aimed to celebrate the achievements of 2021, thank and motivate Employees for their dedication and perseverance in 2021.

Masterclasses were held with the aim of updating Employees on topics such as: financial literacy, agile culture, sales force and health and wellbeing.

Three sessions were held with themes that focused on People and Culture. **These sessions aimed to listen to the voice of the Employees.**

Covid-19 webinar with relevant health professionals to discuss the impact of the pandemic in Angola. Focus on the national vaccination plan.

4.3 Risk and Conduct

As a benchmark Financial Institution, in national and international terms, the Bank follows the sector's best practices and all operations are guided by solidity and trust.

The Internal Control System

More than a Bank, a Relationship of Trust.

The solidity and sustainability of SBA are guaranteed by the alignment of the best national and international practices in terms of internal control, which synergistically aggregate a wide range of policies, procedures and control processes. The transparency of the Bank's actions is reflected in their Clients' sense of confidence.

General Vision

SBA's internal control system remains strong because the Bank has been the target of continuous investment to develop a robust and efficient Internal Control System that enables the Bank to ensure the execution of their operations and effectively add value for Clients. By increasing the effectiveness of control processes and procedures, the Bank has strengthened their financial strength, enhanced their Internal Control System and offered a better service to Clients. This has involved the adoption of AI/Machine Learning and Robotics to support the transformation of the Bank.

The Bank has made a significant investment in digitisation and automation of their processes to promote greater operational efficiency.

As an example, within the internal audit process, investments are being made in training all audit staff on data analysis and conducting audits through automated processes and advanced data analysis systems. The genesis of this evolution is based on one of the Bank's strategic pillars, "Digitalisation and Innovation".

With the objective of managing and mitigating potential risks that may arise in the course of the Bank's activity, the Bank's Internal Control System is in conformity with the principles established in BNA "Aviso 2/13" (revoked by "Aviso 10/2021" but which will remain in force until 31 December 2021), as well as with the best international practices of Internal Control Systems and Corporate Governance.

SBA Internal Control System is made up of functions that are organised into 3 lines of defence:

i) Business Unit and Legal Entity Management; Design and implement an effective risk management programme across the Bank;

ii) Risk, Compliance Management functions and Board of Directors; Monitor the business areas and implement risk management mechanisms that ensure the execution of the Bank's activity in line with the risk appetite established by the Board, constantly ensuring that the Bank is not overexposed to certain activity risks;

iii) Internal Audit. Provide assurance on the adequacy and effectiveness of the control environment and risk management programme and ensure the definition of mitigation/remediation plans by the audited areas, allowing the reduction of risk in the institution to acceptable levels in accordance with the respective risk appetite.

INTERNAL CONTROL SYSTEM

The continuous monitoring and assessment of the activities' risks and internal control environment ensures that SBA's Internal Control System is properly aligned with the best international practices.

INTERNAL CONTROL ENVIRONMENT

Organisational Structure

Organisational Culture

Strategic Planning

RISK MANAGEMENT SYSTEM

Risk Control

Risk Identification

Organisational Culture

Risk Monitoring

INTERNAL CONTROL ENVIRONMENT

Management Information Systems

MONITORING

Self-assessment

Internal Audit

REPORTS

Compliance Contribution

Risk Management Contribution

Internal Audit Contribution

Global Opinion of the Administration

Combined Assurance Activity

In 2021, SBA continued to implement and improve their processes and policies, within the scope of their Internal Control System, in order to monitor the growth of the activity and ensure compliance with the strategic and operational objectives, safeguarding the security of their operations.

PROCESSES AND POLICIES

The processes and policies implemented complement SBA's Internal Control Strategies and Systems, which together:

Ensure compliance with rules and regulations;

Protect the Bank's assets;

Protect Clients;

Prevent and detect fraud and errors;

Create an increasingly robust and transparent reporting system;

Ensure the accounting record of all transactions, which allows the preparation of reliable financial statements.

LINE OF DEFENCE	CONTROL FUNCTIONS
1 ALL EMPLOYEES, DEPARTMENTS AND STRUCTURE ENTITIES	BOARD OF DIRECTORS Quarterly Report
2 COMPLIANCE AND RISK MANAGEMENT	AUDIT COMMITTEE Quarterly Report
3 INTERNAL AUDIT	RISK COMMITTEE Quarterly Report
	EXECUTIVE COMITTEE Monthly Report

The functions and respective reports ensure the development and continuous improvement of the activities within the scope of the Internal Control System. They also increase the Bank's effectiveness in minimising the potential losses related to the existing risks.

Supported by a clear internal control structure and culture, SBA's Internal Control System puts into practice risk management, monitoring, communication and reporting activities. Therefore, it ensures the sustainability of their activity, based on a permanent and continuous improvement of their practice.

Internal Audit Function

The mission of the Internal Audit function is to provide independent and objective assurance on the adequacy of the governance and effectiveness of the controls implemented to manage and mitigate the risks associated with the Bank's activity, as well as to issue recommendations regarding improvements and efficiency gains in the processes and procedures in place.

The independence of the function is guaranteed through direct reporting to the Bank's Audit Committee, which is headed by a Non-Executive Director (Chairman of the Audit Committee), complemented by a report to the Board of Director, for administrative purposes. Additionally, the Internal Audit function also reports to Standard Bank Group Internal Audit, which has its headquarters in Johannesburg, South Africa, for matters of a technical and administrative nature.

INTERNAL AUDIT OBJECTIVE

To assess the Bank's governance processes, including the current principles of ethics and conduct, in order to safeguard assets, protect the Bank's reputation and the sustainability of the business as well as the Organisation.

Responsibilities of the Internal Audit Function

- To carry out an objective evaluation of the effectiveness of risk management, Internal Control System and Compliance function.
- To check for opportunities to improve the governance and risk management processes.
- To analyse and continuously evaluate the processes of the business areas and their control procedures.

INTERNAL AUDIT ACTION PLANS

01 Focus on the main risks resulting from the annual risk assessment in the Country, aligned with Standard Bank Group risk;

02 Based on the consolidated assessment of each risk, the areas and processes that carry high risks are selected for inclusion in the bi-annual / annual audit plan, ensuring that all critical processes and/or those identified as high risk are assessed at least every 3 years;

03 Ensure that the Bank's audit plan is coordinated with the Standard Bank Group's bi-annual / annual audit plan and the business strategy, contributing to the effort to meet strategic goals and ensuring that all associated Governance, Risk Management and Internal Control procedures are effective;

04 Ensure that the bi-annual / annual audit plan follows a dynamic and flexible process in order to address new businesses, processes and emerging risks, including express requests arising from specific concerns or appreciation regarding the robustness and adequacy of processes or procedures;

05 In order to control the degree of implementation, ascertain deviations and define corrective measures when necessary, the Internal Audit team regularly follows up on the actions agreed upon to resolve the situations identified during the various audit actions;

06 Compared to 2020, there were changes in the proportion of unsatisfactory audits, since in the previous year 29% of the audits had an unsatisfactory classification and the number of unsatisfactory audits increased to 44% in 2021. Furthermore, in terms of risk culture, there was a decrease in the number of audits with a proactive risk culture classification, with 56% of the reports issued in 2021 having a proactive risk culture, compared to 86% in 2020;

07 It should be noted that by 05 December 2021, the Bank closed 103 agreed process improvement actions, compared to 131 actions that were closed in 2020. The risk culture sessions (Combined Assurance) contributed to the closure of the above actions.

COORDINATION ACTIVITIES OF THE INTERNAL CONTROL AREAS (COMBINED ASSURANCE)

Combined Assurance is a monthly forum attended by the control areas that aims to leverage all the Bank's lines of defence in order to avoid overlaps, gaps, ensuring an efficient end-to-end line of defence, providing a holistic view and a coordinated approach in managing the Bank's main risks. The mandate of Combined Assurance was reviewed in October 2021. The main topics discussed at the meetings are as follows:

- Analysis of the Bank's internal control environment;
- Mapping and assessment of the Bank's main risks;
- Sharing of annual business plans;
- Open findings of internal and external audit;
- Control and management of outstanding incidents;
- Review of key Audit / Control / Risk Monitoring issues;
- Fraud trend report;
- Sharing of best practice (best ways of working);
- Analysis of requests for extension of issues raised by risk, monitoring and compliance areas.

Combined Assurance meetings have been held monthly with the participation and involvement of all control areas of the Bank (Internal Audit, Compliance, Risk, Internal Control, Exchange Control, Information Technology and Cyber Security and External Auditors).

As a result of the implementation of the Combine Assurance sessions the following results were achieved in 2021:

- Preparation and dissemination of the consolidated plan to the Executive Committee and Audit Committee, in order to identify the risks and the areas to be covered in 2021;
- Consolidation of the results of all the risk control areas (Dashboard), eliminating the duplication of actions;
- Organisation of awareness-raising sessions on risk culture for the various business units. Ten sessions on risk culture were held for the areas of Opening Maintenance, CVU, Cards, IT infrastructure, Consumer and High Net Worth Clients, Credit Recovery, Internal Control, Licensing and IT security.

DIGITALISATION - AUTOMATION AND ROBOTICS APPROACH

In line with Standard Bank's digitisation strategy, the Group Internal Audit (GIA) has embarked on the journey to digitise the audit approach in order to improve the efficiency and effectiveness of communciation delivery and the Bank's risk management, and together with Group Data Services, has developed a unique robotic engine. The robotic engine is expected to push the boundaries of traditional audit to be a meaningful gain.

In addition, the robotic engine has been successfully implemented by GIA to automate audits and monitoring reports. This technology and the automated audit approach will be adopted in the audit reviews.

The benefits of the digitisation process are:

01 The robotic engine enables the move from conventional auditing to robotic and data-driven audits;

02 The IT team reinforces the integrity of the audit process through 100% population testing and generates new insights through data analysis, when applicable;

03 The robotic approach ensures a continuous audit, since the reports from the robotic engine are made available to the various stakeholders in the three lines of defence;

04 The banking risk profile is monitored proactively and continuously with the aim of early risk detection and timely decision making through continuous audits and reporting;

05 Robotic auditing results in cost and time savings as there is a significant reduction in travel and time to perform each of the audits;

06 Facilitates retraining of staff in new and emerging technologies;

07 Improved collaboration across the 3 lines of defence through integrated digital assurance that leads to efficient corporate risk management;

08 Audits based on the audited population and not on samples. However, it is important to note that this benefit represents a challenge for business units as they have to ensure the digitalisation of their processes.

The process of digitisation and automation, while being beneficial to the Bank, has also brought challenges to the audit area such as:

- Need to reinforce the team with staff members with IT skills;
- Need to draw up a training plan for Employees that is aligned with the Bank's digitalisation project.

Challenges for 2022:

- Implementation of the audit process digitalisation strategy;
- Training the team to gain knowledge aligned with the Bank's ongoing digital transformation.

ACTIONS REPORTING

56% — **of audits conducted in the year 2021 were satisfactory, compared to 71% of satisfactory audits conducted in the previous year.**

9 — **Audits carried out in 2021, exactly the same number as audits conducted in 2020.**

13 — **Audits to be carried out next year. The plan prioritises 5 audits and for the remaining audits a quarterly risk assessment will be performed in order to assess if the risk remains relevant for auditing.**

103 — **Process improvement actions implemented.**

10 — **Risk Culture Sessions held until 31 December 2021.**

Yandi Carlos
Risk Director

Risk Management Function

The Risk Management function, as a secondary line of defence, aims to ensure transversal and integrated management of the different risks that exist in the Bank. SBA's main purpose is to minimise the impact of the various events, whether of an internal or external nature. SBA monitors the current risks of their activity and also others that may arise. The Risk Management function is also responsible for defining the risk appetite, as well as ensuring that the management framework, its policies and procedures are being complied with.

In accordance with the current structure, the Risk Department is directly responsible for Credit, Market, Liquidity and Operational Risks (including Business Continuity Management; Information Risk; Hedging Management - Guarantees and Insurance; not under the scope of Compliance, which includes Fraud Risk). Conduct Risk has been gaining importance and the Bank is implementing processes and procedures to manage this type of risk more efficiently. The Risk Management function is supported by a number of Committees, which oversee the risks to which the Bank is exposed, namely the Asset and Liability Committee, the Credit Risk Management Committee and the Risk Management Committee.

Even so, the Risk Department has the authority to intervene in operations, projects or decisions where there is potential financial or non-financial risk. This way, the Risk Management function is an active and compulsory member of the Committees that report to the Executive Committee and to the Board of Directors.

Responsabilities

The Risk Management function defines the Bank's risk management framework, as well as the underlying policies, approving the risks assumed and providing an objective and complete view of the effectiveness of risk management to the first line of defence. The main responsibilities of the function are:

01 Elaborate/collect models, methodologies, data and information, internal and external, to support decision making and risk assessment;

02 Advise the business units and the Board of Directors in relation to risk management policies and practices to be adopted;

03 Define key indicators and prudential limits for each type of risk;

04 Carry out periodic measurements of the Bank's different risks, from both a quantitative and qualitative perspective;

05 Conduct stress tests in order to determine the resilience of the Bank;

06 Identify weaknesses in the risk management model and formulate and implement the respective corrective measures;

07 Document the processes associated with its intervention;

08 Monitor compliance with the limits defined for the several risks, as well as the effectiveness of the risk management model;

09 Communicate transversally the assumed risk profile, including the most emerging risks and respective mitigation actions;

10 Draw up periodic documents relating to the risk profile and risk management model.

Compliance Risk

This risk comprises the risk of occurrence of legal or regulatory sanctions that may result in material financial losses or the loss of the Bank's reputation due to the inability to comply with laws, regulations, rules and standards of conduct applicable to their activity.

The Bank's proactive approach to Compliance risk management is aligned with Standard Bank Group standards, which are based on international regulatory principles and requirements.

The objective of the Compliance function is achieved by adopting the risk-based approach that enables the Bank to effectively identify, manage and mitigate Compliance risk.

Alongside the internal procedures adopted by SBA, regular and transparent communication, based on mutual trust with the regulatory entities, is an asset in the management of this risk.

GOVERNANCE

Performed on an ongoing basis, this work involves the periodic validation of adherence to material risks, applicable legislation, policies, norms and standards. The scope of such monitoring and testing activities ensures that the Bank is continuously addressing their material compliance risks. This monitoring routine includes the following procedures:

- Completion of Compliance training for all Employees;
- Declaration of trading accounts and Employee accounts to ensure that conflicts of interest are avoided;
- Registration and processes of "gifts" and "entertainment";
- Declaration of external business interests.

COMPLIANCE RISK ASSESSMENT

Identifying compliance activities is the first step in SBA's compliance risk assessment. In this procedure, the scope of the compliance risk applicable to each activity is assessed so that business units can correctly prioritize their risk management strategies.

The compliance risk is then measured by evaluating the effect, which indicates the gravity or relevance of the compliance requirement as well as the probability of it occurring in relation to the Bank's current control environment.

As a result, the compliance risk assessment process identifies the Bank's compliance risk and establishes what may lead to non-compliance with the requirements. Additionally, it serves as a point of reference for compliance monitoring plans and tests to be carried out and indicates how well compliance obligations are managed at the Bank.

INVESTIGATION AND FRAUD RISK

Integrated in the Compliance team since September 2020, the Investigation and Fraud Risk Unit (IFR) has taken this opportunity to establish synergies with the other Compliance areas, presenting, in 2021, a new dynamic in the scope of fraud and risk management, with the main focus on excellently meeting the needs of the Bank's stakeholders.

Within the scope of the exchange that exists between different financial institutions, the Investigation and Fraud Risk Unit participated in the meeting o f the internal audit departments' managers of all the banks operating in the Angolan market. Aligned with the Bank's fraud risk management strategy framework, the purpose of the meeting was to analyse market trends and share best practices in fraud prevention.

Prevention and Awareness-raising

The year 2021 was important to consolidate SBA's fraud risk management strategy. In addition to the launch in August of the course on general concepts of Fraud, the sharing via internal communication of good fraud prevention practices, as well as awareness of the different fraud reporting channels, it enabled the Bank to complete 3 proactive research exercises where trend analysis and detail testing were carried out in order to prevent fraud risk.

In parallel, IFR also established an agreement with the marketing team to jointly create awareness on general fraud concepts such as credential protection, secure use of debit and credit cards, and the applicability of the whistle blowing policy.

Focus for 2022

SBA highlights a number of dimensions that have been and will continue to be addressed in 2022 within the risk function:

1. Implementation of online fraud prevention tool to monitor digital accounts and channels.

2. Implementation of a tax risk assessment tool with the capacity to review the Client base in real time.

3. Implementation of an automatic classification system for the information produced, in order to ensure that sensitive information is not shared with undue persons or outside the Bank.

4. Implementation of a conduct risk framework and creation of a conduct risk committee.

5. Implementation and incorporation of a third party risk management and supplier evaluation system to assess their cyber resilience in order to consistently review and evaluate critical suppliers.

6. Implementation of awareness campaigns, training for Employees as well as the implementation of specific projects to protect the Bank's channels.

Compliance Function

The Compliance Function is independent and autonomous, and issues reports on the status of Compliance Risk Management to the respective Committees.

This function reports at four levels, namely, (i) to the Executive Comittee, through the submission of monthly activity reports; (ii) to the Risk Management Committee, through the submission of monthly reports; (iii) to the Board of Directors, through the submission of the quarterly activity report, intended for the Audit and Risk Committees, both subcommittees of the Board of Directors; and (iv) to Standard Bank Group Compliance.

The SBA Compliance Function is organised in accordance with the legal provisions and requirements mirrored in “Aviso 1/13”, “Aviso 2/13” (revoked by “Aviso 10/2021” but remained in force until 31 December 2021) and “Aviso 14/20” of the BNA. SBA operates a “hybrid” Compliance Function, which incorporates core functions and business line functions. Within its Mandate it has been granted the authority to intervene in any transaction/project where there is a reason to believe there is a breach of legal or regulatory requirements, or non-compliance with internal policies. For this purpose, the Compliance Function has unlimited access to all Bank Employees and records reasonably required to support their function.

RESPONSABILITIES

Establish and maintain a permanent and updated record of internal and external regulations to which the Bank is subject, identifying those responsible for compliance and, in a timely manner, report non-compliance with laws and regulations or supervisory requirements to the Executive Comittee, Risk Management Committee, Audit Committee and Board of Directors;

Ensure that relevant regulatory requirements are incorporated into operating procedures manuals;

Ensure, as much as possible, that there is no conflict of interest with/among other internal control functions;

Be responsible for establishing a compliance culture in the Bank, which contributes to the Bank's overall objective of prudent risk management;

Evaluate the processes of prevention and detection of criminal activities, including the prevention of money laundering, financing of terrorism and proliferation of weapons of mass destruction, as well as ensure the legally required communications between this area and the competent authorities, namely the Financial Intelligence Unit ("FIU");

Ensure that a risk-based approach is adopted in assessing the Bank's compliance risk profile;

Ensure that the Compliance Department and Bank Employees receive continuous training to ensure that they have adequate technical knowledge, understand and comply with the regulatory framework applicable to the Bank, as well as the risks to which the Bank is exposed with regards to the following:

- Surveillance under Anti-Money Laundering, Financing of Terrorism and Proliferation of Weapons of Mass Destruction;
- Market Conduct;
- Conflict of Interest Management;
- Data Privacy;
- Routine Monitoring.

In order to meet the requirements of the BNA and other regulatory entities, with regard to the implementation of a compliance culture, SBA continues to focus on a zero tolerance approach with regard to non-adherence to mandatory compliance training, as well as non-compliance with policies and procedures.

The Bank is governed by a culture of Compliance and its implementation and management is visible through training/awareness raising activities and internal policies/procedures.

REGULATORY AND ADVISORY FUNCTION

The Regulatory and Advisory Function (hereinafter "RAF") has the following main responsibilities:

- Monitor responses and processes together with the regulatory entities, namely, National Bank of Angola, Capital Markets Commission, Angolan Agency for Insurance Regulation and Supervision, Competition Regulatory Authority and Data Protection Agency;
- Ensure awareness, updating and development of new legislation impacting on the Bank's activities;
- Manage the regulatory universe (and respective compliance) and the compliance risk management plan of the Bank's areas and verify the implementation of controls and compliance with internal rules and all legislation in force, indispensable and high risk;
- Ensure compliance with the rules on (i) data privacy, (ii) conflict of interest, (iii) outside business interests, (iv) personal transactions, (v) market abuse and all policies inherent to the Compliance function approved and published;
- Ensure the protection of the confidentiality of Clients' information;
- Ensure consumers' rights to privacy;
- Deliver internal training in relation to Compliance policies considered high risk;
- Provide regulatory advice to Business Units and support areas;
- Ensure the adequacy (customisation) of the policies to the legislation in force;
- Carry out the Privacy and Data Protection Impact Analysis.

LEGISLATIVE ALERT

The Legislative Alert consists of the internal disclosure of the publication of a new regulation relevant to the Bank's activity. Its purpose is to make Employees aware of the new rules resulting from the entry into force of the regulation, since it enables them to become familiar with its content and the impacts it may have on their areas and to establish control mechanisms to ensure compliance with the obligations. It normally contains a summary of the main provisions of the regulation.

The table below provides information on the number of regulations issued by Regulatory Entities during 2021 that impact the Bank:

BNA (Instructives/ Guidelines/ Notices and Circulars)	**CMC** (Instructions and regulations)	**OTHER ENTITIES** (Laws/Rules/Circulars/Informative Notes/Instructions)
46	4	20

The RAF ensured, during 2021, that the development of the business units' products was carried out in accordance with the legislation in force, and also supported and advised the Bank's various areas on the issues they raised and when necessary, including products that were submitted to the New Products Committee (NPC) and other relevant forums.

During 2021, the Compliance Department reviewed and analysed 43 internal procedures and processes of the Bank that were submitted by the Business Process and Improvement (BPI), ensuring that these procedures and processes are in accordance with the current applicable legislation, as well as, validated various products submitted by the business units and ensured that the Technical Information Sheets and their respective terms and conditions were in compliance with the provisions of "Aviso 13/16", "Aviso 14/16" and Circular Letter no. 001 / DCF / 2020 in accordance with the Guidelines of the licensing seminar for products and services and other legislation in force.

Main activities developed in the area of data protection and privacy

With the increase in the requirements of the Data Protection Agency (hereinafter referred to as "DPA") in terms of regulation and supervision, as well as the increased use of digital solutions and mechanisms, it is imperative to ensure compliance with data protection and privacy standards, which is why, during 2021, the RAF guided and ensured compliance with the legislation in force, through:

- Data Privacy Impact Assessment: the Bank conducted an analysis across their business areas in order to assess the compliance with data protection requirements;
- Advice and opinions for other areas of the Bank: various opinions were issued to the requests made by the business units, as well as whenever any issue was identified that required the identification of the risks to which the Bank was exposed in the event of non-compliance with the requirements issued;
- Interaction with the DPA: approximately 15 processes were submitted for review, evaluation and approval by the DPA;
- Awareness-raising: Awareness messages were sent to the Bank identifying the requirements of the Data Protection Law and the minimum data protection requirements, as well as identifying the rules and precautions to be observed during the provision of remote work. Additionally, specific and targeted training was provided to the members of the Data Office Forum and members of the Executive Comittee.

Regulatory Universe and Compliance Risk Management

During 2021, various workshops were held on approximately 26 diplomas issued by the various supervisory entities, in order to comply with the Compliance Risk Universe Methodology Manual, whose aim is to assist the Compliance Department and business units in managing regulatory risk and compliance risk management plans.

Policies / Standards

Approximately 25 Compliance Policies, Procedures and Manuals were created, updated and reviewed during the year and submitted for approval to the Risk Management Committee and the Audit Committee of the Board of Directors, as applicable.

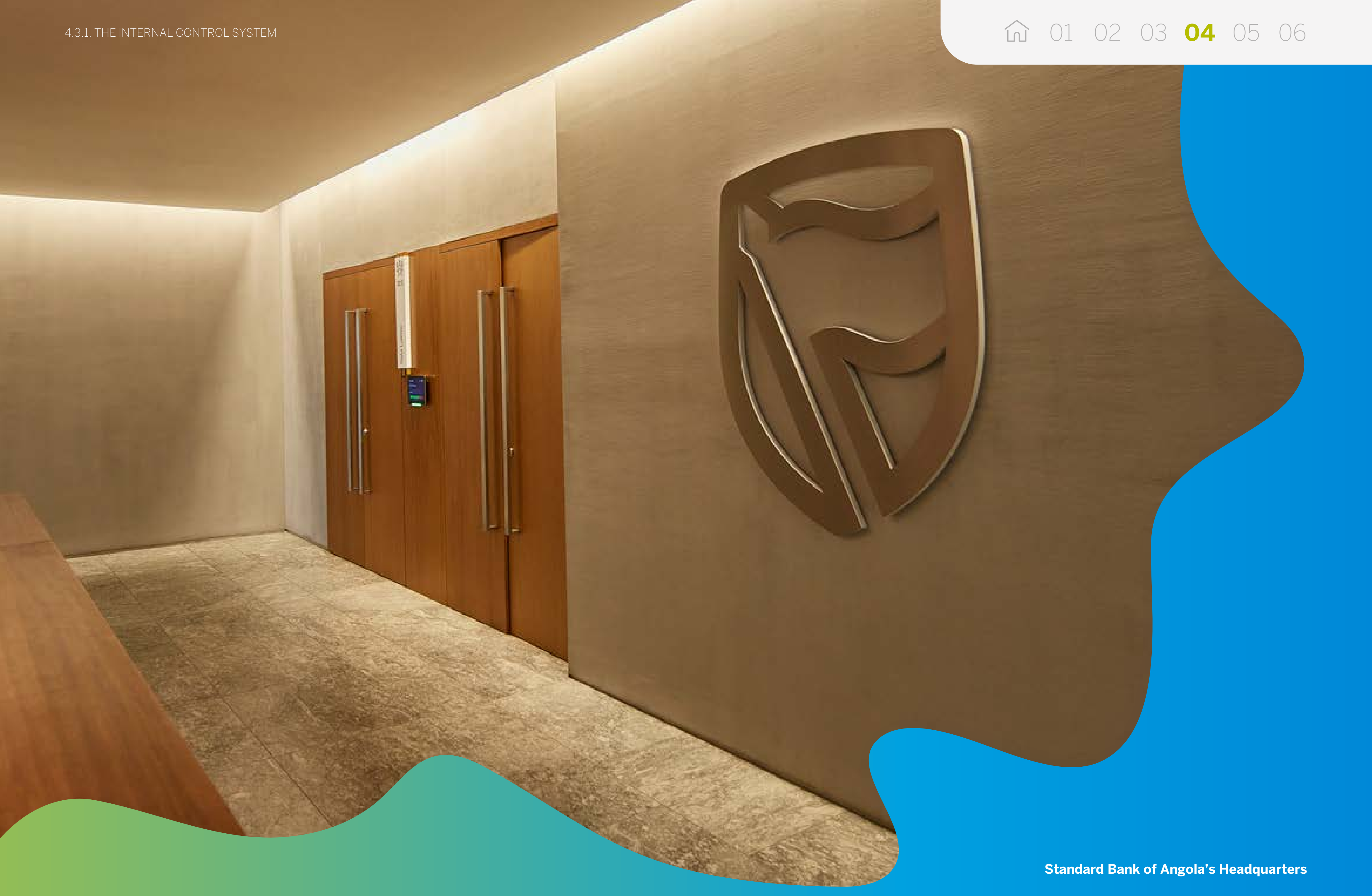
MONITORING FUNCTION

BNA "Aviso 2/13" (now revoked by "Aviso 10/2021") on the Internal Control System defines, among other responsibilities, that the Compliance function is responsible for:

Establishing processes for detecting and assessing the risk arising from failure to comply with the legal obligations and duties of the Institution, as well as correcting the deficiencies detected. In this context, monitoring is a fundamental element of Compliance risk management and periodic reviews must be carried out to ensure that SBA adequately meets legal and internal requirements.

Thus, the Monitoring area of the Compliance Department is responsible for conducting monitoring activities according to the risks identified. **These monitoring activities include 3 types of reviews:**

- **Routine reviews -** This is the work performed on an ongoing basis and involves periodic validation of adherence to risk appetite, applicable legislation, policies, rules and standards. The scope of these monitoring and testing activities ensures that the Bank continuously assures its material compliance risks.
- **In-depth reviews -** These planned reviews focus on testing the adequacy and effectiveness of controls to ensure adherence to applicable legislation, rules, policies and standards. Controls must be sufficient to mitigate risk.
- **Ad hoc reviews -** Ad hoc reviews are specific and may arise as a result of internal (material breach, new or increased business initiatives, loss of staff, for example) or external (areas of new regulatory concern, management concerns/focus, including sanctions) events. These reviews are not planned and need to be considered based on responsiveness and priority.



Standard Bank of Angola's Headquarters

IN-DEPTH REVIEWS

As of the date of this report, Compliance Monitoring (CM) had carried out 4 monitoring activities:

Corporate Governance
This review aimed to assess the adequacy of internal controls to deal with the requirements of (now revoked) "Aviso 1/2013", enabling an overview of the related controls status

KYC Q1
This review aimed to analyse the compliance of KYC review processes by monitoring the existence of KYC review documents in the central KYC document archive, the DSX system.

Trading Room Communication Policy
This review aimed to assess the adequacy and effectiveness of the controls implemented to ensure compliance with the Trading Room Communication Policy.

Protection of Personal Data
This monitoring aimed to assess the level of compliance with the regulatory requirements identified as core in the compliance risk management plans for Law 22/11 (Personal Data Protection Law) and the Data Privacy Policy.

In addition to the mentioned reviews, there were also joint reports issued with other control areas:

"Aviso 13/2018"
Monitoring which had the main objective of testing the adequacy and effectiveness of the controls stated in the Compliance Risk Management Plans, with regard to the prevention of money laundering in trade operations carried out by the Bank. This action was developed jointly with the Foreign Exchange Control Department.

KYC
This monitoring was carried out together with the Internal Control area, attached to the Engineering Department, and was focused on verifying compliance with internal KYC requirements at the time of opening an account, both for individual Clients and corporate Clients.

ROUTINE MONITORING

Completion of the training by all Employees

During 2021, Compliance maintained the method of "liaising" with the various areas of the Bank, with bi-monthly reports issued for the business units and for the areas with the highest number of Employees and, consequently, the most likely to have someone with outstanding or incomplete training. In fact, the overall average completion rate of compulsory Compliance training was 97%, 1% above the minimum required competency level. The table below reflects the status of mandatory compliance training at the end of November 2021.

TRAINING TITLE	ELIGIBLE EMPLOYEES	EMPLOYEES WHO HAVE COMPLETED THE TRAINING	% CONCLUSION
PBC Corresponding Banks	156	153	98%
PBC Non-Profit Organisations	156	152	97%
PBC Trade Finance	156	153	98%
PBC Bank Transfers	601	597	99%
Prevention of Money Laundering	643	623	97%
Anti-Bribery and Corruption Awareness Raising	643	632	98%
Business Conduct	643	625	97%
Client-related Conduct	643	613	95%
Strategic Approach to Client Coverage Compliance	25	23	92%
Trading Room Communication Policy	9	9	100%
Financial Sanctions and Combating the Terrorism Financing	156	156	100%
Fraud Risk Awareness Raising	643	587	91%
Exchange Control Awareness Raising	243	243	100%
Market Abuse for the Global Markets Division	17	17	100%
Personal Conduct	643	626	97%
Tax evasion	643	639	99%
		Total	**97%**

Outside business interests

The External Business Interests Policy establishes that all Employees must review their external business interests at least once a year, and must do so by 31 March of each year. Thus, Compliance was involved, during the first 3 months of 2021, in an awareness and monitoring campaign to assist and ensure that all Employees of the Bank complied with the requirement. These actions resulted in a 99% compliance rate, i.e. 99% of the Bank's Employees reviewed and declared their external business interests within the defined deadline. The monitoring of the declarations of outside business interests continued with a compliance rate of 99% by 30 November.

Gifts and Entertainment

Statistics from previous years show that most of the "Gifts" declarations occur in December and January and in the rest of the year mainly "Entertainment" declarations are submitted. The Compliance Monitoring area has reinforced the need to comply with this requirement, through bi-monthly reports sent to the business and support areas. This disclosure is made using a new application with the objective of making the process more efficient and faster.

Negotiation of personal accounts

The same tactical action used for the declarations of external business interests was used for the declaration of personal trading accounts, resulting in a significant improvement in the number of declarations during the first half of 2021. In this period, the rate of declarations made was established at 98%. However, there are improvements that Compliance still needs to work on, such as improving regular reporting by Employees who have declared personal trading accounts according to the type of account declared.

COMBATING MONEY LAUNDERING, TERRORIST FINANCING AND THE PROLIFERATION OF MASS DISTRIBUTION WEAPONS

Law 5/20 of 27 January, establishes that financial institutions must adopt and implement measures to prevent and detect criminal activities, including the prevention of money laundering, financing of terrorism and proliferation of weapons of mass destruction, as well as, ensure communications with the competent authorities, in particular, the Financial Intelligence Unit ("FIU").

The Compliance Department has a specific functional area dealing with matters related to the Prevention and Combating of Money Laundering, Financing of Terrorism and Proliferation of Weapons of Mass Destruction (ML/FT/PWMD), whose responsibilities include, but are not limited to:

- Control, compliance and adherence to AML policies;
- Surveillance - Alerts Management;
- Alerts of sanctions/preparation of report to FIU;
- Alerts of suspicious operations/preparation of reports to FIU;
- PEP alerts/recording of PEPs;
- Reporting of cash operations above USD 15 000 and control of origin and destination declarations;
- Investigation;
- KYC monitoring for existing accounts;
- Internal training on anti-money laundering and terrorist financing, as well as other related matters;
- Awareness raising on anti-money laundering and terrorist financing matters;
- Analysis of cross-border transactions;
- Monitoring cross-border transactions and ensuring the control of Money Laundering related to them (i) Safewatch, (ii) Alerts sent from Corresponding Banks;
- Management of the Compliance risk matrix.

ML/TF/PWMD RISK MANAGEMENT

a) Know Your Customer (KYC)

SBA has implemented a strict KYC policy, which covers knowledge of the Client, its activity and the origin of the respective funds. Besides being an effective measure in combating Anti-Money Laundering (ML)/Terrorism Financing (TF)/ Proliferation of Weapons of Mass Distribution (PWMD) activities, it also enables the Bank to understand the general obligations and needs of their Clients.

The main objective is to ensure that all Clients with whom SBA establishes a business relationship are properly identified and subject to periodic risk-based reviews in compliance with established regulatory obligations.

High-risk Clients submitted to the Committee during 2021

In order to manage the ML/TF/PWMD risk, the Board of Directors approved the composition of the High Risk Committee, which has the mandate to decide on the beginning, maintenance and termination of relations with high-risk "A (High Risk) and P (PEP Risk)" customers, based on the risk analysis that their profile represents for the Bank. In these terms, this Committee, in the act of assessment, has the prerogative not only to decide the beginning, termination and/or maintenance of the business relationship with a given Client profile, but also to request the review of processes and procedures affecting the profile of high-risk Clients, analysing and proposing changes to existing policies and systems in use.

The table below illustrates the number of Clients submitted to the High Risk Committee for approval:

SECTOR	NEW CLIENT	RELATIONSHIP MAINTENANCE	APPROVED	PENDING ADDITIONAL ASSESSMENT
Private Banking	37	70	105	02
Small Business Banking	49	83	119	13
Large Business Banking	21	122	121	22

OPERATIONAL SYSTEMS TO PREVENT MONEY LAUNDERING AND TERRORISM FINANCING

Over the years, the Bank has invested in optimising the operational systems supporting ML/TF/PWMD, ensuring the filtering and continuous monitoring of the transactional activity and behaviour of their Clients. These monitoring systems identify, based on predefined parameters and risk scenarios, potentially suspicious persons, entities, transactions and behaviour, enabling the timely and effective detection of activities and transactions that could constitute ML/TF/PWMD.

a) Clients' Transactions Monitoring

During the reporting period the Bank identified, on the basis of the transaction monitoring tool, called Nice Actimize, a total of 5 862 transaction alerts, of which 5 286 were closed as not suspicious and 495 closed as suspicious^1.

In addition, 555 suspicious alerts were related to sanctions and 3 159 alerts were identified as Politically Exposed Persons (PEPs).

b) Communications to the Financial Intelligence Unit

In accordance with the legislation on ML/TF/PWMD, under the reporting obligation, the Bank identified and communicated to FIU 8 831 cash transactions, as well as 373 operations suspected of being related to money laundering practices, essentially by executing transactions outside the financial profile initially declared by the Clients.

International Sanctions and PEP Lists

SBA, as well as the Standard Bank Group, recognise the sanctions regime and perform continuous monitoring - Customer Due Diligence - through their systems, both at the payments' level and in their account opening processes. For the execution of the process, the following international screening lists of sanctioned entities are recognised:

- **HMT**: Her Majesty's Treasury (UK)
- **EU**: European Union
- **OFAC**: Office of Foreign Assets Control (US)
- **UNSC**: United Nations Security Council
- **MINEFI**: French Ministry of Economics, Finances and Industry

This recognition does not preclude the inclusion and recognition of another list that the Angolan State may consider, nor the fact that SBA takes into account the list of local PEPs in their evaluations.

1. The figure of 495 alerts closed as suspicious includes alerts from the year 2020.

POLICIES AND MANUALS

To ensure the legally required effectiveness, the Compliance function has a set of policies, procedures and processes for managing and mitigating compliance risk.

- Compliance Risk Management Policy
- Compliance Manual
- Compliance Risk Management Governance Policy
- Conflict of Interests Policy
- Foreign Business Interests Policy
- Personal Transactions
- Gifts and Entertainment Policy
- Strictly Necessary Information Policy
- Information Barriers Policy
- Financial Sanctions and Anti-Terrorism Financing Control Policy
- Market Abuse
- Safewatch Process
- Prevention of Tax Evasion Facilitation Policy
- Anti-bribery and Corruption Policy
- Compliance Risk Matrix for CBC/FT
- KYC Approval Process
- Anti-Money Laundering and Terrorism Financing Policy - AML/TF

- Standards on Financial Sanctions and Combating the Terrorism Financing
- Minimum Standards for Establishing Relationships with Corresponding Banks
- Suspicious Transaction Reporting Process
- Account Restrictions and Freezing of Funds Procedure
- Reporting Procedures for Cash Transactions
- Procedure of Account Restrictions and Freezing of Funds
- Procedure for Handling Information Requests from Corresponding Banks
- Enhanced Due Diligence Handbook on Anti-Money Laundering and Countering the Terrorism Financing - AML/TF
- Risk-based Approach Framework to Combat Money Laundering and Terrorism Financing
- Guidelines on Monitoring Suspicious Transactions
- Regulatory Compliance Risk Universe Methodology Manual and Compliance Risk Management Framework Plan
- Operational Data Privacy Policy Watchlist and Restricted List Policy
- Trading Room Communication Policy
- Conduct Risk Policy
- Personal Account Trading Policy
- Anti-Competition Policy
- Competition Manual
- Compliance Risk Management Governance Standards
- Manual for Interaction with Supervisory Entities
- Guidelines for Interaction with Regulators
- Mandate of the Fraud Risk and Investigation Unit
- Whistleblowing Policy
- Anti-Fraud Policy

INVESTIGATION AND FRAUD RISK

Investigations

Regarding fraud incidents, 2021 showed a stable trend in terms of the number of occurrences, but showed an increasing trend in terms of the financial impact for Clients. Up to the time this report was prepared, incidents that generated financial loss for the Bank's Clients amounting to Kz 80 Million, were reported to the IFR team, resulting from claims related to debit card fraud in which the transactions were not recognised by the Clients. From the point of view of financial losses for the Bank, Standard Bank of Angola did not record any operational loss resulting from fraud.

At the same time, following the proactive investigation approach, the IFR unit conducted a preventive investigation exercise involving the collection of information from January to May 2021 and, by sampling, 25 suppliers, 20 external Clients and 25 Employees were selected.

For the sample of suppliers, the objective of the analysis was to assess the existence of a potential conflict of interest between the suppliers' shareholder structure and Standard Bank of Angola's Employees. Thus, the IFR requested the "Know Your Supplier" (KYS) form for 25 service providers and the name of the declared shareholders was compared with the list of all SBA Employees.

Of the 25 suppliers selected, the IFR unit did not identify any situation that could lead to the existence of a conflict of interest between the shareholder structure of the selected suppliers and Standard Bank Angola Employees.

At the level of the 20 Clients and 25 Employees selected, the IFR unit conducted a trend analysis of the transactions carried out between January and May 2021 to review the supporting documents for the credits identified in the respective bank accounts. The objective of the analysis was to assess whether the transactions reflected amounts originating from a legitimate source and, in the case of Employees, whether the justification of the resources was in accordance with the declaration of outside business interest.

In relation to the 25 Employees selected, the IFR team received feedback from all Employees and assessed the legitimacy of the resources credited to the reviewed accounts. Additionally, during the tests performed, it was found that, for the selected sample, the 3 main sources of resources were related to funds from family support, outside business interests and sale of vehicles.

Prevention and Awareness Raising

In terms of awareness raising sessions, the Fraud Risk and Investigation Unit made available to all Employees a new version of the fraud prevention course to be held online, composed of modules which elucidate the different perspectives and agents of fraud acts, as well as general concepts of fraud prevention and detection.

In addition, the Fraud Risk and Investigation Unit continues to run prevention campaigns through internal communication, encouraging awareness among Employees of new fraud trends, a whistle blowing hotline and the Stop Fraud programme.

SUMMARY OF COMPLIANCE INITIATIVES AND PROJECTS

DATE	INITIATIVES	STATUS	VALUE	COMMENTS
2021	Automation of Suspicious Transaction Statements (STS) - Automatic completion, by a robot, of the Clients' identification data in the Suspicious Transaction Statement, as well as the volume of transactions for the period under analysis.	Concluded	Digitalisation	The aim is to improve the preparation time for suspect statements sent to the Financial Intelligence Unit.
2021	Implementation of electronic signature for Suspicious Transaction declarations	In progress	Digitalisation	The aim is to improve the preparation time for suspicious transaction reports sent to the Financial Intelligence Unit.
2021	Create a panel in the workflow tool, so that the members of the High Risk Committee have access to the files to be analysed by the Committee	In progress	Improvement of the approval process for high-risk Clients	The aim of this initiative is to automate the submission of high-risk Clients to the High Risk Committee.

DATE	INITIATIVES	STATUS	VALUE	COMMENTS
2021	Automation of the legislative alerts	In progress	Digitalisation	Work in progress. Although it was not possible to automate the preparation of legislative alerts, it was possible to automate the search and notification of legislation issued by the regulators, BNA, CMC, BODIVA, and ARSEG.
2021	Availability of key legislation and regulations as well as legislative alerts on the Bank's intranet	In progress	Client Focus	Create a repository of key legislation and summaries of legislative alerts to allow easy consultation by relevant internal stakeholders (BUs and FCs).

TRAININGS

During 2021, the following training sessions delivered through Microsoft Teams and organised by the Compliance Department, were held:

DATE	SUBJECT	TARGET AUDIENCE
January	WorldCheck One Operation	Procurement
February	Workshop on Directive no. 05 / DIF / 2020 (Financial System - Reporting of Statistical Information related to Banking Agents)	Employees assigned to the several areas impacted by the diploma
February	Workshop about the Instructive no. 19/2020 (Value limits in payment transactions via payment systems)	Employees assigned to the several areas impacted by the diploma
April	Workshop about Law no. 40/2020 (Angola's Payment Systems Law)	Employees assigned to the several areas impacted by the diploma
April	AML - Workshop about Justification of the Origin and Destination of Funds	Business Unit Managers
April	Workshop regarding Instructive No. 20/2020 (Report on Prevention of Money Laundering, Terrorism Financing and Proliferation; Risk Assessment; IT Tools and Applications)	Employees assigned to the several areas impacted by the diploma
May	Training regarding the importance of Regulatory Universes and Compliance Risk Management Plans	Executive Comittee
May	Workshop about Instructive no. 18/2020 (Deposit Operations of Metallic Money at the National Bank of Angola)	Employees assigned to the several areas impacted by the diploma
June	Workshop regarding Law 22/2015 (Securities Code)	Employees assigned to the several areas impacted by the diploma

DATE	SUBJECT	TARGET AUDIENCE
June	Workshop about “Aviso 02/2021” (Financial System - Credit Risk Information Centre)	Employees assigned to the several areas impacted by the diploma
June	Workshop regarding the Instructive no. 05/2021 (Operation of the Credit Risk Information Centre)	Employees assigned to the several areas impacted by the diploma
July	AML - Training on Preventing and Combating Money Laundering, Terrorism Financing and Arms Proliferation	Board of Directors
August	AML - Risk Matrix Workshop	Business Unit Managers
November	Suspicious Transaction Reporting	Business Unit Managers

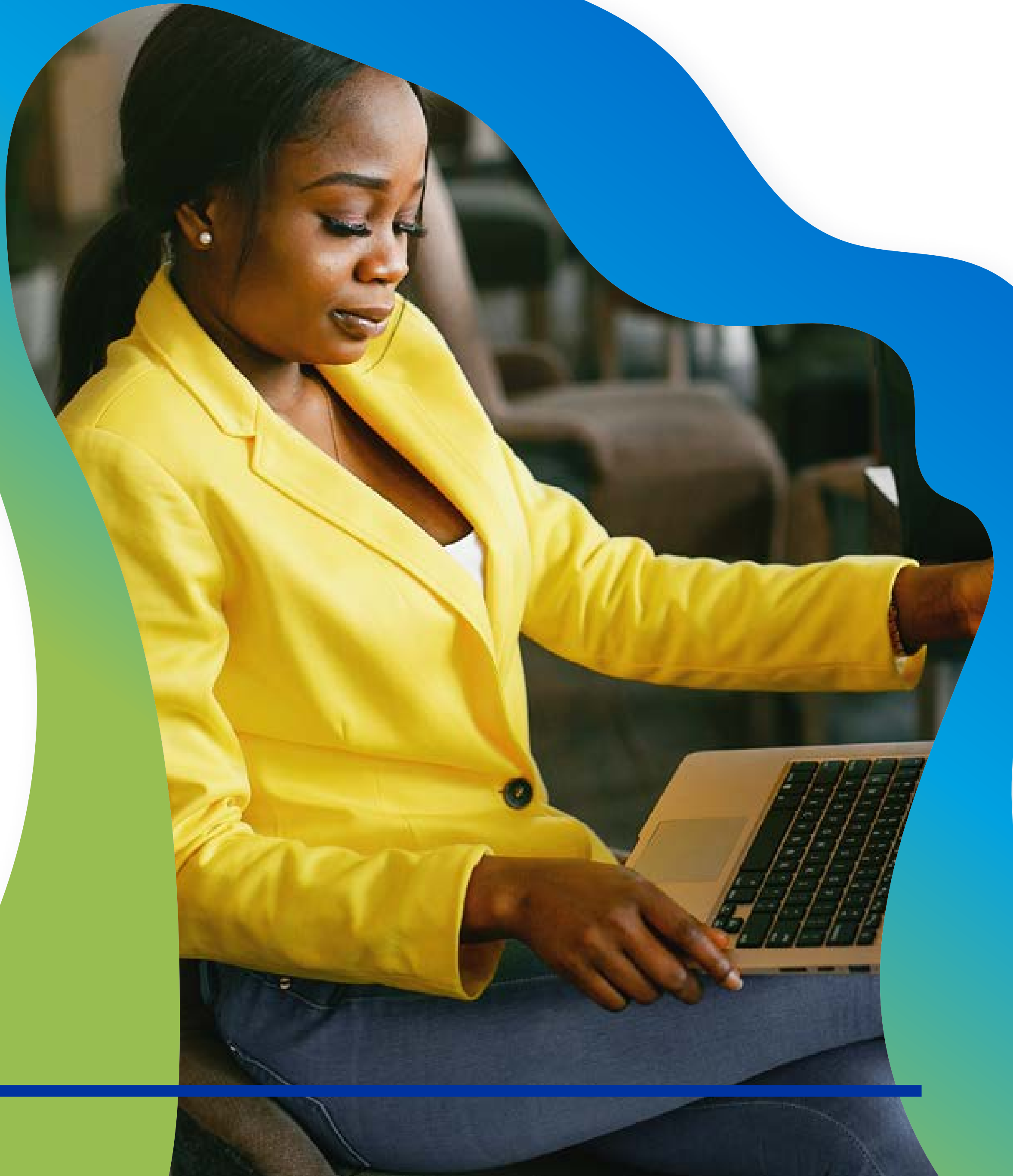
The Management Model

General Vision

Standard Bank Angola adopts a conscious, holistic and transversal approach to risk management, continuously assessing the current and emerging risks to which the Bank is exposed, to ensure a transparent and rigorous posture. The risk appetite and exposure are regularly reviewed in response to changes in the operational and market context in which the Bank operates.

The main risks are intrinsically linked to the nature of the business. Effectively managing them is therefore essential to protect the interests of Clients and shareholders and to create shared value for the various stakeholders. It should be noted that Risk Management is crucial in the execution of the Bank's strategy.

During FY2021 the Bank still had to operate in a pandemic environment due to Covid-19, and SBA converted this context into an opportunity to accelerate the digital transformation process. The Bank had a quick and effective response demonstrating their operational resilience and their lessons learnt from the pandemic, enhancing the continuous improvement of the Bank's activity.



Constant changes in the industry and operating environment, some as a result of the global impact of Covid-19, give rise to emerging risks whose potential impact on the Bank's strategy and operations must be understood and managed. These risks are discussed in the Management and Governance Committees, allowing actions to be taken to mitigate their impact, both financially and reputationally. In fact, SBA has appropriate internal processes in place to prepare the Bank to react appropriately to emerging risks. The process of identifying emerging risks continues to undergo continuous improvement leading to a strengthened risk culture throughout the Bank.

The different types of risks, both actual and potential, are identified, assessed, monitored and mitigated on a regular basis and consequently, periodic reports are produced to assess the materiality of the risks detected. These reports not only comply with the Bank's internal requirements, but also with the impositions established in the Standard Bank Group risk policy.

In accordance with the Bank's structure, the Board of Directors is ultimately responsible for the Bank's risk management system, supported by each Director responsible for his or her line of action, ensuring adequate design and operability of controls, based on Standard Bank Group requirements and guidelines and taking into account BNA "Aviso 1/13" and "Aviso 2/ 13".

The SBA risk universe is represented by those risks that are inherent to the Bank's business. These risks are organised into categories; i) financial risks; ii) strategic risks; and iii) non-financial risks. There is a continuous supervision of the risk environment to which the Bank is exposed, with the objective of ensuring continuous and effective risk management.

Governance and Risk Management Structure

SBA has an organic structure that is based on advanced risk management, preserving the independence of the function and maintaining the required proximity to the business areas, where the risk comes from.

In accordance with the Group's structure, the Chief Executive Officer is ultimately responsible for the Bank's Risk Management System, ensuring an appropriate design and the operability of controls, based on the Group's requirements and guidelines and taking into account BNA "Aviso 1/13", "Aviso 2/13" and "Aviso 10/21" that will come into force on 31 December 2021. The Director, in charge of Risk Management, supports the Chief Executive Officer (CEO) in carrying out his responsibility and is part of an independent body responsible for the Bank's Risk Management Function, with the main objectives of supervising and assessing the Risk Management System and advising the Board of Directors on risk matters.

RISK MANAGEMENT MODEL

GENERAL MEETING	Tax Board				
BOARD OF DIRECTORS	Audit Committee	Risk Committee	Credit Governance Committee	Human Capital Management Committee	
EXECUTIVE COMITTEE	Management Committee	Assets and Liabilities Committee	Credit Risk Committee	Risk Management Committee	Client Acceptance Committee
	Pricing Committee	New Products Committee	Projects Committee	Procurement Committee	Financial Control Committee

RISK MANAGEMENT MODEL AND ORGANISATION

SBA's risk management model is based on three lines of defence, aimed at guaranteeing independent and efficient management, and ensuring adequate monitoring and governance of the various risks, namely, Credit, Compliance, Markets, Interest Rate, Foreign Exchange, Liquidity, Operational, Strategic, Reputational and Information Systems.

RISK UNIVERSE

The risk universe of a Bank represents the risks that are inherent to the business and can be classified as follows:

01

Financial risks

Unexpected changes in external markets, prices, rates and supply and demand for liquidity. Financial risks include credit, market and liquidity risks, country and insurance risks.

02

Strategic risks

The risk that the future business plan and strategy may be inadequate to avoid financial loss or protect our competitive position and shareholder value. It includes strategic, business and reputational risks.

03

Non-financial Risks

These are considered inherent to the company's operations. Generally, it does not have a financial upside and cannot always be measured in financial terms, which can lead to serious reputational damage. Non-financial risks usually exclude those risks that can be quantifiable and measurable, such as market, credit and liquidity risks. These types of risks have a complex nature and sometimes present an overlap between them, as is the case of conduct, counterparty and cyber risks, among others.

RISK LIFE CYCLE

The multiple risks to which a Bank is exposed are managed throughout the risk lifecycle, from identification to reporting. The Bank's risk assessment includes a rigorous quantification of risks under normal conditions and stress scenarios. **SBA's risk management model is based on identifying, assessing, monitoring and mitigating current and potential risks on an ongoing basis.**

01

Identification

Risk identification activities have specific defined techniques and are based on the availability of up-to-date and correct information. In this sense, a risk detection strategy and inherent processes have been defined. The processes are developed by analysing the information collected from the various areas and taking into account the risk indicators and SBA's risk limits.

02

Assessment

The identified risks are subsequently hierarchized in order to proceed, in a timely manner, to their evaluation. The assessment is supported by risk measurement models, which include qualitative and quantitative analyses that allow the probability of occurrence and respective magnitude of losses to be perceived. Additionally, risk assessment includes stress testing exercises.

03

Monitoring

In order to ensure the sustainability and efficiency of the risk management model, it is regularly reviewed and updated in accordance with the improvements identified, so as to guarantee its robustness and efficiency. The monitoring of exposure to each risk is supported by a systematic process that includes the preparation of periodic reports based on reliable information.

04

Mitigation

After the risk communication procedures, the adequate controls for its mitigation are defined, implemented and executed, allowing the adoption of corrective measures against external or internal factors.

RISK APPETITE

Risk appetite is the level of tolerance that the Bank is willing to take in the pursuit of their financial and strategic objectives, reflecting the capacity to bear losses and continue to meet the obligations, both in a normal scenario and in adverse conditions.

In order to guarantee an increase in profitability and sustainable growth, it is essential to ensure an association between the risk appetite and the strategy defined by the Bank, thus finding an adequate balance between the risk that the Bank is willing to take and the desired return.

For 2021 the risk appetite covers three different levels:

01

Level I: Risk appetite dimensions

- Regulatory capital
- Economic capital
- Stressed earnings
- Liquidity

02

Level II: Risk appetite dimensions, by risk type

- Credit Risk
- Operational Risk
- Market risk
- Interest Rate Risk
- Liquidity risk
- Business risk

03

Level III: Portfolio limits by risk type

- Credit risk (credit loss ratio, overdue credit, concentrations)
- Operational risk (operational risk losses (in %) relative to total income)
- Market risk: (Value at Risk (VaR) and Shareholder Value at Risk (SVaR) limits)
- Interest rate risk (interest rate sensitivity)
- Liquidity risk (net stable funding ratio, liquidity coverage ratio)
- Business Risk (cost-to-income ratio)

STRESS TESTS

SBA is exposed to various risks arising from the environment in which the Bank operates. Stress testing is an important exercise in risk management and is used to assess the sensitivity of the current and future risk profile to different levels of risk exposure.

Stress testing is used in a range of the Bank's decision-making processes, including:

- Strategic planning and financial budgeting;
- The Internal Capital Adequacy Self-Assessment Process (ICAAP), including capital planning and management, and the establishment of capital buffers;
- Liquidity planning and management;
- Information on the Bank's risk appetite;
- Proactive identification and mitigation of risks through actions such as reviewing and amending limits, limiting exposures and hedging;
- Facilitate the development of risk mitigation or contingency plans, including recovery plans, through a range of stress conditions; and
- Support communication with internal and external stakeholders.

The stress testing programme covers various levels, from business as usual to the analysis of various scenarios, from moderate to extreme.

The Bank's stress testing program uses a combination of techniques, including scenario analysis, sensitivity analysis and reverse stress testing to address different realities.

The stress tests performed in 2021, aligned with policy and regulatory requirements, confirmed that the impact of the stress test after consideration of the mitigation actions on the Bank's income statement, balance sheet and capital is in line with the risk appetite.

SBA managed their risk appetite metrics within the defined limits, however where this is not possible, the situations were managed by the respective monitoring committees to ensure that they were within the tolerance limits again.

There is an ongoing review to ensure that the Bank's short and long term strategic, capital and financial plans are aligned to risk appetite.

Types of Risks

As mentioned above, and inherently to the Bank's activity, SBA faces a relevant set of risks on a daily basis, which is given permanent attention and control.

Every year, SBA conducts a comprehensive assessment of the risks to which they are exposed in order to identify those that require greater attention and monitoring due to their potential impact on the strategic objectives.

The Bank analyses the main risk-generating factors and applies controls to minimize their impacts in case an unfavorable event occurs.

The main risks identified in FY 2021 were: Credit; Regulatory; Technology; Cyber and Information; Strategic Risk; Business Disruption; Conduct; Financial Crime and People.

Standard Bank of Angola's Headquarters

Access to the Bank's information is a topic that requires due attention, considering the significant increase in the use of private mobile devices within organisations. **Considering the imminent risk and the need to protect information, the Information Systems Department proactively implemented in 2021 several security solutions, such as:**

- **Remote Vulnerability Updates**

  The solution enables security patches to be updated on the devices used by Employees working remotely.

- **Phishing Campaigns**

  A tool that enables measuring the degree of susceptibility to phishing cyber attacks was introduced. The solution allows sending targeted e-mails to Employees and automatic registration for phishing trainings.

- **Fraud**

  The Bank already has an internal Fraud solution, which was developed via robotics, and allows the identification of fraudulent transactions by Employees

- **Penetration Testing**

  Penetration tests to the new digital channel, SB24, were carried out with a positive result. These tests validated the Bank's ability to operate from their secondary website for a period of one week.

Market Risk

Market risk is a shift in a portfolio of financial instruments' fair value, real or effective gains, or future cash flows brought on by adverse changes in market variables like stock, bond, and commodity prices, exchange and interest rates, credit spreads, recovery rates, correlations, and implied volatilities in all these variables.

The identification, management, control, analysis and reporting of market risk are classified as follows:

Market Risk in the Trading Portfolio

This risk arises in trading activities where the Bank acts as principal agent, without intermediaries, with investors. The Bank's policy is that all trading activities must be included within the Corporate and Investment Banking (CIB) operations.

Foreign Exchange Risk

Its genesis is the change in the future fair value of cash flows, with different levels of financial exposure, due to changes in the underlying exchange rate.

Equity Investment Risk in the Banking Portfolio

This risk arises from price changes in investments in listed and unlisted stocks.

Interest Rate Risk in the Banking Portfolio

This risk relates to the current and/or future risk to the Bank's earnings and capital, resulting from adverse movements in interest rates that affect the bank's banking positions.

GOVERNANCE

The Board of Directors approves the market risk appetite and standards for all types of market risk. The Board grants the Asset and Liability Committee (ALCO) authority to assume market risk exposure.

The ALCO sets market risk policies to ensure that the measurement, reporting, monitoring and management of market risk associated with the Bank's operations follow a holistic governance structure. The ALCO is responsible for ensuring that risk appetite is in line with available capital as well as budgeted/projected revenues, business estimates and portfolio diversification.

The ALCO reports to the Executive Comittee and the Risk Management Committee of the Board of Directors.

The Risk Management Unit, which depends of trading activity and reports directly to ALCO, monitors market risk exposures arising from the Bank's activity. This unit monitors daily exposures and any related surplus, reporting to ALCO on a monthly basis and to the Risk Management Committee of the Board of Directors on a quarterly basis.

MARKET RISK POLICIES

The Market Risk Policy aims to hedge all market risk included in the Bank's fair value through profit or loss (FVTPL or trading), fair value through other comprehensive income (FCTOCI) and amortised cost portfolios.

- **Market Risk Management Standard**

  The market risk standard guarantees that market risks are clearly identified, assessed and prudently managed, thus ensuring that their measurement, reporting, monitoring and management obeys a governance framework common to the Group and in compliance with Angolan regulations.

- **Backtesting Procedure**

  The Bank has defined Backtesting procedures and these must be carried out in conjunction with the Market Risk Policy, to which it is subordinated.

- **VaR Principles**

  The SBA has central principles that must be used in calculating VaR and in drawing up the corresponding reports aimed at trading activities, which are applicable to existing VaR engines and to newly implemented ones.

- **Stress Testing Procedures**

  There are stress testing procedures which should be conducted as a complement to other risk analysis measures used by the Bank, such as VaR and sensitivity to market risk factors.

TECHNIQUES TO MEASURE AND CONTROL MARKET RISK

- **Daily foreign exchange position**

The Board of Directors, under suggestion of the ALCO, defines the limits for the level of exposure by currency, and for the overnight positions on an aggregate basis. These limits are in line with the limits specified by the BNA, which correspond to a percentage of the Bank's capital.

- **Daily Value-at-Risk (VaR)**

VaR is a technique that estimates the potential losses that could occur as a result of market movements during a specific period of time and with a predetermined probability. The limits defined for VaR and for measuring the level of risk are stipulated for all the market risks to which the Bank is exposed. To arrive at quantitative measures for market risk, SBA uses the historical VaR approach under normal market conditions.

This methodology considers historical observable market data and, implicitly, data correlation. For operations in which there are considerable non-linear positions, this type of calculation is more rigorous than that of variation/co-variation, because it explicitly takes into account second and third order effects.

The use of historical VaR, however, because it is based on the assumption that volatility and future prices will follow the observed historical distribution, has more limitations than when a Monte Carlo simulation is adopted. Monte Carlo simulations are performed to complement the VaR calculation and to support the analysis of new transactions, whenever necessary.

- **VAR Backtesting**

The Market Risk area tests the accuracy of the VaR metric through a process of backtesting, i.e., an ex-post comparison of the risk measure generated by the VaR model with the actual daily changes in the portfolio value due to changes in market variables, according to the buy and hold assumption for 1 day, following the VaR of the previous day. Backtesting profits or losses are based on theoretical profits or losses derived from market movements and are calculated for 250 cumulative trading days at a 95% confidence interval. The Risk Unit reports exceptions and related justifications on a monthly basis to ALCO.

- **Stress Tests**

Stress tests allow the quantification of potential losses that may occur under extreme, but plausible, market conditions. They are a complement to other risk analysis measures used by the Bank, such as VaR and sensitivity to market risk factors. The stress testing exercise practiced by SBA, in addition to being a crucial tool for the Bank's internal risk management, also responds to the guidelines set out in BNA Instructive No. 2/17, with the goal of an effective and efficient risk management, as well as safeguarding the solvency and liquidity of the Financial Institutions operating in the Angolan Financial System.

- **Point value 01 (Pv01)**

PV01 is a risk measure used to evaluate the effect of a change of one base point in a given rate on the price of an asset. This limit is defined for fixed-income, money market trading, credit trading, derivatives and foreign exchange portfolios.

- **Other market risk measures**

  Some of the market risk measures specific to the Business Units include the use of admissible instruments, concentration of exposures or the automation of maximum and minimum limits for market risk exposure. On the other hand, only products that are approved and correctly processed may be the target of trading. The pricing models and risk management metrics in force in the Bank, developed by SBA or by external entities, are assessed independently by the Market Risk area, whose opinion is decisive for their subsequent use. In addition, these models are also subject to periodic review to ensure their permanent applicability.

  Likewise, the Market Risk area evaluates the net closing price of the day of the inputs used in pricing the different instruments, carrying out a pessimistic review of the relative prices of the less liquid instruments on a fortnightly basis. Whenever significant differences are identified, the necessary mark-to-market adjustments are made.

- **Monitoring and Reporting**

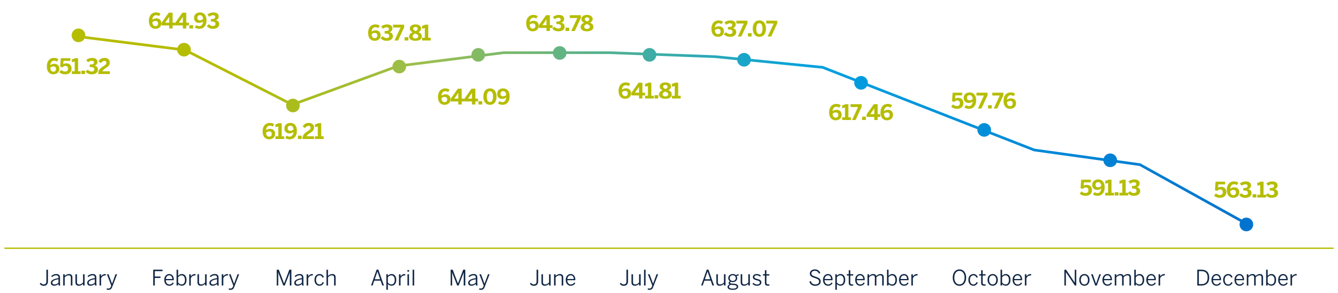
  Market risk control and monitoring is carried out daily by the Business Units, monthly by ALCO and quarterly by the Risk Committee.

Sede Sandard Bank Angola

FOREIGN EXCHANGE RISK

The Bank's foreign exchange positions arise primarily from foreign exchange trading activities, which are governed by position limits approved by ALCO in accordance with the Standard Bank Group's market risk policy. These position limits are subject to review at least annually and foreign exchange exposures are monitored daily by the market risk function and reviewed monthly to ensure they meet the risk appetite approved by the Committee. The graph below illustrates the behaviour of the Kz/USD exchange rate during the year 2021.

AVERAGE MONTHLY EXCHANGE RATE (KWANZAS/ USD)



Source: BNA

Credit Risk

Credit risk corresponds to the probability of the counterparty's effective default and is one of the most relevant risks of the Bank's activity. Given its materiality, the formalisation of policies, procedures, methodologies, tools and systems, becomes vital to ensure the Bank's financial stability and solvency.

Uncertainty underpinned the outlook for 2021 and beyond. With the global impact of the pandemic (Covid-19) associated with blockages, virus mutations, vaccine effectiveness and vaccine launches, coupled with credit and liquidity constraints, there is a significant effect on the recovery of the Angolan economy.

For this reason, there was constant analysis of SBA's credit portfolio, and frequent reviews of the risk assumed were made in order to ensure that the impact of the pandemic was adequately managed.

In September 2021, Moody's upwardly revised Angola's rating, as did Fitch in January 2022, which reduced the probability of default (PD), justifying a reduction in impairment in 2021.

For SBA, the management of this risk is based on a methodology that covers each phase of the management process, including them i) Analysis; ii) Approval; iii) Monitoring and, when necessary, Recovery. **This management differs between "private" and "corporate" Clients, and therefore Clients are segmented based on:**

- Use of internal rating and scoring systems appropriate to the different business segments and use of a portfolio monitoring model for early detection of potential default risk;
- Solid structure of risk analysis and assessment covering integrated processes for the daily monitoring of credit exposures;
- Exclusive dedication of structural units for credit recovery in default situations;
- Regular monitoring of the portfolio's evolution.

Risk exposures are defined using different techniques and monitored against a risk appetite that underpins the SBA strategy. Capital is managed and allocated efficiently to enhance shareholder value, ensuring compliance with regulatory capital requirements. These limits must be met in the credit portfolio granting and management measures.

GOVERNANCE MODEL

With the objective of ensuring adequate risk management, the defined credit risk management model, supported by a matrix organisation, is integrated in the general control structure of Standard Bank of Angola, involving all the levels that intervene in the taking of risk decisions through the allocation of functions, use of procedures, decision circuits and tools that clearly delimit responsibilities.

The risk management system is governed by governance committees and governance documents. Governance committees are in place at both board and management levels. These committees have mandates and delegated authorities that are reviewed regularly. Members have the necessary qualifications and expertise to manage risk.

CREDIT POLICIES

SBA is governed by Standard Bank Group policy which establishes and defines the management principles and methods used in the identification, monitoring and reporting of credit risk.

Standard Bank Group policy is transversal to all Business Units and support functions with activities related to credit risk management and specifies, among others:

- Processes and principles for evaluating and measuring credit risk
- Delegation of authority and powers in credit risk management
- Definition of key responsibilities
- Reporting structure to be used

CREDIT RISK FACTORS

01

Credit Risk Assessment

SBA uses a 25-point primary rating scale to quantify credit risk for each borrower (corporate asset classes) or installation (specialised loans). Ratings are mapped to PDs (Probability of Default) through calibration formulas that use historical default rates and projections of macroeconomic indicators (Forward Looking).

As for approval levels, they are quantified, taking into account the counterparties' risk classes, and a risk rating is assigned, with the allocated exposure or risk limit.

In addition, SBA has defined credit evaluation models for attributing the risk level to the corporate Client segment, taking into account the expert opinion of the Credit Analyst and in line with internal policies and procedures.

02

Valuation of mortgage guarantees

SBA has a valuation model for mortgage guarantees, in compliance with BNA guidelines, which relies on specialised external opinions carried out by designated experts. The valuations must be carried out in accordance with the valuation methods already approved and used by the Bank, so that the guarantees are considered as risk mitigating measures.

03

Credit Approval

In order to ensure that Employees and Committees with qualifications fulfil their duties, the delegation of powers is defined in the Bank's credit standard. This optimises the operational efficiency of the credit granting, account management and collection function of the credit department.

During the term of each person's nomination to a particular position, the powers are granted on an individual basis. The policy further clarifies that regular tests are to be conducted every 2 years to ensure that credit mandates are allocated to suitably qualified staff members.

Yonne de Castro
Executive Director

04

Credit impairments

SBA calculates credit impairments using an internal model in accordance with IFRS9.

This model enables the probability of default of the portfolio (PD or Probability of Default) and its percentage of loss (LGD or Loss Given Default) to be identified.

For each Client with a default of 90 days or more, an analysis is performed to determine the fair value of the credit portfolio, considering the present value of the estimated future cash flows. Additionally, individual credit analysis as a robust tool for assessing impairment should be highlighted.

05

Concentration Risk

In order to safeguard against potential non-compliance with regulatory requirements and/or the limits set by the Board of Directors, in addition to monitoring, SBA regularly assesses and reports on large credit exposures in relation to the Bank's level of own equity.

06 Monitoring and Reporting of Credit Risk

In addition to monitor the evolution of credit portfolio risk, SBA adopts a number of initiatives:

- Stress testing: is a key management tool within Standard Bank Angola and is used to assess the sensitivity of the current and future risk profile in relation to different levels of risk appetite.
- Analysis/impact of country risk to the portfolio: predicts which Clients in the credit portfolio will be negatively impacted by eventual decline in the country's risk rating.
- Contract management: continuously monitors the terms and conditions of the contracts signed.
- Evaluation of guarantees: updates the evaluations of mortgage guarantees, aligned with the guidelines stipulated by BNA.

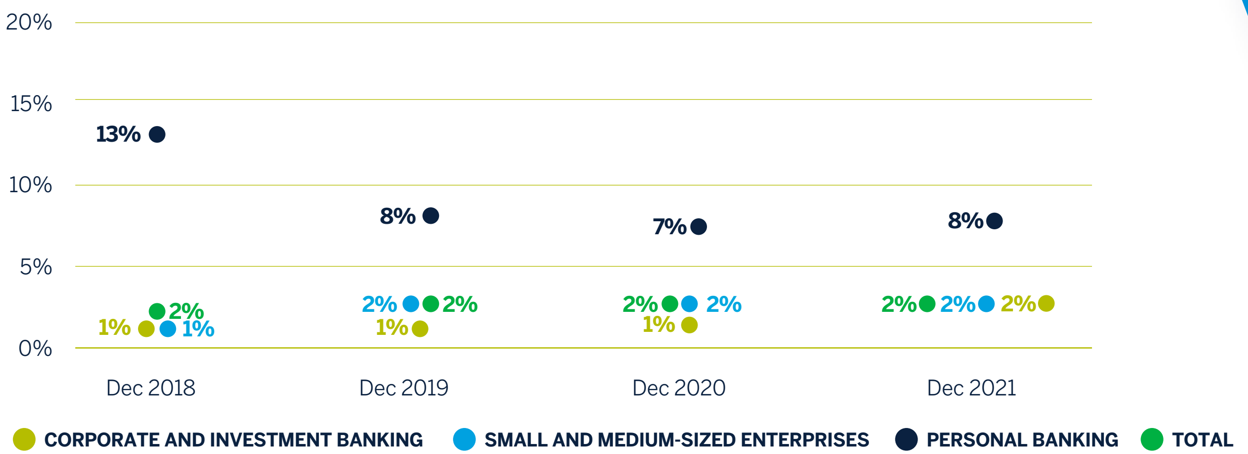
07 Credit Quality

The level of provisioning of SBA's credit portfolio remained at 2%, the same level recorded in the 2020 financial year. This result reflects the maintenance of the level of defaults, the result of the adoption of preventive risk measures and the revision of the Bank's credit risk appetite to combat the adverse macroeconomic context.

It should be noted that the personal credit portfolio has a relatively higher associated risk than the corporate segment. In 2021 there was a slight deterioration in the portfolio coverage ratio by 1 p.p., reaching 8%, compared to 7% in 2020.

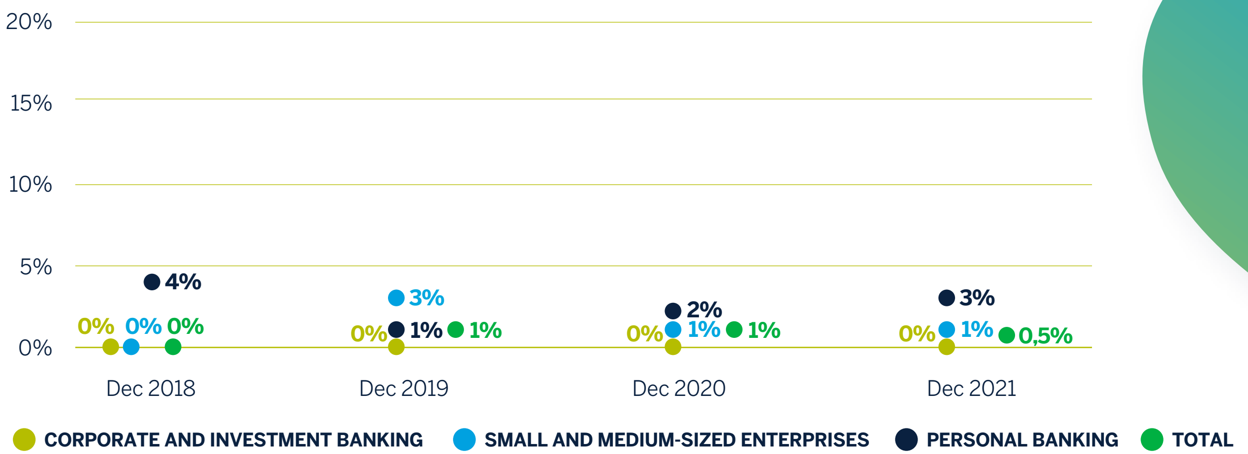
At the same time, the ratio of defaults over 90 days in the credit portfolio stood at 0.5% in 2021, compared to 1% in 2020. However, a slight deterioration was observed in the personal credit segment regarding the default ratio above 90 days, which registered a slight increase in 2021 of 1.6p.p., from 2% in 2020. These values resulted from a continuous assessment and an adequate risk management by the Bank.

CREDIT PORTFOLIO COVERAGE



Source: Financial Statements 2021
Note: Credit Portfolio Coverage = Credit Impairment /Total Gross Credit

DEFAULTS OVER 90 DAYS



Source: Financial Statements 2021
Note: Defaults over 90 days = Credit overdue for more than 90 days / Total Gross Credit

EXPOSURE TO CREDIT RISK

Based on credit quality, contracts are categorised according to the following concepts:

Default risk

The definition of default, which triggers the classification of credit impairment (Stage 3), is based on the internal credit risk management approach and definitions. Although the specific determination of default varies according to the nature of the product, it complies with the Basel definition of default upon the following events:

- Unlikely to pay the amount due on or shortly after the due date without the counterparty resorting to securities disposals (taking objective indications as a basis);
- When the counterparty has been a debtor for more than 90 days;
- Credits whose worsening of risk has been identified;
- Credit processes in restructuring;
- Processes of significant contractual modification due to financial difficulties;
- Purchased or Originated Credit Impaired (POCI) Financial Assets.

PL or Performing Loans

- Credits not yet due, which meet all contractual obligations and conditions. The credits whose monitoring does not require special attention are rated from 1 to 21 on the Bank's scale, while those requiring regular monitoring are given ratings from 22 to 25, applicable to the CIB portfolio;
- Credits that have suffered contractual payment defaults and are less than 90 days past due. It is expected that the face value will be recovered. In this case the probability of loss is low, but may occur when adverse conditions persist.

NPL or Non-Performing Loans

- Credits where signs of non-compliance are identified by the Bank, such as breach of contractual obligations or conditions, or the existence of outstanding instalments for more than 90 days.

The table below defines the Bank's scoring scale and is used to ensure alignment with the Bank's credit policies.

SCALE OF RATINGS CONSIDERED BY THE BANK

	CLASSIFICATION	CREDIT QUALITY	MOODY'S INVESTOR SERVICES	STANDARD & POOR'S	FITCH
1-4	Investment	Normal monitoring	AAA, AA1, AA2, AA3	AAA, AA+, AA, AA-	AAA, AA+, AA, AA-
5-7			A1, A2, A3	A+, A, A-	A+, A, A-
8-12			BAA1, BAA2, BAA3	BBB+, BBB, BBB-	BBB+, BBB, BBB-
13-21	Sub-Investment		BA1, BA2, BA3, B1, B2, B3	BB+, BB, BB-, B+, B, B-	BB+, BB, BB-, B+, B, B-
22-25		Close monitoring	CAA1, CAA2, CAA3, CA	CCC+, CCC, CCC-	CCC+, CCC, CCC-
DEFAULT	Default	Default	C	D	D

Operational Risk

Operational risk is defined as the risk of losses incurred as a result of inadequacy or failure in internal processes, people, systems or from external events. At SBA, the various sub-types of operational risk are managed and monitored by the Non-Financial Risk Department. These sub-types include Tax, Conduct, Model, Legal, People, Compliance, Accounting and Financial, Information, Cyber, Technology, Business Continuity, Financial Crime Control, Environmental, Social and Governance, Physical Assets, Safety and Security, Third Party and Transaction Processing Risks.

The Operational Risk Department, monitors, supervises and reports on operational risk issues in the following forums:

- Business continuity management and information risk
- Executive Comittee's Risk Management Committee
- Board of Directors' Risk Management Committee

GOVERNANCE

The Bank's management model tests the response capacity in business crisis situations, from their occurrence to the recovery of the operationality of the Bank's activities, as well as preparing responses in cases of emergency. **The Bank has:**

- Mitigation mechanisms for external events, namely effective physical and electronic security mechanisms;
- Business continuity plan, occupational health and safety with focus on first aid and evacuation programs or alternative data centres;
- Registration of the Bank's information assets with their appropriate classifications;
- Systems to detect fraud and money laundering;
- The operational risk function is independent from the business management function and is part of the 2nd line of defence of the internal control system and is responsible for developing and maintaining the operational risk governance model and facilitating its adoption;
- Dedicated teams exist for each Business Unit, as well as the areas of expertise (i.e. business continuity management, information risk management) that facilitate the adoption of the operational risk governance model.

OPERATIONAL RISK DEPARTMENT

Safety and Security Physical Assets Risk	Business Disruption Risk	Environmental, Social and Governance Risk	Transaction Processing Risk
Legal Risk	Cyber Risk	Information Risk	Compliance Risk
Model Risk	Technology Risk	Tax Risk	Conduct Risk
Tax Risk	People Risk	Third Party Risk	Financial Crime Risk

OPERATIONAL RISK POLICIES

The Bank has a growing concern with the mitigation of operational risk, with a continuous investment in the application/transposition of the best international practices to the Bank's reality. Operational risk management at SBA, advocates the policies followed by the Group and is essentially based on the following pillars:

- Incident Management
- Risk Control Self-Assessment System (RCSA)
- Key Operational Risk Indicators (KRI or Key Risk Indicator)
- Risk Scenario Analysis

THE OPERATIONAL RISK FUNCTION

The operational risk function is gaining prominence in the financial sector, given its importance in dealing with the potential negative impacts of damaging management.

On the other hand, operational risk impacts other types of risk, such as credit and liquidity risks. Thus, it is essential for the Bank to implement robust and effective management mechanisms in order to minimise the exposure to this risk.

For the identification, monitoring and mitigation of operational risk, SBA uses 4 risk management tools:

01 **Incident management policy**

Policy that regulates the identification, recording, investigation, quantification and reporting of operational risk incidents and subsequent implementation of corrective measures. Incidents must be reported within 48 hours and recorded into a computer application that enables their centralised management.

02 **Key risk indicators (KRI)**

Implementation of key operational risk indicators that enable the levels of risk to which the Bank is exposed to be adequately monitored, as well as all the processes of the controls implemented.

03 **Risk control self-assessment**

Risk control self-assessment methodology in which business processes are analysed to identify inherent risks and control activities necessary to mitigate those risks.

04 **Risk Scenario Analysis**

Advanced Management Approach (AMA) tool for managing operational risk. AMA is an official Standard Bank Group approach for calculating and allocating operational risk capital.

2021 UNDER REVIEW

In recent months, the following topics have shaped the function by considering a broader spectrum of risks. **The operational risk function underwent a structural change with a more direct focus on all non-financial risks:**

The implementation of a new framework for integrating new suppliers and carrying out an analysis and assessment of suppliers considered critical. This allows the Bank to evaluate their response capacity in terms of business continuity management, information processing, as well as their controls at the level of physical and electronic security.

The continuous improvement and implementation of remote working and access to digital platforms to support a future-ready transformation.

Continuous improvement of the Operational Risk Management (RMP) system, such as automation of the business resilience process and information management is ongoing.

Review of non-financial risk policies, as well as bank recovery and reaction plans, to ensure they are in line with new structural changes and pandemic lessons, and remain SBA resilient to continue serving its Clients.

Improvements and implementation of new functionalities in the robotics solution (Nala), a virtual risk assistant. Nala is the first digital assistant for non-financial risk with the function of effectively enabling access to information, providing a unique user experience, collaborate, troubleshoot and support the risk community.

Conducting awareness campaigns on cyber risk and data privacy.

Conducting awareness campaigns and webinars on the benefits of Covid-19 vaccines, with the purpose of clarifying doubts and concerns and encouraging Employees to adhere to the vaccination process.

The Bank continues to support remote working conditions to reduce the risk of contamination, with 50% of the Bank's capacity working from home. Some staff work on a rotational basis and teams are distributed across the Bank's different floors and facilities.

The Crisis Management Committee, whose mission is to monitor the evolution of the pandemic, continues to meet whenever necessary to make decisions on the best measures to prevent and safeguard the health of SBA's Employees.

Sede Sandard Bank Angola

Interest Rate Risk

This risk refers to the present and/or future risk on the Bank's profits and capital arising from adverse movements in interest rates affecting the Bank's banking portfolio positions.

Changes in interest rates affect a Bank's profits by changing the level of net interest income generated from interest rate sensitive assets, liabilities and off-balance sheet items. The economic value of a Bank is also affected when interest rates change as the present value and dates of future cash flows change, thereby affecting the underlying value of their assets, liabilities and off-balance sheet items.

GOVERNANCE

It is the responsibility of the ALCO to define the guidelines for the management of interest rate risk in the banking portfolio (Interest Rate Risk of Banking Book - IRRBB), in order to safeguard the financial margin and economic value of the Bank's equity.

The IRRBB is managed by the Treasury and Capital Management Department (TCM), which has full responsibility for monitoring and measuring the interest rate risk to which the Bank is exposed, to subsequently report the results to ALCO.

INTEREST RATE RISK MANAGEMENT

01

Re-fixing risk

This risk arises when there are differences between the residual maturities and/or the interest rate resetting periods of financial instruments.

02

Yield curve risk

Whenever there are unforeseen changes in the yield curve (interest rate) which have adverse consequences on the Bank's income or economic value. Unlike re-fixing risk, this allows for the possibility of non-parallel changes in the yield curve, and is therefore a refinement of the approach to the previous one.

03

Indexation Risk

Consequence of the imperfect correlation between the rates received and paid in the different instruments, which otherwise have similar refixing characteristics, due to dependence on different indexing factors.

04

Option risk

Result of the inclusion of option clauses in balance sheet instruments, or off-balance sheet accounts, that give the owner not the obligation, but only the right to buy, sell, or otherwise change the cash flow associated with a financial instrument.

PRINCIPLES OF INTEREST RATE RISK MANAGEMENT

Economic Value Sensitivity Analysis

The economic value of the Financial Institutions' assets and liabilities is affected by variations in market interest rates. This value represents a current assessment of their future net cash flows.

Unlike the interest margin sensitivity perspective, the economic value perspective provides a more comprehensive view of the possible effects and impact of changes in interest rates over the long term.

The changes in the economic value as a consequence of the standard interest rate shock, serves as a basis for the calculation of the risk associated with this value. Therefore, a quantification of the effects of interest rate changes on economic value is performed by applying sensitivity weights for each timeperiod.

Currently, the risk appetite of the SBA economic value is 20% of the sum of Tier 1 capital and Tier 2 capital.

Analysis of gap statistics

This analysis quantifies the impact on interest income caused by changes in interest rates.

Interest rate sensitive assets, liabilities and off-balance sheet items are placed in time periods based on their interest rate resetting characteristics. Thus, the re-fixing gap arises from subtracting the liabilities in each of the time periods from the corresponding assets. To give an approximate figure for the change in the interest margin resulting from the aforementioned movement in interest rates, these gaps can be multiplied by an assumed change in interest rates. However, no tolerance limits or risk appetite alerts are specified due to the limitations of this methodology.

Interest margin sensitivity analysis

In order to quantify the Bank's expected exposure to interest rates, a dynamic and forward-looking interest margin forecast is used.

To this end, in order to determine the impact that these changes may have on future interest margin, an approach involving a reinvested balance sheet and forecasting of interest rate scenarios is used.

To calculate the impact of interest rate changes on the interest margin and market prices of instruments in the banking portfolio, at least 12 months of forecasting should be considered. This analysis allows not only for the dynamic interaction of payments and interest rates, but also captures the impact of embedded and explicit options.

MEASUREMENT OF INTEREST RATE RISK IN THE BANKING PORTFOLIO UNDER NORMAL MARKET CONDITIONS:

The banking portfolio's exposure to interest rate risk under the ideal, expected, and adverse interest rate scenarios must be quantified and reported to ALCO on a monthly basis.. These scenarios must be specific to the type of currency, whether domestic or foreign, and be based on possible changes in interest rates in the short term that may occur due to increases or cuts in reference rates by the BNA and/or changes in market interest rates in the short term.

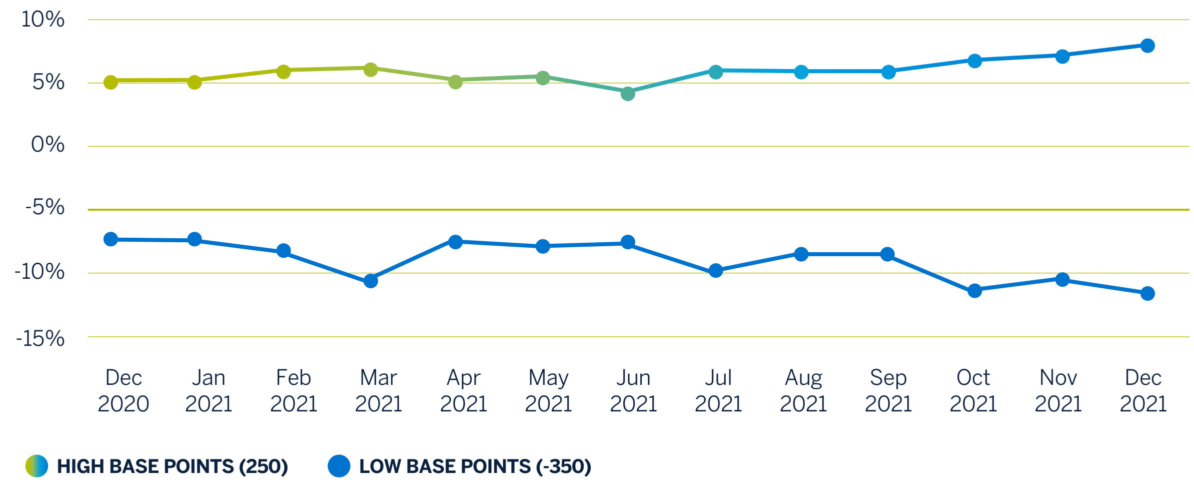
MEASUREMENT OF INTEREST RATE RISK IN THE BANKING PORTFOLIO FOR THE PURPOSE OF MACROECONOMIC STRESS TESTING:

Given the terms required by SBA's stress test governance regime, macroeconomic stress tests must be conducted at least once a year.

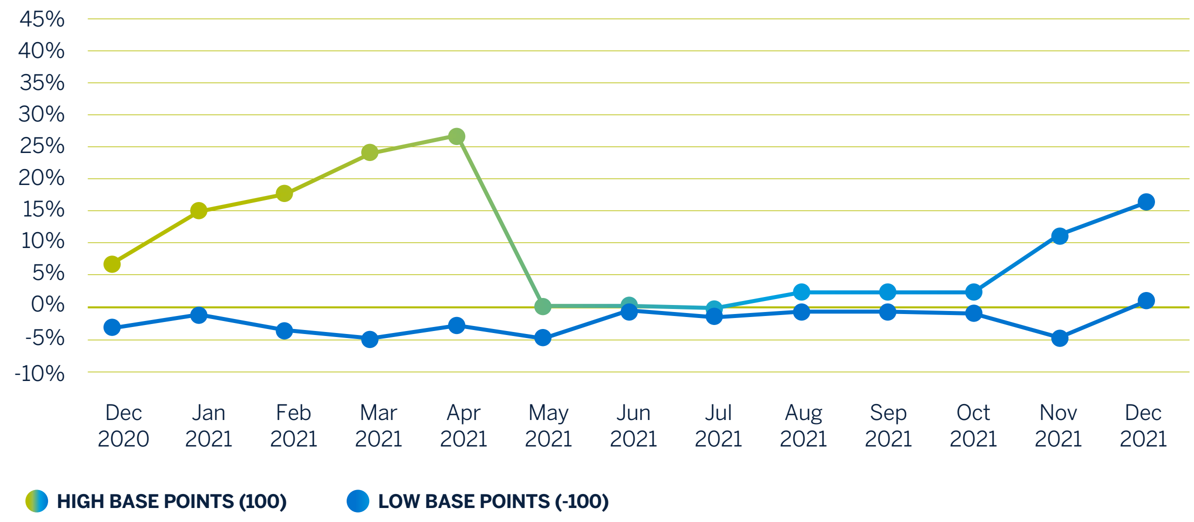
MEASUREMENT OF INTEREST RATE RISK IN THE BANKING PORTFOLIO UNDER ADVERSE MARKET CONDITIONS:

Quantification and monthly reporting to ALCO of the exposure to interest rate risk in the banking portfolio under adverse market conditions. For this analysis, parallel (up and down) interest rate shocks are applied to assets and liabilities, with a maximum negative tolerance limit of 10% of the forward-looking interest margin for 12 months. The guiding principle is that the interest rate shock should reflect a reasonably unusual and adverse rate environment that is significant enough to capture, in addition to the delta, the effects of embedded options and convexity in the Bank's assets and liabilities.

NATIONAL CURRENCY



FOREIGN CURRENCY

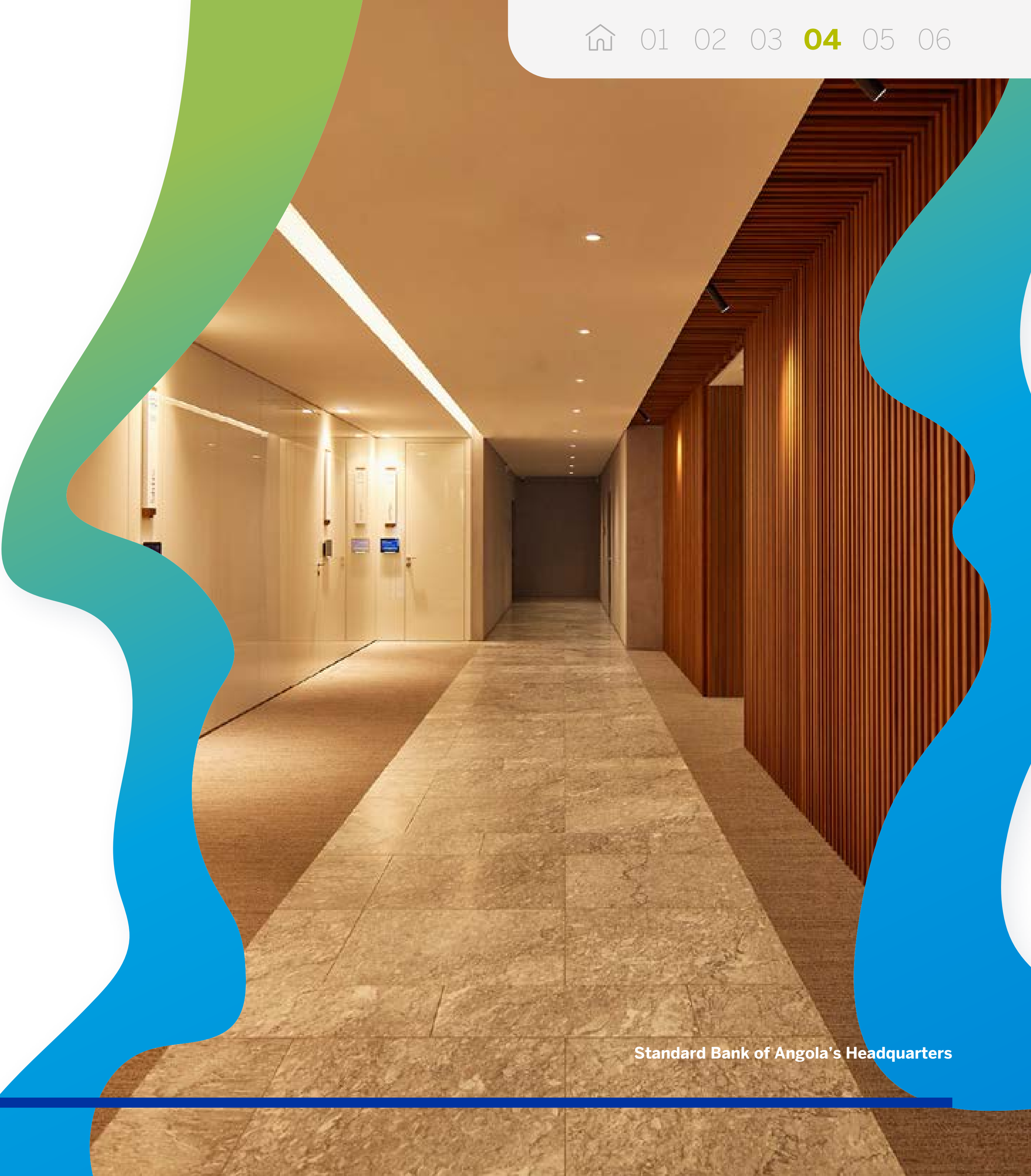


According to the tables above, it can be seen that in 2021, the accumulated impact of interest rate sensitive instruments on the Bank's regulatory capital was within the 20% limit in both domestic and foreign currency, in this case the US Dollar (which remains the only foreign currency, whose elements exposed to interest rate risk represent more than 5% of the banking portfolio).

In addition to the requirement to report the interest rate risk in the banking portfolio to the National Bank of Angola, the Bank must also report, to the local and Group ALCO, internal metrics of interest rate risk in the banking portfolio and, for the purposes of consolidation by the Standard Bank Group, the Bank must report the interest rate risk in accordance with the requirements of the South African regulator (SARB) which has Basel III as its basis.

In accordance with the requirements of the South African regulator, the expected cash flows of assets and liabilities are grouped into the respective time period taking into account the refixing date (for floating rate instruments) or contractual maturity (for fixed rate instruments) and this enables the interest rate gaps for each of the time periods to be determined.

It consists of a dynamic and prospective forecast of net interest income to quantify the Bank's anticipated interest rate exposure. It involves forecasting changes in the balance sheet structure and interest rate scenarios to determine the effect these changes may have on future revenues. The analysis is performed for normal market conditions and for extreme market conditions.



Standard Bank of Angola's Headquarters

Liquidity Risk

Liquidity risk is defined as the risk that the Bank, although solvent, cannot maintain or generate sufficient financial resources to meet their total payment obligations at maturity, or can only do so on materially disadvantageous terms.

Financing Liquidity Risk

Represents the risk that the Bank's lenders will remove or not renew their funding.

Market Liquidity Risk

Associated with the risk of turning liquid assets into illiquid ones, due to the occurrence of a general disturbance in the markets, leading to potential losses, as a consequence of the forced sale of assets resulting in returns below their fair market value.

LIQUIDITY RISK MANAGEMENT

01 **Tactical liquidity management (short term)**

- Daily liquidity management
- Short-term cash flow management
- Monitoring of cash requirements

02 **Structural liquidity management (long term)**

- Ensuring appropriate balance sheet structure
- Determining and applying the behavioural profile
- Managing long-term cash flows
- Indicating long-term funding requirements
- Securing funds transfer pricing (FTP)

03 **Contingent management of liquidity risk**

- Monitoring and management of early warning indicators
- Establishing and maintaining a formal liquidity contingency plan
- Carrying out regular liquidity stress tests and analysing the various scenarios

The Bank's liquidity management was set up to ensure complete and broad management of liquidity risk to ensure compliance with prudential ratios and minimum internal requirements (in both domestic and foreign currencies).

For each material currency (when total specific deposits in this currency exceed 5% of total Client-related liabilities) its tolerance limits, risk appetite alerts, monitoring elements and the additional requirements are calculated.

GOVERNANCE

As previously mentioned, ALCO is responsible for establishing the guidelines for liquidity risk management in order to provide adequate and timely management of receipts and payments.

To this end, the TCM takes responsibility for liquidity risk management, monitoring and measuring the liquidity risk to which the Bank is exposed and reports the results to ALCO.

Principles of Liquidity Risk Management

- Liquidity stress and scenario testing;
- Management of structural liquidity mismatch;
- Long-term funding ratio;
- Maintenance of minimum levels of liquid assets;
- Restrictions on the concentration of deposits;
- Stress tests and scenario analysis;
- Liquidity contingency plans;
- Transformation ratio of deposits in local currency;
- Transformation ratio of deposits in foreign currency;
- Dependence on the interbank market;
- Intraday liquidity management;
- Collateral management;
- Daily cash flow management;
- Funds transfer pricing (FTP);
- Financing plans;
- Quantification of financing risk.

LIQUIDITY RISK POLICY

Liquidity Risk Standard

Determines and defines the principles on which SBA assumes liquidity risk, as well as the general framework for governance, identification, measurement, monitoring, management and reporting in a consistent and uniform manner.

Liquidity Risk Policy

Sets out the concrete liquidity risk management principles for the Bank, in accordance with the liquidity risk standard set by Standard Bank Group.

Documentation of behavioral profiling creation methods for liquidity risk

It aims to identify a maturity profile of assets and liabilities for liquidity risk analysis.

Structural liquidity mismatch Management

Its aim is to measure the Bank's liquidity through the differences between cash inflows and outflows within different time bands (assuming a maturity range limited to 12 months).

The measurement of this liquidity is made through cash flows adjusted to the behavioural profile of assets and liabilities. According to their probability of maturity, these are fitted into the various time bands.

In order to highlight potential liquidity risk, anticipating disparities between cash inflows and outflows, structural mismatch analysis is performed regularly.

For this purpose, the Bank's liquidity position is assessed through the net cumulative mismatch, in each time period, as a percentage of total liabilities related to Clients - through the aggregate outflows of cash flow subtracted from the aggregate inflows in each time period.

In order to restrict this accumulated time lag in the different time bands, the Bank defines internal limits.

Liquidity Contingency Plan

It aims to ensure adequate liquidity availability during adverse situations and to provide a pre-planned response mechanism for managing temporary and long-term eventualities.

Additionally, it aims to serve as a pre-planned response mechanism for managing potential adverse situations. It incorporates the various elements to identify, assess, communicate and remedy a liquidity crisis event so that the bank can respond quickly and effectively during times of liquidity crisis.

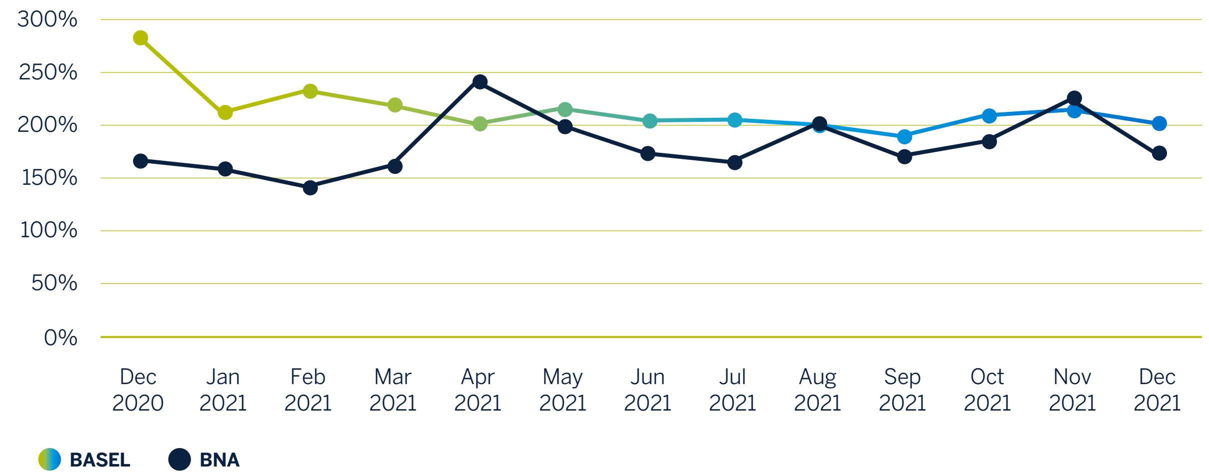
Once reviewed by the TCM and approved by the ALCO, the plan must be formally recognised and adopted by the Bank's Board of Directors.

Monitoring of the BNA and Basel III liquidity ratio

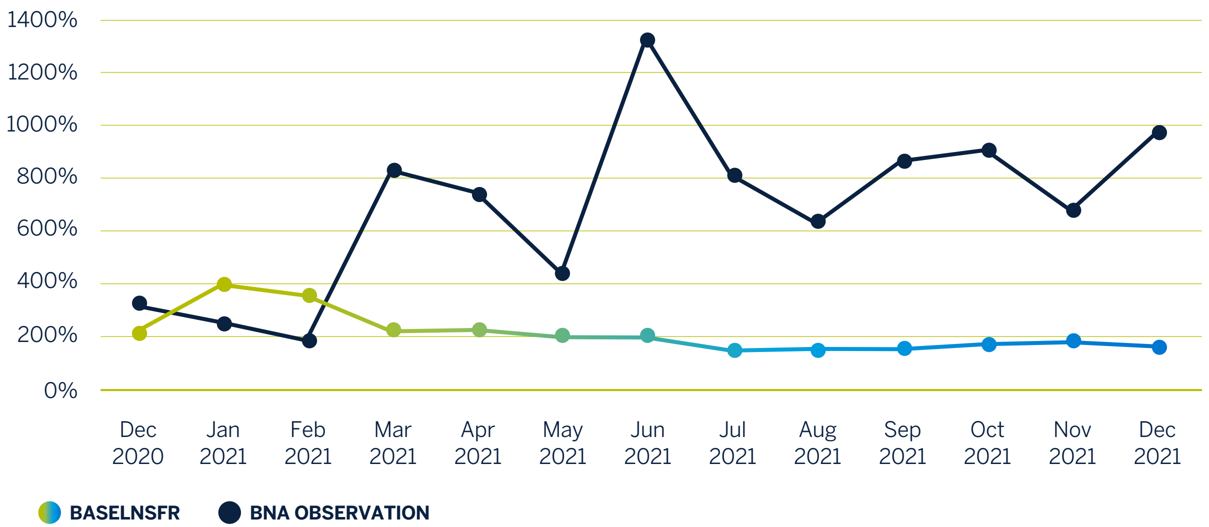
The reporting of the liquidity ratios must be made to the BNA, in accordance with local legislation, and to the South African regulator (SARB or South African Reserve Bank), in accordance with Basel III.

In the Basel III methodology, the objective of the liquidity coverage ratio is to promote the resilience of short-term liquid assets, by recognising the full value of the securities in its calculation method. On the other hand, the Angolan legislation aims to ensure that the Bank holds sufficient liquid assets to meet their short-term liquidity needs, through the ratio between liquid assets and the difference between cash outflows and inflows.

LIQUIDITY RISK: BNA AND BASEL III



OBSERVATION RATIO: BNA AND BASEL NSFR



The Bank reports the observation ratio in accordance with BNA Instructive no. 19/16. In addition, the Bank calculates the Net Stable Funding Ratio (NSFR) in accordance with the Basel III framework, both for balance sheets in domestic and foreign currencies, for reporting to the Group. The graph above shows the variation of both SBA ratios, throughout the year 2021.

According to the BNA, the Bank should achieve 100% in the observation ratio. However, according to internal policies, the Bank over guarantees these limits in both ratios by applying appetite limits of 105%.

The internal principles with the greatest influence on the Bank's liquidity management activity are set out below:

LIQUIDITY STRESS TEST AND SCENARIO ANALYSIS

Internal liquidity stress tests are performed to identify possible sources of liquidity crisis and ensure that current exposures are within tolerance limits and within the Bank's defined risk profile. These include systemic and Bank-specific scenarios (individually and combined if possible).

Both stress tests and scenario analysis are based on historical and hypothetical episodes and should always be in compliance with regulatory requirements, when applicable.

Although the Bank monitors the liquidity ratio daily, according to BNA Instructive no. 2/17, the Bank must perform stress tests annually in order to have an effective and efficient risk management, as well as safeguard liquidity, and support in the process of capital and liquidity planning and management and others.

For this purpose, a scenario analysis is made by applying the results to the Bank's balance sheet in order to assess how potential variations would affect the liquidity ratios in a future perspective.

The table below illustrates the liquidity position at the end of December 2021 and future liquidity positions after changes in the balance sheet resulting from the scenarios identified.

STRESS TEST RESULTS

	KWANZAS	USD
Liquidity Ratio / Dec 2021	130%	198%
Liquidity Ratio Stress / Dec 2022	121%	198%
Liquidity Ratio Stress / Dec 2023	123%	177%
Tolerance Limit	110%	160%
Appetite	115%	176%

Therefore, it can be seen that the liquidity ratio will continue to be well above the tolerance limit (100%) and the appetite limit (105%). This suggests that even in a stress scenario, the bank would be able to meet its obligations in the fiscal years 2020 and 2021, due to the effective liquidity management and the internal and external policies that oblige the Bank to maintain the minimum liquid assets that correspond to the net outflows in atypical scenarios both in the market and in the Bank.

MAINTENANCE OF MINIMUM LEVELS OF LIQUID ASSETS

In order to maintain prudential and internal stress testing requirements, the Bank maintains a portfolio of liquid assets and can thus protect against unexpected cash flow disruption.

The aggregate value of SBA's unencumbered liquid assets, at the closing day's the aggregate value of SBA's unencumbered liquid assets, at closing day prices minus a forced sale discount,, must always exceed the greater between 5% of client-related liabilities and the prudential limit imposed by the regulator.

The following table shows the Bank's net assets (millions of Kz) by 31 December 2021:

ACTIVE ASSETS

	NATIONAL CURRENCY	FOREIGN CURRENCY
Cash (notes and coins)	9,31	1,15
Cash and cash equivalents at BNA	32,40	55,46
Nostro accounts	-	147,34
Investments in Credit Institutions (up to 1 month)	14,36	-
Securities Investments	109,11	-
Other Active Assets	-	-
Total Net Assets (TNA)	150,82	188,10
Minimum (TCRL x5%)	21,69	12,22
TNA/ TCRL	35%	77%
Total Client Related Liabilities (TCRL)	434	244

Reputational Risk

Reputation risk is the actual or potential damage to the Bank's image that may harm the profitability and sustainability of the Bank's business. Such damage may result from a breach of trust or business relationships by Clients, counterparties, shareholders, investors or regulators, as well as wider social stakeholders that may adversely affect the Bank's ability to maintain existing relationships or generate new relationships and access continued sources of funding. SBA has defined values and a code of ethics which provide guidance on behaviours and decision-making to assist in the management of reputational risk. A conduct risk framework is being implemented to support this process.

One of the main SBA objectives is to maintain the focus on Client's service excellence and to drive constant improvements in the Client experience. In this sense, there is a constant concern with the dimension of reputational risks.

In order to ensure that activities that impact Clients are aligned with the Bank's internal procedures, an internal guide with the associated procedures and legislation is adopted.

In this way, SBA manages the high reputational risk situations to which they are exposed, minimising the negative perception of stakeholders. Among the various methods of reputation risk management, the Bank's Code of Ethics is essential as a means of mitigating reputation risk and is a point of reference for all Bank Employees. The Executive Comittee is ultimately responsible for compliance with the Code of Ethics.

GOVERNANCE

There is a specific area responsible for the reputational risk management, in line with the Bank's concern for their reputation with Clients, Suppliers, Counterparties, Shareholders, Investors and Regulators.

This area seeks to identify potential situations with an impact on the Bank and promotes various activities to ensure adequate management of reputational risk.

In addition, the management of complaints made by Clients is managed by this area, ensuring effective resolution by identifying the cause and respective action plans, so that there are no recurrences, thus ensuring ongoing Client satisfaction.

The Bank aims to know and meet the Clients' needs on an ongoing basis and to contribute to the elimination of the reputational risk that may be associated with service quality.

THE MAIN PILLARS OF REPUTATIONAL RISK MANAGEMENT

Code of Ethics

To ensure that Employees act in accordance with the Bank's principles and values, there is a reference Code of Ethics. This document is presented to all Employees as part of the induction programme.

Brand Awareness

The Institutional Relations area manages the SBA brand, identifies and evaluates any news that involves the Bank's name and can impact their activity and/or reputation. In this way, the Bank is able to act efficiently facing any events that involve, in a less positive manner, the brand's name.

Complaints Management

As the provision of excellent Client service is a key aspect of the Bank's strategy, special attention is given to managing complaints, identifying and following up the causes of the complaint and ensuring compliance with the response and resolution time limit established in BNA "Aviso 12/16".

SERVICES QUALITY

The main focus of SBA's Services Quality area is to provide a positive experience for Clients, whenever they interact with the Bank, managing to positively exceed the Client's expectations and guaranteeing excellent service.

The Voice of the Client

In order for the Bank to provide a service of Excellence, it is necessary to listen to the Voice of the Client. SBA has mechanisms for assessing the clients' satisfaction. This assessment is done annually and allows the Bank to know the Clients' needs, ambitions and concerns. Associated to this evaluation system, a platform is implemented to manage all complaints and service requests.

By analysing the data from the above systems, action plans are drawn up for each situation to ensure that there are no recurrences and, consequently, to exponentially reduce the probability associated with the reputational risk of the services provided by the Bank.

Transaction methods and systems

Evaluation of the efficiency and effectiveness of the various transaction systems, namely:

- Process automation;
- SLAs redefinition, prioritizing the Clients' needs;
- Turn Around Time (TAT) metrics;
- Encourage the use of the available digital platforms and associated services through campaigns aligned with the business areas and the Bank's strategic pillars.

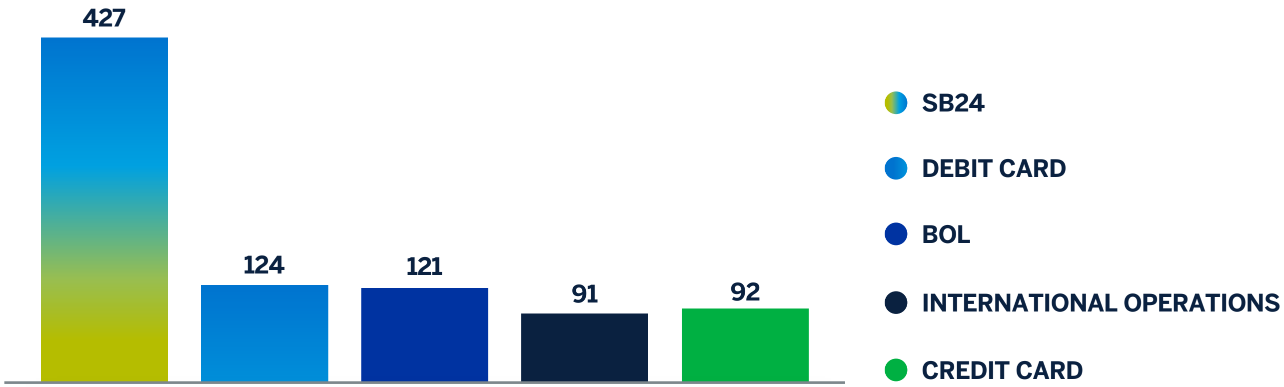
Complaints, service and clarification requests

Through complaints and/or service requests, human, procedural and technological failures are identified, allowing the identification of opportunities for improvement. Through this identification of improvement opportunities, it is possible to implement alternatives in collaboration with all the parties involved.

Systems efficiency

- Analysis of the operability of the Bank's systems (uptime and downtime);
- Analysis of the ATM functioning;
- Follow-up and monitoring of all service requests and complaints in the Service Cloud/ QRM system.

TOP 5 COMPLAINTS BY PRODUCT



Active Clients
51 654

Total Complaints
855

The presented figures represent a clear perspective of the service quality provided by SBA, where the total number of complaints has a weight of 2% in the total Clients universe.

The largest number of complaints is related to the IT application that underwent a significant improvement in 2021 as a result of the investment in the Bank's application systems, improving the interaction between the Bank and the Client.

Compliance Risk

This risk comprises the probability of occurrence of legal or regulatory sanctions that may result in material financial losses or the loss of the Bank's reputation due to the inability to comply with laws, regulations, rules and standards of conduct applicable to their activity.

The Bank's proactive approach to Compliance risk management is aligned with Standard Bank Group standards, which are based on international regulatory principles and requirements.

The objective of the Compliance function is achieved by adopting the risk-based approach that enables the Bank to effectively identify, manage and mitigate Compliance risk. Alongside the internal procedures adopted by SBA, regular and transparent communication, based on mutual trust with the regulatory bodies, is an asset in the management of this risk.

GOVERNANCE

Ongoing efforts which entails the periodic validation of higher risk material, applicable legislation, policies, norms, and standards. The scope of such monitoring and testing activities ensures that all material compliance risks are met continuously by the Bank. This monitoring routine includes the following procedures:

- Completion of Compliance training by Employees;
- Declaration of trading accounts and Employee accounts to ensure that excessive trading and divergences are limited and conflicts of interest avoided;
- Registration and processes for "gifts" and "entertainment";
- Declaration of outside business interests.

COMPLIANCE RISK ASSESSMENT

Compliance risk assessment in SBA, starts with the identification of the underlying events that may impact this type of risk.

Then, the compliance risk is measured by determining the impact, which describes the severity or significance of the compliance requirement and the probability of occurrence, with the Bank's current control environment as a reference.

In this way, the compliance risk assessment process identifies the risk and establishes what may lead to non-compliance with the requirement. It also provides an indication of the extent to which compliance requirements are being managed in the Bank and is a source of reference for future compliance monitoring plans and tests.

INVESTIGATION AND FRAUD RISK

Integrated in the Compliance team since September 2020, the Investigation and Fraud Risk (IFR) Unit has taken this opportunity to establish synergies with the other Compliance areas, in order to present, in 2021, a new dynamic in the scope of fraud and risk management, with the primary goal of exceeding stakeholders' expectations.

Prevention and Awareness Raising

2021 was an important year for consolidating SBA's fraud risk management strategy. In addition to the launch, in August, of the course on general concepts of Fraud, the sharing via internal communication of good practices in fraud prevention, as well as the awareness of the different fraud reporting channels, the Bank was able to conclude 3 proactive research exercises. Here trend analyses and detailed tests were carried out in order to prevent the risk of fraud.

Focus for 2022

SBA highlights a set of dimensions to be addressed in 2022 within the risk function:

01 To conclude the implementation of the new supplier integration system and ensure that all areas use the system for this purpose. Begin to perform the analysis and evaluation of suppliers considered critical from the platform;

02 To carry out Disaster Recovery tests on the systems defined as critical by the areas, in order to proactively identify new and potential gaps that need attention after the Datacenter migration to the Bank's new facilities;

03 To digitalise the business impact analysis process and the management of continuity plans in the Risk Management Platform (RMP);

04 To improve and mature the logical access management process to ensure that sensitive information is not shared with inappropriate people;

05 To improve the operational risk profile by achieving adequate maturity in information management and data management, thus ensuring that all information assets are properly classified, stored, destroyed and maintained in accordance with existing standards, policies and best practice management;

06 To improve the monitoring and control of non-financial risks in the incident management process, risk assessment by area and the Bank's main risks, as well as the implementation and updating of the Non-Financial Risk policies;

07 To implement an online fraud prevention tool to monitor accounts and digital channels. To implement an automatic classification system for the information produced, in order to ensure that sensitive information is not shared with inappropriate people;

08 To implement a tax risk assessment tool with real-time capability to review the Client base;

09 To implement an automatic classification system for the information produced, in order to ensure that sensitive information is not shared with undue persons or outside the Bank;

10 To implement a conduct risk framework and to create a defence conduct committee;

11 To implement and embed a third party risk management and supplier evaluation system to assess their cyber resilience in order to consistently review and evaluate suppliers deemed critical.

4.4 Financial Results

For SBA, creating value for they Shareholders is closely linked with creating value for the Society, and the 2021 financial figures represent the success of this relationship.

SBA's Indicators

Balance Sheet Analysis

In 2021 Standard Bank of Angola registered an increase of 10% in the value of their total assets, which was essentially based on the retention of the value generated by their operating activity and on continuous reinvestment in low risk, high profitability assets, thus contributing to the sustainability of their long-term growth.

	(thousands of kwanzas)			(thousands of USD)		
BALANCE SHEET	31.12.2021	31.12.2020	Variação	31.12.2021	31.12.2020	Variação
Assets						
Availabilities	212 206 046	212 701 958	0%	382 366	327 433	17%
Deposits in central banks and other credit institution	186 984 054	142 266 522	31%	336 920	219 005	54%
Financial assets at fair value through profit or loss	181 656	1 824 677	-90%	327	2 809	-88%
Financial assets at fair value through other comprehensive income	162 789 363	89 032 526	83%	293 324	137 057	114%
Investments at amortised cost	91 706 497	235 843 696	-61%	165 243	363 058	-54%
Loans to Clients	234 174 153	140 309 033	67%	421 950	215 992	95%
Fixed assets	51 874 501	46 297 659	12%	93 471	71 271	31%
Other assets	28 357 630	12 006 267	136%	51 097	18 482	176%
Total Assets	**968 273 900**	**880 282 338**	**10%**	**1 744 697**	**1 355 106**	**29%**
Liabilities and Equity						
Resources from central banks and other credit institutions	26 524 169	894 112	2867%	47 793	1 376	3372%
Resources from Clients and other loans	678 257 533	691 667 486	-2%	1 222 127	1 064 753	15%
Debt securities issued	-	4 745 970	-100%	0	7 306	-100%
Financial liabilities at fair value through profit or loss	-	214 709	-100%	0	331	-100%
Provisions	3 287 749	2 796 343	18%	5 924	4 305	38%
Current tax liabilities	17 518 310	2 918 522	500%	31 566	4 493	603%
Subordinated debt	16 704 348	19 553 301	-15%	30 099	30 100	0%
Other liabilities	55 971 373	40 509 524	39%	101 798	62 360	63%
Total Liabilities	**798 788 238**	**763 299 967**	**5%**	**1 439 307**	**1 175 024**	**22%**
Equity						
Share Capital	9 530 007	9 530 007	0%	17 172	14 670	17%
Reserves and retained earnings	84 219 343	71 321 276	18%	151 752	109 792	38%
Net profit or loss	75 736 312	36 131 088	110%	136 466	55 620	145%
Total Equity	**169 485 662**	**116 982 371**	**45%**	**305 390**	**180 083**	**70%**
Total Liabilities and Equity	**968 273 900**	**880 282 338**	**10%**	**1 744 697**	**1 355 106**	**29%**

Balance Sheet Analysis

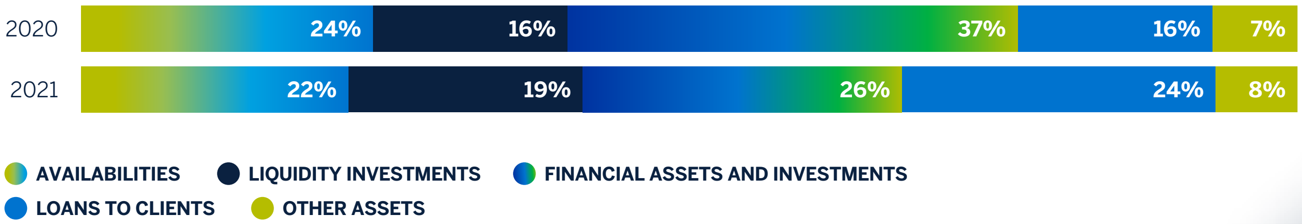
ASSETS

At 31 December 2021, SBA recorded assets amounting to Kz 968 273 million, representing an increase of 10% over the year 2020. This evolution essentially resulted from the increase in the headings of deposits in Central Banks and other credit institutions (+31%) and loans to Clients net of impairment (+67%), which offset the decrease noted in the investments in securities, namely those recorded under the headings of financial assets at fair value through other comprehensive income and investments at amortised cost (-22%).

This increase in assets is due to the Bank's investment policy, favouring low-risk assets with high profitability levels, namely Angolan securities. The year 2021 also benefited from an upgrade of the rating associated to the Republic of Angola, leading to the significant reversal of expected impairment losses.

Assets
968 273
Millions of Kwanzas
+ 10%

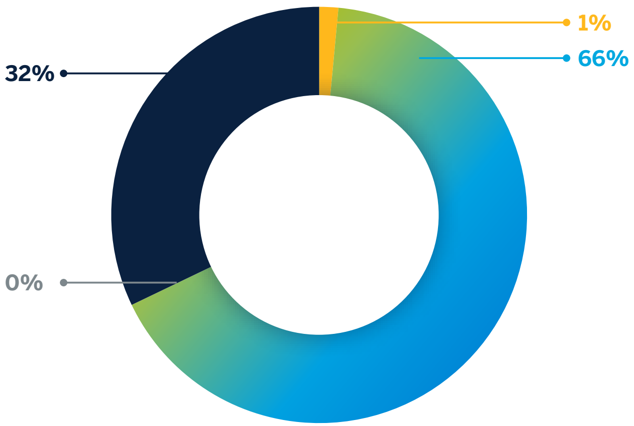
ASSETS MIX



The strategy followed by the Bank led to the replacement of financial assets by reducing the exposure to treasury bills and replacing them with assets contracted with National Bank of Angola, namely securities purchase agreements with resale agreement (REPOs), motivated by their growing profitability and liquidity. This replacement justifies the significant reduction noted under the heading of investments at amortised cost and the increase under the heading of investments in Central Banks and other credit institutions.

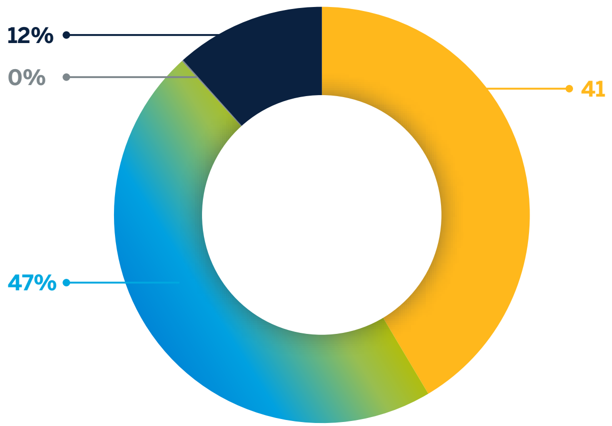
2021

TREASURY BILLS
TREASURY BONDS
DERIVATIVE FINANCIAL INSTRUMENTS
RESALE AGREEMENT TRANSACTIONS



2020

TREASURY BILLS
TREASURY BONDS
DERIVATIVE FINANCIAL INSTRUMENTS
RESALE AGREEMENT TRANSACTIONS



On the other hand, the growth in loans was a reflection of the Bank's intention to create a positive impact on the communities where SBA operates, having financed 25 projects, disbursing Kz 132 601 million under "Aviso 10/2020" and subsequent diplomas. These credit operations have features that allow entrepreneurs to finance themselves at lower interest rates, thus increasing the viability of their projects and contributing to job creation.

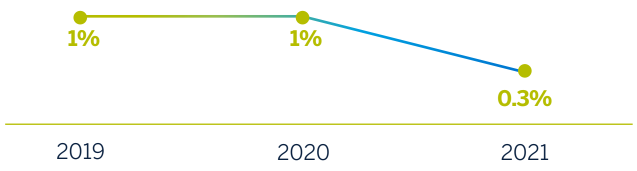
Credit Granted

83 874
Millions of Kwanza

Transformation Ratio

35%

OVERDUE CREDIT EVOLUTION[2]



[2] Credit past due for more than 90 days/ gross credit granted

CREDIT

	Thousands of Kwanzas			Thousands of USD		
	2021	**2020**	**Variação**	**2021**	**2020**	**Variação**
Credit Operations	238 167 618	142 134 946	68%	429 146	216 595	98%
Default credit operations	791 254	939 752	-16%	1 426	1 432	0%
TOTAL CREDIT	**238 958 872**	**143 074 698**	**67%**	**429 146**	**216 595**	**98%**
Impairment losses	-4 784 719	-2 765 665	73%	-8 621	-4 215	105%
NET CREDIT	**234 174 153**	**140 309 033**	**67%**	**420 524**	**212 380**	**98%**
Guarantees provided	21 474 004	24 435 726	-12%	38 693	37 237	4%
Credit letters	5 437 928	14 172 410	-62%	9 798	21 597	-55%
Unused credit limits	48 495 977	77 374 898	-37%	87 383	117 909	-26%
THIRD-PARTY LIABILITIES	**75 407 909**	**115 983 034**	**-35%**	**135 875**	**176 743**	**-23%**
PROVISIONS FOR GUARANTEES AND COMMITMENTS	**-219 404**	**-502 662**	**-56%**	**-395**	**-766**	**-48%**
Credit Quality						
Overdue Credit / Total Credit *	0%	1%	0%	0%	1%	-1%
Overdue credit impairment coverage for loans and advances	17%	34%	-17%	34%	47%	-13%
Total credit coverage by specific provisions*	2%	2%	0%	2%	2%	0%
Total credit coverage by total provisions *	2%	2%	0%	2%	2%	0%

* Ratios calculated without Securities - "Loans & Receivables" Portfolio

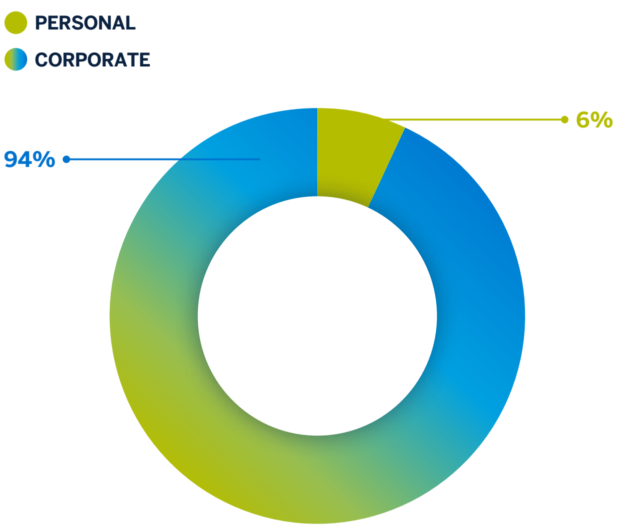
This significant investment, as well as the slight reduction in the value of deposits in foreign currency (as a result of the appreciation of the Kwanza) enabled the Bank to **increase their transformation ratio by about 15 p.p., from 20% in 2020 to 35% in 2021**. Contrary to credit recognised under assets, documentary credits suffered a significant reduction as a result of the process carried out by the Angolan government to liberalise the foreign exchange market, with a relevant percentage of the Clients who import goods having resorted to transfers in foreign currency given the greater simplicity of this process.

Despite this investment made in credit granting, the Bank maintained a strict risk management policy, having verified a decrease in the proportion of overdue loans in total gross loans to only 0.33%, maintaining the levels of impairment coverage at around 2% of total loans, despite having decreased to 17% the proportion of impairment in relation to overdue loans.

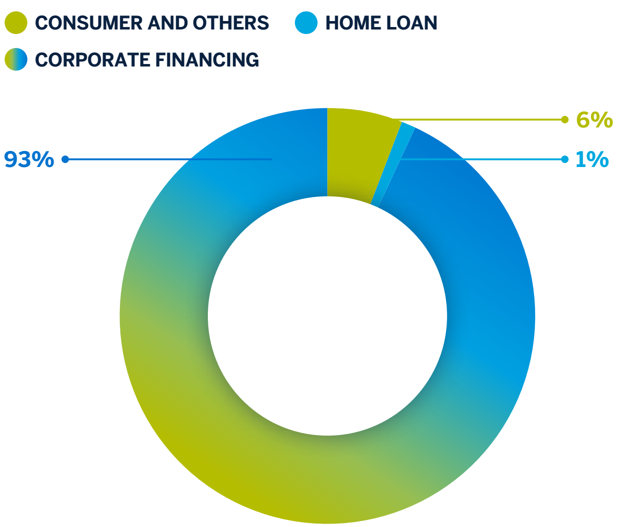
It can be seen that the Bank has around 84% of their exposures classified in stage 1 (without signs of financial difficulties) (2020: 94%), which are mostly (75%) granted to large-sized companies.

Given the above, the balance sheet structure underwent slight changes, however, the Bank's business model remains unchanged, based on a conservative risk management policy with a consistent focus on sustainable profitability.

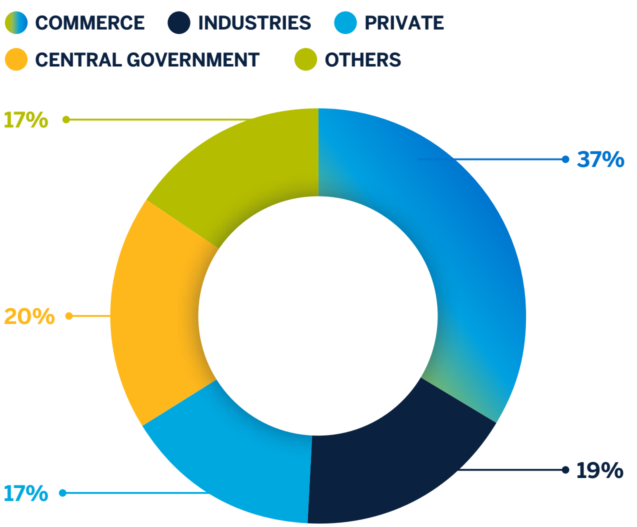
CREDIT BY TYPE OF CLIENT



TYPE OF CREDIT



CREDIT BY SECTOR OF ACTIVITY



Raquel Bastos
Financial Director

SECURITIES PORTFOLIO

	Yields		Thousands of Kwanzas			Thousands of USD		
Investments in central banks and other credit institutions	**2021**	**2020**	**2021**	**2020**	**Var**	**2021**	**2020**	**Var**
Resale Agreement Transactions	n.a.	n.a.	119 006 349	42 956 379	177%	214 433	65 460	228%
Accrued interest	n.a.	n.a.	1 389 521	101 550	1268%	2 504	155	1518%
Financial assets at fair value through profit or loss								
Treasury Bonds	n.a.	7,13%	0	1 353 257	-100%	0	2 083	-100%
Derivative Financial Instruments	n.a.	n.a.	-8 071	399 876	-102%	-15	616	-102%
EMIS shareholdings	n.a.	n.a.	189 727	71 544	165%	342	110	210%
Financial assets at fair value through other comprehensive income								
Treasury Bills	n.a.	n.a.	5 550 255	22 114 771	-75%	10 001	34 043	-71%
Treasury Bonds	15,88%	15.65%	157 239 108	66 917 755	135%	283 323	103 013	175%
Investments at amortised cost								
Treasury Bills	n.a.	n.a.	0	131 118 462	-100%	0	201 844	-100%
Treasury Bonds - USD	5.00%	5%	34 723 025	36 012 597	-4%	62 566	55 438	13%
Treasury Bonds - AOA	11,57%	15%	56 983 472	68 712 637	-17%	102 676	105 776	-3%
Total			**375 073 386**	**369 758 828**	**1%**	**675 831**	**568 538**	**19%**
Resale Agreement Transactions	-	-	120 395 870	43 057 929	180%	216 937	65 615	231%
Treasury Bills	-	-	5 550 255	153 233 233	-96%	10 001	235 887	-96%
Treasury Bonds	-	-	248 945 605	172 996 246	44%	448 566	266 310	68%
Derivative Financial Instruments	-	-	-8 071	399 876	-102%	-15	616	-102%
EMIS shareholdings	-	-	189 727	71 544	165%	342	110	210%

LIABILITIES

As mentioned above, the Bank's assets increased mainly as a result of the reinvestment of earnings obtained from investments made, although **the Bank increased their liabilities by about 4% to a total of Kz 798 788 238 million**. This increase essentially resulted from the industrial tax determined for 2021, which amounted to about Kz 15 888 million, and from pending settlement operations related to foreign currency purchases and sales (Kz 15 947 million) and transfer and payment operations carried out in the last days of 2021 (Kz 544 million). These demonstrate the growing dynamism in banking operations by the end of the year.

Meanwhile, the Bank's deposits suffered a reduction of about 2% to Kz 678 258 million, which is essentially explained by the fact that about one third of clients' deposits are denominated in foreign currency, which with the appreciation of the kwanza reduced its value by Kz 3 003 million. It was also noted that term deposits increased their expression by about Kz 152 977 million (+9%) as a result of the review of the strategy to attract deposits made during the year 2021.

On the other hand, it is important to note that on 11 December 2021 the Bank successfully concluded the settlement of debt bonds issued in the nominal amount of Kz 4.7 billion, which gave investors a 17% return.

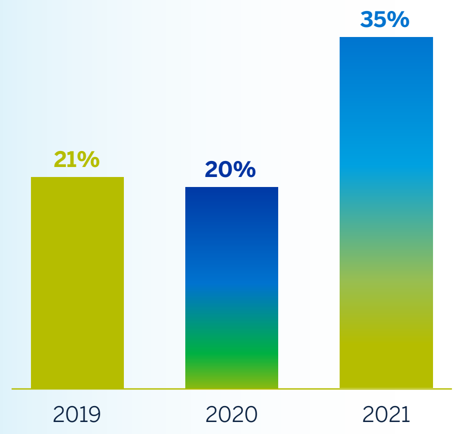
Liabilities
798 788 238
Thousands of Kwanzas
+ 4% compared to 2020

Industrial Tax
15 888
Million Kwanzas

Foreign exchange operations
15 947
Million Kwanzas

Transfers and payments
544
Million Kwanzas

TRANSFORMATION RATIO



EQUITY

Regulatory Equity

Total equity by 31 December 2021 reached Kz 169 486 billion, representing an increase of 49% over the previous year. This record is essentially due to the net income calculated by the Bank with reference to 31 December 2021, which amounted to Kz 75 736 million.

The regulatory solvency ratio, calculated in accordance with Instructive no. 02/2016, corresponded to 45% at the end of the 2021 financial year. This value remains significantly above the solvency limit of 10% required by the National Bank of Angola, and results from the Bank's strong financial autonomy (18%) and the reduced risk of their investments (Risk-weighted asset (RWA) = Kz 42 372 million).

As a result of this process, and considering the new regulatory requirements resulting from the SREP (Supervisory Review and Evaluation Process), Standard Bank of Angola obtained an overall notation of 1 - Low Risk.

Following the conclusions obtained, the BNA determined that the Bank should hold Pillar 2 minimum requirements of 2,75%, to be constituted by Core Tier 1 Capital, under the terms of Article 10 of the "Aviso 8/2021", of 5 June, to be held cumulatively with the Minimum Equity Requirements defined under Article 9 of the "Aviso 8/2021".

Despite the need for the Bank to maintain their efforts to improve their internal risk management processes and others with a relevant contribution to this assessment, SBA is, as at the date of this report, complying with the new requirements, presenting the regulatory solvency ratio above the requirements defined, which include, in addition to the previously defined requirements, a combined 3,5% reserve requirement, defined under Article 12 of "Aviso 8/2021", and Pillar 2 guidelines of 1%, defined under Article 15 of "Aviso 8/2021".

Total Equity
169 485 662
Thousands of Kwanzas

+ 49%
compared to 2020

Net Income
75 736 312
Thousands of Kwanzas

Results Analysis

The net income of Kz 75 736 million was a reflection of the high standards of efficiency and operational effectiveness and the recognition of the Standard Bank brand, reflecting the Bank's strength, experience and innovation, even in an adverse macroeconomic environment.

	(thousands of Kwanzas)			(thousands of USD)		
INCOME STATEMENT	31.12.2021	31.12.2020	Variação	31.12.2021	31.12.2020	Variação
Interest and similar income	89 642 125	58 189 274	54%	161 523	89 577	80%
Interest and similar charges	(13 252 708)	(7 001 950)	89%	(23 880)	(10 779)	122%
Financial margin	**76 389 417**	**51 187 324**	**49%**	**137 643**	**78 798**	**75%**
Income from financial services rendered	13 939 879	8 201 100	70%	25 118	12 625	99%
Net gains/ (losses) from financial assets and liabilities measured at fair value through profit or loss	(9 239)	262 184	-104%	-17	404	-104%
Net gains / (losses) from financial assets at fair value through other comprehensive incom	26 186	-	0%	47	0	0%
Foreign exchange gains and losses	35 860 207	26 717 618	34%	64 615	41 129	57%
Other operating income	(4 023 230)	(2 939 268)	37%	(7 249)	-4 525	60%
Net operating income from banking activity	**122 183 220**	**83 428 958**	**46%**	**220 157**	**128 430**	**71%**
Personnel costs	(21 700 744)	(18 193 365)	19%	(39 102)	(28 007)	40%
Third party supplies and services	(13 041 451)	(10 646 649)	22%	(23 499)	(16 389)	43%
Depreciation and amortisation for the year	(4 345 248)	(1 808 057)	140%	(7 830)	(2 783)	181%
Provisions and impairment	8 528 545	(13 465 131)	-163%	15 367	(20 728)	-174%
Earnings Before Taxes	**91 624 322**	**39 315 756**	**133%**	**165 095**	**60 523**	**173%**
Income Tax	(15 888 010)	(3 184 668)	399%	(28 628)	(4 902)	484%
Net Income	**75 736 312**	**36 131 088**	**110%**	**136 466**	**55 620**	**145%**

In 2021 SBA recorded the best results in the Bank's history, rising to Kz 75 736 million, which represented a growth of 110% in comparison with the same period of the previous year. This result allowed SBA to register a Return-on-Equity of 45% and a Return-on-Assets of 8%.

Relevant factors for financial performance were the increase in the financial margin of about 49%, reaching Kz 76 398 billion, the evolution in foreign exchange results of 34%, which totalled Kz 35 860 billion and the reversal of expected impairment losses of about Kz 8 529 billion.

ROE EVOLUTION

Return-on-Equity
45%

Return-on-Assets
8%

Financial Margin
76 398
Million Kwanzas

Foreign Exchange Results
35 860
Million Kwanzas

Credit impairment Losses
4 784 719
Thousands of Kwanzas

Standard Bank of Angola's Headquarters

FINANCIAL MARGING

	thousands of Kwanzas			thousands of USD		
	Dec-21	Dec-20	Var	Dec-21	Dec-20	Var
Income from securities	55 755 819	38 239 994	46%	100 464	58 273	72%
Income from loans and advances	26 109 323	19 325 221	35%	47 045	29 449	60%
Other interest and similar income	7 776 983	624 059	1146%	14 013	951	1374%
Income from asset financial instruments	**89 642 125**	**58 189 274**	**54%**	**161 523**	**88 673**	**82%**
Deposit costs	11 515 738	5 267 857	119%	20 750	8 028	158%
Other costs and similar charges	1 736 970	1 734 093	0%	3 130	2 643	18%
Costs of passive financial instruments	**13 252 707**	**7 001 950**	89%	**23 880**	**10 670**	124%
Financial Marging	**76 389 417**	**51 187 324**	**49%**	**137 643**	**78 003**	**76%**

The growth in financial margin in 2021 resulted from the increase in income from securities (amounting to Kz 55 756 million) **and loans to Clients** (amounting to Kz 26 109 million) as a result of the increase in investments made in 2021 in these types of assets (see balance sheet analysis). At the same time, there was an increase in other interest income resulting from the significant investments made in liquidity applications with the central bank in the form of Repos.

On the other hand, interest costs on deposits increased by 119% to Kz 11 516 million, which is explained by the new deposit-taking policy followed by the Bank to increase the Clients base.

Income from securities
55 756
Million Kwanzas

Loans to Clients
26 109
Million Kwanzas

Deposit interest costs
11 516
Million Kwanzas

COMPLEMENTARY MARGIN

	milhares de Kwanzas			milhares USD		
	Dec-21	**Dec-20**	**Var**	**Dec-21**	**Dec-20**	**Var**
Gains and losses from financial services rendered	13 939 879	8 201 100	70%	25 118	11 131	126%
Foreign exchange gains and losses	35 860 207	26 717 618	34%	64 615	37 406	73%
Other results	4 023 230	2 939 268	50%	-7 219	-3 784	91%
Complementary Margin	**45 793 803**	**32 241 634**	**42%**	**82 514**	**44 753**	**84%**

The increase in the complementary margin is, in turn, influenced by the positive evolution in the results from the provision of financial services and from foreign exchange operations, which rose 70% and 34% respectively, representing a total increase of Kz 14 931 million in comparison to the same period of the previous year. This increase results from the fact that the Bank is one of the preferred banks for carrying out transfer operations, namely to foreign countries, having registered an increase of 100% in the commissions charged on this type of operation (amounting to Kz 6 151 million).

This preference for the Bank to carry out transfers abroad also justifies the high foreign exchange results obtained with currency purchase and sale transactions preceding the said transfers, which increased by approximately 100% during the 2021 financial year, amounting to a total of Kz 35 707 million.

Financial services and foreign exchange transactions

14 931
Million Kwanzas

Commissions charged

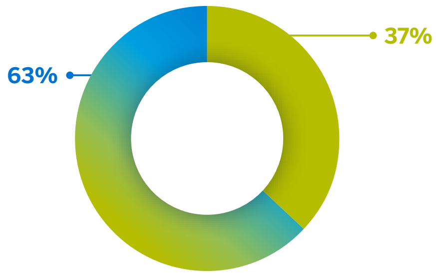
6 151
Million Kwanzas

Currency purchase and sale transactions

34 707 490
Thousands of Kwanzas

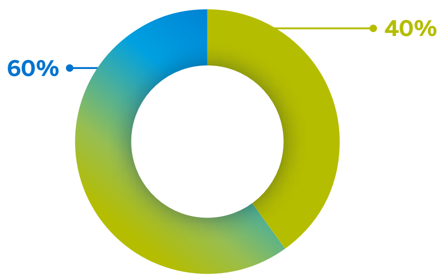
2021

COMPLEMENTARY MARGIN
FINANCIAL MARGIN



2020

COMPLEMENTARY MARGIN
FINANCIAL MARGIN



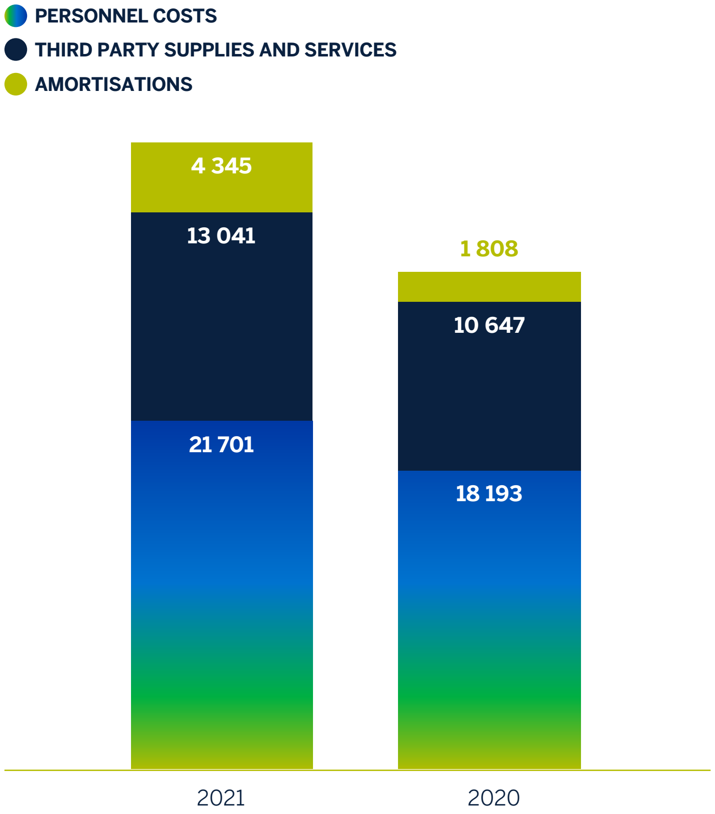
In 2021 there was also a positive effect on the Bank's results in consequence of the reversal of expected impairment losses. This reversal is justified by the upgrade of the rating associated to the Republic of Angola from CCC to B3, leading to a reversal of Kz 11 995 million in accordance with the policy adopted by the Bank and described in Note 10 of the Annex of the Financial Statements.

Mitigating the positive effects described above, there was an increase in structural costs, namely staff costs and third party supplies and services of 19% and 22%, respectively. This increase is explained by a revision of its staff's salary structure, to be better alligned with the very high inflation experienced in Angola in recent years (2020 and 2021: 25%), allowing the maintenance of the purchasing power of Employees and their satisfaction in belonging to SBA.

Likewise, there was a need to update the costs of some suppliers based on the inflation evolution, in order to ensure the implementation of internal improvement processes and information applications defined as priorities by the Bank, with the aim of better serving their Clients.

	thousands of Kwanzas			thousands of USD		
	2021	2020	Var	2021	2020	Var
Personnel costs	21 700 744	18 193 365	19%	39 102	28 007	40%
Third party supplies and services	13 041 451	10 646 649	22%	23 499	16 389	43%
Amortisations	4 345 248	1 808 057	140%	7 830	2 783	181%
Overheads	**39 087 443**	**30 648 071**	**28%**	**70 430**	**47 180**	**49%**
Cost-to-income	**32%**	**37%**	**-4%**	**32%**	**37%**	**-4%**

OVERHEADS (MILLION KWANZAS)



Finally, and in line with Standard Bank Group practices, the Bank has a prudent tax strategy, aimed at mitigating any unexpected financial consequences and, naturally, protecting their reputation. In this context, the Bank determined a tax on their results of about Kz 15 888 million, which is justified by the earnings before tax of about Kz 91 624 million in 2021 and, consequently, by the end of tax losses carried forward.

Regardless of the figures recorded, SBA continues to strengthen their position as one of the financial institutions in Angola with the best return on equity. This level of profitability, combined with a solvency ratio of 45% places SBA on the right path to growth and stability. The capacity to remunerate their shareholders and the constant adoption of the best risk management practices are also proof of trust and of an adjusted governance model.

Eduardo Clemente
Executive Director

Proposal for the Application of Results

The Board of Directors proposes, under the terms of paragraph f) of no. 2 of the article 71, combined with paragraph b) of no. 1 of the article 396, both in the Companies Act (approved by Law no. 1/04, of February 13, with subsequent amendments), and in accordance with the terms of article 30 of the Statutes, the net profit of the financial year 2021, in the amount of Kz 75 736 311 165.42, to be applied as follows:

a) Kz 46 916 605 582.71 for shareholders distribution, in proportion to their respective shareholdings, in the form of dividends;

b) The remainder to retained earnings.

Regarding what is proposed in a) and considering the legal proceedings underway, namely proceeding no. 12-A/2020/SENRA, which affect the ultimate beneficiary of AAA Activos, Lda., and, consequently, the shareholding held by it in the Bank's capital, which was seized by the National Asset Recovery Service on 8 September 2021, and entrusted to IGAPE - Instituto de Gestão de Activos e Participações do Estado, as trustee, pursuant to Law no. 2/2014, of 10 February, the Board of Directors proposes that the dividends relating to the aforementioned shareholding of AAA Activos, Lda. be retained by the Bank until the legal proceedings are terminated and it is clarified who is entitled to receive them.

Net Income

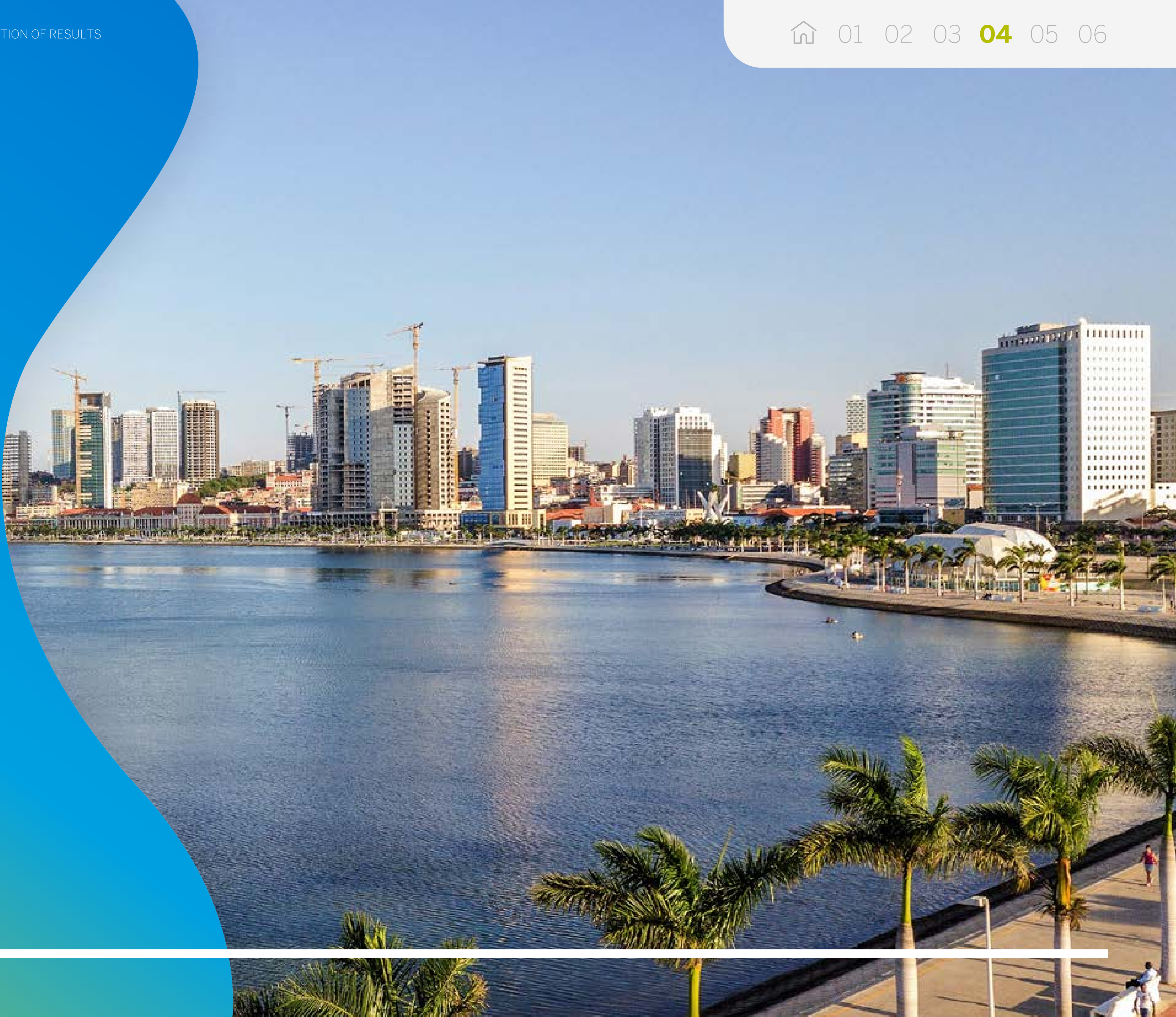
75 736 311 165.42

Distribution of Dividends

46 916 605 582.71

Retained Earnings

28 819 705 582.71



4.5 Relevant Impact on Society

Standard Bank of Angola consistently and continuously invests in the social dimension, seeking to have an effective impact on communities, in particular, on the most vulnerable segments of the population. The areas of education and teaching, health and entrepreneurship were chosen as key pillars for promoting the development of people to ensure social stability and the consequent expansion of the brand.

Social Responsability

International Volunteer Day

To celebrate the International Volunteer Day, actions were carried out under the slogan "volunteer now for a common future". A conference on volunteering and youth involvement and a clean-up campaign on some beaches in Luanda stand out.

During the two days, more than 500 people were involved and the Bank had a positive impact due to the involvement of young people.

Fitness Classes - Open to the Public, a proposal from Heróis de Azul, with the support of Standard Bank and LaLiga.

In a fun way, Africafitdance, Aerobic Gymnastics, Fitkuduro and regional choreography classes were offered, as well as health guidance. The open space sessions took place on the Benfica waterfront (Rua da Praia da Nicha). The main objective was to alert the population to the risk of a sedentary lifestyle and to stimulate the adoption of healthy habits, thus preventing health problems.

Prostate Cancer Awareness

As part of the awareness campaign on prostate cancer, the month of November also served to disseminate information related to the prevention and fight against cancer, as well as the non-discrimination of cancer patients.

In order for the message to reach the different audiences, various channels are used, with emphasis on Rádio Nacional de Angola, which, as part of a partnership, grants space in programmes so that relevant and valuable information can be made available over the radiowaves. Lectures were also held in educational institutions and reception centres, where we were able to elucidate mainly the importance of prevention and non-discrimination.

The Bank was nominated for two categories in the Entrepreneur Awards Angola 2020, and won in the category of Entrepreneurial Promotion Bank.

Blood Donation is one of the many causes that Standard Bank supports. In collaboration with the National institute of Blood, Heróis de Azul are part of the core of activists and trainers of the National institute of Blood and have promoted awareness campaigns of donor brigades to encourage the inclusion of more activists with a routine attendance and assessment programme for all.

The Bank supported and actively participated in the actions to celebrate National Blood Donor Day, celebrated on 6 November.

The Bank was proud to support the first edition of NUIT BLANCHE, an event promoted by Alliance Française de Luanda, in partnership with the Luanda Biennale, African Union, UNESCO and the Angolan Government. A multicultural programme between the Francophonie and Angolan culture.

Celebration of Nelson Mandela Day | Support to the Nazaré Home Shelter, with various goods and a medical consultation in dentistry and a talk on oral health and clinical psychology.

Since the Bank's establishment in Angola, every year SBA joins other organisations, invited by the South African Embassy, to promote a charity event in honour of Nelson Mandela Day.

"Especial Constelações", with the Camunga Symphony Orchestra. A project that for over 10 years has been dedicated to teaching classical music for free, as a profession, supporting more vulnerable children and adolescents.

Implementation, promotion and organisation of the Volunteering and Young Citizenship Forum on a monthly basis.

This is a partnership with Portal do Voluntário, VIS and Heróis de Azul.

The main objective of the event is to give a voice to the voluntary citizen, in order to listen to presentations of the problems we face and help to find solutions in a general and interactive way.

Participation of Bank Employees in the solid waste collection operation at Areia Branca beach, in Samba, in Luanda.

Special Grandparents Day at Lar do Ancião with RNA's program "A Casa da Rádio"

As part of the partnership with RNA, once again Heróis de Azul participated in a special "A Casa da Rádio". On the occasion of the Grandparents' Day, the teams went to Lar do Ancião, an elderly care centre located in Viana. They heard testimonies from grandparents and their relatives about the the role they perform in their lives and families; the occasion also served to collect contributions for the care of the elderly, themes such as the importance of physiotherapy in the elderly.

Heróis de Azul have developed work in the centre and accompanied to minimise the difficulties that many elderly people encounter. Among the support programmes, the Bank highlights the flavour class that has the mission to offer at least twice a week varied food made by a Heróis de Azul' volunteer, which normally serves around 120 elderly people (internal and external to the care centre).

In partnership with the Centro de Saúde Cura Ferida, Heróis de Azul took the Health programme in the community to the municipality of Viana. Assistance was offered in dentistry, general practice, nursing, clinical analysis and pharmacy.

Training for young people from shelters and families in need, with a view to the self-sufficiency of the trainees directly involved and of the centres/communities/families they come from.

Heróis de Azul in partnership with the radio programme "A Casa da Rádio" held a special event to celebrate the Angolan Women's Day at Mercado do 30, in Viana. General, nutritional and dental consultations were offered. The program also addressed issues related to Financial Education, as part of the Standard Bank financial literacy plan.

Awards

GLOBAL FINANCE

Best Foreign Exchange Provider
in Angola 2021

GLOBAL FINANCE

Best Treasury and Cash Management Provider
in Angola 2021

GLOBAL FINANCE

Best Investment Bank
in Angola 2021

Assertys

Angolan Bank with the best Customer service
in 2021

emeafinance

Best Investment Bank
in Angola 2021

World Economic Magazine
Simplifying Global Financial Markets

Best Investment Bank
in Angola 2021

05
CORPORATE GOVERNANCE

Corporate Governance is one of the main pillars of the Bank, given their responsibility to implement the regulatory framework, facilitating strategic decision-making and reconciling the interests of all parties involved.

5.1 The Governance Model

The Bank's internal structure takes into consideration the inherent characteristics of their activity.

The governance model defined promotes the distribution of responsibilities, based on a logical and consistent structure, in which the Board of Directors has a fundamental role in risk supervision and strategic definition, ensuring compliance with the regulatory framework.

It foresees the delegation of powers to the Executive Comittee and to the Board of Directors' Committees, always retaining effective control and the final guarantee of all decisions. The Bank's culture recognises that "how it does it" is as important as "what it does".

Guiding principles

The Bank has adopted a corporate governance model adapted to organisational processes, day-to-day management and the risks inherent to the business, in accordance with current regulations. It presents a coherent risk management structure that allows the correct implementation and monitoring of the Internal Control System, ensuring the alignment of Risk Management policies and processes with the business strategy.

According to the defined governance model, the administration is carried out by the Board of Directors, which seeks to balance its role of risk supervision and strategic guidance with the need to ensure compliance with regulatory requirements and risk acceptance. The Bank's governance model includes the delegation of authority to the Board of Directors and to two (internal) Committees of the Board of Directors, while maintaining effective control and ultimate accountability for all decisions.

The guiding principles of the corporate governance policy comply with the requirements of the regulations of the National Bank of Angola (BNA), as well as the requirements of the Capital Market Commission (CMC) and the General Tax Authority (AGT). They are also aligned with the Standard Bank Group's guiding principles to ensure best practices are maintained, including:

01 **To promote transparency, responsibility and empathy in the management of the stakeholders' relationship,** in order to ensure that Clients are treated fairly and consistently;

02 **To generate a positive impact on society,** economy and environment through their activity;

03 **To comply with high regulatory and governance standards,** including those of the Standard Bank Group;

04 **To foster a culture of ethics** and risk awareness.

BNA "Aviso 1/2012" and "Aviso 2/2012" have set up the fundamental pillars of corporate governance and internal control of financial institutions, defining a set of practices within the scope of capital structure, strategy, corporate organisation model, transparency of organic structures, risk management policies, remuneration and conflict of interests.

The Corporate Governance model consists of the following mechanisms:

- **Policies that regulate the participation of the Bank's shareholders**, being of particular relevance those relating to the exercise of their statutory rights;
- **Policies established by the Board of Directors,** its Committees and by the Executive Comittee;
- **Internal procedures containing a set of principles and concrete rules of action,** which are contained in the code of conduct;
- **Organisational chart that allows a clear segregation of functions and responsibilities of the different bodies.** The distribution of functions under the responsibility of each executive director is carried out to ensure segregation between business, support and control functions;
- **Instruments used to improve the information provided to shareholders** (with emphasis on the Annual Reports and the Bank's institutional website) and processes designed to ensure that this information is accurate, complete and timely, and with everything linked to the relationship with the Supervisory Board and External Auditor.

The Corporate Governance framework is aligned with the principles defined for Angola and with the principles of the Standard Bank Group, in order to provide a clear strategy and be agile in responding to the challenges it faces. Some examples of the best practices implemented are:

- Identification of strategic opportunities in accordance with the SBA risk appetite, which is approved, taking into consideration a sound and prudent management;
- Promotion of an effective internal control environment in order to avoid financial losses or reputational damage;
- Consideration of the ethical principles that govern SBA and the Group, in order to achieve the best businesses by minimising reputational risks.

Standard Bank of Angola's Headquarters

Organisation chart

LUÍS MIGUEL FIALHO TELES
CEO

CORPORATE AND INVESTMENT BANKING DEPARTMENT

- Investment Banking
- Client Coverage
- Transactional Products and Services
- Global Markets

CONSUMER & HIGH WORTH CLIENTS DEPARTMENT

- Affluent
- Main Market
- Personalisation
- Digital Distribution Channels
- Digital & eCommerce

BUSINESS AND COMMERCIAL CLIENTS DEPARTMENT

- Commercial Banking
- Enterprise Direct
- Digital Commerce
- Agribusiness
- Africa-China
- Public Sector
- Ecosystem

INTERNAL AUDIT DEPARTMENT

HUMAN CAPITAL DEPARTMENT

- Support to Business and Support Areas
- Shared Services
- Labour Relations
- Training and Development
- Recruitment
- Wellbeing

MARKETING AND BRAND DEPARTMENT

EDUARDO CLEMENTE
EXECUTIVE DIRECTOR

FINANCIAL DEPARTMENT

- Accounting, Control, Financial and Regulatory Reporting
- Management Control, Product Control
- Taxes
- Procurement
- Treasury and Capital Management

ENGINEERING DEPARTMENT

- Data
- Information Security
- Technology and Operations
- Property

INNOVATION DEPARTMENT

- Ecosystems & Partnerships
- Acceleration

CLIENT SOLUTIONS DEPARTMENT

- Banking Products
- Insurance Products
- Partnerships
- Client Experience

YONNE DE CASTRO
EXECUTIVE DIRECTOR

RISK MANAGEMENT DEPARTMENT

- Credit
- Operational Risk
- Market Risk
- Liquidity and Capital Risk
- Credit Recovery

COMPLIANCE DEPARTMENT

- Regulatory
- Monitoring
- Anti-Money Laundering
- Fraud Risk

EXCHANGE CONTROL DEPARTMENT

LEGAL DEPARTMENT

Corporate Governance

GENERAL MEETING	SUPERVISORY BOARD	BOARD OF DIRECTORS	EXECUTIVE COMITTEE
		Audit Committee	Assets and Liabilities Committee
		Risk Committee	Risk Management Committee
		Credit Governance Committee	Credit Risk Committee
		Human Capital Management Committee	Human Capital Committee
		Engineering Committee	Pricing Committee
		Nomination and Remuneration Committee	New Products Committee
			Projects Committee
			Procurement Committee
			High Risk Client Analysis Committee
			Financial Internal Control Committee
			Client Experience Committee
			Data and Information Governance Committee
			Conduct Risk Commitee

Standard Bank of Angola's Headquarters

SBA's operations were authorised by National Bank of Angola on 9 March 2010 and started on 27 September 2010.

The Bank's Share Capital of Kz 9 530 006 500,00 (nine thousand million, five hundred and thirty million, six thousand and five hundred Kwanzas) is divided into 1 000 000 shares, and between three minority shareholders (individual trustees of Standard Bank Group) and two majority shareholders, namely:

- Standard Bank Group Lda - 50,1%.
- AAA Activos Lda. - 49%

It should be noted that the shares belonging to the shareholder AAA Activos Lda. were seized by the Angolan Attorney General's Office and the Instituto de Gestão de Activos e Participações do Estado (IGAPE) was appointed trustee.

Eduardo Clemente
Vanessa Rodrigues
Aronildo Neto
Ricardo Ferreira
Carolina Remisio
Abdul Razac

Yonne de Castro
Yandi Carlos
Eva Santos
Luís Teles
Raquel Bastos
Marcelo Barreto

Corporate Bodies

In order to prevent conflicts of interest or situations of insider trading, the members of the Bank's Corporate Bodies are governed by a Code of Conduct, which includes a set of confidentiality rules and duties.

In addition to their high level of professional experience and technical skills, the Corporate Bodies are also recognised for their moral integrity, complying with the Bank's norms and standards.

SBA's Corporate Governance structure segregates functions and responsibilities between the Bank's different Corporate Bodies, namely the General Meeting of Shareholders, the Board of Directors and the Supervisory Board.

GENERAL MEETING

The General Meeting is the Corporate Body that comprises all SBA shareholders, being regulated by the Bank's statutes. The Board of the General Meeting consists of a chairman and a secretary, who are appointed for 4 years. **The Board of the General Meeting is composed as follows:**

Chairman of the Board of the General Meeting
Sofia Vale

Secretary of the Board of the General Meeting
To be named

The General Meeting has the following competencies:

- Election of the members of the Board of Directors, Supervisory Board and Board of the General Meeting;
- Appraisal of the Board of Directors annual report, including the analysis and approval of the financial statements, as approved by the Board of Directors and the adoption of the application of results proposed by the Board of Directors, as well as the creation of the Company's reserves;
- Approval of Corporate Body members' remunerations;
- Deliberation on changes to the Statutes;
- Increase or reduction (including, without limitation, any total or partial repayment of share capital and payment to shareholders of the nominal value of the respective shares or part thereof, as long as the payment is made through distributable funds) of the Company's capital, but subject to the provisions of the Statutes;
- Dissolution and liquidation of the Company;
- Any merger or acquisition involving the payment of an amount equal to or exceeding 25% of the Company's capital;
- Any material change in the Company's main activity at any given time.

BOARD OF DIRECTORS

The Board of Directors is the highest decision-making body with ultimate responsibility for control within the limits imposed by law and the Bank's statutes. It currently consists of 7 members who have been appointed by the General Meeting for 4-year terms. The Directors have unrestricted access to the management team and to all Bank information, as well as to the resources necessary to carry out their responsibilities.

Independent Director
Octávio Manuel de Castro Castelo Paulo

Non-executive Director
António Caroto Coutinho

Executive Director
Luís Miguel Fialho Teles

Non-executive Director
Patrício Bicudo Vilar

Non-executive Director
Silvano Honório Campos de Araújo

Executive Director
Eduardo Miguel Massena Clemente

Executive Director
Yonne Lizett de Queiróz de Castro

The Board of Directors has the following competencies:

- Control and day-to-day management of SBA's activity, within the limits imposed by Law and the Statutes of the Company, the day-to-day management of the Company being delegated to the Executive Comittee;
- The Bank's highest decision-making body with ultimate responsibility in matters of governance.

EXECUTIVE COMITTEE

The Executive Comittee was set up by the Board of Directors to ensure the correct monitoring of the Company's banking activity, through the delegation of management powers within the limits stipulated by law and the Bank's Statutes. It consists of the Chief Executive Officer and two Executive Directors. The Executive Comittee meetings are attended by invited members, appointed by the Executive Directors.

Executive Comittee Director
Luís Miguel Fialho Teles

Executive Director
Eduardo Miguel Massena Clemente

Executive Director
Yonne Lizett de Queiróz de Castro

The Executive Comittee has the necessary or appropriate management powers for the exercise of banking activity under the terms and to the extent configured in the mandate of this body and in the Law.

SUPERVISORY BOARD

The Supervisory Board is the corporate body responsible for supervising the management of the Company, ensuring compliance with the Law and the Statutes, and verifying the Bank's accounting and financial records. It is currently composed of four elements, a President, two members and a substitute member, with four-year mandates, and one alternate member has yet to be appointed. Its operation and composition is governed by the provisions of applicable legislation and the Statutes.

President
Sérgio Eduardo Sequeira Serrão

Member
Fernando Jorge Teixeira Hermes

Member
Donald Carmo Calunda Lisboa

Alternate
Eduardo Quental Avelino Bango

Alternate
To be named

EXTERNAL AUDITOR

The Bank's external audit is currently performed by the audit firm PWC Angola. In accordance with the applicable regulations, namely "Aviso 4/14" of the BNA, and in accordance with the Standard Bank Group's guidelines, the Bank has safeguarded the independence and objectivity of its external auditors by selecting audit companies with international recognition, complying with internal independence and rotation requirements every 4 years.

Committees

	COMPOSITION	MEETINGS FREQUENCY	RESPONSIBILITY
BOARD OF DIRECTORS COMMITTEES			
Human Capital Management Committee	• **President:** Non-executive Director • **Members:** Two Non-Executive Directors	Quarterly	• Review and approve the Bank's remuneration policy and oversee the Employee's nomination, evaluation and remuneration. • Manage the human resources component, such as defining policies and procedures or nominating Directors. • Monitor the evaluation component, define the recruitment and hiring policies.
Audit Committee	• **President:** Non-executive Director • **Members:** Member of the Supervisory Board and Non-Executive Director	Quarterly	• Assist in fulfilling the obligations relating to the safeguarding of assets and assessment of the Internal Control System and ensure that the risks inherent to the activity are adequately managed and monitored. • Analyse the Bank's financial situation and make recommendations to the Board of Directors on matters of financial, risk, internal control, fraud and IT relevant nature, ensure effective communication between the Board of Directors, management team, internal auditors, external auditors and regulatory authorities.

	COMPOSITION	MEETINGS FREQUENCY	RESPONSIBILITY
Risk Committee	• **President:** Independent Non-Executive Director • **Members:** Two Non-Executive Directors	Quarterly	• Ensure the quality, integrity and reliability of risk management, as well as the management and control of risk in the following aspects: – Advise the Board of Directors on the risk strategy. – Oversee the implementation of the risk strategy. – Oversee the risk management function.
Credit Governance Committee	• **President:** Independent Non-Executive Director • **Members:** Two Non-Executive Directors	Quarterly	• Ensure that there is an effective governance of credit and that an adequate management of the credit portfolio is carried out. • Monitor the credits granted. • Effective control of credit risk, including country risk.
Engineering Committee	• **President:** Non-Executive Director • **Members:** Executive Director and Independent Non-Executive Director	Quarterly	• Ensure that there is an effective governance and management of technological risk, with particular emphasis on the SBA strategy.
Nomination and Remuneration Committee	• **President:** Independent Non-Executive Director • **Members:** Two Non-Executive Directors	Annually	• Identify, evaluate (including background), reference and conflict of interest checks, and recommend candidates for the Board of Directors and the Supervisory Board. • Recommend the remuneration of Non-Executive Directors as well as the Supervisory Board members to shareholders for approval.

	COMPOSITION	MEETINGS FREQUENCY	RESPONSIBILITY
EXECUTIVE COMMITTEES			
Assets and Liabilities Committee	• **President:** ECP • **Members:** Executive Director, Finance Director, Private segment Executive Director - (Consumer & High Networth Clients), Small and Medium Business segment Executive Director - (Business & Commercial Clients), Corporate and Investment Banking Executive Director and Risk Executive Director	Monthly	• Establish liquidity, market and exchange rate risk management guidelines.
Risk Management Committee	• **President:** Executive Director • **Members:** CEO, Executive Director, Risk Director, Compliance Director, Exchange Control Director, Internal Audit Director, Engineering Director, People and Culture Director, Finance Director, Legal Services Director, Private Segment Executive Director - (Consumer & High Networth Clients), Small and Medium Business Segment Executive Director - (Business & Commercial Clients), Corporate and Investment Banking Executive Director	Monthly	• Formulate risk strategies and develop risk management policies for approval by the Board of Directors in accordance with current regulatory requirements; • Adopt the corporate principles and code of best banking practices to promote an appropriate risk management, as well as, review and evaluate the Bank's control environment, including (but not limited to) the risk framework and ensure that the integrity of the risk control systems, policies, procedures, processes and strategies are effectively managed in line with the risk level/risk appetite approved by the Board.

	COMPOSITION	MEETINGS FREQUENCY	RESPONSIBILITY
Credit Risk Committee	• **President:** Risk Director • **Members:** CEO, Private segment Director - (Consumer & High Networth Clients), Small and Medium Business segment Director - (Business & Commercial Clients), Corporate and Investment Banking Director, Legal Director, Credit Recovery Director.	Monthly	• Establish and define the principles of credit risk assumption and the general framework for a consistent and unified governance, identification, assessment, management and communication of credit risk. For purposes of fulfilling its duties and responsibilities, the Credit Risk Management Committee has the right to delegate responsibilities to subcommittees and/or individuals within clearly defined mandates and delegated authorities.
Pricing Committee	• **President:** CFO • **Members:** Finance Executive Director, Compliance Executive Director, Private Segment Director - (Consumer & High Networth Clients), Small and Medium Business Segment Director - (Business & Commercial Clients), Corporate and Investment Banking Director, Client Solutions Director, Information Systems Director, Compliance Director, Risk Director, Transactional Products and Services, Director (Large Corporates), Capital Markets Director (Large Corporates), Investment Banking Director (Large Corporates) and Marketing Director	Quarterly	• Define and review the Bank's pricing strategy, taking into account: – The products and segments in which the Bank intends to be positioned; – The competition; – The credit risk; – All market conditioning factors.

	COMPOSITION	MEETINGS FREQUENCY	RESPONSIBILITY
New Products Committee	• **President:** CFO • **Members:** Private segment Director - (Consumer & High Networth Clients), Small and Medium Business segment Director - (Business & Commercial Clients), Corporate and Investment Banking Director, Engineering Director, Risk Director, Compliance Director, Legal Department Director, Client Solutions Director, Head of the Business Unit proposing the new product, Marketing Director and Internal Audit Director	Monthly	• Evaluation and approval of new products, channels and service proposals.
Projects Committee	• **President:** PCE • **Members:** Executive Directors, Engineering Director, Private segment Director - (Consumer & High Networth Clients), Small and Medium Business segment Director - (Business & Commercial Clients), Corporate and Investment Banking Director, Finance Director, People and Culture Director, Transformation Management Director (TMO)	Monthly	• Ensure the alignment of the investment considered Change the Bank, in the areas of information and business systems, with the strategic initiatives adopted by SBA and, if pertinent, the Standard Bank Group. The Committee must also ensure that the resulting projects are executed in accordance with the agreed parameters in terms of quality, cost, scope and deadlines, and that any deviations from the established parameters are adequately managed.

	COMPOSITION	MEETINGS FREQUENCY	RESPONSIBILITY
Procurement Committee	• **President:** CFO • **Members:** Procurement Executive Director, Engineering Director, Legal Director, Private segment Director - (Consumer & High Networth Clients), Small and Medium Business segment Director - (Business & Commercial Clients), Corporate and Investment Banking Director, Client Solutions Director, and Risk Director	Monthly	• Align proposals for the procurement of goods and services from third parties with SBA's short, medium and long-term objectives. • Ensure that all proposals, contract amendments and claims are resolved following a fair and impartial procedure and that all proposals are subject to proper evaluation. • Ensure that procurement and contracting strategies are aligned with the Business objectives.
High Risk Clients Analysis Committee	• **President:** Executive Director • **Members:** Executive Directors, Private segment Director - (Consumer & High Networth Clients), Small and Medium Business segment Director - (Business & Commercial Clients), Corporate and Investment Banking Director, Risk Director, Legal Director and Compliance Director	Weekly	• Approve the relations with Clients when these may have implications at the level of reputational risk for the Bank and ensure that the review process is carried out for all relevant relations, namely, Clients categorised as High Risk for the Bank, including politically exposed persons.
Financial Internal Control Commitee	• **President:** CFO • **Members:** CFO, Engineering Director, Private segment Director - (Consumer & High Networth Clients), Small and Medium Business segment Director - (Business & Commercial Clients), Corporate and Investment Banking Director, Client Solutions Director	Monthly	• Assess the proportionality, efficiency and adequacy of the Bank's financial internal control, reducing the operational and financial risk tolerance.

	COMPOSITION	MEETINGS FREQUENCY	RESPONSIBILITY
Human Capital Executive Committee	• **President:** CEO • **Members:** Executive Directors, Private segment Director - (Consumer & High Networth Clients), Small and Medium Business segment Director - (Business & Commercial Clients), Corporate and Investment Banking Director and People and Culture Director	Monthly	• Approve the SBA remuneration policy as well as responsibility for the nomination, evaluation and remuneration of Employees, monitor the periodic performance evaluation component, and recruitment policies. Review and approve policies and procedures related to Human Capital.
Client Experience Committee	• **President:** Executive Director • **Members** Executive Director, Client Solutions Director, Experience Director, Engineering Director, People and Culture Director, Marketing Director, Private Segment Director - (Consumer & High Networth Clients), Small and Medium Business Segment Director - (Business & Commercial Clients), Corporate and Investment Banking Director	Monthly	• Provide an overall view of complaints, Clients' requests, breaches of agreed deadlines, service campaigns, training and events, in order to improve the organisational culture and consistently improve the Client's experience with the Bank.
Data and Information Governance Committee	• **President:** CEO • **Members** Executive Directors, Engineering Director, Private segment Director - (Consumer & High Networth Clients), Small and Medium Business segment Director - (Business & Commercial Clients), Corporate and Investment Banking Director, Compliance Director, Risk Director, Legal Director, Data Office Director	Monthly	• Establish the data and information management strategy as well as the systems investment priorities and decisions for the main programmes.

	COMPOSITION	MEETINGS FREQUENCY	RESPONSIBILITY
Conduct Risk Committee	• **President:** CEO • **Members:** Executive Directors, Engineering Director, Private segment Director - (Consumer & High Networth Clients), Small and Medium Business segment Director - (Business & Commercial Clients), Corporate and Investment Banking Director, Compliance Director, Risk Director, Legal Director, Client Solutions Director, People and Culture Director, Marketing Director, Finance Director, Innovation Director and Internal Audit Director	Monthly	• Conduct a review of the Bank's strategies, policies and structures necessary to monitor, understand, influence and respond to the factors that drive Culture, Conduct and Ethics in the market in which the Bank operates.

Main Policies

CODE OF ETHICS AND CONFLICT OF INTEREST

The Bank places the Client at the centre of its activity, giving primacy to their interests, and the loyalty duty to the latter is the pillar that defines the way the Bank operates.

The conflict of interest policy implemented is governed by the highest ethical and deontological standards. It seeks to identify, monitor and mitigate situations of potential conflicts of interest that protect the Bank as an Organisation, their Employees and Clients, from possible damage. On the other hand, it ensures strict compliance with the applicable laws and regulations.

In order to be able to conduct the Bank's activity in a coherent manner, common guidelines have been identified, such as the vision of values and the Standard Bank brand identity, which imply a common decision-making framework. This framework is more clearly defined in the Code of Ethics, which is designed to facilitate greater decentralisation and consequent faster and more efficient decision-making at all levels of the Bank.

RELATED PARTY TRANSACTIONS

The definition of the governance framework, risk management and reporting of related party transactions, and lending to associated and related parties are the main objectives of this policy.

COMPENSATION AND BENEFITS POLICY

The Bank's remuneration and benefits policy is key to hiring and retaining staff, thus ensuring the motivation of Employees and providing them with good remuneration and benefit opportunities. To ensure the effective implementation of this policy, the following guiding principles are applied:

01 Culture of responsibility and excellence, through individual performance, acquired capabilities, technical skills and demonstrated experience;

02 The remuneration approach aims to attract and retain key Employees and to motivate and reward excellent performance;

03 Work value, which SBA defines based on capabilities, namely:

- competence
- technical ability
- experience and performance
- position held at different organisational levels.

04 Respect for market remuneration principles, so as to ensure that differences relative to market value are supported and justified, and that remuneration practices ensure adequate levels of competitiveness;

05 Financial capacity of the Institution;

06 Guaranteed remuneration (fundamentally in terms of benefits), which is dependent on the Employees' contribution to achieving the Bank's objectives.

BOARD OF DIRECTORS

Executive Directors

At SBA, the Executive Comittee members' remuneration has a mixed composition, i.e. it has a fixed component complemented by a variable component, determined according to the combination of several factors, such as:

Individual performance of each Director referring not only to the previous year, but to consistency of performance in preceding years.

Overall performance of the Bank.

Respect for the rules and regulations inherent to the Bank's activity, as well as for the Code of Conduct.

Non-Executive Directors and members of the General Meeting Board

The Non-Executive Directors of the Board of Directors are remunerated for the functions they perform by means of a fixed amount and attendance fees for meetings.

The independent Non-Executive Director receives a fixed remuneration directly defined by the shareholders.

The General Meeting Board remuneration is a fixed amount depending on their meetings attendance.

Supervisory Board

The Supervisory Board members' remuneration corresponds to a fixed amount depending on their attendance at meetings. These amounts are approved by the shareholders through deliberation of the General Meeting.

The remuneration of the Corporate Bodies is intended to compensate the activities they develop directly in the Bank. The remuneration of the Corporate Bodies encompasses fixed remuneration, variable remuneration and long-term benefits, as presented below.

(thousands of Kwanzas)

	Board of Directors			Supervisory Board	Executive Board	Total
	Executive Directors	Non-Executive Members	Total			
31 December 2021						
Remunerations and other short-term benefits	1 658 871	-	1 658 871	15 015	95 023	1 768 909
Variable remunerations	572 741	-	572 741	8 979	16 961	598 681
Subtotal	**2 231 612**	**-**	**2 231 612**	**23 994**	**111 984**	**2 367 590**
Benefits and other social charges	168 042	-	168 042	-	-	168 042
Other remuneration and seniority bonuses	-		-			-
Total	**2 399 654**	**-**	**2 399 654**	**23 994**	**111 984**	**2 535 632**
31 December 2020						
Remunerations and other short-term benefits	510 603	88 611	599 214	15 322	735 654	1 350 190
Variable remunerations	287 473	14 730	302 203	3 846	251 014	557 063
Subtotal	**798 076**	**103 341**	**901 417**	**19 168**	**986 668**	**1 907 253**
Benefits and other social charges	101 345	54 952	156 297	-	6 033	162 330
Other remuneration and seniority bonuses	-		-			-
Total	**899 421**	**158 293**	**1 057 714**	**19 168**	**992 701**	**2 069 583**

06
FINANCIAL STATEMENTS AND NOTES

We want to convey a clear and transparent message to all stakeholders, not only in financial terms, but also in a more comprehensive way, because the activity we develop and the challenges we face are not only made of numbers.

6.1 Financial Statements

(thousands of Kwanzas)

Balance Sheet	Notes	31.12.2021	31.12.2020
Assets			
Cash and cash equivalents in central banks	4	119 628 484	147 520 430
Cash and cash equivalents in other credit institutions	5	92 577 562	65 181 528
Deposits at central banks and other credit institutions	6	186 984 054	142 266 522
Financial assets at fair value through profit or loss	7	181 656	1 824 677
Financial assets at fair value through other comprehensive income	8	162 789 363	89 032 526
Investments at amortised cost	9	91 706 497	235 843 696
Loans and advances to customers	10	234 174 153	140 309 033
Other tangible assets	11	43 199 753	39 912 155
Intangible assets	12	8 674 748	6 385 504
Current tax assets	13	892 277	448 946
Deferred tax assets	13	5 588 505	1 150 917
Other assets	14	21 876 848	10 406 404
Total Assets		**968 273 900**	**880 282 338**
Liabilities and Equity			
Resources from central banks and other credit institutions	15	26 524 169	894 112
Due to customers and other loans	16	678 257 533	691 667 486
Debt securities issued	17	-	4 745 970
Financial liabilities at fair value through profit or loss	7	-	214 709
Provisions	18	3 287 749	2 796 343
Current tax liabilities	13	17 518 310	2 918 522
Deferred tax liabilities	13	524 756	-
Subordinated liabilities	19	16 704 348	19 553 301
Other liabilities	20	55 971 373	40 509 524
Total Liabilities		**798 788 238**	**763 299 967**
Equity			
Share Capital	21	9 530 007	9 530 007
Revaluation reserves	22	974 547	(1 099 873)
Other reserves and retained earnings	22	83 244 796	72 421 149
Net Income		75 736 312	36 131 088
Total Equity		**169 485 662**	**116 982 371**
Total Liabilities and Equity		**968 273 900**	**880 282 338**

The following notes are an integral part of these financial statements

(thousands of K wanzas)

FINANCIAL STATEMENT	Notes	31.12.2021	31.12.2020
Interest and similar income	24	89 642 125	58 189 274
Interest and similar charges	24	(13 252 708)	(7 001 950)
Financial Margin		**76 389 417**	**51 187 324**
Income from services and commissions	25	18 216 557	12 427 848
Fee and commission expense	25	(4 276 678)	(4 226 748)
Net gains / (losses) from financial assets held at fair value through profit or loss	26	(9 239)	262 184
Net gains / (losses) from financial assets at fair value through other comprehensive income	27	26 186	-
Foreign exchange results	28	35 860 207	26 717 618
Other operating income	29	(4 023 230)	(2 939 268)
Net operating income from banking activities		**122 183 220**	**83 428 958**
Personnel costs	30	(21 700 744)	(18 193 365)
Third-party supplies and services	31	(13 041 451)	(10 646 649)
Depreciation and amortisation for the year	11 e 12	(4 345 248)	(1 808 057)
Provisions net of reversals	18	(529 162)	(1 072 034)
Impairment for loans and advances to customers net of reversals and recoveries	10	(2 291 016)	(943 413)
Impairment for other assets net of reversals and recoveries	4,5,6,9,14 e 22	11 348 723	(11 449 684)
Earnings before taxes		**91 624 322**	**39 315 756**
Income tax	13	(15 888 010)	(3 184 668)
Net Income		**75 736 312**	**36 131 088**
Average number of ordinary shares issued		1 000 000	1 000 000
Basic earnings per share (in kwanzas)	32	75.736	36.131
Diluted earnings per share (in kwanzas)	32	75.736	36.131

The following notes are an integral part of these financial statements

(thousands of Kwanzas)

INCOME STATEMENT OF OTHER COMPREHENSIVE INCOME	Notes	31.12.2021	31.12.2020
Net income for the year		**75 736 312**	**36 131 088**
Other comprehensive income for the year			
Items that will not be reclassified to profit or loss			
Debt instruments at fair value through other comprehensive income	8 e 22		
Fair value variations		(2 337 924)	(2 113 755)
Transfer to income due to impairment recognised in the period		(261 253)	150 364
Total other comprehensive income for the year		**(2 599 177)**	**(1 963 391)**
Total comprehensive income for the year		**73 137 135**	**34 167 697**

The following notes are an integral part of these financial statements

(thousands of Kwanzas)

CASH FLOW STATEMENT	Notes	31.12.2021	31.12.2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest, commissions and other similar income received	24 e 25	102 701 087	74 595 944
Interest, commissions and other similar costs paid	24 e 25	(15 806 681)	(11 047 768)
Payments to employees and suppliers	30 e 31	(34 742 195)	(29 245 766)
Other results	28 e 29	31 836 977	23 995 020
Cash flows before changes in operating assets and liabilities		**83 989 188**	**58 297 430**
(Increases)/Decreases in operating assets:			
Investments in central banks and other credit institutions	6	(43 368 059)	(136 623 460)
Financial assets at fair value through profit or loss	7 e 26	944 494	28 891 280
Financial assets at fair value through other comprehensive income	8 e 27	(72 181 904)	(18 661 704)
Investments at amortized cost	9	155 447 819	(140 353 296)
Credit to customers	10	(92 289 396)	(49 753 281)
Other assets	13 e 14	(16 351 363)	(6 878 784)
Net flow from operating assets		**(67 798 409)**	**(323 379 245)**
(Increases)/Decreases in operating liabilities:			
Resources of central banks and other credit institutions	15	25 630 057	(679 826)
Customer resources and other loans	16 e 19	(18 025 392)	264 100 282
Other liabilities	18 e 20	14 441 281	(14 480 615)
Net flow from operating liabilities		**22 045 946**	**248 939 841**
Net cash from operating activities before income taxes		38 236 725	(16 141 974)
Income taxes paid	13	(1 288 222)	(2 325 910)
Net cash from operating activities		**36 948 503**	**(18 467 884)**
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Acquisitions of other tangible assets, net of disposals	11	(5 230 280)	(13 525 932)
Acquisitions of intangible assets, net of disposals	12	(2 204 506)	(4 221 605)
Net cash from investment activities		**(7 434 787)**	**(17 747 537)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution of dividends	22	(25 307 439)	(12 851 076)
Issuance of securities, net of repayments and purchases	17	(4 702 189)	-
Net cash from financing activities		**(30 009 628)**	**(12 851 076)**
Change in cash and its equivalents		(495 912)	(49 066 496)
Cash and cash equivalents at the beginning of the period	4 e 5	212 701 958	261 768 454
Cash and cash equivalents at the end of the period		**212 206 046**	**212 701 958**
Cash and cash equivalents includes:			
Cash	4	13 353 605	9 680 332
Central Bank Cash Availability	4	42 722 754	38 687 410
Cash and cash equivalents in central banks of a mandatory nature	4	63 552 125	99 152 688
Cash and cash equivalents in other credit institutions	5	92 577 562	65 181 528
Total		**212 206 046**	**212 701 958**

(milhares de Kwanzas)

STATEMENT OF CHANGES IN EQUITY	Share Capital (Note 21)	Revaluation reserves (Note 22)	Other reserves and retained earnings (Note 22)				Net Income	Total Equity
			Legal reserve	Retained earnings	Other reserves	Total		
Balance at December 31, 2019	**9 530 007**	**863 518**	**6 470 874**	**46 672 453**	**1 209**	**53 144 536**	**32 127 689**	**95 665 750**
Other comprehensive income:								
Fair value changes	-	(2 113 755)	-	-	-	-	-	(2 113 755)
Actuarial deviations	-		-	-	-	-	-	-
Exchange variation	-		-	-	-	-	-	-
Transfer to uneven results recognised in the period	-	150 364	-	-	-	-	-	150 364
Net income for the year	-	-	-	-	-	-	36 131 088	36 131 088
Total comprehensive income for the year	**-**	**(1 963 391)**	**-**	**-**	**-**	**-**	**36 131 088**	**34 167 697**
Capital increase	-	-	-	-	-	-	-	-
Constitution of reserves	-	-	3 059 133	29 068 556	-	32 127 689	(32 127 689)	-
Distribution of dividends	-	-	-	(12 851 076)	-	(12 851 076)	-	(12 851 076)
Other movements	-	-	-	-	-	-	-	-
Balance at December 31, 2020	**9 530 007**	**(1 099 873)**	**9 530 007**	**62 889 933**	**1 209**	**72 421 149**	**36 131 088**	**116 982 371**
Other comprehensive income:								
Fair value changes	-	2 337 924	-	-	-	-	-	2 337 924
Transfer to uneven results recognised in the period	-	261 253	-	-	-	-	-	261 253
Tax on Assets/Liabilities deferred to fair value	-	(524 757)	-	-	-	-	-	(524 757)
Net income for the year	-	-	-	-	-	-	75 736 312	75 736 312
Total comprehensive income for the year	**-**	**2 074 420**	**-**	**-**	**-**	**-**	**75 736 312**	**77 810 732**
Constitution of reserves	-	-	-	36 131 088	-	36 131 088	(36 131 088)	-
Distribution of dividends	-	-	-	(25 307 439)	-	(25 307 439)	-	(25 307 439)
Other movements	-	-	-	-	-	(2)	-	(2)
Balance at December 31, 2021	**9 530 007**	**974 547**	**9 530 007**	**73 713 582**	**1 209**	**83 244 796**	**75 736 312**	**169 485 662**

The following notes are an integral part of these financial statements

6.2 Notes to The Financial Statements

Note 1 - Introductory Note

Standard Bank of Angola, S.A. (hereinafter also referred to as "Bank" or "SBA"), is a private equity bank based in Inara Business Park & Gardens, Torre 1, 8th floor, Talatona, Angola. The Bank was authorised to operate by the National Bank of Angola on March 9, 2010, and began operations on September 27, 2010.

The Bank aims to exercise banking in the terms permitted by law, which includes obtaining resources from third parties in the form of deposits or others, which, together with their own resources, in the granting of loans, deposits at the National Bank of Angola (BNA), investments in credit institutions, acquisition of securities and other assets, for which they are duly authorised. The Bank also provides other banking services and carries out various types of transactions in foreign currency.

As regards the shareholder structure and as detailed in Note 21, the Bank is majority owned by Standard Bank of South Africa at 51%. Note 33 details the main balances and transactions with shareholders and other related entities.

In December 2021 and December 2020, the Bank ended the year with 19 branches open.

.

Note 2 - Accounting Policies

PRESENTATION BASES

Under the provisions of "Aviso 05/2019" of 30 August of National Bank of Angola, the financial statements of Standard Bank of Angola, S.A. are prepared in accordance with the International Financial Reporting Standards (IFRS).

IFRS includes accounting standards issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), and their predecessor bodies.

The financial statements of Standard Bank of Angola, S.A. now presented refer to the year ended December 31, 2021.

The financial statements are expressed in thousands of Kwanzas, the currency of the economic environment in which the Bank is, rounded to the nearest thousand. They were prepared in accordance with the principle of historical cost, with the exception of assets and liabilities recorded at their fair value, including financial instruments, financial assets and liabilities at fair value through financial income and financial assets at fair value through other comprehensive income. Other financial assets and liabilities and non-financial assets and liabilities are recorded at amortised cost or historical cost.

The exchange rates of Kwanzas vis-à-vis the currencies relevant to the Bank's activity were as follows on the reference dates below:

	2021	2020
USD	554 981	649 604
EUR	628 738	798 429

The preparation of financial statements in accordance with IFRS requires the Bank to make judgments and estimates and use assumptions that affect the implementation of accounting policies and the amounts of income, costs, assets and liabilities. Changes in such assumptions or differences of these in relation to reality may have impacts on current estimates and judgments. Areas involving a higher level of judgment or complexity, or where significant assumptions and estimates are used in the preparation of financial statements are analysed in Note 3.

The Bank's financial statements as of December 31, 2021 were approved by the Board of Directors on 30 March 2022.

Accounting policies are consistent with those reported in previous year.

2.1 COMPARABILITY OF INFORMATION

The Bank adopted IFRS and mandatory application interpretations for periods beginning on or after 1 January 2019. Accounting policies are consistent with those used in the preparation of the financial statements for the previous year. .

2.2 CREDIT TO CLIENTS

Client credit includes loans originated by the Bank, whose intention is not to sell in the short term, which are recorded on the date on which the amount of the credit is advanced to the Client. Credit to Clients is initially recorded at its fair value and subsequently at the amortised cost net of impairment. The associated transaction costs/income are part of the effective interest rate of these financial instruments recognised in the financial margin. The interest component is recognised under the heading "Interest and similar income", on the basis of the effective interest rate method and in accordance with the criteria described in Note 2.12. Additionally, the commissions charged in connection with credit operations are periodified for the period of life of the operations.

Credit to Clients is derecognised from the balance sheet when (i) the Bank's contractual rights in relation to their cash flows have expired, (ii) the Bank has substantially transferred all the risks and benefits associated with their holding, (iii) although the Bank has retained part, but not all, of the risks and benefits associated with their holding, control over the assets has been transferred, or (iv) when there are no realistic prospects for the recovery of claims from a perspective and for collateralised claims, when funds from collateral have already been received, which are slaughtered to the asset.

2.2.1 Imparidade (IFRS 9)

IFRS 9 has established a new impairment model based on "expected losses" so that the loss event does not need to be verified before an impairment is constituted. This model aims to accelerate the recognition of impairment losses applicable to held debt instruments, the measurement of which is at amortised cost or fair value through other comprehensive income (OCI or Other comprehensive income).

In the event that the credit risk of a financial asset has not increased significantly since its initial recognition, the financial asset will generate an accumulated impairment equal to the expected loss that is expected to occur in the next 12 months.

In the event that the credit risk has increased significantly, the financial asset will generate an accumulated impairment equal to the expected loss that is expected to occur until maturity, thus increasing the amount of impairment recognised.

Once the loss event (what is currently called "objective impairment proof"), the accumulated impairment is directly affected by the instrument concerned, including the treatment of its interest.

2.1.1.1 *Expected Credit Loss* (ECL)

ECL is an estimate of the probability of credit losses.

The key inputs for measuring ECL are predictably the following variables:

- Probability of Non-compliance (Probability of Default or PD);
- Loss given non-compliance (Loss Given Default or LGD); and
- Exposure in Non-Compliance (Exposure at Default or EAD).

These parameters derive from developed internal statistical models and other historical data that derive from regulatory models, being adjusted to reflect prospective information.

PD estimates are estimates at a given date, calculated based on a model of statistical notations, and obtained using rating tools created for the various categories of counterparties and exposures. These statistical models are based on internally compiled data, comprising both qualitative and quantitative factors. Where market data are available, they can also be used to obtain PD from large CIB counterparties. If a counterparta or exposure migrates between rating classes, this gives rise to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturitys of exposBanures and estimated prepayment rates.

The loss given the default (LGD) corresponds to the percentage of debt that will not be recovered in case of default of the Client. The calculation of LGD is based on historical internal information, taking into account the cash flows associated with contracts from the moment of default until their adjustment or until the time when there are no relevant recovery expectations, taking into account a weighted calculation of recoveries from colaterised and non-colaterised exposures. For Consumer and High Net Worth Clients and Business and Commercial Clients, it was agreed for consistency purposes by the Standard Bank Group, the assumption that LGD does not include recoveries of contracts dejected to the asset.

The EAD represents the expected exposure in the event of non-compliance. The Bank obtains the EAD from the current exposure to counterparties and the potential changes to the amount under the contract, including amortisation, and advance payments. The EAD of the financial assets corresponds to the gross value held in the non-compliance.

For off-balance sheet positions (unused limits, letters of credit and financial guarantees), EAD considers the amount desated, as well as the potential future amounts that may be withdrawn or amortised under the contract. For this estimate, the Bank considers the nominal value of off-balance sheet positions multiplied by the Credit Conversion Factor (CCF) taking into account the risk levels presented in Table 2 of "Aviso 09/2016" of the National Bank of Angola, where high risk positions are weighted at 100%, average risk positions are weighted at 50%, medium/low risk positions are weighted at 20% and low risk positions are weighted at 0% and for the remaining exposures CCF's are applied based on the model provided by sb group or alternatively having based on the methodology defined internally based on historical information.

For Consumer and High Net Worth Clients and Business and Commercial Clients, the unused limits are considered by the impairment model as equity exposures

2.2.1.2 Individual and collective analysis

Para Particulares e Pequenas e Médias Empresas, o modelo de imparidade do Banco para os créditos no Estágio 3 é efectuado numa base individual. Para créditos no Estágio 1 e 2 é efectuado numa base colectiva, agrupando a carteira por segmento (Business & Commercial Client ou BCC e Consumer & High Net Worth Client ou CHNW) e por produto (empréstimos à habitação, leasing, descobertos, empréstimos de médio e longo prazo, cartões de crédito e cartas de crédito).

Para Grandes Empresas e Banca de Investimento (segmento Wholesale), o modelo de imparidade do Banco é efectuado numa base individual, tendo em conta um modelo de rating para cada classe de activo.

2.2.1.3 Significant increase in credit risk (Significant increase in credit risk or SICR)

In the context of IFRS 9, in determining that credit risk (i.e. risk of default) has increased considerably in a financial instrument since its initial recognition, and to that extent it must move from stage 1 to stage 2, the Bank considers the information reasonable, bearable and relevant and available at no great cost or effort, including both qualitative and quantitative information, and analysis based on the Bank's historical experience, technical credit analysis and prospective information.

First, the Bank identifies how a significant increase in credit risk occurred for an exposure comparing the probability of default (PD) for the remainder of the contract at the time of reporting, with the PD of the remainder of the contract life for this point in the time that was estimated in the initial recognition of the exposure. In the Corporate and Investment Banking segment, the rating degradation (three notes or a note, depending on the initial rating) assigned to the Client is an event for identifying significant increase in credit risk.

Assessing whether credit risk has increased significantly since the initial recognition of a financial instrument requires the identification of the initial recognition date of the instrument. For certain renewable credit instruments (e.g. credit cards and bank overdrafts), the date on which the credit was granted may have been a long time ago and the modification of the contractual terms of financial instruments may also affect the valuation.

2.2.1.4 Credit Risk Levels (Internships)

The Bank allocates each exposure to a given level of credit risk (Stage), between 1, 2 or 3, based on a variety of data that is determined predictive of the risk of default, and applying experienced credit judgment. Credit risk levels are defined using qualitative and quantitative factors that are indicators of the risk of default. These factors may vary depending on the nature of the exposure and the type of Client.

Credit risk levels are set and calibrated so that the risk of default increases exponentially as the credit risk deteriorates. In this sense, the difference between default risk and credit risk at levels 1 and 2 is less than the difference between credit risks at levels 2 and 3.

Each exposure will be allocated to its level of credit risk level at the time of initial recognition, based on the information available about the Client. All exposures are subject to constant monitoring, which can result in transfers from one level of credit risk to another.

The Bank considers contracts more than 90 days late in Stage 3. In addition, the Bank considers in Stage 2 contracts more than 30 days late, which have presented a significant increase in credit risk or contracts that are in the watchlist. The remaining contracts are considered in Stage 1.

For exposures in Stage 1, the ECL measurement period is 12 months (or its remaining maturity period, if less than 12 months). For exposures in Stage 2 or 3, the ECL measurement period is the entire lifetime of the exposure.

2.2.1.5 Temporary structure of PD

Credit risk levels will be a primary input for determining the temporal structure of PD in exposures.The Bank collects indicators of performance and non-compliance with their exposures taking into account the geographical identifier, the type of product and Client, and the level of credit risk. For certain portfolios, information obtained from external credit rating agencies may also be used.

The Bank uses statistical models to analyse the collected data and generate PD estimates for the remainder of the exposure period.

This analysis includes the identification and calibration of the relationships between variations in non-compliance rates and variations in key macroeconomic factors, as well as a more in-depth analysis of the impact of certain factors (e.g. restructuring experience) on the risk of non-compliance. For most exposures, key macroeconomic indicators include GDP growth, interest rates and benchmark and unemployment levels.

For exhibitions of specific industries and regions, the analysis may be extended to the corresponding raw materials and/or prices of the real estate market.

2.2.1.6 Definition of default

Under IFRS 9, the Bank considers their financial assets to be in default when:

- The debtor will not be able to pay his credit obligations in full, without recourse by the Bank when triggering the guarantees held (in the case of their existence); or

- The debtor has been in default for at least 90 days of any material obligation of the contract to be performed with the Bank. In the case of bank overdrafts, there is a non-compliance when:

(i) the borrower has exceeded the recommended limit for more than 90 days, i.e. the borrower concerned has failed to reduce the outstanding amount within that period to an amount within the authorised limit; or

(ii) the borrower is recommended to limit less than the borrower's outstanding amount and the borrower concerned has failed to reduce the outstanding amount within 90 days to an amount within the new recommended limit; or

(iii) The Bank grants credit to a person without an authorised limit, whose credit is not prepaid within 90 days.

In the verification of non-compliance (default), the Bank considers the following indicators:

- Qualitative: breaks in clauses or covenants contractual agreements;

- Quantitative: state of non-compliance and non-payment of another obligation of the same debtor to the Bank;
- Other indicators based on data developed internally or obtained externally.

The inputs assessment of when a financial instrument is in default, and their significance, may vary over time to reflect changes in circumstances.

Financial assets in a state of default are considered in Stage 3.

2.2.1.7 Forward-looking information

Under IFRS 9, the Bank incorporates forward-looking information both in assessing the significant increase in credit risk of an instrument since its initial recognition, and in the measurement of FTAs.

The Bank formulates a "baseline scenario" of the future perspective of the relevant economic variables and a representative set of other possible scenario projections, based on the advice of the Credit Risk Management Committee (CRMC), economic experts, and a variety of current considerations and external information projection. This process involves the development of two or more economic scenarios and the consideration of the relative probabilities of each outcome. External information includes economic data and projections published by government entities and monetary authorities in countries where the Bank operates, supranational organisations such as the Organisation for Economic Cooperation and Development and the International Monetary Fund, and private academic and industry analysts.

The baseline scenario represents the most likely outcome and is aligned with the information used by the Bank for other purposes, such as strategic planning and budgeting. The remaining scenarios represent more optimistic or pessimistic results. The Bank carries out periodic stress tests with more extreme shocks to calibrate and determine other representative scenarios, whenever deemed appropriate.

The Bank identifies the key drivers of credit risk key and credit losses for each portfolio financial instruments and, using an analysis of historical data, estimates relationships between macroeconomic variables, credit risk and credit losses. These drivers interest rates, unemployment rates and GDP projections. The predictable relationships between key indicators, non-compliance and loss rates in the various portfolios assets have been developed based on the analysis of historical data over the last 5 years.

The economic scenarios used are approved by the Credit Risk Management Committee (CRMC).

For Consumer and High Net Worth Clients and Business and Commercial Clients, this forward-looking information is included in the ECL in Stage 2. For Corporate and Investment Banking, forward-looking information is included in the rating of each Client.

2.2.1.8 Cured financial assets

The Bank continuously examines whether triggers that have led contracts to the state of default (Stage 3) still exist. In Stage 3, contracts that have entered into default for at least 6 months, even if they no longer show evidence of impairment. If contracts have quarterly or higher-frequency instalments, it will be decided in the CRMC when these contracts can be transferred from Stage 3.

A financial asset will be transferred from Stage 2 to Stage 1 when it does not have criteria for significant increase in credit risk and is cured.

2.2.1.9 Modified financial assets

The contractual terms of a loan may be modified for a number of reasons, including changes in market conditions, Client retention, and other factors not directly related to a current or potential deterioration of Client credit. An existing loan in which the terms have been modified through trading should be assessed as to their possible derecognition. If the terms of the renegotiated loan are significantly different, it should be disrecognised, and the renegotiated loan, recognised as a new fair value loan, calculating its new effective interest rate.

If the terms of the contract are not significantly different, the renegotiation or modification is not eligible for derecognition and the Bank recalculates the gross book amount on the date of modification by discounting the contractual cash flows of the modified financial asset using the original effective interest rate of the asset. The difference between that carrying amount and the gross carrying amount of the original asset is recognised as a gain or loss of modification. Any costs or commissions incurred with the modification adjust the carrying amount of the modified financial asset and are amortised over the remainder of the modified financial asset.

Under IFRS 9, when the terms of a financial asset are modified, and the modification does not result in derecognition, the determination of the significant increase in credit risk reflects the comparison of the PD of the remaining life on the date of reporting on the basis of the modified terms, with the PD of the remaining life estimated on the basis of the data of the initial recognition and the original terms of the contract.

The Bank provides loans from Clients in financial difficulties (referred to as “restructuring activities”) to maximise collection opportunities and minimise the risk of default. Under the Bank’s Restructuring Policy, restructuring is eligible on a selective basis if the debtor is currently in default or if there is a high risk of default and there is evidence that the debtor has made every effort to make payments under the original contract and is expected to be able to comply with the revised terms.

The revised terms typically include an extension of maturity, a change in interest payment periods and changes to the terms of the contractual clauses (covenants) of the loan. Both retail and business loans are subject to the Restructuring Policy. The Bank’s Credit Committee regularly reviews the reports of restructuring activity.

For financial assets modified as a result of the implementation of the Bank’s Restructuring Policy, the PD estimate reflects how the change has improved the Bank’s ability to obtain capital and interest payments and past experience of restructuring activity in similar situations. As part of the process, the Bank assesses the performance debtor in accordance with changes to the contractual terms and considers various indicators of behaviour.

Restructuring is usually a qualitative indicator of default and credit failure, and restructuring expectations are relevant for the judgment of the existence of significant credit risk increase. After the restructuring, the Client needs to demonstrate to be a good fulfiller for a minimum period of time of 2 years in order to verify its demarcation of restructured by financial difficulties and the PD is considered to have decreased so that the credit adjustment created is reversed and measured in an amount equal to the EFT of 12 months (Stage 1).

As of 31 December 2021 and 31 December 2020, the Bank does not have assets that have met these requirements for derecognition during the reporting period..

2.2.1.10 Definition of risk classes

In determining impairment losses for claims analysed on a collective basis, the Bank carries out the classification of exposures in the following risk classes:

“Normal credit portfolio” means loans that are running within the expected time limits and have never been restructured/modified due to financial difficulties of the Client or loans that have never been defaulted;

“Cured credit portfolio (cured Client)”: loans that have defaulted and have been cured (currently in force) due to the Client’s ability to fully repay and reinstate the status performance;

“Restructured (restructured)” credit portfolio” means loans with original maturities that have been restructured or modified by the Bank due to financial difficulties of Clients, resulting in the Client being able to provide full repayment in compliance with the modified /restructured terms of the contract. .

2.2.2 Collateral assessment process

The assessment of guarantees is ensured on a regular basis so that the Bank has up-to-date information on the value of these instruments and, consequently, on their ability to mitigate the risk of credit operations.

The Bank's operating systems generate reports that allow monitoring the dates on which collateral revaluations should be made.

Fair value is based on market value, which is determined in national currency on the basis of periodic assessments by independent qualified experts, taking into account the above in Directive No 01/DSB/2020 of 30 October 2020.

2.2.2.1 Credit granting phase

Within the conditions of approval of credit operations, whenever the need to obtain a guarantee is defined by the Client, if the typology or collateral identified implies an evaluation request for the definition and validation of its value, the Bank requests assessment of the guarantee from duly certified external evaluation companies.

2.2.2.2 Credit monitoring phase

Regarding the periodic reassessment process of collaterals, based on the requirements of "Aviso 10/2014" issued by the BNA, in particular with regard to the criteria that have been defined for the realisation of a new assessment of mortgage collaterals, it was defined that the Bank will be responsible for identifying the guarantees that are subject to revaluation and for triggering the respective process with external appraisers.

The Bank requests, to the right-looking entities dedicated to this purpose, formal and triannual evaluations of industrial and commercial real estate at least every two years, whenever the exposure represents:

an amount equal to or greater than 1% (one percent) of the total loan portfolio or equal to or greater than 100 million kwanzas; or

Credit situations overdue for more than 90 (ninety) days and/or other indications of impairment; or

Situations where changes of another nature are identified in market conditions with a potential significant impact on the value of real estate assets and/or on a group or more of real estate assets with similar characteristics.

Alternatively, if the above conditions are not met, the Bank requests evaluations every 3 years, in line with the Standard Bank Group Policy.

2.2.2.3 Credit recovery phase

Where relevant in the credit recovery process and in order to determine the recoverable amount of the credit by executing existing guarantees or to support a credit restructuring operation, the Bank may request the revaluation of collateral associated with loans whenever it has a default of more than 90 days.

The valuation value of each type of guarantee is determined on the basis of the specificities of each of these instruments, taking into account the following criteria:

(i) Real estate

The valuation value that is considered as a guaranteed amount corresponds to the minimum value between the valuation value, obtained in accordance with the provisions of Note 2.2.2.2 above, and the maximum amount of mortgage, to which the amount of other mortgages not belonging to the Bank and with priority over the bank is previously subtracted, whenever such information is available.

The values and dates of evaluation of the guarantees are recorded in the collateral management system.

(ii)Pledge of Term Deposits

The value of the guarantee corresponds to the nominal value of the deposit and the interest (if they are also attachmentd).

(iii) Other guarantees received

For other guarantees received, in particular equipment pledges, the market value determined on the basis of an updated assessment, with an age of less than one year, to be carried out by an appropriate entity with specific competence taking into account the particular nature of each guarantee received, shall be considered. It is a necessary condition for the assessment of this type of guarantees, the validation of ownership, safeguarding and operating conditions of the underlying assets.

Any exceptions to this rule are subject to professional judgment, and discounts are applied adjusted to the specific nature of the assets.

In the event that there is no warranty assessment, or the ownership and safeguard of the assets is not guaranteed, the value of the security received is not considered for the purpose of clearance of impairment losses.

In view of the difficulties underlying a correct and judicious assessment of this type of guarantees received, the Bank has opted to follow a conservative approach and not to consider them as credit risk mitigators for the purpose of determining credit impairment.

2.2.3 Impairment reversal

If, in a subsequent period, the amount of the loss due to impairment decreases and the decrease may be objectively related to an event occurring after the recognition of the impairment, the previously recognised loss of pariness is reversed. The amount of the reversal is recognised in the results of the year.

2.2.4 Slaughter of financial instruments

The accounting cancellation of financial instruments is carried out when there are no realistic prospects for recovery, from an economic perspective, when these instruments are fully provisioned and, for collateralised credits, when funds from the realisation of collateral have already been received. Such write-off is done through the use of impairment losses corresponding to 100% of the value of the loans considered as non recoverable.

2.2.5 Letters of Credit

The Bank reclassifies for credit to Clients, in return for other liabilities, all letters of credit for which all the necessary supporting documentation to make the contractly defined payments has been already received, since from that moment onwards the responsibility of the payments becomes effective. Thus there is a record of the Bank's liabilities under Other liabilities (Note 20), in return for the Client's liability to the Bank under the item Credit to Clients (Note 10)

2.2.6 Securitised credit

Non-derivative financial assets with fixed or determinable payments, not listed on the market and which the Bank does not intend to sell immediately in the near future are classified in this category. These financial assets, which include, in particular unlisted bonds and commercial paper, are initially recorded at their fair value and subsequently at the net amortised cost of impairment.

2.3 OTHER FINANCIAL INSTRUMENTS

2.3.1 Classification of financial assets

IFRS 9 advocates a classification and measurement approach for financial assets that reflects the business model used in asset management as well as the characteristics of its cash flows.

IFRS 9 includes 3 main categories of classification of financial assets: measured at amortised cost, measured at fair value through other comprehensive income (FVOCI) and measured at fair value through profit or loss (FVTPL).

The classification of financial assets is based on two determination criteria, namely: (i) the characteristics of the contractual cash flows of the financial asset and (ii) the entity's business model for the management of its financial assets.

A financial asset or liability is initially measured in the balance sheet at fair value plus transaction costs directly attributable to the acquisition or issue, unless they are items recorded at fair value through profit or loss where transaction costs are immediately recognised as expenses for the year.

According to IFRS 13, fair value means the price that would be received for the sale of an asset or paid to transfer a liability in a transaction between market participants at the time of measurement. On the date of contracting or starting an operation the fair value is usually the value of the transaction.

Business model evaluation

The business model reflects how the Bank manage their assets from the point of view of generating cash flows, i.e. whether the assets are managed in order to (i) receive contractual cash flows or (ii) to receive contractual cash flows and cash flows resulting from the sale of those assets. For these two types of portfolios, the Bank shall assess and test whether the cash flows of the financial instrument correspond solely to capital payments and interest on outstanding capital (Test "solely payments of principal and interest" or SPPI), i.e. if contractual cash flows are consistent with a basic loan contract, where interest includes only considerations relating to the time value of money, credit risk and profit margin that is consistent with a basic credit contract or whether they present risk exposure or volatility inconsistent with a basic credit contract, situation that determines that the financial instrument should be classified and measured at fair value through profit or loss.

If none of these above situations are met, financial assets are recognised at fair value through profit or loss, such as securities held for trading, which are managed for the purpose of being sold in the short term.

The information to be considered in this assessment includes:

- The policies and objectives set for the portfolio and the practical operationality of these policies, including how the management strategy focuses on receiving contracted interest, maintaining a specific interest rate profile, match between the assets and liabilities that finance them or in the realisation of cash flows through the sale of assets;
- The way the performance of the portfolio is evaluated and reported to the Bank's management bodies;
- The assessment of the risks affecting the performance of the business model (and financial assets managed under that business model) and how these risks are managed;
- How the remuneration of business managers depends on the fair value of assets under management or contractual cash flows received; and
- The frequency, volume and timing of sales in previous periods, the reasons for such sales, and expectations about future sales. However, sales information should not be considered alone, but as part of an overall assessment of how the Bank sets financial asset management objectives and how cash flows are obtained.

Assessment of contractual cash flows with respect to the exclusive receipt of capital and interest (SPPI)

In this valuation, "capital" is defined as the fair value of the financial asset in the initial recognition. "Interest" is defined as the consideration for the temporal value of money, the credit risk associated with the outstanding amount, other risks and costs associated with the activity (e.g. liquidity risk and administrative costs), as well as a profit margin.

When assessing contractual cash flows with respect to the receipt of capital and interest, the Bank considers the contractual terms of the instrument, which includes the analysis of the existence of situations in which they may modify the timing and the amount of cash flows so that they do not meet this condition, in particular:

- Contingent events that can change the frequency and amount of cash flows;
- Characteristics that result in leverage;
- Prepayment clauses and maturity extension;
- Clauses that may limit the right to claim cash flows in relation to specific assets (e.g. contracts with clauses that prevent access to assets in the event of default); and
- Characteristics that can change the compensation by the time value of money (for example, periodic restart of interest rates).

Interest rates on certain retail loans made by the Bank are based on standard variables ("SVRs") established at the Bank's discretion. SVRs are generally based on a central bank rate of a specific jurisdiction including a spread discretionary. In these cases, the Bank will assess how discretionary characteristics are consistent with the SPPI criterion considering a number of factors, including how:

- Debtors will be able to anticipate payments without significant penalties;
- Market competition ensures that the interest rate is consistent between banks; and
- Regulatory or consumer protection structures require the Bank to treat consumers fairly.

All bank retail loans and certain fixed-rate corporate loans contain features that enable payment anticipation.

A contract with the possibility of prepayment is consistent with the SPPI criterion, if the prepayment amount represents unpaid amounts of capital and interest of the outstanding capital amount, which may include reasonable compensation for the advance payment.

Additionally, an advance payment is consistent with the SPPI criterion, if the financial asset is acquired or originated with a premium or discount in relation to its contractual value, the advance payment represents substantially the nominal amount of the contract added from the periodified interest (but not paid, which may include reasonable compensation for the advance payment), and the fair amount of the advance payment is negligible in the initial recognition.

The Bank classifies and values their debt instruments at:

2.3.1.1 Investments at amortised cost

A financial asset is measured at amortised cost if it is held under the business model whose purpose is to hold the asset in order to receive contractual cash flows and the terms of its cash flows give rise to receipts, on specified dates, related only to the amount of capital and interest in force (SPPI).

These financial assets are recognised at cost at the initial moment of their recognition and subsequently measured at amortised cost using the effective interest rate method. Interest is calculated using the effective interest rate method recognised under the heading "Interest and similar income", according to the criteria described in Note 2.12. Impairment losses are recognised in results when identified. .

2.3.1.2 Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is classified in the category of financial assets at fair value through other comprehensive income if it meets the following conditions cumulatively:

- the financial asset is held under a business model in which the objective is the collection of its contractual cash flows and the sale of that financial asset, while the interest income remains affecting the results; and
- their cash flows give rise to receipts, on specified dates, relating only to the amount of capital and interest in force (SPPI).

Financial assets at fair value through other comprehensive income are initially recognised at fair value, including costs or income associated with transactions and subsequently measured at fair value. Changes in book value are recorded in return for other full income until the time when the assets are disposed of or until the recognition of impairment losses, in which case they are recognised in income, as well as interest income and gains and losses due to exchange rate differences, also recognised in results.

In the disposal of financial assets at fair value through other comprehensive income, accumulated gains or losses recognised in other comprehensive income are recognised under the heading "Results of financial assets at fair value through other comprehensive income" from the income statement. The exchange rate fluctuation of foreign currency debt securities is recorded in the income statement under the heading "Foreign Exchange results". Interest on debt instruments is recognised on the basis of the effective interest rate under the heading "Interest and similar income", including a premium or discount, where applicable, in accordance with the criteria described in Note 2.12.

2.3.1.3 Financial assets at fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss are financial instruments that do not fall into the above-mentioned categories.

In addition, the Bank may irrevocably designate a financial asset that meets the criteria to be measured at amortised cost or FVOCI, at fair value through profit or loss, at the time of its initial recognition, if this eliminates or significantly reduces an inconsistency in measurement or recognition (accounting mismatch), which would otherwise result from the measurement of assets or liabilities or the recognition of gains and losses on them on different bases.

The Bank classified "Financial assets at fair value through profit or loss" under the following headings:

(a) financial assets held for trading

Financial assets classified under this heading are acquired for the purpose of short-term sale; at the time of initial recognition they are part of a portfolio of identified financial instruments and for which there is evidence of a recent pattern of short-term profit-making; or fall within the definition of derivative (except in the case of a derivative classified as cover).

(b) financial assets not held for trading compulsorily at fair value through profit or loss

Under this item are classified the debt instruments whose contractual cash flows do not correspond only to capital repayments and payment of interest on outstanding capital (SPPI).

(c) financial assets designated at fair value through profit or loss (Fair Value Option)

Under this item are classified the financial assets that the Bank has chosen to designate at fair value through profit or loss to eliminate the accounting mismatch.

Whereas transactions carried out by the Bank in the normal course of their business are under market conditions, financial assets at fair value through profit or loss are initially recognised at their fair value, with the costs or income associated with transactions recognised in results at the initial time. Subsequent changes in fair value of these financial assets are recognised in results.

The valuation of these assets is carried out daily on the basis of fair value, taking into account the credit risk itself and counterparties to the transactions. In the case of bonds and other fixed income securities, the balance sheet amount includes the amount of accrued and uncollected interest.

Gains and losses resulting from a change in fair value are recognised under the heading "Financial assets and liabilities at fair value through profit or loss" of the income statement.

Trading derivatives with a positive fair value are included under the heading "Financial assets held for trading", and trading derivatives with negative fair value are included in the heading "Financial liabilities held for trading"

Derivative transactions are subject to credit risk analysis, and their adjusted value is in return for the "Exchange income" item of the income statement..

2.3.2 Capital instruments

Capital instruments are instruments that meet the definition of capital from the issuer's perspective, i.e. they are instruments that do not contain a contractual obligation to pay and which show a residual interest in the issuer's net asset, such as shares. Investments in capital instruments are generally classified as held for trading and accounted for at fair value through profit or loss. If the business model and consequently the purpose of acquiring the investment pool is to have in an indefinite portfolio for valuation, it should be recognised in the category of financial assets at fair value through other comprehensive income, and may not later be reclassified in the trading book (irrevocable condition). Changes in fair value and the result of the sale of these securities are recorded in other comprehensive income. Dividends are recognised in results when the right to recognition is granted. Impairment is not recognised for capital instruments at fair value through other comprehensive income, and the respective accumulated gains or losses recorded in changes in fair value transferred to results carried over at the time of their disrecognition.

2.3.3 Classification of financial liabilities

A financial instrument is classified as financial liability where there is a contractual obligation for a liquidation to be carried out by the delivery of money or other financial assets, regardless of its legal form.

At the time of their initial recognition, financial liabilities are classified into one of the following categories:

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

Financial liabilities classified in the category of "Financial liabilities at fair value through profit or loss" include:

- Financial liabilities held for trading

Under this heading, liabilities issued for the purpose of short-term repurchase, those which are part of a portfolio of identified financial instruments and for which there is evidence of a recent pattern of short-term profit-making or which fall within the definition of derivatives (except in the case of a derivative classified as hedging).

- Financial liabilities designated at fair value through profit or loss (Fair Value Option)

The Bank may irrevocably designate a financial liability at fair value through profit or loss at the time of its initial recognition if at least one of the following conditions is met:

- financial liabilities are managed, assessed and reported internally at their fair value; or
- the designation significantly eliminates or reduces the mismatch accounting for transactions.

The Bank classifies their financial liabilities as measured at amortised cost, and the clearance of the fair value of these liabilities is disclosed in these notes attached to the financial statements.

Financial liabilities at amortised cost include resources from credit institutions and Clients, loans, liabilities represented by securities and other subordinated liabilities.

Financial liabilities at amortised cost are initially recognised at fair value and subsequently at amortised cost. Interest is periodified by the term of the transactions and recognised under the heading "Interest and similar income". Financial liabilities at fair value through profit or loss are recorded at fair value.

The gains and losses ascertained at the time of the repurchase of financial liabilities are recognised as " assets and liabilities valued at fair value through profit or loss" at the time they occur.

2.3.4 Initial recognition and subsequent measurement

At the time of their initial recognition all financial instruments will be 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 fair value financial instruments through profit or loss, directly attributable transaction costs are recognised immediately in results. 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.

2.3.4.1 Recognition and measurement at amortised cost

The amortised cost of an asset or financial liability is the amount by which an asset or financial liability is initially recognised, deducted from capital receipts, plus or deducted from accumulated amortisations, arising from the difference between the amount initially recognised and the amount at maturity, minus the reductions arising from impairment losses.

2.3.4.2 Recognition and measurement at fair value

Fair value is the price that would be received when selling an asset or paid to transfer a liability in a current transaction between market participants at the time of measurement or, in its absence, the most advantageous market to which the Bank has access to carry out the transaction on that date. The fair value of a liability also reflects the Bank's own credit risk.

When available, the fair value of an investment is measured using its market quotation in an active market for that instrument. A market is considered active if there is sufficient frequency and volume of transactions so that there is a price quote on a constant basis.

If there is no quotation in an active market, the Bank uses recovery techniques that maximise the use of observable market data and minimise the use of unobservable data on the market. The chosen valuation technique incorporates all the factors that a market participant would take into account to calculate a price for the transaction.

2.3.4.3 Impairment identification and measurement

In addition to the analysis of the cost-effectiveness on credits to Clients, an assessment of the existence of objective evidence of impairment is carried out on each other financial assets which are not recorded at fair value through profit or loss.

In accordance with IFRS 9, the Bank regularly assesses whether there is objective evidence that a financial asset, or group of financial assets, shows signs of impairment.

A financial asset, or group of financial assets, is at an earlier risk where there is objective evidence of impairment resulting from one or more events that occurred after its initial recognition, such as:

(i) for shares and other capital instruments, a continued devaluation or significant value at its market value below the acquisition cost, and

(ii) for debt securities, where that event (or events) has an impact on the estimated value of future cash flows of the financial asset, or group of financial assets, which can be reasonably estimated.

For investments at amortised cost, impairment losses correspond to the difference between the book value of the asset and the current value of the estimated future cash flows (taking the recovery period) discounted at the original effective interest rate of the financial asset and are recorded in return for profit or loss. These assets are presented in the net balance of impairment. If there is an asset with a variable interest rate, the discount rate to be used for determining its impairment loss is the current effective interest rate, determined on the basis of the rules of each contract. Also in relation to investments at amortised cost, if in a subsequent period the amount of the impairment loss decreases, and this decrease may be objectively related to an event that occurred after the recognition of the impairment, this is reversed in return for the results of the year.

When there is evidence of impairment in financial assets at fair value through other comprehensive income, the accumulated potential loss on reserves is transferred to results. If in a subsequent period the amount of the impairment loss decreases, the previously recognized impairment loss is reversed in return for the results for the year until the acquisition cost is reset if the increase is objectively related to an event occurring after the recognition of the loss by impairment, except for shares or other capital instruments, subsequent capital gains are recognised in reserves.

2.3.5 Transfers between categories of financial instruments

The Bank will only transfer financial assets if there is a change in the entity's business model for the management of their financial assets.

These transfers are made prospectively from the date of reclassification, based on the fair value of the transferred assets determined on the date of the transfer. The difference between this fair value and its nominal value is recognised in results up to the maturity of the asset, based on the effective interest rate method. The amount in other comprehensive income existing at the date of the transfer is also recognised in results based on the effective interest rate method. According to IFRS 9, changes in the business model are not expected to occur frequently. Financial liabilities cannot be reclassified between categories.

During this year, the Bank did not transfer financial assets between categories.

2.3.6 Derecognition

The Bank derecognises their financial assets when all rights to future cash flows expire. In a transfer of assets, derecognition can only occur when substantially all the risks and benefits of financial assets have been transferred or in which the Bank neither substantially transfers nor retains all risks and benefits and does not maintain control of financial assets.

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

2.3.7 Derivative financial instruments

The Bank may carry out derivative financial instrument operations as part of their activity, managing their own positions based on expectations of market developments or to meet the needs of their Clients. All derivative instruments are recorded on the trade date at fair value and changes in fair value are recognised in the income statement, except if they qualify as cash flow hedges or net investment in hedge, understood as the part of the item hedged by the hedging instrument, must be the same as the coverage ratio that is used for management purposes.

When a derivative financial instrument is used to cover exchange variations in asset or liabilities monetary elements, no hedging accounting model is applied. Any gain or loss associated with the derivative is recognised in the results of the year, as well as the variations in the foreign exchange risk of the underlying monetary elements.

(a) Fair value coverage

Changes in the fair value of derivatives that are designated and which qualify as fair value hedging are recorded in return for results, together with changes in fair value of the asset, liability or group of assets and liabilities to be covered with respect to the covered risk. If the coverage ratio no longer meets the requirements of hedging accounting, the derivative financial instrument is transferred to the trading category and the hedging accounting is discontinued at a later date (the adjustment made to the book value of a hedging instrument, in which the effective interest rate method is used, is amortised through profit or loss for the period up to maturity and recognised under the heading "Interest and similar income"). If the covered asset or liability corresponds to a fixed income instrument, gains or losses accumulated by changes in interest rate risk associated with the hedging item up to the date of discontinuation of the hedging are amortised by profit or loss for the remaining period of the covered item.

b) Cash flow coverage

Fair value variations of derivatives that qualify for cash flow hedging are recognised in equity - cash flow reserves - in the actual part of hedging relationships. The changes in fair value of the ineffective portion of the coverage relationships are recognised in return for results, at the time they occur. Accumulated values in equity are reclassified to fiscal year results in the periods in which the covered item affects results. When the hedging instrument is derecognised, or when the coverage relationship fails to meet the coverage accounting requirements or is revoked, the coverage relationship is prospectively discontinued.

Thus, the changes in fair value accumulated in equity up to the date of discontinuation of the coverage may be deferred for the remaining period of the covered instrument, and immediately recognised in the results of the year, in case the covered instrument has become extinct.

2.4 OTHER TANGIBLE ASSETS

2.4.1 Recognition and measurement

Other tangible assets are recorded at acquisition cost, deducted from their accumulated depreciation and impairment losses. The cost includes expenses that are directly attributable to the acquisition of the goods (acquisition cost, equipment installation cost, customs clearance costs and import taxes on property, and other additional costs associated with the purchase of assets).

The works in leased buildings are capitalised as the Bank's own assets, being depreciated between the shorter of its useful life and the lease term of the respective contracts.

2.4.2 Subsequent costs

Subsequent costs are recognised as a separate asset only if it is likely that future economic benefits will result to the Bank. Maintenance and repair costs are recognised as a cost as they are incurred in accordance with the principle of exercise specialisation.

2.4.3 Depreciation

The land is not depreciated. Depreciation is calculated by the constant quota method according to the following expected useful life periods:

	Number of Years
Own-service properties	50
Works in rented properties	4 a 7
Equipment	
Furniture and material	4 a 8
Machines and tools	4 a 10
IT equipment/ATM	3 a 6
Transport material	3 a 4
Safety equipment	4 a 15

When there is an indication that an asset may be impaired, IAS 36 - Impairment of Assets 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 when the facts giving rise to them no longer occur (reversals of impairment losses are made up to the value limit that the assets would have had if impairment losses had never been recognised).

The recoverable value is determined as the highest between its net selling price and its use value, which is calculated on the basis of the current 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.

2.4.4 Leases

IFRS 16 establishes the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, which are the lessee (Client) and the owner (supplier). The central principle of this standard is that the lessee and the owner must recognise all rights and obligations arising from the lease agreements in the balance sheet.

From the owner's point of view, leases continue to be classified as operating leases or financial leases. From the tenant's point of view, the standard introduces an accounting model of individual tenant, in which a right-of-use asset (ROU - right of use) together with a lease liability for future payments, shall be recognised for all leases longer than 12 months, unless the underlying asset is of low value.

2.4.4.1 Recognition exemptions

In addition to the above scope exclusions, a tenant may choose not to apply IFRS 16 recognition and requirements on:

- short-term leases - leases which, on the start date, have a lease term of less than or equal to 12 months (must be applied consistently to all underlying assets of the same class); and e
- leases for which the underlying asset is of low value and less than USD 5 000 for non-dependent assets and less than ZAR 250 000 for dependent/combined assets, according to group policy.

2.4.4.2 Reconhecimento e mensuração

On the start date the lessee shall recognise a right-of-use asset and a lease liability.

	Initial measurement	Subsequent measurement
Right-of-use assets	Cost (initial measurement of rental liabilities) plus initial direct costs.	Cost Model: Cost less accumulated depreciation and accumulated impairment. The ROU asset is depreciated for the shortest period between the lease term and the useful life, unless the lessee is likely to exercise a purchase option, where in that case we must use the useful life.
Rental liabilities	By the current value of future rental payments. Rental payments will be discounted using the implied interest rate on the lease if this fee can be promptly determined. If not, use the tenant's incremental loan rate.	The lessee shall measure the lease liabilities as follows: • increase the book value to reflect interest on rental liabilities; • reduce the book value to reflect the payments made.

Rental payments include:

Fixed payments (including fixed payments in substance, minus any rental incentives to be received);

- Variable rental payments that depend on an index or rate;
- Expected amounts to be paid by the lessee under guarantees of residual value;

the exercise price of a purchase option, if it is reasonably certain that the lessee will exercise that option; and

- Payments of fines for the termination of the lease, if the term of the lease reflects that the lessee exercises the option of terminating the lease.

Since it is not easily possible to determine the interest rate implied in the lease (paragraph 26 of IFRS 16), lease payments are discounted at the incremental interest rate of the lessee's financing which incorporates the risk-free interest rate curve (swap curve), plus a spread applied on the weighted average term of each lease. For fixed-term contracts, this date is considered as the end date of the lease, for the other fixed-term contracts the period within which the term will have enforceability is evaluated. In the assessment of enforceability, the particular clauses of the contracts as well as the legislation in force in relation to the Urban Lease are taken into account.

Subsequently it is measured as follows:

- By increasing its carrying amount in order to reflect the interest on it;
- By reducing your carrying amount to reflect rental payments.

The carrying amount is remeasured to reflect any revaluations or changes to the lease, as well as to reflect the review of fixed lease payments in substance and the review of the lease term.

The Bank revalues a lease liability (and calculates its adjustment related to the asset under right of use) whenever:

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

Assets under right of use are depreciated/amortised from the date of entry into force until the end of the life of the underlying asset, or until the end of the lease term, if earlier. If the lease transfers ownership of the underlying asset, or if the cost of the right-of-use asset reflects the fact that the Bank exercises a purchase option, the right-to-use asset shall be depreciated/amortised from the date of entry into force until the end of the useful life of the underlying asset. Depreciation/amortisation begins on the date of entry into force of the lease.

The main accounting records arising from IFRS 16 are detailed as follows:

- In the income statement:
    - registration in "Financial margin" of interest expense related to lease liabilities;
    - registration in "Other administrative expenses" of amounts relating to short-term lease agreements and leasing contracts for low-value assets; and

"Amortisations" of the depreciation cost of assets under right of use.

- On the balance sheet:
    - registration in "Other tangible assets" by the recognition of assets under right of use; and
    - "Other liabilities" at the value of recognised rental liabilities.
- In the cash flow statement, the item Cash flows from operating activities - Payments (cash) to Employees and suppliers includes amounts relating to short-term lease agreements and low-value asset leasing contracts and the item (Increase)/Decrease in other liability accounts includes amounts related to payments of capital shares of the lease liability, detailed in the Cash Flow Statement.

Impact on the viewer's optics

According to IFRS 16, landlords classify leases as financial or operational.

2.5 INTANGIBLE ASSETS

Intangible assets are only recognised when (i) they are identifiable, (ii) it is likely that future economic benefits will come from them and (iii) their cost can be measured reliably. The cost of acquiring intangible assets comprises (i) purchase price, including costs of intellectual rights and fees after deduction of any discounts and (ii) any cost directly attributable to the preparation of the asset for its intended use. After its initial accounting, the Bank measures their intangible assets by the cost model.

2.5.1 Software

The costs incurred with the acquisition and software third parties are capitalised, as well as the additional expenses incurred by the Bank necessary for its implementation. These costs are amortised linearly for an estimated useful life period of 3 to 5 years.

2.5.2 Costs of research and development projects

Costs directly related to the development of IT applications, which are expected to generate future economic benefits beyond one financial year, are recognised and recorded as intangible assets.

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

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

2.5.3 School Certificates

The costs incurred with the acquisition of school certificates are recognised and recorded as intangible assets. These certificates generate and continue to generate economic benefits, and have an indefinite useful life so they are not amortised.

2.6 LOAN OF SECURITIES AND TRANSACTIONS WITH REPURCHASE AGREEMENT

Securities sold with a repurchase agreement (rest) for a fixed price or at a price equaling the selling price plus an interest inherent in the term of the transaction are not derecognised from the Balance Sheet and are classified and valued in accordance with the accounting policy referred to in Note 2.3. The corresponding liability is recorded in amounts payable to other credit institutions or Clients, as appropriate. The difference between the selling value and the repurchase value is treated as interest and is deferred during the life of the agreement by the effective interest rate method.

Securities purchased with a resale agreement (reverse repos) for a fixed price or at a price equaling the purchase price plus an interest inherent to the term of the transaction are not recognised in the balance sheet, and the purchase amount is recorded as loans to other credit institutions or Clients as appropriate. The difference between the purchase value and the resale value is treated as interest and is deferred during the life of the agreement by the effective interest rate method.

2.7INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Investments in subsidiaries and associates are recorded in the Bank's financial statements at its historical cost deducted from 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, or has rights, to the variability in returns arising from their involvement with that entity and can take over it through their power over the relevant activities of that entity (de facto control).

The associated companies are entities in which the Bank has significant influence but does not exercise control over their financial and operational policy. The Bank is presumed to have significant influence when they hold the power to exercise more than 20% of the member's voting rights. If the Bank holds, directly or indirectly, less than 20% of the voting rights, it is presumed that the Bank has no significant influence, except where such influence can be clearly demonstrated.

The existence of significant influence on the part of the Bank is usually demonstrated in one or more of the following ways:

• representation on the Board of Directors or equivalent management body;

• participation in policy-making processes, including participation in decisions on dividends or other distributions;

- material transactions between the Bank and the company;
- exchange of management staff; and
- providing essential technical information.

2.7.1 Impairment

The recoverable value of investments in subsidiaries and associates is assessed whenever there are signs of evidence of impairment. Impairment losses are calculated based on the difference between the recoverable value of investments in subsidiaries or associates and their book value. The impairment losses identified are recorded in return for results and subsequently reversed by results if there is a reduction in the amount of the estimated loss in a later period. The recoverable value is determined based on the greater between the value in use of the assets and the fair value deducted from the selling costs, being calculated using valuation methodologies, supported by cash flow techniques, considering market conditions, time value and business risks.

2.8 NON-CURRENT ASSETS HELD FOR SALE (IFRS 5)

The Bank classifies in non-current assets held for sale the properties held for credit recovery whose purpose is not the continued use in the Bank's activity but rather the realisation of their book value through a transaction of a sale that should be very likely to occur within one year.

These assets are initially measured by the lowest between their fair net value of selling costs and the book value of the credit existing on the date on which the damage or judicial settlement of the asset was made.

Fair value is based on market value, which is determined in national currency on the basis of periodic assessments by independent qualified experts, taking into account the above in Directive No 01/DSB/2020 of 30 October 2020 and the disposal of the same taking into account the above in Directive No 01/DSB/DRO/2020 of 14 February 2020.

The subsequent measurement of these assets is carried out at the lowest of their book value and the corresponding fair value, net of sales costs and not subject to amortisation. If there are unrealised losses, these are recorded as impairment losses in return for the results of the year.

2.9 INCOME TAXES (IAS 12)

Income taxes include the effect of current taxes and deferred taxes. The tax is recognised in the income statement, except when related to items that are moved in equity, which implies its recognition in equity. Deferred taxes recognised in equity arising from the revaluation of assets at fair value through other comprehensive income and cash flow hedging derivatives are subsequently recognised in profit or loss at the time when the gains and losses that gave rise to them are recognised in profit or loss.

2.9.1 Current Tax

Current taxes correspond to the amount calculated in relation to the taxable income for the financial year, using the tax rate in force or substantially approved by the authorities at the balance sheet date and any adjustments to the taxes of previous years.

2.9.2 Industrial Tax

On 31 December 2021, the Bank is subject to taxation in the field of Industrial Tax, being considered fiscally a taxpayer of Group A and currently subject to a tax rate of 35% under Law No. 26/20 of July 20, which amends the Industrial Tax Code, approved by Law No. 19/14, 22 October.

Under the above mentioned Law, an increase in the reporting period of tax losses to 5 years, as well as among others, changes were made as to the tax treatment of exchange variations and the tax deductibility of the provisions, in order to determine that impairment losses on secured claims are not deductible for tax purposes, except for the unsecured part.

Pursuant to Law 19/14, which approves the Industrial Tax Code in force on 1 January 2015, the Bank is subject to provisional liquidation in a single benefit to be made in August, determined by applying a 2% rate on the result derived from financial intermediation operations, calculated in the first six months of the previous tax year, income subject to Capital Investment Tax ("CIT"), regardless of the existence of a tax base in the year.

With the entry into force of Law No. 26/20, the Bank is no longer obliged to make the settlement and provisional payment of the Industrial Tax on sales in cases where they have determined tax losses in the previous year.

The Industrial Tax Code determines that the income subject to CIT is deducted for the purposes of determining taxable profit in the company of Industrial Tax, and the CIT does not constitute a tax-deductible cost.

Income from Treasury Bonds and Treasury Bills issued by the Angolan State after January 1, 2013 is subject to Capital Investment Tax (CIT), at the rate of 10% (5% in the case of debt securities admitted to trading on a regulated market and with a maturity of three years or more) and industrial tax: (i) in the case of capital gains or losses obtained (including any exchange rate revaluations on the capital component); and (ii) the recognition of the discount in respect of securities purchased or issued at a discounted value. Income subject to CIT is excluded from Industrial Tax.

2.9.3 Deferred Tax

Deferred taxes are calculated, according to the balance sheet-based liability method, on the temporary differences between the book values of assets and liabilities and their tax base, using the tax rates approved or substantially approved at the balance sheet date and which are expected to be applied when the temporary differences are reversed.

Deferred tax liabilities are recognised for all taxable temporary differences other than goodwill, not deductible for tax purposes, differences resulting from the initial recognition of assets and liabilities that do not affect both accounting and tax profit, and differences related to investments in subsidiaries to the extent that they are not likely to reverse in the future, and management can control the timing of its realisation.

Deferred tax assets are recognised when future taxable profits are likely to absorb temporary differences deductible for tax purposes (including reportable tax losses).

The Bank shall, as set out in IAS 12 – Income Tax, paragraph 74, offset deferred tax assets and liabilities whenever:

(i) has the legally enforceable right to offset current tax assets and current tax liabilities; and

(ii) deferred tax assets and liabilities relate to income taxes released by the same tax authority on the same taxable entity or different taxable entities wishing to settle current tax liabilities and assets on a net basis, or realise the assets and settle the liabilities simultaneously, in each future period in which deferred tax liabilities or assets are expected to be settled or recovered.

2.9.4 Capital Investment Tax (CIT)

Presidential Legislative Decree No. 2/14 of 20 October, in force since November 19, has been reviewing and introducing several legislative changes to the CIT Code, following the tax reform project.

The CIT generally focuses on income from the Bank's financial investments, is withheld at source by the BNA and the respective income is excluded from taxation in the field of Industrial Tax. For these reasons, the Bank considers that the conditions for considering, in the light of IAS 12, that iac is an income tax are fulfilled. The rate ranges from 5% (in the case of interest, amortisation or repayment premiums and other forms of remuneration of government debt securities, bonds, equity or other similar securities issued by any company, which are admitted to trading on a regulated market and their issue is maturity equal to or greater than three years) and 15%.

Additionally, pursuant to Article 18 of the Industrial Tax Code, CIT itself is not accepted as a deductible cost for the purposes of clearance of the tax base itself, as well as, on the other hand, taxable income, income subject to CIT, as provided for in Article 47 of the Industrial Tax Code, will be deducted from the taxable income. .

2.9.5 Value added tax (VAT)

Law No. 7/19 approving the Value Added Tax Code entered into force on 1 October 2019, with a rate of 14%, which repeals the Consumption Tax Regulation, republished by the Presidential Legislative Decree No. 3-A/14 of 21 October, and also repeals the Stamp Duty on customs operations provided for in Budget No. 15 of the table referred to in Presidential Legislative Decree No. 3/14 of 21 October, which approves revision and republication of the Stamp Duty Code.

The Law approving the VAT Code also introduced some relevant changes to the Stamp Duty Code, and the Bank is exempt from Stamp Duty provided for in the amount No. 23.3 of the table referred to in Presidential Legislative Decree No. 3/14 and on financing, leasing, leasing, insurance and reinsurance operations that are subject to and not exempt from Value Added Tax.

The VAT system also defines the activation regime, in which the Bank acts as an activating agent of 50% of the VAT paid by their suppliers, with some exceptions defined in Law 17/19 of 13 August, which amends the Law approving the Value Added Tax Code, in points (a) to (f) of Article 21(5).

As regards the services provided, the Bank has an obligation to settle VAT on leasing operations but in the amortised capital component and late payment interest charged to Clients, with the exception of exempt transactions, pursuant to point (i) of article 12(i) of the Value Added Tax Code.

The Bank has simultaneously subject and non subject transactions that confer the right to deduct and exempt transactions that restrict this right, thus the Bank can only deduct the VAT incurred on the acquisition amounts of goods and services in proportion to the transactions that confer this right.

Notwithstanding the foregoing, the Bank has adopted the method of actual allocation to deduct all the VAT incurred in the acquisition of goods from leasing or VAF transactions conferring the right to deduct, but excludes the possibility of deducting the tax borne in transactions which do not confer that right under Articles 22 and 24 of the Value Added Tax Code.

In April 2019, the Legal Regime for Invoices and Equivalent Documents (RJFDE) entered into force. In this way, the Bank complies with billing rules under this Regime and issues generic invoices through GTA-certified software.

2.9.6 Other taxes

The Bank is also subject to indirect taxes, such as customs taxes, stamp duty, consumption tax (until October 2019), as well as other fees.

2.10 EMPLOYEE BENEFITS

2.10.1 Variable remuneration paid to Employees and Directors

The Bank assigns variable remuneration to their Employees and Directors as a result of their performance (performance awards). It is the responsibility of the Human Capital Management Committee to set the respective allocation criteria to each Employee and Director, respectively, whenever it is assigned. The variable remuneration attributed to Employees and Directors is recorded in return for results in the year to which they relate, although their payment occurs only in the following year (Note 20). t

2.10.2 Holiday provision and holiday pay

The General Labor Law states that the amount of leave allowance payable to workers in a given fiscal year is a right they acquired in the year immediately preceding. Consequently, the Bank relates in the financial year the amounts relating to leave and holiday allowance payable in the following year, and vacations not taken payable in case of departure of the Employee (Note 20).

2.11 PROVISIONS AND CONTINGENT LIABILITIES (IAS 37)

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

The measurement of provisions takes into account the principles set out in IAS 37 with regard to the best estimate of the expected cost, the most likely outcome of the ongoing actions and taking into account the risks and uncertainties inherent in the process.

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

Provisions are revised at the end of each reporting date and adjusted to reflect the best estimate, and are reversed in return for results in proportion to non-probable payments.

The provisions are derecognised through their use for the obligations for which they were initially constituted or in cases where they are no longer observed.

If the future expenditure of resources is not likely, it is a contingent liability, and only its disclosure.

2.12 INTEREST RECOGNITION

The results of interest on financial instruments assets and liabilities measured at amortised cost are recognised under the similar interest and income items or interest and similar charges (Note 24), according to the terms of the underlying transactions, using the effective interest rate of the transaction on the gross book value of the transaction.

Interest recognised by the effective interest rate method of financial assets at fair value through other comprehensive income is also recognised in financial margin (Note 24) as well as from financial assets and liabilities to fair value through profit or loss.

The effective interest rate corresponds to the rate that devalues the estimated future payments or receipts during the expected life of the financial instrument (or, where appropriate, for a shorter period) to the current net balance sheet value of the asset or financial liability.

For the determination of the effective interest rate, the Bank shall include commissions paid or received considered as an integral part of the effective interest rate, transaction costs and all premiums or discounts directly related to the transaction, except for financial assets and liabilities at fair value through profit or loss.

Income from interest recognised in results associated with contracts classified in the stage 1 or 2 are calculated by applying the effective interest rate of each contract on its gross balance sheet value. The gross balance sheet value of a contract is its amortised cost, before deduction of the respective impairment. For the financial assets included in the stage 3, interest is recognised in results based on its net balance sheet value (deducted from impairment). Interest recognition is always carried out prospectively, i.e. for financial assets that enter into stage 3 interest is recognised on the amortised cost (net of impairment) in subsequent periods.

For financial assets arising from or acquired in credit impairment (POCIs) the effective interest rate reflects the expected credit losses in determining the expected future cash flows from the financial asset.

For derivative financial instruments, with the exception of those classified as interest rate risk hedging instruments, the interest component is not autonomous from changes in its fair value and is classified as Results of assets and liabilities valued at fair value through profit or loss. For interest rate risk hedging derivatives and associated with financial assets or financial liabilities recognised in the fair value category through profit or loss, the interest component is recognised in interest and similar income or in interest and similar charges (Note 24). With reference to 31 December 2021 and 31 December 2020, the Bank does not have these operations.

2.13 RECOGNITION OF INCOME FROM SERVICES AND COMMISSIONS

Income from services and commissions (Note 25) is recognised according to the following criteria:

i) when they are obtained as the services are provided, their recognition in results is carried out in the period to which they relate;

ii) where they result from the provision of services, their recognition shall be carried out when that service is completed.

When they are an integral part of the effective interest rate of a financial instrument, income from services and commissions is recorded in the financial margin (Note 24).

2.14 RESULTS OF FINANCIAL ASSETS VALUED AT FAIR VALUE THROUGH PROFIT OR LOSS AND FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The results of financial assets valued at fair value through profit or loss (Note 26) include gains and losses generated by assets and financial liabilities at fair value through profit or loss, including trading portfolios and other fair value assets and liabilities through profit or loss, including embedded derivatives and dividends associated with these portfolios. Fair value variations in hedge derivative financial instruments and covered instruments, when applicable to fair value hedging relationships, are also recognised here. The bank doesn't have coverage accounting.

The results of financial assets at fair value through other comprehensive income include the losses in the sales of this category of financial assets.

2.15 FINANCIAL GUARANTEES AND COMMITMENTS

Financial guarantees (Note 23) are contracts that require the Bank to make specific payments in order to reimburse the holder for a loss incarnatised by a debtor failing to comply with a payment. Commitments (Note 23) are firm commitments to provide credit under predetermined conditions.

Liabilities that arise from financial guarantees or commitments given to provide a loan at an interest rate below market value are initially recognised at fair value, and the initial fair value is amortised during the lifetime of the guarantee or commitment. Subsequently the liability is recorded at the highest between the amortised amount and the present value of any expected payment to settle.

2.16 TRANSACTIONS IN FOREIGN CURRENCY

Transactions in foreign currency are converted to the functional currency (Kwanzas) at the exchange rate in force on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are converted to the functional currency at the exchange rate in force on the balance sheet date. The exchange rate differences resulting from the conversion are recognised in results. Non-monetary assets and liabilities denominated in foreign currency and recorded at historical cost are converted to the functional currency at the exchange rate in force on the date of the transaction. Non-monetary assets and liabilities recorded at fair value are converted to functional currency at the exchange rate in force on the date on which fair value is determined and recognised in return for results, with the exception of those recognised in fair value assets through other comprehensive income.

Purchases and sales of foreign currency to be settled for up to two days are recorded in balance sheet under other assets (Note 14) and Other liabilities (Note 20).

2.17 RESULTS PER SHARE

Basic income per share (Note 32) is calculated by dividing the net income attributable to the Bank's shareholders by the weighted average number of common shares outstanding, excluding the average number of own shares held by the Bank.

For diluted earnings per share, the average number of common shares outstanding is to reflect the effect of all potential common shares treated as dilutions. Contingent or potential emissions are treated as dilutives when their conversion to shares reduces the result per share.

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

2.18 CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and its equivalents include the amounts recorded in the balance sheet with maturity of less than three months from the balance sheet date, and with risk of change in the fair value of inmaterial value, which includes cash and cash equivalents in other credit institutions.

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

IFRS establishes a series of accounting treatments and require the Board of Directors to make judgements and make the necessary estimates to decide which accounting treatment is most appropriate. The main accounting estimates and judgments used in the application of the accounting principles of the Bank are presented in this Note, with the aim of improving the understanding of how its application affects the results reported by the Bank and its disclosure. A broad description of the main accounting policies used by the Bank is presented in Note 2 attached to the financial statements.

Whereas, 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 a different treatment was chosen. The Board of Directors considers that the choices made are appropriate and that the financial statements present in a true and appropriate manner the Financial Position of the Bank and the result of their operations in all relevant aspects.

3.1 FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS AND OTHER FINANCIAL ASSETS AND LIABILITIES VALUED AT FAIR VALUE

Fair value is based on market quotes, when available, and in the absence of quotation is determined on the basis of the use of prices of similar recent transactions and carried out under market conditions, or on the basis of valuation methodologies based on techniques of cash flows cash determinated considering market conditions, the temporal value, profitability curve and volatility factors. These methodologies may require the use of assumptions or judgments in estimating fair value.

The economic situation of financial markets, in particular in terms of liquidity, may influence the realisation value of unlisted financial instruments in some specific situations, including their disposal before maturity.

Consequently, the use of different methodologies or different assumptions or judgments in the application of a given model could lead to financial results different from those reported in Notes 7, 8 and 34.

3.2 CLASSIFICATION OF FINANCIAL ASSETS

The classification and measurement of financial assets depends on the results of the SPPI tests (analysis of the characteristics of contractual cash flows, to conclude whether they correspond solely to capital payments and interest on outstanding capital) and the business model test.

The Bank determines the business model taking into account how groups of financial assets are managed together to achieve a specific business objective. This assessment requires judgment, as the following aspects have to be considered, among others: how asset performance is assessed; risks affecting the performance of assets and how those risks are managed; and the way of remuneration of the asset managers.

The Bank monitors the financial assets measured at amortised cost and fair value through other comprehensive income that are derecognised before maturity, to understand the reasons behind its disposal and determine whether they are consistent with the purpose of the business model defined for those assets. This monitoring is part of the Bank's ongoing valuation process of the business model of financial assets remaining in the portfolio, to determine whether it is appropriate and, if not, whether there has been a change in the business model and consequently a prospective change in the classification of these financial assets (Notes 7, 8, 9 and 10).

3.3 IMPAIRMENT LOSSES OF FINANCIAL INSTRUMENTS AT AMORTISED COST OR FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (OCI)

The Bank carries out a periodic review of financial instruments in order to assess the existence of impairment losses, as referred to in the accounting policy described in Note 2.3.

The evaluation process in order to determine whether an impairment loss should be recognised is subject to several estimates and judgments. This process includes factors such as the probability of default (PD), the loss given default (LGD), the assessment of the existence of a significant increase in the credit risk of the financial asset since its initial recognition, the definition of groups of assets with common credit risk characteristics, the credit rating, the collateral value associated with each transaction and the estimates of both the future cash flows and the timing of their receipt.

During the 2020 and 2021 years, the models for calculating the degree of impairment were improved due to the COVID-19 pandemic, however, despite the considerable pressure exerted by the pandemic on the Angolan economy, there were no material changes in the premises. Monitoring and monitoring measures were taken by business teams to ensure that action plans to avoid reducing the quality of the credit portfolio would be proactively taken, with Clients who were not in default before COVID-19 were prioritised.

In June 2021, National Bank of Angola instructed commercial banks to grant a moratorium of no more than 6 months, and this period could be extended by National Bank of Angola, if circumstances so determine, to Clients to so request and present the appropriate evidence of the impact of the COVID-19 pandemic, in order to ensure the financial stability of the economy. However, no moratoriums were requested by Clients under this initiative.

Alternative methodologies and the use of other assumptions and estimates could result in different levels of impairment losses recognised for financial instruments at amortised cost and fair value through other comprehensive income presented in Notes 4, 5, 6, 8, 9 and 10, with the consequent impact on the Bank's results.

3.4 INCOME TAX AND DEFERRED TAXES

In order to determine the overall amount of taxes on profits, certain interpretations and estimates were made. There are several transactions and calculations for which the determination of taxes payable is uncertain during the normal business cycle.

Other interpretations and estimates could result in a different level of current and deferred income taxes, recognised in the year and presented in Note 13.

The General Tax Administration has the possibility to review the calculation of the tax base made by the Bank over a period of five years. Thus, it is possible that there will be corrections to the tax base, resulting mainly from differences in the interpretation of tax legislation, which by its probability, the Board of Directors considers that they will not have materially relevant effect at the level of the financial statements.

Note 4 - Cash and cash equivalents in central banks

The heading of cash and cash equivalents in central banks consists of:

(thousands of Kwanzas)

	31.12.2021	31.12.2020
Cash	**13 353 605**	**9 680 332**
Cash and cash equivalents in central banks	**106 274 879**	**137 840 098**
Banco Nacional de Angola (BNA)	106 274 879	137 840 098
Accumulated impairment	-	-
	119 628 484	**147 520 430**

As at 31 December 2021, the heading "Cash and cash equivalents" at the National Bank of Angola includes deposits of a mandatory nature, in the amount of Kz 63 552 125 thousand (2020: Kz 99 152 688 thousand), which aim to satisfy the legal requirements for the constitution of mandatory minimum reserves. According to Instructive No. 16/2020 of the National Bank of Angola of 2 October 2020, and in accordance with Directive No. 04/DMA/2020 of the National Bank of Angola of 6 October 2020, the mandatory minimum reserves in demand deposits in the BNA on 31 December 2021 and 31 December 2020, are cleared according to the following table:

		National Currency	Foreign Currency
Incidence Base Rates			
Central Government, Local Governments and Municipal Administrators	**Apuramento Diário**	22%	100%
Other Sectors	**Apuramento Semanal**	22%	15% [1]

[1] 80% of this balance must be through treasury bonds in USD (Note 9)

Compliance with the mandatory minimum reserves for a given weekly observation period (Other Sectors) is achieved taking into account the average value of deposit balances with the Bank during that period. As at 31 December 2021, the total amount of claims (Central Government, Local Government, Local Administrations and Other Sectors) amounts to Kz 167 011 701 thousand (2020: Kz 162 415 807 thousand).

In order to comply with the minimum reserves in foreign currency, the applicable legislation considers eligible the Treasury Bonds in foreign currency belonging to the own portfolio registered in SIGMA issued from 2015, up to 80% of the actual chargeability, and the balance referring to the daily closing of the account of demand deposits in national currency in the amount of 2% of the average of the base of incidence on private deposits in foreign currency. For compliance with the minimum reserves in national currency, credits in national currency granted under "Aviso 10/2020" of April 1, 2020 are eligible.

As at 31 December 2021 these balances amount to Kz 103 459 576 thousand (2020: Kz 63 263 119 thousand), being related to Treasury Securities in foreign currency and contracts under "Aviso 10/2020".

On 31 December 2021 and 31 December 2020, with the entry into force of Directive 13/2019 of 27 December 2019, which states that an LGD of 0% should be considered for the portfolio of availities and investments incorporated with National Bank of Angola, there was no impairment.

Note 5 - Cash and cash equivalents in other credit institutions

The balance of the item availables in other credit institutions is composed, as to its nature, as follows:

(thousands of Kwanzas)

	31.12.2021	31.12.2020
Cash and cash equivalents in other credit institutions in the country		
Other cash and deposits	72 372	13 156
Cash and cash equivalents in other credit foreign institutions		
Demand deposits	92 505 190	65 168 372
Applied value	92 507 376	65 169 032
Accumulated impairment	(2 186)	(660)
	92 577 562	**65 181 528**

Cash and cash equivalents in other foreign credit institutions include interest-bearing demand accounts with Standard Bank of South Africa.

As of December 31, 2021, the Bank calculated impairments in accordance with IFRS 9 for cash and cash equivalents in other credit institutions in the amount of Kz 2 186 000 (2020: Kz 660 000). As of 31 December 2021 and 31 December 2020 the exhibitions were classified in stage 1.

Note 6 - Investments in central banks and other credit institutions

This heading as at 31 December 2021 and 31 December 2020 is examined as follows:

(thousands of Kwanzas)

	31.12.2021	31.12.2020
Applications in credit institutions in the country		
Operations with resale agreement	119 006 349	42 956 379
Accrued interest	1 389 521	101 550
Applications in credit institutions		
Very short-term applications	66 588 184	99 208 593
Applied value	66 598 316	99 217 039
Accrued interest	153	6 313
Accumulated impairment	(10 285)	(14 759)
	186 984 054	**142 266 522**

As at 31 December 2021, transactions with a resale agreement correspond to repos concluded with National Bank of Angola, with a weighted average interest rate of 12.547% and investments in very short-term credit institutions in foreign currency of 0.055%.

As at 31 December 2020, transactions with a resale agreement correspond to repos concluded with National Bank of Angola, with a weighted interest rate of 3.73% and investments in very short-term credit institutions in foreign currency of 0.21%.

As of 31 December 2021 and 31 December 2020 the exhibitions were classified in stage 1.

Note 7 - Financial assets and liabilities at fair value through results

As at 31 December 2021 and 31 December 2020, the heading financial assets at fair value through profit and loss shows the following values:

(thousands of Kwanzas)

31.12.2021	Indexing Currency Average Rate			Nominal Value	Acquisition Cost	Accrued Interest	Prize/ Discount	Fair Value Adjustment	Balance Sheet Value
Financial assets not held for trading compulsorily at fair value through results									
- EMIS Participation - Capital	AOA	n.a.	n.a	182 580	182 580	-	-	-	**182 580**
- EMIS Participation - Unpaid ancillary benefits	AOA	n.a.	n.a	7 147	7 147	-	-	-	**7 147**
Financial assets held for trading									
- Derivative Financial Instruments	AOA	n.a.	-	-	-	-	-	(8 071)	**(8 071)**
				189 727	**189 727**	**-**	**-**	**(8 071)**	**181 656**

31.12.2020	Indexing Currency Average Rate			Nominal Value	Acquisition Cost	Accrued Interest	Prize/ Discount	Fair Value Adjustment	Balance Sheet Value
Financial assets not held for trading compulsorily at fair value through results									
- EMIS Participation - Capital	AOA	n.a.	n.a.	64 397	64 397	-	-	-	**64 397**
- EMIS Participation - Unpaid ancillary benefits	AOA	n.a.	n.a.	7 147	7 147	-	-	-	**7 147**
Financial assets held for trading									
- Derivative Financial Instruments	AOA	n.a.	-	-	-	-	-	399 876	**399 876**
				1 393 667	**1 412 666**	**25 771**	**(5 590)**	**(8 046)**	**1 824 677**

Financial assets at fair value through profit or loss are measured at fair value at level 2 in accordance with IFRS 13 (Note 34), with the exception of EMIS's participation (level 3).

The movement of financial assets and liabilities valued at level 3 of the fair value hierarchy during the years of 31 December 2021 and 31 December 2020 can be analysed as follows:

(thousands of Kwanzas)

	Financial assets not held for trading compulsorily at fair value through results	
	31.12.2021	**31.12.2020**
Initial portfolio balance	**71 544**	**55 864**
Acquisitions	118 183	15 680
Final portfolio balance	**189 727**	**71 544**

On 31 December 2021 and 31 December 2020, the staggering of financial assets at fair value through profit or loss by residual maturity periods is as follows:

(milhares de Kwanzas)

	Less than three months	Between three months and one year	From one to five years	Indeterminate duration	Total
- EMIS Participation	-	-	-	189 727	189 727
Balance at December 31, 2021	**-**	**-**	**-**	**189 727**	**189 727**
- Treasury Bonds	23 351	1 329 906	-	-	1 353 257
- EMIS Participation	-	-	-	71 544	71 544
Balance at December 31, 2020	**23 351**	**1 329 906**	**-**	**71 544**	**1 424 801**

DERIVATIVES

On 31 December 2021 and 31 December 2020 the derivatives were compositioned as follows:

(thousands of Kwanzas)

	31.12.2021	31.12.2020
Financial assets held for trading		
Derivative Financial Instruments		
- FX Forward	-	399 552
- FX Option	(8 071)	324
	(8 071)	**399 876**
Financial liabilities held for trading		
Derivative Financial Instruments		
- FX Forward	-	(214 385)
- FX Option	-	(324)
	-	**(214 709)**
Final Portfolio Balance	**(8 071)**	**185 167**

As at 31 December 2021, derivative financial instruments correspond to Foreign Exchange Options contracted with non-financial corporations, with maturity in January 2022.

As at 31 December 2020, derivative financial instruments correspond to Forwards and Foreign Exchange Options contracted with non-financial corporations, with maturities between February and August 2021, respectively.

The basic options are recognised in off-balance sheet rubrics, with an amount of Kz 4 700 000 thousand (2020: Kz 30 549 thousand). As of 31 December 2021 there are no forwards notionals, while as of 31 December 2020 they amount to Kz 19 163 473 thousand.

On 31 December 2021 and 31 December 2020, the escalation of derivatives by residual maturity periods is as follows:

(thousands of Kwanzas)

	Less than three months	Between three months and one year	From one to five years	Indeterminate duration	Total
Financial assets held for trading					
Derivative Financial Instruments					
- FX Option	(8 071)	-	-	-	(8 071)
	(8 071)	**-**	**-**	**-**	**(8 071)**
Balance at December 31, 2021	**(8 071)**	**-**	**-**	**-**	**(8 071)**

(thousands of Kwanzas)

	Less than three months	Between three months and one year	From one to five years	Indeterminate duration	Total
Financial assets held for trading					
Derivative Financial Instruments					
- FX Forward	399 533	19	-	-	399 552
- FX Option	324	-	-	-	324
	399 857	**19**	**-**	**-**	**399 876**
Financial liabilities held for trading					
Derivative Financial Instruments					
- FX Forward	(214 385)	-	-	-	(214 385)
- FX Option	(324)	-	-	-	(324)
	(214 709)	**-**	**-**	**-**	**(214 709)**
Balance at December 31, 2020	**185 148**	**19**	**-**	**-**	**185 167**

Note 8 - Financial assets at fair value through other comprehensive income

This heading as at 31 December 2021 and 31 December 2020 is examined as follows:

(thousands of Kwanzas)

31.12.2021	Indexing Currency		Average Rate	Nominal Value	Acquisition Cost	Accrued Interest	Prize/ Discount	Fair Value Adjustment	Balance Sheet Value
Financial assets at fair value through other comprehensive income									
- Treasure Bills	AOA	n.a.	n.a.	5 871 835	5 019 519	-	536 795	(6 059)	5 550 255
- Treasury Bonds	AOA	Taxa fixa	15,88%	162 218 800	142 418 397	6 138 259	7 629 453	1 052 999	157 239 108
				168 090 635	**147 437 916**	**6 138 259**	**8 166 248**	**1 046 940**	**162 789 363**

(thousands of Kwanzas)

31.12.2020	Indexing Currency		Average Rate	Nominal Value	Acquisition Cost	Accrued Interest	Prize/ Discount	Fair Value Adjustment	Balance Sheet Value
Financial assets at fair value through other comprehensive income									
- Treasure Bills	AOA	n.a.	n.a.	23 333 250	21 422 867	-	832 654	(140 750)	22 114 771
- Treasury Bonds	AOA	Taxa fixa	13,47%	72 009 000	64 198 244	2 835 767	1 033 979	(1 150 235)	66 917 755
				95 342 250	**85 621 111**	**2 835 767**	**1 866 633**	**(1 290 985)**	**89 032 526**

Financial assets at fair value through other comprehensive income are measured at fair value in accordance with level 2, in accordance with IFRS 13 (Note 34).

The model of fair value appreciation of the portfolio of assets at fair value through other comprehensive income considers as discount rate those corresponding to the latest issues of treasury bills and treasury bonds verified on each reference date for the entire portfolio of treasury bond and bills issued in Kwanzas (excluding bonds indexed to the dollar).

On 31 December 2021 and 31 December 2020, the staggering of financial assets at fair value through other comprehensive income for residual maturity periods is as follows:

(thousands of Kwanzas)

	Less than three months	Between three months and one year	From one to five years	Total
- Treasure Bills	2 789 109	2 761 146	-	5 550 255
- Treasury Bonds	27 583 211	56 256 803	73 399 094	157 239 108
Balance at December 31, 2021	**30 372 320**	**59 017 949**	**73 399 094**	**162 789 363**
- Treasure Bills	13 350 188	8 764 583	-	22 114 771
- Treasury Bonds	10 802 995	4 361 755	51 753 005	66 917 755
Balance at December 31, 2020	**24 153 183**	**13 126 338**	**51 753 005**	**89 032 526**

Note 9 - Investments at amortised cost

As at 31 December 2021 and 31 December 2020, the heading investment at amortised cost shows the following values:

(thousands of Kwanzas)

31.12.2021	Indexing	Currency	Average Rate	Nominal Value	Acquisition Cost	Accrued Interest	Prize/ Discount	Fair Value Adjustment	Balance Sheet Value
Investments at amortised cost									
- Treasury Bonds	USD	n.a.	5,00%	35 102 548	35 102 548	102 383	-	(481 906)	34 723 025
- Treasury Bonds	AOA	Taxa fixa	16,01%	59 394 700	51 916 723	2 339 651	3 299 421	(572 323)	56 983 472
				94 497 248	**87 019 271**	**2 442 034**	**3 299 421**	**(1 054 229)**	**91 706 497**

(thousands of Kwanzas)

31.12.2020	Indexing	Currency	Average Rate	Nominal Value	Acquisition Cost	Accrued Interest	Prize/ Discount	Fair Value Adjustment	Balance Sheet Value
Investments at amortised cost									
- Treasury Bills	AOA	n.a.	n.a.	146 500 041	132 451 004	-	2 536 987	(3 869 529)	131 118 462
- Treasury Bonds	USD	n.a.	5,00%	41 087 453	41 087 453	119 719	-	(5 194 695)	36 012 477
- Treasury Bonds	AOA	Taxa fixa	13,69%	74 270 000	67 812 182	3 389 466	1 182 035	(3 671 046)	68 712 637
				261 857 494	**241 350 639**	**3 509 185**	**3 719 022**	**(12 735 270)**	**235 843 576**

The fair value of the investment portfolio at amortised cost is shown in Note 34.

On 31 December 2021, taking into account BNA Directive 13/2019 of 27 December 2019, the Bank recorded an impairment reversal by reducing the PD in accordance with the Angolan rating notation published in the Moody's study for the financial year in question. As of 31 December 2021 the exhibitions were classified in stage 1, except for one which was in stage 2, while on 31 December 2020 there were two stage 2 exhibitions.

(thousands of Kwanzas)

	Stage 1	Stage 2	Stage 3	Total
- Treasury Bonds	56 983 472	34 723 025	-	91 706 497
Balance at December 31, 2021	**56 983 472**	**34 723 025**	**-**	**91 706 497**
- Treasure Bills	131 118 462	-	-	131 118 462
- Treasury Bonds	62 367 984	42 357 250	-	104 725 234
Balance at December 31, 2020	**193 486 446**	**42 357 250**	**-**	**235 843 696**

Impairment losses as at 31 December 2021 and 31 December 2020 for bonds and treasury bills were calculated on the basis of credit risk parameters provided by international rating Moody's agency.

In assessing the existence of a significant increase in credit risk as at 31 December 2021 for the portfolio of instruments at amortised cost, which should be carried out from the date of acquisition of financial assets, the Bank considered that the Angolan State-risk Treasury Bonds and Bills acquired after April 2016 met the conditions to remain in Stage 1, to the extent that at the time of their acquisition the Angolan sovereign risk was already B1 - highly spectulative, so the implied risk already existed, having not undergone significant changes until 31 December 2021 (only recorded two rating downgrades). Similarly, Treasury Bonds and Bills acquired before April 2016, as on 31 December 2021 have already suffered more than 2 rating downgrades since the date of acquisition, meet the criteria to be considered in Stage 2 (significant increase in credit risk).

As at 31 December 2021 and 31 December 2020, the escalation of investments at the cost amortised by maturity periods is as follows:

(thousands of Kwanzas)

	Less than three months	Between three months and one year	From one to five years	Total
- Treasury Bonds	22 281 010	42 634 542	26 790 945	91 706 497
Balance at December 31, 2021	**22 281 010**	**42 634 542**	**26 790 945**	**91 706 497**
- Treasure Bills	49 294 226	81 824 236	-	131 118 462
- Treasury Bonds	8 156 287	28 690 648	67 878 299	104 725 234
Balance at December 31, 2020	**57 450 513**	**110 514 884**	**67 878 299**	**235 843 696**

Note 10 - Credit to Clients

This heading as at 31 December 2021 and 31 December 2020 is examined as follows:

(thousands of Kwanzas)

	31.12.2021	31.12.2020
Internal credit		
To companies	223 039 039	130 132 013
Loans	196 483 744	102 178 538
Overdrafts	17 545 404	26 767 222
Leasing	325 121	274 857
Letters of credit	8 684 770	911 395
To private individuals	15 128 579	12 002 933
Housing	1 573 688	1 097 972
Consumption and others	13 554 891	10 904 961
	238 167 618	**142 134 946**
Credit and interest accrued		
Up to 3 months	-	222 121
From 3 months to 1 year	316 166	297 892
From 1 to 3 years	475 088	419 740
	791 254	**939 752**
	238 958 872	**143 074 698**
Impairment losses	**(4 784 719)**	**(2 765 665)**
	234 174 153	**140 309 033**

On 31 December 2021 and 31 December 2020 the item of Credit to Clients includes, in return for Other liabilities (Note 20), letters of credit whose documentation for making the contracurrently defined payments was received in full, since from that moment on the responsibility of the payments becomes effective.

On 31 December 2021 and 31 December 2020, the item Client credit includes Kz 1 340 470 thousand and Kz 1 006 426 thousand for the adjustment of the fair value of Employee credits (Note 14).

On 31 December 2021 and 31 December 2020, the item Client credit includes Kz 154 950 627 thousand and Kz 45 956 306 thousand under "Aviso 10" of 3 April 2020 respectively.

The escalation of credit to Clients for residual maturity periods on 31 December 2021 and 31 December 2020 is as follows:

(thousands of Kwanzas)

	31.12.2021	31.12.2020
Up to 3 months	37 289 008	19 513 792
From 3 months to a year	16 107 800	50 166 548
From one to five years	149 591 732	59 895 752
More than five years	35 150 145	12 340 482
Indeterminate duration	820 187	1 158 125
	238 958 872	**143 074 698**

The movements in impairment losses evidenced in the Credit to Clients were as follows:

(thousands of Kwanzas)

	31.12.2021	31.12.2020
Initial balance	2 765 665	1 898 991
Appropriations	4 089 013	1 794 743
Uses (Note 23)	(491 184)	(320 353)
Rollbacks	(1 561 403)	(607 603)
Exchange and other exchange differences	(17 371)	(113)
Final balance	**4 784 719**	**2 765 665**

On 31 December 2021 and 31 December 2020, uses (Note 23) correspond to derecognised balance sheet credits (written-off from the asset). In addition, its annual variation includes a recovery of Kz 238 449 thousand for credits previously written-off from the asset and 1 627 thousand of interest cured.

The distribution of credit to Clients by type of rate is as follows:

(thousands of Kwanzas)

	31.12.2021	31.12.2020
Flat rate	93 625 987	39 227 043
Variable rate	145 332 885	103 847 655
	238 958 872	**143 074 698**

The detail of exposures and impairment of credit to Clients, by segment and range of overdue days, is as follows

1. BY SEGMENT

(thousands of Kwanzas)

Segment	Exposure 31.12.2021 Total Exposure	Stage 1 Credit	Of which cured	Of which restructured	Stage 2 Credit	Of which cured	Of which restructured	Stage 3 Credit	Of which cured	Impairment 31.12.2021 Total Impairment	Stage 1 Credit	Stage 2 Credit	Stage 3 Credit
Corporate and Investment Banking	179 911 208	146 710 686	-	4 019 938	33 200 522	-	18 247 809	-	-	(2 779 629)	(1 148 324)	(1 631 305)	-
Business and Comercial Clients	43 517 959	42 088 336	-	-	1 032 382	-	-	397 241	-	(781 304)	(35 844)	(348 219)	(397 241)
Consumer and High Net Worth Clients	15 529 705	13 996 370	22 070	-	1 015 513	18 677	-	517 822	10 240	(1 223 786)	(130 826)	(575 138)	(517 822)
Total	**238 958 872**	**202 795 392**	**22 070**	**4 019 938**	**35 248 417**	**18 677**	**18 247 809**	**915 063**	**10 240**	**(4 784 719)**	**(1 314 994)**	**(2 554 662)**	**(915 063)**

(thousands of Kwanzas)

Segment	Exposure 31.12.2020 Total Exposure	Stage 1 Credit	Of which cured	Of which restructured	Stage 2 Credit	Of which cured	Of which restructured	Stage 3 Credit	Of which cured	Impairment 31.12.2020 Total Impairment	Stage 1 Credit	Stage 2 Credit	Stage 3 Credit
Corporate and Investment Banking	97 795 776	91 715 984	-	7 620 316	6 079 792	-	-	-	-	(1 227 477)	(856 511)	(370 966)	-
Business and Comercial Clients	32 805 581	31 535 439	-	-	800 813	-	-	469 329	81 891	(682 728)	(106 412)	(291 560)	(284 756)
Consumer and High Net Worth Clients	12 473 341	11 464 283	33 006	-	538 650	4 223	-	470 408	30 602	(855 460)	(145 732)	(239 320)	(470 408)
Total	**143 074 698**	**134 715 706**	**33 006**	**7 620 316**	**7 419 255**	**4 223**	**-**	**939 737**	**112 492**	**(2 765 665)**	**(1 108 655)**	**(901 846)**	**(755 164)**

2. BY INTERVALS OF OVERDUE DAYS

(thousands of Kwanzas)

Segment	Exposure 31.12.2021 Stage 1 ≤ 30 days	Stage 1 > 30 days ≤ 90 days	Stage 1 > 90 days	Stage 2 ≤ 30 days	Stage 2 > 30 days ≤ 90 days	Stage 2 > 90 days	Stage 3 ≤ 30 days	Stage 3 > 30 days ≤ 90 days	Stage 3 > 90 days	Impairment 31.12.2021 Statge 1 ≤ 30 days	Statge 1 > 30 days ≤ 90 days	Statge 1 > 90 days	Stage 2 ≤ 30 days	Stage 2 > 30 days ≤ 90 days	Stage 2 > 90 days	Stage 3 ≤ 30 days	Stage 3 > 30 days ≤ 90 days	Stage 3 > 90 days
Corporate and Investment Banking	146 710 686	-	-	33 200 522	-	-	-	-	-	(1 148 324)	-	-	(1 631 305)	-	-	-	-	-
Business and Comercial Clients	42 088 336	-	-	1 039 704	3	-	-	-	389 916	(35 844)	-	-	(348 218)	(1)	-	-	-	(397 241)
Consumer and High Net Worth Clients	13 982 718	-	13 652	894 897	113 291	-	137 461	-	387 686	(130 793)	-	(33)	(491 327)	(83 811)	-	(123 748)	-	(394 074)
Total	**202 781 740**	**-**	**13 652**	**35 135 123**	**113 294**	**-**	**137 461**	**-**	**777 602**	**(1 314 961)**	**-**	**(33)**	**(2 470 850)**	**(83 812)**	**-**	**(123 748)**	**-**	**(791 315)**

(thousands of Kwanzas)

Segment	Exposure 31.12.2020 Stage 1 ≤ 30 days	Stage 1 > 30 days ≤ 90 days	Stage 1 > 90 days	Stage 2 ≤ 30 days	Stage 2 > 30 days ≤ 90 days	Stage 2 > 90 days	Stage 3 ≤ 30 days	Stage 3 > 30 days ≤ 90 days	Stage 3 > 90 days	Impairment 31.12.2020 Statge 1 ≤ 30 days	Statge 1 > 30 days ≤ 90 days	Statge 1 > 90 days	Stage 2 ≤ 30 days	Stage 2 > 30 days ≤ 90 days	Stage 2 > 90 days	Stage 3 ≤ 30 days	Stage 3 > 30 days ≤ 90 days	Stage 3 > 90 days
Corporate and Investment Banking	79 154 449	12 561 520	15	6 079 792	-	-	-	-	-	(453 486)	(403 026)	-	(370 966)	-	-	-	-	-
Business and Comercial Clients	31 535 439	-	-	781 918	18 895	-	-	-	469 329	(106 412)	-	-	(285 418)	(6 142)	-	-	-	(284 756)
Consumer and High Net Worth Clients	11 464 283	-	-	469 148	69 502	-	-	222 121	248 287	(145 731)	-	-	(204 102)	(35 218)	-	-	(222 121)	(248 287)
Total	**122 154 171**	**12 561 520**	**15**	**7 330 858**	**88 397**	**-**	**-**	**222 121**	**717 616**	**(705 629)**	**(403 026)**	**-**	**(860 486)**	**(41 360)**	**-**	**-**	**(222 121)**	**(533 043)**

The detail of the credit portfolio by segment and by year of concession of operations for 31 December 2021 and 31 December 2020 is as follows:

(thousands of Kwanzas)

Year of concession	31.12.2021 Corporate and Investment Banking			Business and Commercial Clients			Consumer and High Net Worth Clients		
	Number of operations	Amount	Constituted impairment	Number of operations	Amount	Constituted impairment	Number of operations	Amount	Constituted impairment
2016 and earlier	7	6 621 089	(48 802)	7	6 537 602	(84 613)	2 463	648 087	(41 164)
2017	-	-	-	3	79 353	(81 495)	1 263	146 056	(7 761)
2018	2	314 708	(1 636)	14	834 318	(328 462)	563	480 396	(142 163)
2019	11	10 590 855	(80 687)	26	1 793 394	(17 239)	1 354	2 066 454	(191 264)
2020	8	29 694 608	(951 498)	23	10 854 507	(249 625)	1 270	4 349 676	(400 756)
2021	64	132 689 948	(1 697 006)	72	23 418 785	(19 870)	1 788	7 839 036	(440 678)
Total	**92**	**179 911 208**	**(2 779 629)**	**145**	**43 517 959**	**(781 304)**	**8 701**	**15 529 705**	**(1 223 786)**

(thousands of Kwanzas)

Year of concession	31.12.2020 Corporate and Investment Banking			Business and Commercial Clients			Consumer and High Net Worth Clients		
	Number of operations	Amount	Constituted impairment	Number of operations	Amount	Constituted impairment	Number of operations	Amount	Constituted impairment
2015 and earlier	21	9 699 390	(160 037)	9	7 541 387	(126 191)	2 551	563 260	(39 705)
2016	-	-	-	3	4 091 216	(107 057)	112	135 329	(12 136)
2017	-	-	-	3	80 551	(47 743)	1 458	182 760	(13 496)
2018	2	2 908 394	(226 895)	22	1 188 086	(140 934)	815	1 196 090	(283 207)
2019	10	32 366 379	(563 018)	29	1 409 293	(30 317)	1 693	3 920 413	(247 025)
2020	102	52 821 613	(277 527)	71	18 495 048	(230 486)	1 631	6 475 489	(259 891)
Total	**135**	**97 795 776**	**(1 227 477)**	**137**	**32 805 581**	**(682 728)**	**8 260**	**12 473 341**	**(855 460)**

The detail of the amount of credit gross exposure and the amount of impairment constituted for the exposures analysed by segment and sector of activity, individually and collectively, with reference to 31 December 2021 and 31 December 2020, is as follows:

1. BY SEGMENT

(thousands of Kwanzas)

31.12.2021	Corporate and Investment Banking		Business and Commercial Clients		Consumer and High Net Worth Clients		Total	
	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment
Individual Impairment	179 911 208	(2 779 629)	389 916	(397 241)	517 822	(517 822)	180 818 946	(3 694 692)
Collective impairment	-	-	43 128 043	(384 063)	15 011 883	(705 964)	58 139 926	(1 090 027)
Total	179 911 208	(2 779 629)	43 517 959	(781 304)	15 529 705	(1 223 786)	**238 958 872**	**(4 784 719)**

(thousands of Kwanzas)

31.12.2020	Corporate and Investment Banking		Business and Commercial Clients		Consumer and High Net Worth Clients		Total	
	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment
Individual Impairment	97 795 776	(1 227 477)	469 330	(284 757)	470 408	(470 408)	98 735 514	(1 982 642)
Collective impairment	-	-	32 336 251	(397 971)	12 002 933	(385 052)	44 339 184	(783 023)
Total	97 795 776	(1 227 477)	32 805 581	(682 728)	12 473 341	(855 460)	**143 074 698**	**(2 765 665)**

2.BY SECTOR OF ACTIVITY

(thousands of Kwanzas)

31.12.2021	Central government		Wholesale trade		Construction		Manufacturing		Private		Other		Total	
	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment
Individual Impairment	46 678 506	(694 909)	54 204 279	(438 960)	3	(3)	36 837 208	(163 255)	517 822	(517 822)	42 581 128	(1 879 743)	180 818 946	(3 694 692)
Collective impairment	-	-	34 543 358	(370 491)	28 170	(21)	7 575 994	(6 663)	15 011 883	(705 964)	980 521	(6 888)	58 139 926	(1 090 027)
Total	46 678 506	(694 909)	88 747 637	(809 451)	28 173	(24)	44 413 202	(169 918)	15 529 705	(1 223 786)	43 561 649	(1 886 631)	**238 958 872**	**(4 784 719)**

(thousands of Kwanzas)

31.12.2020	Central government		Wholesale trade		Construction		Manufacturing		Private		Other		Total	
	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment
Individual Impairment	-	-	37 248 936	(291 735)	-	-	7 655 781	(1 156)	470 408	(470 408)	53 360 389	(1 219 343)	98 735 514	(1 982 642)
Collective impairment	-	-	26 782 756	(93 862)	45 415	(248)	3 686 374	(229 965)	12 004 959	(385 052)	1 819 680	(73 896)	44 339 184	(783 023)
Total	-	-	64 031 692	(385 597)	45 415	(248)	11 342 155	(231 121)	12 475 367	(855 460)	55 180 069	(1 293 239)	**143 074 698**	**(2 765 665)**

In terms of geography, the total credit granted is in Angola.

The tables below present, with reference to December 31, 2021 and December 31, 2020, the composition of credit to Clients, with details of due and overdue credit, accruals and deferrals and impairment of credit by stage and class of default. Accruals and deferrals include interest accruals (overdue) and accruals of commissions associated with credit contracts. .

1.BY STAGE

(thousands of Kwanzas)

Credit to Clients	31.12.2021 Impairment stages			Total
	Stage 1	Stage 2	Stage 3	
With assigned impairment based on individual analysis	140 818 836	33 464 308	137 342	174 420 486
Credit and interest accrued	9 182 478	-	774 900	9 957 378
Impairment	(1 148 324)	(1 631 305)	(915 063)	(3 694 692)
With assigned impairment based on collective analysis	55 033 496	1 454 569	-	56 488 065
Credit and interest accrued	949 141	586 857	-	1 535 998
Impairment	(166 670)	(923 357)	-	(1 090 027)
Accruals and deferrals	(3 188 559)	(257 317)	2 821	(3 443 055)
Total	**201 480 398**	**32 693 755**	**-**	**234 174 153**

(thousands of Kwanzas)

Credit to Clients	31.12.2020 Impairment stages			Total
	Stage 1	Stage 2	Stage 3	
With assigned impairment based on individual analysis	76 605 816	6 071 826	-	82 677 642
Credit and interest accrued	15 110 797	-	938 207	16 049 004
Impairment	(856 511)	(370 966)	(754 935)	(1 982 412)
With assigned impairment based on collective analysis	41 846 179	715 753	-	42 561 932
Credit and interest accrued	1 027 466	618 084	-	1 645 321
Impairment	(252 144)	(530 880)	-	(783 024)
Accruals and deferrals	125 448	13 592	1 530	140 570
Total	**133 607 051**	**6 517 409**	**184 802**	**140 309 033**

The decomposition of gross amounts and credit rating of the Clients' credit portfolio, analysed by default classes and by the typology of the bank's impairment analysis carried out by the Bank on 31 December 2021 and 31 December 2020, is as follows:

1. BY CLASS OF DEFAULT

(thousands of Kwanzas)

Credit to Clients	Outstanding credit	31.12.2021 Class of non-compliance				Total
		Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	
With assigned impairment based on individual analysis	**174 420 486**	-	**-**	**-**	**-**	174 420 486
Credit and interest accrued	-	9 183 802	-	318 217	455 359	9 957 378
Impairment	(2 811 008)	(92 369)	-	(321 483)	(469 832)	(3 694 692)
With assigned impairment based on collective analysis	56 488 065	-	-	-	-	56 488 065
Credit and interest accrued	-	1 410 752	111 586	-	13 660	1 535 998
Impairment	(708 201)	(297 982)	(83 812)	-	(32)	(1 090 027)
Accruals and deferrals	(3 407 252)	(41 532)	1 618	3 266	845	(3 443 055)
Total	**223 982 090**	**10 162 671**	**29 392**	**-**	**-**	**234 174 153**

(milhares de Kwanzas)

Credit to Clients	Outstanding credit	31.12.2020 Class of non-compliance				Total
		Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	
With assigned impairment based on individual analysis	**82 685 608**	-	**-**	**-**	**-**	82 685 608
Credit and interest accrued	-	2 470 558	12 864 632	294 514	419 300	16 049 003
Impairment	(818 046)	(6 406)	(625 146)	(268 958)	(263 856)	(1 982 412)
With assigned impairment based on collective analysis	42 559 906	-	-	-	-	42 559 906
Credit and interest accrued	-	1 550 451	89 159	-	-	1 639 610
Impairment	(568 122)	(71 443)	(143 688)	-	-	(783 252)
Accruals and deferrals	207 926	8 554	(79 726)	3 378	440	140 572
Total	**124 067 271**	**3 951 715**	**12 105 230**	**28 934**	**155 884**	**140 309 033**

The detail of the restructured credit portfolio by restructuring measure applied is as follows:

(thousands of Kwanzas)

Applied measure	31.12.2021											
	Stage 1 Credit			Stage 2 Credit			Stage 3 Credit			Total		
	Number of operations	Exposure	Impairment	Number of operations	Exposure	Impairment	Number of operations	Exposure	Impairment	Number of operations	Exposure	Impairment
Term extension	-	-	-	-	-	-	4	10 240	(10 361)	4	10 240	(10 361)
Product conversion	-	-	-	2	8 191 981	(619 530)	-	-	-	2	8 191 981	(619 530)
Interest Rate Reduction ("Aviso 10/2020")	2	4 019 938	(7 551)	2	10 055 828	(24 805)	-	-	-	4	14 075 766	(32 356)
Total	**2**	**4 019 938**	**(7 551)**	**4**	**18 247 809**	**(644 335)**	**4**	**10 240**	**(10 361)**	**10**	**22 277 987**	**(662 247)**

(thousands of Kwanzas)

Applied measure	31.12.2020											
	Stage 1 Credit			Stage 2 Credit			Stage 3 Credit			Total		
	Number of operations	Exposure	Impairment	Number of operations	Exposure	Impairment	Number of operations	Exposure	Impairment	Number of operations	Exposure	Impairment
Term extension	1	7 620 316	(27 280)	-	-	-	10	112 492	(79 674)	11	7 732 809	(106 954)
Total	**1**	**7 620 316**	**(27 280)**	**-**	**-**	**-**	**10**	**112 492**	**(79 674)**	**11**	**7 732 809**	**(106 954)**

The table below presents with reference to December 31, 2021 and December 31, 2020, the credit restructured with the detail of the value due, overdue and impairment for companies (corporate) and individuals (private).

(thousands of Kwanzas)

Restructured credit	31.12.2021			
	Credit			Impairment
	Oustanding	Overdue	Total	
Corporate	22 267 746	-	22 267 746	(651 886)
Private	3 568	6 673	10 241	(10 361)
Consumption	3 568	6 673	10 241	(10 361)
Total	**22 271 314**	**6 673**	**22 277 987**	**(662 247)**

(thousands of Kwanzas)

Restructured credit	31.12.2020			
	Credit			Impairment
	Oustanding	Overdue	Total	
Corporate	7 620 316	81 891	7 702 207	(76 302)
Private	26 084	4 517	30 601	(30 651)
Consumption	26 084	4 517	30 601	(30 651)
Total	**7 646 400**	**86 408**	**7 732 808**	**(106 953)**

The movements of inflows and outflows in the restructured credit portfolio are as follows:

(thousands of Kwanzas)

	31.12.2021	31.12.2020
Initial balance of the restructured credit portfolio (gross impairment)	**7 732 809**	**227 971**
Restructured credits in the period	22 270 748	7 645 007
Accrued interest from the restructured credit portfolio	134 178	64 330
Settlement of restructured credit (partial or total)	(7 851 292)	(170 631)
Credits reclassified from "restructured" to "normal"	(10 750)	(56 564)
Other	2 294	22 696
Final balance of the restructured credit portfolio (gross impairment)	**22 277 987**	**7 732 809**

The detail of the fair value of the guarantees underlying the credit portfolio of the business segments, construction and real estate promotion and housing is as follows:

(thousands of Kwanzas)

Fair value	31.12.2021											
	Business				Construction and real estate promotion				Housing			
	Properties		Other real guarantees		Properties		Other real guarantees		Properties		Other real guarantees	
	Number of properties	Amount	Number	Amount	Number of properties	Amount	Number	Amount	Number of properties	Amount	Number	Amount
< 50 MAOA	1	30 000	1	45 299	-	-	-	-	4	171 735	-	-
>= 50 MAOA e < 100 MAOA	-	-	-	-	1	54 292	-	-	9	615 892	1	66 452
>= 100 MAOA e < 500 MAOA	-	-	3	709 198	-	-	-	-	13	2 869 303	6	1 243 152
>= 500 MAOA e < 1.000 MAOA	1	626 827	2	1 443 295	-	-	-	-	1	685 402	-	-
>= 1.000 MAOA e < 2.000 MAOA	5	6 235 413	1	1 244 771	-	-	1	1 683 500	-	-	-	-
>= 2.000 MAOA e < 5.000 MAOA	3	11 217 429	6	20 005 443	-	-	-	-	-	-	-	-
>= 5.000 MAOA	6	91 476 768	5	61 539 482	-	-	-	-	-	-	-	-
Total	**16**	**109 586 437**	**18**	**84 987 488**	**1**	**54 292**	**1**	**1 683 500**	**27**	**4 342 332**	**7**	**1 309 604**

(thousands of Kwanzas)

Fair value	31.12.2020											
	Business				Construction and real estate promotion				Housing			
	Properties		Other real guarantees		Properties		Other real guarantees		Properties		Other real guarantees	
	Number of properties	Amount	Number	Amount	Number of properties	Amount	Number	Amount	Number of properties	Amount	Number	Amount
< 50 MAOA	11	285 905	2	66 766	-	-	-	-	13	472 283	1	35 701
>= 50 MAOA e < 100 MAOA	2	129 376	1	50 000	-	-	-	-	17	1 110 695	-	-
>= 100 MAOA e < 500 MAOA	6	1 048 107	2	525 157	-	-	-	-	9	1 741 504	4	1 049 129
>= 500 MAOA e < 1.000 MAOA	2	1 459 154	6	4 034 724	-	-	-	-	1	802 261	-	-
>= 1.000 MAOA e < 2.000 MAOA	-	-	4	6 258 181	1	1 224 200	1	1 683 500	-	-	-	-
>= 2.000 MAOA e < 5.000 MAOA	-	-	5	18 407 544	-	-	-	-	-	-	-	-
>= 5.000 MAOA	1	5 216 576	5	54 507 104	-	-	-	-	-	-	-	-
Total	**22**	**8 139 119**	**25**	**83 849 476**	**1**	**1 224 200**	**1**	**1 683 500**	**40**	**4 126 743**	**5**	**1 084 830**

The evaluations of properties across all segments, are as follows:

(thousands Kwanzas)

Evaluating Entity	31.12.2021 Evaluation method: Yield – Number of properties	Yield – Property amount	Comparative – Number of properties	Comparative – Property amount	Cost – Number of properties	Cost – Property amount	Residual – Number of properties	Residual – Property amount	Total – Number of properties	Total – Property amount	Total – % of the Number of Properties	Total – % of the Property amount
Abacus Angola	-	-	21	(6 790 549)	3	(1 159 430)	-	-	24	(7 949 979)	36%	7%
Colliers International	-	-	4	(7 854 308)	1	(10 013 555)	-	-	5	(17 867 863)	8%	16%
CPU Consultores	-	-	8	(1 381 482)	-	-	-	-	8	(1 381 482)	12%	1%
Prime Yield	-	-	18	(11 173 378)	5	(1 117 052)	-	-	23	(12 290 430)	35%	11%
Property Investment	-	-	2	(7 051 500)	1	(24 601 250)	-	-	3	(31 652 750)	5%	28%
UON Consulting	-	-	2	(40 096 784)	-	-	-	-	2	(40 096 784)	3%	35%
Zenki Real Estate	-	-	1	(2 902 500)	-	-	-	-	1	(2 902 500)	2%	3%
Total	**-**	**-**	**56**	**(77 250 501)**	**10**	**(36 891 287)**	**-**	**-**	**66**	**(114 141 788)**	**100%**	**100%**

(thousands Kwanzas)

Evaluating Entity	31.12.2020 Evaluation method: Yield – Number of properties	Yield – Property amount	Comparative – Number of properties	Comparative – Property amount	Cost – Number of properties	Cost – Property amount	Residual – Number of properties	Residual – Property amount	Total – Number of properties	Total – Property amount	Total – % of the Number of Properties	Total – % of the Property amount
Abacus Angola	1	(29 200)	17	(5 972 154)	1	(86 430)	1	(26 600)	20	(6 114 384)	38%	26%
Colliers International	1	(10 013 555)	1	(110 396)	-	-	-	-	2	(10 123 951)	4%	42%
CPU Consultores	-	-	9	(1 851 451)	-	-	-	-	9	(1 851 451)	17%	8%
Prime Yield	-	-	15	(5 268 002)	6	(489 921)	-	-	21	(5 757 923)	40%	24%
Total	**2**	**(10 042 755)**	**42**	**(13 202 003)**	**7**	**(576 351)**	**1**	**(26 600)**	**52**	**(23 847 709)**	**100%**	**100%**

The financing-guarantee ratio of the business segments, construction and real estate promotion and housing is as follows:

(thousands of Kwanzas)

			31.12.2021			
Segment / Ratio	**Number of properties**	**Number of other real guarantees**	**Stage 1 Credit**	**Stage 2 Credit**	**Stage 3 Credit**	**Impairment**
Business						
Without associated guarantee	n.a.	n.a.	96 363 795	16 659 707	43	(976 539)
< 50%	-	-	26 045 650	1 876 558	262 728	(592 683)
>= 50% e < 75%	-	-	-	-	-	-
>= 75% e <100%	-	4	6 249 358	-	-	(85 829)
>= 100%	16	14	60 112 049	14 237 493	127 143	(1 902 041)
Construction and real estate promotion						
Without associated guarantee	n.a.	n.a.	-	-	3	(3)
< 50%	-	-	-	-	-	-
>= 50% e < 75%	-	-	-	-	-	-
>= 75% e <100%	-	-	-	-	-	-
>= 100%	1	1	28 170	1 466 472	-	(3 839)
Housing						
Without associated guarantee	n.a.	n.a.	-	-	-	-
< 50%	-	-	770 292	-	-	(803)
>= 50% e < 75%	-	-	-	-	-	-
>= 75% e <100%	-	-	-	-	-	-
>= 100%	27	7	617 520	65 754	120 122	(128 224)
Total	**44**	**26**	**190 186 834**	**34 305 984**	**510 039**	**(3 689 961)**

(thousands of Kwanzas)

Segment / Ratio	Number of properties	Number of other real guarantees	31.12.2020 Stage 1 Credit	Stage 2 Credit	Stage 3 Credit	Impairment
Business						
Without associated guarantee	n.a.	n.a.	46 240 465	6 651 456	8	938 398
< 50%	-	1	14 607 986	-	-	13 514
>= 50% e < 75%	-	-	-	-	-	-
>= 75% e <100%	-	9	13 491 421	-	-	39 587
>= 100%	22	15	39 034 667	1 198	469 321	870 232
Construction and real estate promotion						
Without associated guarantee	n.a.	n.a.	8 009 503	-	-	30 491
>= 100%	1	1	1 692 499	-	-	11 013
Housing						
Without associated guarantee	n.a.	n.a.	-	-	-	-
>= 100%	40	5	1 031 454	66 519	196 036	211 992
Total	**63**	**31**	**124 107 995**	**6 719 173**	**665 365**	**2 115 227**

The distribution of the credit portfolio measured by internal risk degrees is as follows:

(thousands of Kwanzas)

Segment	31.12.2021						
	Low risk grade			Medium risk grade		High risk grade	
	A	B	C	D	E	F	G
Corporate and Investment Banking	47 424	7 248 191	172 615 593	-	-	-	-
Business and Commercial Clients	-	-	43 128 043	-	7	-	389 909
Consumer and High Net Worth Clients	-	-	14 586 917	39 538	226 294	79 827	597 129
Total	**47 424**	**7 248 191**	**230 330 553**	**39 538**	**226 301**	**79 827**	**987 038**

(thousands of Kwanzas)

Segment	31.12.2020						
	Low risk grade			Medium risk grade		High risk grade	
	A	B	C	D	E	F	G
Corporate and Investment Banking	-	12 561 521	85 234 170	-	-	-	85
Business and Commercial Clients	-	-	32 317 357	18 895	8	-	469 321
Consumer and High Net Worth Clients	-	-	12 073 554	84 048	106 503	34 083	175 154
Total	**-**	**12 561 521**	**129 625 080**	**102 943**	**106 510**	**34 083**	**644 560**

As of 31 December 2021 and 31 December 2020, the internal risk levels from A to G presented in the table above are in accordance with the classification of Instructive No 09/2015 of the BNA on the methodology for the constitution of provisions. This Instructive is still applicable for the purposes of prudential ratios.

The disclosure of risk factors associated with the segment-by-segment impairment model is as follows:

Segment	Impairment 31.12.2021				Impairment 31.12.2020			
	Probability of non-compliance (%)			Loss due to non-compliance (%)	Probability of non-compliance (%)			Loss due to non-compliance (%)
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Corporate and Investment Banking								
Business	1.03%	14.62%	N/A	35.80%	1.73%	8.87%	N/A	13.74%
Government	2.47%	N/A	N/A	60.00%	5.19%	N/A	N/A	38.89%
Financial Institutions	0.95%	N/A	N/A	22.60%	0.34%	N/A	N/A	20.09%
Business and Commercial Clients	0.36%	12.49%	100.00%	24.37%	1.53%	26.20%	100.00%	23.42%
Consumer and High Net Worth Clients	1.32%	23.33%	100.00%	67.61%	1.82%	27.75%	100.00%	67.56%

During the period of 2021, the calculation models of the impairment degree were improved due to the COVID-19 pandemic, however, despite the considerable pressure exerted by the pandemic in the Angolan economy, there were no material changes in the premises. Monitoring and monitoring measures were taken by the business teams that review the business, and Clients who were not in default before COVID-19 were prioritised.

The tables below show the forward-looking information considered in the Bank's impairment model as of December 31, 2021, and they do not consider the effect of the Ukraine/Russia conflict:

a) Incorporation of forward-looking information - Scenarios considered

		2021	2022	2023	2024	2025
GDP Growth Rate	Base Scenario	0.20%	2.60%	1.40%	1.50%	1.90%
	Favorable scenario	0.90%	3.40%	3.60%	3.10%	2.90%
	Adverse scenario	-0.50%	1.80%	-1.30%	-1.40%	-0.90%
Inflation Rate	Base Scenario	26.70%	18.80%	12.20%	18.10%	14.70%
	Favorable scenario	26.00%	15.30%	10.40%	14.00%	11.40%
	Adverse scenario	27.90%	22.20%	14.90%	19.50%	16.10%
USD/AOA Exchange Rate	Base Scenario	595	601	654	736	810
	Favorable scenario	573	562	611	688	757
	Adverse scenario	607	667	726	818	900
Oil Price (Angolan branch)	Base Scenario	77,35				
Reference interest rate - Luibor 3 months	Base Scenario	20,89%				

b) Incorporation of forward-looking information - credits analysed on a collective basis

2021	PD (average)	LGD (average)	Expected credit losses
Base Scenario	4.89%	35.53%	1 010 089
Favorable scenario	3.07%	35.53%	634 506
Adverse scenario	7.14%	35.53%	1 473 997

(*) The expected credit loss figures are in thousands of Kzs.

The tables below show the forward-looking information considered in the Bank's impairment model as of December 31, 2020:

a) Incorporation of forward-looking information - Scenarios considered

		2020	2021	2022	2023	2024
GDP Growth Rate	Base Scenario	-5.24%	-1.31%	2.22%	-2.43%	1.30%
	Favorable scenario	-1.87%	1.40%	3.60%	1.43%	2.22%
	Adverse scenario	-8.84%	-1.31%	2.22%	-2.43%	1.30%
Inflation Rate	Base Scenario	24.79%	18.51%	14.57%	13.93%	12.01%
	Favorable scenario	23.82%	15.11%	11.38%	9.51%	8.89%
	Adverse scenario	22.62%	21.20%	19.84%	17.18%	14.57%
USD/AOA Exchange Rate	Base Scenario	650	725	836	942	1 049
	Favorable scenario	620	701	780	859	934
	Adverse scenario	579	854	1 083	1 374	1 742
Oil Price (Angolan branch)	Base Scenario	47.70				
Reference interest rate - Luibor 3 months	Base Scenario	12.50%				

b)Incorporation of forward-looking information - credits analysed on a collective basis

2020	PD (average)	LGD (average)	Expected credit losses
Base Scenario	4.67%	35.50%	735 699
Favorable scenario	3.27%	35.50%	515 330
Adverse scenario	6.14%	35.50%	965 752

(*) The expected credit loss figures are in thousands of Kzs.

The table below shows the movement of the gross book value of financial assets by asset class and stage:

	Stage 1	Stage 2	Stage 3	Total
Gross Book Value at December 31, 2019	476 146 536	4 117 204	887 539	481 151 279
Cash and cash equivalents in other credit institutions (Note 5)	168 833 548	1 435	-	168 834 983
Investments in central banks and other credit institutions (Note 6)	5 582 825	-	-	5 582 825
Financial assets at fair value through results (Note 7)	30 884 139	-	-	30 884 139
Financial assets at fair value through other comprehensive income (Note 8)	72 318 198	-	-	72 318 198
Investments at amortised cost (Note 9)	110 127 523	-	-	110 127 523
Client credit (Note 10)	88 400 303	4 115 769	887 539	93 403 611
Cash and cash equivalents in other credit institutions (Note 5)				
Transfer to stage 1		(1 435)		(1 435)
Transfer to stage 2	1 435			1 435
New financial assets acquired or originated	22 521 590			22 521 590
Other changes	(126 174 385)			(126 174 385)
Investments in central banks and other credit institutions (Note 6)				
New financial assets acquired or originated	122 792 996	19 488 285		142 281 281
Other changes	(5 582 825)			(5 582 825)
Financial assets at fair value through results (Note 7)				
New financial assets acquired or originated	1 373 041			1 373 041
Other changes	(30 432 503)			(30 432 503)
Financial assets at fair value through other comprehensive income (Note 8)				
New financial assets acquired or originated	67 333 499			67 333 499
Other changes	(50 619 170)			(50 619 170)
Investments at amortised cost (Note 9)				
Transfer to stage 1	(36 593 837)			(36 593 837)
Transfer to stage 2		36 593 837		36 593 837
New financial assets acquired or originated	161 648 381	11 196 258		172 844 639
Other changes	(34 393 197)			(34 393 197)
Client credit (Note 10)				
Transfer to stage 1		(2 943 597)	(15 225)	(2 958 822)
Transfer to stage 2	2 943 597		(7 145)	2 936 451
Transfer to stage 3	15 225	7 145		22 370
New financial assets acquired or originated	82 074 383	620 351	105 163	82 799 898
Financial assets that have been derecognised	(2 738 218)	(85 100)		(2 823 319)
Credits written off from assets			(136 369)	(136 369)
Other changes	(35 979 584)	5 704 687	105 774	(30 169 123)

	Stage 1	Stage 2	Stage 3	Total
Gross Book Value at 31 December 2020	614 336 964	74 697 635	939 737	689 974 336
Cash and cash equivalents in other credit institutions (Note 5)	65 182 188	-	-	65 182 188
Investments in central banks and other credit institutions (Note 6)	122 792 996	19 488 285	-	142 281 281
Financial assets at fair value through results (Note 7)	1 824 677	-	-	1 824 677
Financial assets at fair value through other comprehensive income (Note 8)	89 032 526	-	-	89 032 526
Investments at amortised cost (Note 9)	200 788 870	47 790 095	-	248 578 965
Client credit (Note 10)	134 715 706	7 419 255	939 737	143 074 698
Cash and cash equivalents in other credit institutions (Note 5)				
New financial assets acquired or originated	66 085 774			66 085 774
Other changes	(38 688 214)			(38 688 214)
Investments in central banks and other credit institutions (Note 6)				
New financial assets acquired or originated	170 344 757	16 649 582		186 994 339
Other changes	(122 792 996)	(19 488 285)		(142 281 281)
Financial assets at fair value through results (Note 7)				
New financial assets acquired or originated	-			-
Other changes	(1 643 021)			(1 643 021)
Financial assets at fair value through other comprehensive income (Note 8)				
New financial assets acquired or originated	106 943 727			106 943 727
Other changes	(33 186 890)			(33 186 890)
Investments at amortised cost (Note 9)				
New financial assets acquired or originated	22 698 834	-		22 698 834
Other changes	(165 931 908)	(12 585 163)		(178 517 071)
Client credit (Note 10)				
Transfer to stage 1		14 341 118	(19 045)	14 322 073
TTransfer to stage 2	(14 341 118)		364 506	(13 976 612)
Transfer to stage 3	19 045	(364 506)		(345 461)
New financial assets acquired or originated	145 035 473	18 802 493	39 098	163 877 064
Financial assets that have been derecognised	(2 560 591)	(311 884)	(13 307)	(2 885 782)
Credits written off from assets			(218 050)	(218 050)
Other changes	(60 073 123)	(4 638 060)	(177 876)	(64 889 059)

	Stage 1	Stage 2	Stage 3	Total
Gross Book Value at 31 December 2021	686 246 713	87 102 930	915 063	774 264 706
Cash and cash equivalents in other credit institutions (Note 5)	92 579 748	-	-	92 579 748
Investments in central banks and other credit institutions (Note 6)	170 344 757	16 649 582	-	186 994 339
Financial assets at fair value through results (Note 7)	181 656	-	-	181 656
Financial assets at fair value through other comprehensive income (Note 8)	162 789 363	-	-	162 789 363
Investments at amortised cost (Note 9)	57 555 796	35 204 932	-	92 760 728
Client credit (Note 10)	202 795 392	35 248 416	915 063	238 958 872

	Stage 1	Stage 2	Stage 3	Total
Expected loss at December 31, 2019	(2 499 609)	(499 125)	(375 664)	(3 374 398)
Cash and cash equivalents in other credit institutions (Note 5)	(1 774)	-	-	(1 774)
Investments in central banks and other credit institutions (Note 6)	-	-	-	-
Investments at amortised cost (Note 9)	(1 473 633)	-	-	(1 473 633)
Client credit (Note 10)	(1 024 202)	(499 125)	(375 664)	(1 898 991)
Cash and cash equivalents in other credit institutions (Note 5)				
New financial assets acquired or originated	(180)			(180)
Alterações nos modelos/parâmetros de risco	1 293			1 293
Financial assets at fair value through results (Note 7)				
Financial assets at fair value through other comprehensive income (Note 8)				
Investments in central banks and other credit institutions (Note 6)				
New financial assets acquired or originated	(2 615)	(12 144)		(14 759)
Investments at amortized cost (Note 9)				
Transfer to stage 1	564 094			564 094
Transfer to stage 2		(564 094)		(564 094)
New financial assets acquired or originated	(5 668 103)			(5 668 103)
Changes in risk models/parameters	(724 662)	(4 868 871)		(5 593 533)
Crédito a clientes (Nota 10)				
Transfer to stage 1		(75 742)	(2 012)	(77 754)
Transfer to stage 2	75 742		(8 506)	67 236
Transfer to stage 3	2 012	8 507		10 519
Increases due to changes in credit risk		(296 741)	(995 346)	(1 292 086)
Decreases due to changes in credit risk	173 250			173 250
Credits written off from assets			320 353	320 353
Changes due to modifications that did not result in disrecognition				-
New financial assets acquired or originated	(433 286)	(50 886)	(18 485)	(502 657)
Financial assets that have been derecognised	97 829	12 028	324 496	434 353
Changes in risk models/parameters				-
Exchange rate and other movements		112		112

	Stage 1	Stage 2	Stage 3	Total
Expected loss at December 31, 2020	(8 414 234)	(6 346 955)	(755 164)	(15 516 353)
Cash and cash equivalents in other credit institutions (Note 5)	(660)	-	-	(660)
Investments in central banks and other credit institutions (Note 6)	(2 615)	(12 144)	-	(14 759)
Investments at amortised cost (Note 9)	(7 302 304)	(5 432 965)	-	(12 735 269)
Client credit (Note 10)	(1 108 655)	(901 846)	(755 164)	(2 765 665)
Cash and cash equivalents in other credit institutions (Note 5)				
New financial assets acquired or originated	(1 071)			(1 071)
Changes in risk models/parameters	(455)			(454)
Financial assets at fair value through results (Note 7)				
Financial assets at fair value through other comprehensive income (Note 8)				
Investments in central banks and other credit institutions (Note 6)				
New financial assets acquired or originated	(1 162)	(9 123)		(10 285)
Changes in risk models/parameters	2 615	12 144		14 759
Investments at amortized cost (Note 9)				
New financial assets acquired or originated	(313 999)	-		(313 999)
Changes in risk models/parameters	7 043 981	4 951 056		11 995 037
Client credit (Note 10)				
Transfer to stage 1		(231 001)	(12 281)	(243 282)
Transfer to stage 2	231 001		4 820	235 821
Transfer to stage 3	12 281	(4 820)		7 461
Increases due to changes in credit risk		(916 388)	(554 520)	(1 470 908)
Decreases due to changes in credit risk	1 323 715			1 323 715
Credits written off from assets			491 184	491 184
New financial assets acquired or originated	(1 781 909)	(747 093)	(89 103)	(2 618 105)
Financial assets that have been derecognised	-	237 688	-	237 688
Exchange rate and other movements	17 195	175		17 370

	Stage 1	Stage 2	Stage 3	Total
Expected Loss at 31 December 2021	(1 882 041)	(3 054 317)	(915 063)	(5 851 418)
Cash and cash equivalents in other credit institutions (Note 5)	(2 184)	-	-	(2 184)
Investments in central banks and other credit institutions (Note 6)	(1 162)	(9 123)	-	(10 285)
Investments at amortised cost (Note 9)	(572 322)	(481 909)	-	(1 054 231)
Client credit (Note 10)	(1 306 371)	(2 563 285)	(915 063)	(4 784 719)

As of 31 December 2021, fixed assets in progress include Kz 995 798 thousand, mainly related to miscellaneous expenditure associated with the construction of the new Standard Bank of Angola, S.A. headquarters (2020: Kz 33 566 483 thousand).

As of 31 December 2021, the Machinery and Tools line includes Kz 744 433 thousand related to the electronic security system installed at the new Standard Bank of Angola, S.A. headquarters and branch office, and Kz 513 804 thousand for the power generators acquisition for the Bank's facilities.

Note 11 - Other tangible assets

On 31 December 2021 and 31 December 2020, this heading presented the following movement:

(thousands of Kwanzas)

	31.12.2020	Acquisitions/ Appropriations	Disposals/ Slaughters	Transfers	31.12.2021
Costs					
Real estate					
Self-service	1 278 188	2 215 448	-	28 385 139	31 878 775
Works in rented properties	1 507 529	134 953	(254 058)	276 962	1 665 386
	2 785 717	**2 350 401**	**(254 058)**	**28 662 101**	**33 544 161**
Equipment					
IT equipment	1 807 726	645 621	(6 919)	3 057 723	5 504 151
Furniture and material	616 367	435 920	(340 073)	1 518 746	2 230 960
Machines and tools	1 084 011	1 447 974	(17 364)	1 193 277	3 707 898
Transport material	671 272	150 769	(22 709)	355 041	1 154 373
Others	1 054 494	16 025	56	(679 438)	391 137
	5 233 870	**2 696 309**	**(387 009)**	**5 445 349**	**12 988 519**
Assets in progress					
Works in real estate	32 271 799	(16 851)	-	(31 996 704)	258 244
Equipment	2 331 137	10 311	(15 413)	(2 113 540)	212 495
Others	13 645	756 713	-	2 794	773 152
	34 616 581	**750 173**	**(15 413)**	**(34 107 450)**	**1 243 891**
Right of Use					
Real estate	3 339 739	628 448	(90 983)	-	3 877 204
	3 339 739	**628 448**	**(90 983)**	**-**	**3 877 204**
	45 975 907	**6 425 331**	**(747 463)**	**-**	**51 653 775**
Accumulated amortisations					
Real estate					
Self-service	(109 051)	(408 730)	-	-	(517 781)
Works in rented properties	(1 283 847)	(56 007)	249 794	-	(1 090 060)
Others	-	-	-	-	-
	(1 392 898)	**(464 737)**	**249 794**	**-**	**(1 607 841)**
Equipment					
IT equipment	(1 473 667)	(797 444)	6 903	-	(2 264 208)
Indoor facilities	-	-	-	-	-
Furniture and material	(467 166)	(223 762)	173 593	-	(517 335)
Safety equipment	-	-	-	-	-
Machinery and tools	(421 711)	(497 654)	14 308	-	(905 057)
Transport material	(387 924)	(216 433)	22 706	-	(581 651)
Others	(1 512)	(408)	(56)	-	(1 976)
	(2 751 980)	**(1 735 701)**	**217 454**	**-**	**(4 270 227)**
Right of Use					
Real estate	(1 918 874)	(657 080)		-	(2 575 954)
	(1 918 874)	**(657 080)**	**-**	**-**	**(2 575 954)**
	(6 063 752)				
		(2 857 518)	**467 248**	**-**	**(8 454 022)**
	39 912 155	**3 567 813**	**(280 215)**	**-**	**43 199 753**

(thousands of Kwanzas)

	31.12.2019	Acquisitions/ Appropriations	Disposals/ Slaughters	Transfers	31.12.2021
Costs					
Real estate					
Self-service	923 147	355 041	-	-	1 278 188
Works in rented properties	1 529 316	-	(26 392)	4 605	1 507 529
	2 452 463	**355 041**	**(26 392)**	**4 605**	**2 785 717**
Equipment					
IT equipment	1 742 496	70 854	(5 636)	12	1 807 726
Furniture and material	603 256	23 264	(10 446)	293	616 367
Machines and tools	691 151	387 394	(5 967)	11 433	1 084 011
Transport material	564 768	109 141	(2 637)	-	671 272
Others	102 022	961 884	-	(9 412)	1 054 494
	3 703 693	**1 552 537**	**(24 686)**	**2 326**	**5 233 870**
Assets in progress					
Works in real estate	23 262 117	9 292 981	-	(283 299)	32 271 799
Equipment	295 567	1 759 202	-	276 368	2 331 137
Others	13 645	-	-	-	13 645
	23 571 329	**11 052 183**	**-**	**(6 931)**	**34 616 581**
Right of Use					
Real estate	2 787 594	675 414	(123 269)	-	3 339 739
	2 787 594	**675 414**	**(123 269)**	**-**	**3 339 739**
	32 515 079	**13 635 175**	**(174 347)**	**-**	**45 975 907**
Accumulated amortisations					
Real estate					
Self-service	(92 657)	(16 394)	-	-	(109 051)
Works in rented properties	(1 249 216)	(61 023)	26 392	-	(1 283 847)
Others	-	-	-	-	-
	(1 341 873)	**(77 417)**	**26 392**	**-**	**(1 392 898)**
Equipment					
IT equipment	(1 215 368)	(263 683)	5 384	-	(1 473 667)
Indoor facilities	-	-	-	-	-
Furniture and material	(427 168)	(48 580)	8 582	-	(467 166)
Safety equipment	-	-	-	-	-
Machinery and tools	(304 168)	(122 743)	5 200	-	(421 711)
Transport material	(268 115)	(122 446)	2 637	-	(387 924)
Others	(1 289)	(223)	-	-	(1 512)
	(2 216 108)	**(557 675)**	**21 803**	**-**	**(2 751 980)**
Right of Use					
Real estate	(1 026 946)	(891 928)		-	(1 918 874)
	(1 026 946)	**(891 928)**	**-**	**-**	**(1 918 874)**
	(4 584 927)	**(1 527 020)**	**48 195**	**-**	**(6 063 752)**
	27 930 152	**12 108 155**	**(126 152)**	**-**	**39 912 155**

As of December 31, 2021, the current asset includes Kz 995 798 thousand related, mostly, to various expenses associated with the construction of the new Headquarters of Standard Bank of Angola, S.A. (2020: Kz 33 566 483 thousand).

As of December 31, 2021, the Machinery and Tools line includes Kz 744 433 thousand related to the electronic security system installed in the new headquarters and the new headquarters of Standard Bank of Angola, S.A. and Kz 513 804 thousand related to the acquisition of Generators for the facilities.

Note 12 - Intangible assets

On 31 December 2021 and 31 December 2020, this heading presented the following movement:

(thousands of Kwanzas)

	31.12.2020	Acquisitions/ Appropriations	Disposals/ Slaughters	Transfers	31.12.2021
Intangible assets					
Purchased from third parties					
Automatic data processing system	1 702 466	2 491 604	(66 680)	5 222 466	9 349 856
School certificates	120 945	-	(40 862)	-	80 083
Real estate	-	192 280	-	-	192 280
Intangible assets in progress	5 548 855	1 175 121	-	(5 222 466)	1 501 510
	7 372 266	**3 859 005**	**(107 542)**	**-**	**11 123 729**
Accumulated amortization					
Automatic data processing system	(986 762)	(1 487 725)	25 506	-	(2 448 981)
	(986 762)	**(1 487 725)**	**25 506**	**-**	**(2 448 981)**
	6 385 504	**2 371 280**	**(82 036)**	**-**	**8 674 748**

(thousands of Kwanzas)

	31.12.2019	Acquisitions/ Appropriations	Disposals/ Slaughters	Transfers	31.12.2020
Intangible assets					
Purchased from third parties					
Automatic data processing system	1 645 740	56 726	-	-	1 702 466
School certificates	80 083	40 862	-	-	120 945
Intangible assets in progress	1 447 434	4 101 421	-	-	5 548 855
	3 173 257	**4 199 009**	**-**	**-**	**7 372 266**
Accumulated amortization					
Automatic data processing system	(705 723)	(281 039)	-	-	(986 762)
	(705 723)	**(281 039)**	**-**	**-**	**(986 762)**
	2 467 534	**3 917 970**	**-**	**-**	**6 385 504**

As of December 31, 2021 and December 31, 2020, acquisitions with intangible assets in progress are related to various projects and software that have been developed and that will enable better Client service. In 2021, oracle's lifetime license purchase stands out with the main objective of improving the Client experience.

Note 13 - Taxes

The Bank is subject to taxation in the field of Industrial Tax, being considered fiscally a taxpayer of Group A. On 31 December 2021 and 31 December 2020 the taxation of its income was carried out at the rate of 35%.

The new autonomous tax regime entered into force on 1 January 2017. From that date, the following realities are subject to independent taxation:

Nature	Rate
Improperly documented costs	2%
Undocumented costs	4%
Costs incurred with confidential expenses	30%/ 50%[1]

However, with the entry into force of Law No. 26/20 of July 20, a law that amends the Industrial Tax Code, from that date only the costs incurred with confidential expenses are subject to autonomous taxation.

It should be noted that the analysis of compliance with documentary requirements should be carried out in conjunction with the provisions of the Legal Regime for Invoices and Equivalent Documents. The new Legal Regime for Invoices and Equivalent

(1) Application of an aggravated rate of 50% in circumstances where these expenses originate a cost or profit in the sphere of a taxpayer who is exempt or not subject to Industrial Tax.

Documents was approved by Presidential Decree No. 292/18 of 3 December, which repealed the previous Law No. 149/13 of 1 October of the Regime of Invoices and Equivalent Documents.

On 1 October 2019, the Value Added Tax Code entered into force, which in the case of the banking sector applies a fee of 14%, and all commissions and expenses charged for the services provided and financial leases in the amortised capital component are subject, with the exception of those referred to above.

The composition of tax assets and liabilities has the following composition:

(thousands of Kwanzas)

	31.12.2021	31.12.2020
Current tax assets	892 277	448 946
Deferred tax assets	5 588 505	1 150 917
Total	**6 480 782**	**1 599 863**

(thousands of Kwanzas)

	31.12.2021	31.12.2020
Current tax liabilities	**17 518 310**	**2 918 522**
Capital Investment Tax	1 628 255	1 531 491
Industrial Tax payable	15 653 941	1 150 917
Tax contingency (IFRIC23)	236 114	236 114
Deferred tax liabilities	**524 756**	**-**
Other Liabilities (Note 20)	**505 821**	**700 238**
VAT	505 821	700 238
Total	**18 548 887**	**3 618 760**

A liability has been recorded in accordance with IFRIC 23 for tax contingencies related to income taxes (e.g. CIT and Industrial Tax).

Deferred tax assets and liabilities recognised in balance sheet as of 31 December 2021 and 31 December 2020 can be analysed as follows:

(thousands of Kwanzas)

	Assets		Liabilities	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Reportable tax losses	1 665 644	1 150 917	-	-
Potential unfavorable exchange variations	3 220 221	-	-	-
Tax-accepted expense provisions	222 112	-	-	-
Credit impairments with collateral	480 528	-	-	-
Other	-	-	524 756	-
Deferred tax asset/(liability)	**5 588 505**	**1 150 917**	**524 756**	**-**

The Bank assessed the recoverability of their deferred taxes on balance sheet based on the expectation of taxable future tax profits. On 31 December 2021 and 31 December 2020, the Bank recognised deferred active tax on the amount of reportable tax losses liable to recovery in the year in which the taxable profit was calculated, as well as on unfavorable potential exchange variations, provisions on services whose expenses are indispensable for banking activity and accepted fiscally, and Credit impairments with collateral damage calculated with reference to December 31, 2021.

The movements in the deferred balance sheet tax heading had the following considerations:

(thousands of Kwanzas)

	31.12.2021	31.12.2020
Initial balance	1 150 917	911 944
Recognised as profit or loss	5 588 505	1 150 917
Use	(1 150 917)	(911 944)
Final balance (Assets/(Liabilities))	**5 588 505**	**1 150 917**

The tax recognised in results and reserves as at 31 December 2021 and 31 December 2020 had the following origins:

(thousands of Kwanzas)

	31.12.2021		31.12.2020	
	Recognised as reserves	Recognised as profit or loss	Recognised as reserves	Recognised as profit or loss
Reportable tax losses	-	1 665 644	-	1 150 917
Potential unfavorable exchange variations	-	3 220 221	-	-
Tax-accepted expense provisions		222 112	-	-
Credit impairment with collateral		480 528	-	-
Deferred Taxes	**-**	**5 588 505**	**-**	**1 150 917**
Current Taxes	**-**	**(21 476 516)**	**-**	**(4 335 585)**
Industrial Tax	-	(15 653 941)	-	(1 150 917)
Capital Investment Tax	-	(5 822 575)	-	(2 948 554)
Tax contingency (IFRIC23)		-		(236 114)
Total tax recognized	**-**	**(15 888 010)**	**-**	**(3 184 668)**

Reconciliation of the tax rate, in the part relating to the amount recognised in results, may be analysed as follows:

(thousands of Kwanzas)

	31.12.2021		31.12.2020	
	%	Value	%	Value
Earnings before taxes		**91 624 322**		**39 079 642**
Tax calculated based on tax rate	35.0%	32 068 513	35.0%	13 677 875
Tax benefits on bond yields	-23.8%	(21 783 626)	-33.5%	(13 087 043)
(Income)/Non-deductible costs	6.0%	5 490 487	1.2%	477 432
Constitution of Deferred Tax Assets	-6.1%	(5 588 505)	2.3%	911 944
Capital Investment Tax	6.4%	5 822 575	-2.6%	(1 031 994)
Tax contingency (IFRIC23)	0.0%	-	-0.2%	(59 028)
Other	-0.1%	(121 434)	5.9%	2 295 482
Fiscal year tax	**17.3%**	**15 888 010**	**8.1%**	**3 184 668**

Income from public debt securities resulting from Treasury Bonds and Treasury Bills issued by the Angolan State, after December 31, 2011 are subject to taxation under Capital Investment Tax, as defined in k) of No. 1 of article 9 of Presidential Legislative Decree No. 2/14 of October 20.

In accordance with the provisions of Article 47 of the Industrial Tax Code (Law No. 19/14 of 22 October) in determining the taxable amount, income subject to Capital Investment Tax will be deducted.

Thus, in determining taxable profit for the years ended 31 December 2021 and 31 December 2020, such income was deducted from the taxable profit.

The cost determined with the settlement of Capital Investment Tax is not fiscally accepted for the clearance of the tax base, as provided in paragraph a) of No. 1 of Article 18 of the Industrial Tax Code.

The Tax Authority has the possibility to review the Bank's fiscal situation over a period of five years (2016 to 2021), and may result, due to different interpretations of tax legislation, possible corrections to taxable profit. However, arising from Article 8 of Law No. 31/20 (Law approving the revision of the General State Budget for the year 2020), the period of expiry of the tax obligations for the fiscal year 2015 is exceptionally up to December 31, 2021.

The Bank's Board of Directors considers that any additional settlements that may result from these revisions will not be significant for the attached financial statements.

The detail of current tax assets is analysed as follows:

(thousands of Kwanzas)

	31.12.2021	31.12.2020
Provisional settlements	871 224	427 893
Withholding Tax	21 053	21 053
Balance	**892 277**	**448 946**

On 31 December 2021 and 31 December 2020, the balance of the provisional settlement heading corresponds to the mandatory provisional assessment made in August, calculated by applying a 2% rate on the result derived from financial intermediation transactions, calculated in the first six months of the previous fiscal year, excluding income subject to Capital Investment Tax (Note 2.9.1).

On 31 December 2021 and 31 December 2020, the heading Current tax liabilities, in the amount of Kz 17 518 310 thousand and Kz 2 918 444 thousand, respectively, relates to the amount of the increase in costs with Capital Investment Tax to be settled by the Bank of Treasury Bonds and Treasury Bills in the portfolio, the estimated current tax payable and contingent liabilities.

Note 14 - Other assets

The other assets heading as at 31 December 2021 and 31 December 2020 are analysed as follows:

(thousands of Kwanzas)

	31.12.2021	31.12.2020
Purchase and sale of foreign currency	15 947 012	7 352 507
Other Assets	1 935 758	1 269 543
Other Debtors	979 253	702 208
Deferred cost expenses	2 744 285	794 686
Income receivable	689 867	453 400
Other operations to be regularised	544 242	591
Stock exchange transactions to be regularised	-	19
	22 840 417	**10 572 954**
Impairment losses	**(963 569)**	**(166 550)**
	21 876 848	**10 406 404**

As of December 31, 2021, purchases and sales of foreign currency to be settled for up to two days includes Kz 15 947 017 thousand recorded in the items of Other Assets (Note 14) and Other Liabilities (Note 20), according to the criteria described in Note 2.16.

As at 31 December 2021 and 31 December 2020, the other assets heading includes, respectively, Kz 1 340 470 thousands and Kz 1 006 426 thousand adjustment of fair value of credit granted to Employees (Note 10).

As at 31 December 2021, the other debtors heading includes Kz 367 799 thousand advances to suppliers awaiting the service (2020: Kz 283 353 thousand).

Deferred cost expenses heading includes, as at 31 December 2021, Kz 897 673 thousand related to the Bank's different insurance (2020: Kz 500 191 thousand).

On 31 December 2021 and 31 December 2020, the other operations to be regularised includes transactions for the purchase and sale of currency awaiting financial settlement, which were settled in the first days of January 2022 and January 2021 respectively.

The movements incurred in impairment losses in other assets are presented as follows:

(thousands of Kwanzas)

	31.12.2020	Appropriations	Rollbacks	Other transactions	Exchange variation	31.12.2021
Impairment Losses (Assets)						
Impairment Losses on Other Assets	**166 550**	798 356	(387)	(951)	-	**963 569**

(thousands of Kwanzas)

	31.12.2019	Appropriations	Rollbacks	Other transactions	Exchange variation	31.12.2020
Impairment Losses (Assets)						
Impairment Losses on Other Assets	**168 758**	33 250	(27 196)	-	(8 262)	**166 550**

As at 31 December 2021, impairment losses on other assets include a multi-risk provision for any losses related to goods and equipment amounting to Kz 180 900 thousand (2020: Kz 146 900 thousand).

Note 15 - Resources of central banks and other credit institutions

The Resources of central banks and other credit institutions heading is presented as follows:

(thousands of Kwanzas)

	31.12.2021	31.12.2020
Own or third-party resources in transit		
Outstanding counting amounts	570 796	618 803
Other outstanding settlement transactions	25 519 494	201 148
Certified and bank cheques	-	25 178
Other resources	433 879	48 983
	26 524 169	**894 112**

On 31 December 2021 and 31 December 2020, the items Outstanding counting amounts record banknote bags which have entered the branches but have not yet been counted and reclassified to Client deposit accounts.

As at 31 December 2021 and 31 December 2020, the other outstanding settlement transactions heading includes the use of Client debit cards to be settled on the following day and unclosed POS balances.

Note 16 - Client resources and other loans

The balance of the heading Client resources and other loans is composed, as to its nature, as follows:

(thousands of Kwanzas)

	31.12.2021	31.12.2020
Demand deposits	506 917 663	545 188 662
Term deposits	152 977 388	140 301 572
Deposits received as collateral	17 282 655	5 775 438
Other deposits	1 079 827	401 814
	678 257 533	**691 667 486**

On 31 December 2021 and 31 December 2020, the amount under deposits received as collateral heading refers in full to captive amounts for credit granted guarantee and letters of credit.

As of December 31, 2020, the amount under Other deposits includes deposits from long-term Clients in Kwanzas indexed to US Dollars in the amount of Kz 15 163 thousand.

The escalation of Client resources and other loans by maturity, as of December 31, 2021 and December 31, 2020, is as follows:

(thousands of Kwanzas)

	31.12.2021	31.12.2020
Due in the short term	**525 280 145**	**551 344 972**
Due in the long term		
Up to 3 months	135 874 337	120 698 590
From 3 months to one year	17 103 051	19 614 249
From one to five years	-	9 675
	152 977 388	**140 322 514**
	678 257 533	**691 667 486**

As at 31 December 2021, term deposits in Kwanzas and USD are remunerated at an average rate of 13.07% and 0.25%, respectively (2020: 10.44% and 0.79%, respectively).

Note 17 - Liabilities represented by securities

The heading Liabilities represented by securities was composed by the issuance of senior bonds not guaranteed in Kwanzas, on December 11, 2018, by Standard Bank of Angola, S.A.. The maturity of this issue was December 11, 2021. These bonds paid interest six-monthly in arrears on 11 June and 11 December.

(milhares de Kwanzas)

31.12.2021	Currency	Indexing	Average rate	Nominal value	Acquisition cost	Accrued interest	Book value
- Senior Bonds	AKZ	Flat rate		-	-	-	-
				-	-	-	-

(milhares de Kwanzas)

31.12.2020	Currency	Indexing	Average rate	Nominal value	Acquisition cost	Accrued interest	Book value
- Senior Bonds	AKZ	Flat rate	17.00%	4 700 000	4 700 000	45 970	4 745 970
				4 700 000	**4 700 000**	**45 970**	**4 745 970**

Note 18 - Provisions

As at 31 December 2021 and 31 December 2020, the provisions heading shows the following movements:

(thousands of Kwanzas)

	31.12.2020	Appropriations	Rollbacks	Uses	Exchange variation	Transfers	31.12.2021
Provisions (Liabilities)							
Other provisions for risks and charges	**2 293 681**	1 355 804	(545 011)	(188 511)	(431)	152 813	**3 068 345**
Provisions for guarantees and commitments made (Note 23)	**502 662**	197 625	(479 256)	-	(1 627)	-	**219 404**
	2 796 343	**1 553 429**	**(1 024 267)**	**(188 511)**	**(2 058)**	**152 813**	**3 287 749**

(thousands of Kwanzas)

	31.12.2019	Appropriations	Rollbacks	Uses	Exchange variation	Transfers	31.12.2020
Provisions (Liabilities)							
Other provisions for risks and charges	**1 679 456**	1 200 830	(492 888)	(84 373)	76 769	(86 113)	**2 293 681**
Provisions for guarantees and commitments made (Note 23)	**138 570**	561 304	(197 212)	-	-	-	**502 662**
	1 818 026	**1 762 134**	**(690 100)**	**(84 373)**	**76 769**	**(86 113)**	**2 796 343**

The balance of the provision heading is intended to cover certain contingencies duly identified, arising from the Bank's activity, being revised on each reporting date to reflect the best estimate of the amount and its probability of payment.

As at 31 December 2021, the other provisions for risks and charges include Kz 1 187 656 thousand (2020: Kz 911 121 thousand) of contingent retirement liabilities, in accordance with Law No. 2/2000 and Articles 218 and 262 of the General Labor Law (Note 2.11). In 2015, Law No. 7/2015 (General Labor Law) was published, which repealed Law No. 2/2000 and no longer provided for the need to make provisions for contingent retirement liabilities. The Bank is examining how they will reverse this amount in Employee benefits.

As at 31 December 2021, the Other provisions for risks and charges additionally include a provision for miscellaneous contingencies amounting to Kz 381 053 thousand (2020: Kz 374 452 thousand) and Kz 318 858 thousand (2020: Kz 212 686 thousand) relating to judicial contingencies. It also includes a provision for holidays not taken in the amount of Kz 781 984 thousand (2020: Kz 595 317 thousand).

As at 31 December 2021, provisions for guarantees and commitments made in off-balance sheet, including bank guarantees, bank overdraft limits and letters of credit amount to Kz 219 404 thousand (2020: Kz 502 662 thousand).

Note 19 - Subordinated liabilities

This heading is analysed as follows:

(thousands of Kwanzas)

Issuing company	Designation	Currency	Emission date	Issue Amount (in USD)	Book Value in thousands of Kwanzas		Interest rate	Maturity
					31.12.2021	31.12.2020		
Standard Bank South Africa, SA	Subordinated debt	USD	03/12/2018	30 000 000	**16 704 348**	**19 553 301**	Libor +3,92% (4,92% since 12/03/2023)	03/12/2028 (possibility of early repayment from the 5th year)

Note 20 - Other liabilities

The other liabilities as at 31 December 2021 and 31 December 2020 are analysed as follows:

(thousands of Kwanzas)

	31.12.2021	31.12.2020
Letters of credit (Note 10)	9 310 401	10 855 362
Balances with related parties	4 850 151	9 739 982
Purchase and sale of foreign currency	16 050 264	7 368 548
Administrative and marketing costs payable	3 570 421	4 788 289
Personnel obligations (Note 2.10)	3 873 378	3 273 369
Leases	1 580 534	1 574 189
Taxes payable - withheld from third parties	1 812 094	585 217
Others	1 344 696	665 030
Value added tax (VAT)	505 821	700 238
Other deferred commissions	(31 185)	21 701
Suppliers	584 280	841 081
Social Security Contribution	115 820	91 445
Other operations to be regularised	3 870	4 994
Dividends payable	12 400 828	79
	55 971 373	**40 509 524**

On 31 December 2021 and 31 December 2020, the heading letters of credit includes, in return under the item Credit to Clients (Note 10), letters of credit contracts whose documentation for making the payments contracurrently defined was received in full, since from that moment the responsibility of the payments becomes effective.

As at 31 December 2021 and 31 December 2020, balances with related parties mainly include the franchising and costs incurred with staff of the Standard Bank Group assigned to the Bank.

As of December 31, 2021, the dividends payable includes the approved accumulated dividends for distribution by the Bank to their shareholders (Note 22).

As at 31 December 2021 and 31 December 2020, the balance of personnel obligations includes the costs payable for staff holidays and holiday pay.

On 31 December 2021 and 31 December 2020, the balance of the item Administrative and marketing costs payable relates to the increase in costs of supplies from third parties, not invoiced.

As of December 31, 2021, the costs per purchase and sale of foreign currency to be settled up to two days includes Kz 15 947 011 thousand recorded in the items of Other assets (Note 14) and Other liabilities (Note 20), according to the criteria described in Note 2.16 (2020: Kz 7 352 507 thousand).

Note 21 – Share Capital

Common shares

As at 31 December 2021 and 31 December 2020, the Bank's share capital, in the amount of Kz 9 530 007 thousand was represented by 1 000 000 common shares, fully subscribed and paid up by different shareholders, namely:

	Number of Shares	Book value in thousands of Kwanzas	% Share Capital	
			31.12.2021	31.12.2020
Standard Bank Group Limited	509 996	4 860 265	51%	51%
AAA Activos, Lda.	490 000	4 669 703	49%	49%
Other shareholders	4	39	0.00040%	0.00040%
	1 000 000	**9 530 007**	**100%**	**100%**

It should be noted that the majority shareholder is Standard Bank Group Limited and the shares belonging to the shareholder AAA Activos Lda., were seised by the Attorney General's Office of the Republic of Angola and the Institute of Asset management and State Holdings (IGAPE) was appointed faithful.

Note 22 - Reserves, Retained Earnings and Other Comprehensive Income

The movements in these headings were as follows:

(thousands of Kwanzas)

	Revaluation reserves	Other reserves and transited results			
		Legal reserve	Retained Earnings	Other reserves	Total
Balance at December 31, 2019	**863 518**	**6 470 874**	**46 672 453**	**1 209**	**53 144 536**
Other comprehensive income:					
Fair value changes	(2 113 755)	-	-	-	-
Transfer to uneven results recognized in the year	150 364	-	-	-	-
Total comprehensive income for the year	**(1 963 391)**	**-**	**-**	**-**	**-**
Constitution of reserves	-	3 059 133	29 068 556	-	32 127 689
Distribution of dividends	-	-	(12 851 076)	-	(12 851 076)
Balance at 31 December 2020	**(1 099 873)**	**9 530 007**	**62 889 933**	**1 209**	**72 421 149**
Other comprehensive income:					
Fair value changes	2 337 924	-	-	-	-
Transfer to uneven results recognized in the year	261 253	-	-	-	-
Deferred taxes on changes in fair value	(524 757)	-	-	-	-
Total comprehensive income for the year	**2 074 420**	**-**	**-**	**-**	**-**
Constitution of reserves	-	-	36 131 088	-	36 131 088
Distribution of dividends	-	-	(25 307 439)	-	(25 307 439)
Other movements	-	-	(2)	-	(2)
Balance at 31 December 2021	**974 547**	**9 530 007**	**73 713 582**	**1 209**	**83 244 796**

Revaluation reserves represent the potential gains and losses related to the portfolio of financial assets at fair value through other comprehensive income, net of impairment recognised in results in the year and/or previous years.

Revaluation reserves represent the potential gains and losses related to the portfolio of financial assets at fair value through other comprehensive income, net of impairment recognised in results in the year and/or previous years.

In 2017 and 2018 the Bank did not reflect the impact of IAS 29 on their financial statements for the years ended that date. If the Bank had applied IAS 29, the cumulative impact on 1 January 2019 would be null and void under the revaluation reserve item, which incorporates the effect of the capital update to that date in the amount of Kz 19 142 051 thousand.

As of December 31, 2019 and 2020 Angola failed to meet the criteria set out in IAS 29 to be considered a hyperinflationary economy.

As at 31 December 2021 and 31 December 2020, the Legal Reserve in the amount of Kz 9 530 007 thousand can only be used to cover accumulated losses or to increase capital.

The applicable Angolan legislation requires that the Legal Reserve be credited annually with at least 10% of the annual net income, up to the competition of its share capital.

During 2021, the distribution of dividends to Shareholders was approved in the amount of Kz 25 307 439 thousand, of which Kz 12 400 828 thousand are awaiting settlement (Note 20).

As at 31 December 2021 and 31 December 2020, the value of stock options is Kz 1 209 thousand.

Note 23 - Off-balance sheet items

This heading is presented as follows:

(thousands of Kwanzas)

	31.12.2021	31.12.2020
Third-party responsibilities		
Guarantees received	**296 571 880**	**127 282 870**
Liabilities to third parties		
Guarantees provided	21 474 004	24 435 726
Letters of credit	5 437 928	14 172 410
Unused credit limits	48 495 977	77 374 898
	75 407 909	**115 983 034**
Liabilities for provision of services		
Deposit and custody of securities	**276 070 763**	**209 673 210**
Foreign exchange transactions		
Purchases of foreign currencies to be settled	-	171 827
Sales of foreign currencies to be settled	-	(324 952)
		(153 125)
Current value of credits		
Credits held in assets	241 224 972	145 029 288
Credits slaughtered (Note 10)	3 519 676	3 268 568
	244 744 648	**148 297 856**

The guarantees provided are banking operations that do not result in the bank's mobilisation of funds.

Letters of credit are irrevocable commitments by the Bank, on behalf of their Clients, to pay a given amount to the supplier of a given good or service, within a stipulated period of time, against the presentation of documents relating to the dispatch of the goods or provision of the service. The condition of irrevocability consists in the fact that its cancellation or alteration is not viable without the express agreement of all the parties involved. Letters of credit are recorded in the balance sheet from the moment all documentation is received by the Bank.

Unused credit limits are, in their entirety, irrevocable and, in general, are contracted for fixed periods of one year. Substantially all credit granting commitments in force require that Clients maintain certain requirements verified at the time they were contracted.

Notwithstanding the particular characteristics of these commitments, the assessment of these operations obeys the same basic principles as any other commercial operation, namely the solvency of both the Client and the underlying business, and the Bank requires that these operations be duly collateralised when necessary. Since it is expected that the majority of

the amounts shown do not necessarily represent future cash requirements, the majority of these are expected to expire unused.

The financial instruments accounted for as Liabilities to third parties are subject to the same approval and control procedures applied to the credit portfolio namely regarding the adequacy of provisions made (Note 2.2.1). The maximum credit exposure is represented by the nominal value that could be lost related to contingent liabilities and other commitments undertaken by the Bank in the event of default by the respective counterparties, without taking into consideration potential recoveries or collaterals.

At 31 December 2021 and 31 December 2020, the provisions for guarantees and commitments amounted to Kz 219 404 thousand and Kz 502 662 thousand, respectively (Note 18).

Note 24 - Financial Margin

The value of this heading consists of:

(thousands of Kwanzas)

	2021			2020		
	Assets/liabilities at amortised cost and financial assets at fair fair value through other comprehensive income	Assets/liabilities at fair value through profit or loss	Total	Assets/liabilities at amortised cost and financial assets at fair fair value through other comprehensive income	Assets/liabilities at fair value through profit or loss	Total
Interest and similar income						
Credit interest to Clients	26 109 323	-	26 109 323	19 325 221	-	19 325 221
Interest from financial assets at fair value through profit or loss	-	210 084	210 084	-	2 483 521	2 483 521
Interest from deposits in credit institutions	517 443	-	517 443	923 237	-	923 237
Interest from financial assets at fair value through other comprehensive income	27 121 664	-	27 121 664	14 639 088	-	14 639 088
Interest from investments at amortised cost	27 906 628	-	27 906 628	20 194 148	-	20 194 148
Other interest and similar income	7 776 983	-	7 776 983	624 059	-	624 059
	89 432 041	**210 084**	**89 642 125**	**55 705 753**	**2 483 521**	**58 189 274**
Interest and similar charges						
Interest on resources of central banks and credit institutions	285 596	-	285 596	137 750	-	137 750
Interest on liabilities represented by securities	753 030	-	753 030	801 188	-	801 188
Interest on Clients resources	11 230 142	-	11 230 142	5 130 108	-	5 130 108
Interest on subordinated liabilities	775 209	-	775 209	726 114	-	726 114
Interest on leases	208 731	-	208 731	206 790	-	206 790
	13 252 708	**-**	**13 252 708**	**7 001 950**	**-**	**7 001 950**
Financial Margin	**76 179 333**	**210 084**	**76 389 417**	**48 703 803**	**2 483 521**	**51 187 324**

As at 31 December 2021, the heading of credit interest to Clients includes the amount of Kz 191 185 thousand of commissions accounted for according to the effective interest rate method (2020: Kz 170 272 thousand).

The table below shows net gains or net losses on financial instruments:

(thousands of Kwanzas)

	2021					
	In return for results			In return for other comprehensive income		
	Gains	Losses	Net	Gains	Losses	Net
Assets						
Interest on cash and applications in credit institutions	517 443	-	517 443	-	-	-
Interest on financial assets at fair value through results	233 279	(23 195)	210 084	-	-	-
Interest on financial assets at fair value through other comprehensive income	-	-	-	27 121 664	-	27 121 664
Interest on investments at amortised cost	27 906 628	-	27 906 628	-	-	-
Credit interest to Clients	26 109 323	-	26 109 323	-	-	-
Other interest and similar income	7 776 983	-	7 776 983	-	-	-
	62 543 656	**(23 195)**	**62 520 461**	**27 121 664**	**-**	**27 121 664**
Liabilities						
Interest on Clients resources	337 333	(11 567 475)	(11 230 142)	-	-	-
Interest on resources of central banks and credit institutions	-	(285 596)	(285 596)	-	-	-
Interest on Funding of Credit Institutions	-	-	-	-	-	-
Interest on subordinated liabilities	-	(775 209)	(775 209)	-	-	-
Interest on Leases	-	(208 731)	(208 731)	-	-	-
Interest on liabilities represented by securities	-	(753 030)	(753 030)	-	-	-
	337 333	**(13 590 041)**	**(13 252 708)**	**-**	**-**	**-**
Financial Margin	**62 880 989**	**(13 613 236)**	**49 267 753**	**27 121 664**	**-**	**27 121 664**

(thousands of Kwanzas)

	2020					
	In return for results			In return for other comprehensive income		
	Gains	Losses	Net	Gains	Losses	Net
Assets						
Interest on cash and applications in credit institutions	924 136	(898)	923 238	-	-	-
Interest on financial assets at fair value through results	2 600 792	(117 272)	2 483 520	-	-	-
Interest on financial assets at fair value through other comprehensive income	-	-	-	14 639 088	-	14 639 088
Interest on investments at amortised cost	20 194 148	-	20 194 148	-	-	-
Credit interest to Clients	19 444 979	(119 758)	19 325 221	-	-	-
Other interest and similar income	650 703	(26 644)	624 059	-	-	-
	43 814 758	**(264 572)**	**43 550 186**	**14 639 088**	**-**	**14 639 088**
Liabilities						
Interest on Clients resources	-	(5 130 108)	(5 130 108)	-	-	-
Interest on resources of central banks and credit institutions	-	(137 749)	(137 749)	-	-	-
Interest on Funding of Credit Institutions	-	-	-	-	-	-
Interest on subordinated liabilities	9 444	(735 558)	(726 114)	-	-	-
Interest on Leases	-	(206 790)	(206 790)	-	-	-
Interest on liabilities represented by securities	-	(801 189)	(801 189)	-	-	-
	9 444	**(7 011 394)**	**(7 001 950)**	**-**	**-**	**-**
Financial Margin	**44 824 202**	**(7 275 966)**	**36 548 236**	**14 639 088**	**-**	**14 639 088**

The table below shows net gains or net losses on financial instruments:

(thousands of Kwanzas)

	2021			2020		
	Income	Expenses	Net	Income	Expenses	Net
Assets						
Interest on cash and applications in credit institutions	517 443	-	517 443	924 135	(898)	923 237
Interest on investments at amortised cost	27 906 628	-	27 906 628	20 194 148	-	20 194 148
Credit interest to Clients	26 109 323	-	26 109 323	19 444 979	(119 758)	19 325 221
Other interest and similar income	7 776 983	-	7 776 983	650 703	(26 644)	624 059
	62 310 377	**-**	**62 310 377**	**41 213 965**	**(147 300)**	**41 066 665**
Liabilities						
Interest on Clients resources	337 333	(11 567 475)	(11 230 142)	-	(5 130 108)	(5 130 108)
Interest on resources of central banks and credit institutions	-	(285 596)	(285 596)	-	(137 750)	(137 750)
Interest on subordinated liabilities	-	(775 209)	(775 209)	9 444	(735 558)	(726 114)
Interest on leases	-	(208 731)	(208 731)	-	(206 790)	(206 790)
Interest on liabilities represented by securities	-	(753 030)	(753 030)	-	(801 189)	(801 189)
	337 333	**(13 590 041)**	**(13 252 708)**	**9 444**	**(7 011 395)**	**(7 001 951)**
Financial margin for instruments at amortised cost	**62 647 710**	**(13 590 041)**	**49 057 669**	**41 223 409**	**(7 158 695)**	**34 064 714**

The table below shows the income and interest expenses of financial instruments measured at amortised cost:

(thousands of Kwanzas)

	2021			2020		
	Income	Expenses	Net	Income	Expenses	Net
Asset						
Interest on financial assets at fair value through other comprehensive income	27 121 664	-	27 121 664	14 639 088	-	14 639 088
Financial margin for fair value instruments through other comprehensive income	**27 121 664**	**-**	**27 121 664**	**14 639 088**	**-**	**14 639 088**

The table below shows the income and interest expenses of financial instruments measured at fair value through other comprehensive income:

(thousands of Kwanzas)

	2021			2020		
	Income	Expenses	Net	Income	Expenses	Net
Asset						
Interest on financial assets at fair value through profit or loss	233 279	(23 195)	210 084	2 600 794	(117 272)	2 483 522
Financial margin for fair value instruments through profit or loss	**233 279**	**(23 195)**	**210 084**	**2 600 794**	**(117 272)**	**2 483 522**

Note 25 - Income and charges for services and commissions

The value of this heading consists of:

(thousands of Kwanzas)

Description	31.12.2021	31.12.2020
Income from services and commissions		
From transfers	6 151 429	3 030 718
From credit operations	3 220 084	2 513 912
From electronic compensation	1 904 254	1 306 357
From other banking services provided	665 698	1 177 925
From documentary credits	818 995	1 177 125
Other income	2 411 558	1 118 188
From withdrawals	924 671	699 966
From account maintenance	465 739	418 265
From mediation	561 185	402 891
From financial advice	706 124	278 432
From guarantees provided	299 383	183 532
From transporting received amounts	86 461	117 940
From cheque issuing	976	2 597
	18 216 557	**12 427 848**
Charges for services and commissions		
From banking services provided by third parties	3 402 480	3 574 408
From transporting values	874 198	652 340
	4 276 678	**4 226 748**
	13 939 879	**8 201 100**

With reference to 31 December 2021, the banking services provided by third parties heading includes an amount of Kz 754 795 thousand related to the custody rate applicable to excess reserves, according to Instructive No. 14/2020 of August 4.

The table below presents the income and expenses with commissions not included in the calculation of the effective interest rate of financial instruments measured at amortised cost and fair value through other comprehensive income:

(thousands of Kwanzas)

	31.12.2021			31.12.2020		
	Income	Expenses	Net	Income	Expenses	Net
Assets						
From credit operations	3 220 084	-	3 220 084	2 513 912	-	2 513 912
From transporting received amounts	86 461	-	86 461	117 940	-	117 940
From mediation	561 185	-	561 185	402 891	-	402 891
From financial advice	233 750	-	233 750	278 432	-	278 432
Other income	2 411 558	-	2 411 558	1 118 187	-	1 118 187
From banking services provided by third parties	-	(754 795)	(754 795)	-	(1 463 029)	(1 463 029)
	6 513 038	**(754 795)**	**5 758 243**	**4 431 362**	**(1 463 029)**	**2 968 333**
Liabilities						
From other banking services provided	502 496	-	502 496	132 286	-	132 286
From transfers	6 151 430	-	6 151 430	3 030 718	-	3 030 718
From account maintenance	465 739	-	465 739	418 265	-	418 265
From cheque issuing	975	-	975	2 597	-	2 597
From withdrawals	924 671	-	924 671	699 966	-	699 966
From transporting values	-	(874 198)	(874 198)	-	(652 340)	(652 340)
From electronic compensation	1 904 254	-	1 904 254	1 306 357	-	1 306 357
From banking services provided by third parties	-	(2 647 685)	(2 647 685)	-	(2 111 379)	2 111 379
	9 949 565	**(3 521 883)**	**6 427 682**	**5 590 189**	**(2 763 719)**	**2 826 470**
Off-balance sheet items						
From documentary credits	818 995	-	818 995	1 177 126	-	1 177 126
From guarantees provided	299 383	-	299 383	183 532	-	183 532
From other banking services	163 202	-	163 202	1 045 639	-	1 045 639
From financial advice	472 374	-	472 374	-	-	-
	1 753 954	**-**	**1 753 954**	**2 406 297**	**-**	**2 406 297**
	18 216 557	**(4 276 678)**	**13 939 879**	**12 427 848**	**(4 226 748)**	**8 201 100**

Note 26 - Results of financial assets at fair value through results

The value of this heading consists of:

	31.12.2021			31.12.2020		
	Income	Costs	Total	Income	Costs	Total
Income of assets at fair value through profit or loss						
From Public issuers	46 333	(7 571)	38 762	829 092	(493 511)	335 581
Derivative financial instruments	70 691	(113 322)	(42 631)	113 322	(66 289)	47 033
From Clients deposits in AOA indexed to USD	-	(5 370)	(5 370)	-	(120 430)	(120 430)
	117 024	**(126 263)**	**(9 239)**	**942 414**	**(680 230)**	**262 184**

Note 27 - Results of financial assets at fair value through other comprehensive income

The value of this heading consists of:

	31.12.2021			31.12.2020		
	Income	Costs	Total	Income	Costs	Total
Income of financial assets at fair value through other comprehensive income						
From public issuers	26 186	-	26 186	-	-	-
Shares			-			-
Other variable income securities			-			-
			26 186			**-**
	26 186		**26 186**			

Note 28 - Exchange Results

The value of this heading consists of:

(thousands of Kwanzas)

Description	31.12.2021	31.12.2020
Results of currency purchase and sale transactions	34 707 490	17 393 436
Results of revaluation of assets and liabilities	1 152 717	9 324 182
	35 860 207	**26 717 618**

Note 29 - Other operating results

The value of this heading consists of:

(thousands of Kwanzas)

Description	31.12.2021	31.12.2020
Other operating income / (costs)		
Direct and indirect taxes	(2 723 317)	(2 086 126)
Membership fees and donations	(624 920)	(469 064)
Operating losses	(284 187)	(239 689)
Other operating income	(297 944)	(145 006)
Other gains and losses on other tangible assets	(92 862)	617
	(4 023 230)	**(2 939 268)**

As at 31 December 2021, the heading Direct and indirect taxes includes Kz 2 712 887 thousand of costs with Value Added Tax (VAT).

Note 30 - Personnel costs

The value of this heading consists of:

(thousands of Kwanzas)

	31.12.2021	31.12.2020
Direct costs		
Salaries and subsidies	15 821 657	12 557 416
Performance bonus	2 877 140	2 620 422
Mandatory social charges	1 057 273	827 462
Others	579 836	222 543
	20 335 906	16 227 843
Indirect costs	1 364 838	1 965 522
	21 700 744	**18 193 365**

On 31 December 2021 and 2020, the heading Salaries and subsidies include several allowances allocated to Employees, namely accommodation allowance, transport allowance, holiday allowance and holiday month, amounting to Kz 1 296 859 thousand and Kz 1 197 587 thousand, respectively.

As at 31 December 2021 and 2020, the number of Bank Employees corresponds to 652 and 635, respectively.

As of December 31, 2021 and 2020, Employees were divided into the following professional categories:

	31.12.2021	31.12.2020
Executive Directors	3	3
Director	37	25
Coordinator	318	292
Technician	284	305
Administrative	10	10
	652	**635**

As of December 31, 2021 and 2020, the remuneration and other benefits associated with the Bank's Corporate Bodies are detailed as follows:

(thousands of Kwanzas)

	Board of Directors			Fiscal Board	Executive Board	Total
	Administrative Directors	Non-Executive Members	Total			
December 31, 2021						
Remuneration and other short-term benefits	1 658 871	-	1 658 871	15 015	95 023	1 768 909
Variable remuneration	572 741	-	572 741	8 979	16 961	598 681
Sub total	**2 231 612**	**-**	**2 231 612**	**23 994**	**111 984**	**2 367 590**
Benefits and other social charges	168 042	-	168 042	-	-	168 042
Other remuneration and seniority bonuses	-		-			-
Total	**2 399 654**	**-**	**2 399 654**	**23 994**	**111 984**	**2 535 632**
December 31, 2020						
Remunerations and other short-term benefits	510 603	88 611	599 214	15 322	735 654	1 350 190
Variable remuneration	287 473	14 730	302 203	3 846	251 014	557 063
Sub total	**798 076**	**103 341**	**901 417**	**19 168**	**986 668**	**1 907 253**
Benefits and other social charges	101 345	54 952	156 297	-	6 033	162 330
Other remuneration and seniority bonuses	-		-			-
Total	**899 421**	**158 293**	**1 057 714**	**19 168**	**992 701**	**2 069 583**

Note 31 - Third-party supplies and services

The value of this heading consists of:

(thousands of Kwanzas)

Description	31.12.2021	31.12.2020
Franchising Commission and other costs with the Group	4 681 332	4 094 775
Audits, Consultancies and Other Services	2 785 965	2 815 655
Security, Conservation and Repairs	971 409	1 136 681
Transportation, Travel and Accomodation	89 579	12 168
Communications	874 642	648 264
Publications, Advertising and Publicity	409 561	315 883
Other Third Party Supplies	1 981 729	787 720
Insurance	818 156	477 113
Miscellaneous materials	294 337	221 716
Water and Energy	134 741	136 674
	13 041 451	**10 646 649**

Note 32 - Results per Share

Basic results per share

Basic results per share are calculated by dividing the result attributable to the Bank's shareholders by the weighted average number of common shares outstanding during the year.

(thousands of Kwanzas)

	31.12.2021	31.12.2020
Net Income	75 736 312	36 131 088
Average number of common shares outstanding	1 000 000	1 000 000
	75 736	**36 131**

Diluted earnings per share

Diluted earnings per share are calculated by adjusting the effect of all potential common shares diluted to the weighted average number of common shares outstanding and the Bank's net income.

Diluted earnings per share do not differ from basic earnings per share.

Note 33 - Transaction with related parties

The value of the Bank's transactions with related parties as at 31 December 2021 and 31 December 2020, as well as the respective costs and income recognised in the period under review, is as follows:

BALANCE SHEET	31.12.2021 Shareholder	31.12.2021 Subsidiaries and affiliates of shareholders	31.12.2021 Corporate Bodies	31.12.2020 Shareholder	31.12.2020 Subsidiaries and affiliates of shareholders	31.12.2020 Corporate Bodies
Assets						
Cash and cash equivalents in other credit institutions						
Standard Bank South Africa	-	78 874 108	-	-	17 312 557	-
Standard Bank Mauricias	-	331	-	-	388	-
Stanbic Ibtc Bank Plc	-	4 302	-	-	5 434	-
Standard Bank Namibia	-	-	-	-	2 394	-
Investments in central banks and other credit institutions						
Standard Bank Isle of Man	-	-	-	-	-	-
Standard Bank South Africa	-	49 948 887	-	-	79 735 325	-
Credit to Clients						
Housing credit	11 221	-	-	12 622	-	-
Credit cards	827	-	109	-	-	504
Investment credit	-	-	-			
Other Assets						
Standard Bank South Africa	-	39 701	-	-	591	-
Total	**12 048**	**128 867 329**	**109**	**12 622**	**97 056 689**	**504**
Liabilities						
Customer resources and other loans						
AAA Activos, Lda	1 273 017	-	-	1 294 082	-	-
AAA Seguros, SA	-	2	-	-	2	-
Other	195 252	4 110 564	202 650	1 011 430	-	-
Subordinated liabilities						
Standard Bank South Africa	-	16 599 711	-	-	19 248 255	-
Other liabilities						
Standard Bank South Africa	-	5 146 388	-	-	10 360 968	-
Standard Bank Isle of Man	-	-	-	-	-	-
Standard Bank Namibia	-	-	-	-	-	-
Standard Bank Namibia	-	35 131	-	-	35 213	-
Standard Bank London	-	8 564 817	-	-	486 573	-
Total	**1 468 269**	**34 456 613**	**202 650**	**2 305 512**	**30 131 011**	**-**

RESULTS	31.12.2021 Shareholder	Subsidiaries and affiliates of shareholders	Corporate Bodies	31.12.2020 Shareholder	Subsidiaries and affiliates of shareholders	Corporate Bodies
Interest and similar income						
Standard Bank Isle of Man	-	-	-	-	-	-
Standard Bank South Africa	-	88 130	-	-	588 925	-
Interest and similar charges						
Standard Bank South Africa	-	(775 209)	-	-	(726 114)	-
Income and charges of services and commissions						
Standard Bank South Africa	-	-	-	-	-	-
Standard Bank Isle of Man	-	-	-	-	-	-
Exchange rate results						
Standard Bank South Africa	-	55	-	-	(19 054)	-
Personnel costs						
Standard Bank South Africa	-	(111 768)	-	-	(820 391)	-
Third party supplies and services						
Standard Bank South Africa	-	(5 559 970)	-	-	(4 025 910)	-
AAA Activos, Lda	-	-	-	-	-	-
Total	**-**	**(6 358 762)**	**-**	**-**	**(5 002 544)**	**-**

The remuneration costs and other benefits attributed to the Bank's key management staff can be analysed in Note 30.

All transactions carried out with related parties are carried out at normal market prices, in accordance with the principle of fair value.

Note 34 - Fair value of financial assets and liabilities

Fair value is based on market prices, whenever they are available. If these do not exist, fair value is estimated through internal models based on cash flow discount techniques. The generation of cash flows of the different instruments is based on their financial characteristics and the discount rates used consider the operations most recently granted by the Bank.

Thus, the fair value obtained is influenced by the parameters used in the evaluation model, which necessarily incorporate some degree of subjectivity, and reflect exclusively the value attributed to the different financial instruments.

The fair value of the Bank's financial assets and liabilities is presented as follows:

(thousands of Kwanzas)

	Amortised Cost	Valued at Fair Value			Total Balance Sheet Value	Fair Value
		Market Prices (Level 1)	Valuation models with observable market parameters (Level 2)	Valuation models with non-observable market parameters (Level 3)		
December 31, 2021						
Cash and cash equivalents in central banks	119 628 484	-	-	-	119 628 484	119 628 484
Cash and cash equivalents in other credit institutions	92 577 562	-	-	-	92 577 562	92 577 562
Investments in central banks and in other credit institutions	186 984 054	-	-	-	186 984 054	186 984 054
Financial assets at fair value through profit or loss	-	-	-	181 656	181 656	181 656
Financial assets at fair value through other comprehensive income	-	-	162 789 363	-	162 789 363	162 789 363
Investments at amortised cost	91 706 497	-	-	-	91 706 497	91 554 837
Credit to Clients	234 174 153	-	-	-	234 174 153	234 824 158
Financial assets	**725 070 750**	**-**	**162 789 363**	**181 656**	**888 041 769**	**888 540 114**
Resources of central banks and other credit institutions	26 524 169	-	-	-	26 524 169	26 524 169
Clients resources and other loans	678 257 533	-	-	-	678 257 533	678 371 644
Debt securities issued	-	-	-	-	-	-
Subordinated liabilities	16 704 348	-	-	-	16 704 348	16 704 348
Financial liabilities	**721 486 050**	**-**	**-**	**-**	**721 486 050**	**721 600 161**

(thousands of Kwanzas)

	Amortised Cost	Valued at Fair Value			Total Balance Sheet Value	Fair Value
		Market Prices (Level 1)	Valuation models with observable market parameters (Level 2)	Valuation models with non-observable market parameters (Level 3)		
December 31, 2020						
Cash and cash equivalents in central banks	147 520 430	-	-	-	147 520 430	147 520 430
Cash and cash equivalents in other credit institutions	65 181 528	-	-	-	65 181 528	65 181 528
Investments in central banks and in other credit institutions	142 266 522	-	-	-	142 266 522	142 266 522
Financial assets at fair value through profit or loss	-	-	1 753 133	71 544	1 824 677	1 824 677
Financial assets at fair value through other comprehensive income	-	-	89 032 526	-	89 032 526	89 032 526
Investments at amortised cost	235 843 696	-	-	-	235 843 696	232 033 067
Credit to Clients	140 309 033	-	-	-	140 309 033	154 293 911
Financial assets	**731 121 209**	**-**	**90 785 659**	**71 544**	**821 978 412**	**832 152 661**
Resources of central banks and other credit institutions	894 112	-	-	-	894 112	894 112
Clients resources and other loans	691 667 486	-	-	-	691 667 486	691 844 837
Debt securities issued	4 745 970	-	-	-	4 745 970	4 745 970
Subordinated liabilities	19 553 301	-	-	-	19 553 301	19 553 301
Financial liabilities	**716 860 869**	**-**	**-**	**-**	**716 860 869**	**717 038 220**

The table below shows the book value of financial instruments with reference to 31 December 2021 and 31 December 2020:

(thousands of Kwanzas)

	31-12-2021				
	Valued at Fair Value	Valued at amortised cost	Valued at historical cost	Impairment	Net Value
Assets					
Cash and cash equivalents in central banks	-	119 628 484	-	-	119 628 484
Cash and cash equivalents in other credit institutions	-	92 579 746	-	(2 184)	92 577 562
Investments in central banks and in other credit institutions	-	186 994 339	-	(10 285)	186 984 054
Financial assets at fair value through profit or loss	181 656		-	-	181 656
Financial assets at fair value through other comprehensive income	162 789 363		-	-	162 789 363
Investments at amortised cost	-	92 760 727	-	(1 054 230)	91 706 497
Credit to Clients	-	238 958 872	-	(4 784 719)	234 174 153
Financial assets	**162 971 019**	**730 922 168**	**-**	**(5 851 418)**	**888 041 769**
Resources of central banks and other credit institutions	-	26 524 169	-	-	26 524 169
Clients resources and other loans	-	678 257 533	-	-	678 257 533
Debt securities issued	-	-	-	-	-
Subordinated liabilities	-	16 704 348	-	-	16 704 348
Financial liabilities	**-**	**721 486 050**	**-**	**-**	**721 486 050**
Total	**162 971 019**	**9 436 118**	**-**	**(5 851 418)**	**166 555 719**

(thousands of Kwanzas)

	31-12-2020				
	Valued at Fair Value	Valued at amortised cost	Valued at historical cost	Impairment	Net Value
Assets					
Cash and cash equivalents in central banks	-	147 520 430	-	-	147 520 430
Cash and cash equivalents in other credit institutions	-	65 182 188	-	(660)	65 181 528
Investments in central banks and in other credit institutions	-	142 281 281	-	(14 759)	142 266 522
Financial assets at fair value through profit or loss	1 824 677		-	-	1 824 677
Financial assets at fair value through other comprehensive income	89 032 526		-	-	89 032 526
Investments at amortised cost	-	248 578 966	-	(12 735 270)	235 843 696
Credit to Clients	-	143 074 698	-	(2 765 665)	140 309 033
Financial assets	**90 857 203**	**746 637 563**	**-**	**(15 516 354)**	**821 978 412**
Resources of central banks and other credit institutions	-	894 112	-	-	894 112
Clients resources and other loans	-	691 667 486	-	-	691 667 486
Debt securities issued	-	4 745 970	-	-	4 745 970
Subordinated liabilities	-	19 553 301	-	-	19 553 301
Financial liabilities	**-**	**716 860 869**	**-**	**-**	**716 860 869**
Total	**90 857 203**	**29 776 694**	**-**	**(15 516 354)**	**105 117 543**

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

Level 1: Fair value is determined on the basis of unadjusted quoted prices, captured in transactions in active markets involving financial instruments identical to the instruments to be valued. If there is more than one active market for the same financial instrument, the relevant price is what prevails in the main market of the instrument, or the most advantageous market for which access exists;

Level 2: Fair value is calculated from valuation techniques supported by observable data in active markets, whether direct data (prices, rates, spreads...) or indirect (derivatives), and valuation assumptions similar to those that an unrelated party would use in estimating the fair value of the same financial instrument. It also includes instruments whose valuation is obtained through quotes disclosed by independent entities but whose markets have lower liquidity; and

Level 3: Fair value is determined on the basis of non-observable data in active markets, using techniques and assumptions that market participants would use to assess the same instruments, including assumptions about the inherent risks, the valuation technique used and the inputs processes of review of the acuity of the values thus obtained.

The Bank considers an active market for a given financial instrument, on the date of measurement, depending on the turnover and liquidity of the transactions carried out, the relative volatility of quoted prices and the readiness and availability of the information, and for this purpose the Bank shoud verify the following minimum conditions:

- Existence of frequent daily trading quotes in the last year;
- The above quotes change regularly;
- There are executable quotes of more than one entity.

A parameter used in a valuation technique is considered to be an observable data on the market if the following conditions are met:

- Whether its value is determined in an active market;
- If there is an OTC market and it is reasonable to assume that active market conditions are met, with the exception of the trading volume condition; and
- The parameter value may be obtained by inversely computing the prices of financial instruments and or derivatives where the other parameters required for initial valuation are observable on a liquid market or an OTC market that comply with the previous paragraphs.

At 31 December 2021 and 31 December 2020 the financial asset at fair value classified in level 3 of the fair value hierarchy of IFRS 13 relates to the participation in EMIS.

The main methodologies and assumptions used in estimating the fair value of financial assets and liabilities recorded in the balance sheet at amortised cost are analysed as follows:

Cash and cash equivalents in central banks and in other credit institutions and Investments in Central Banks and other credit institutions

These assets are very short-term so the balance sheet value is a reasonable estimate of their fair value.

Financial assets at fair value through profit or loss and Financial assets at fair value through other comprehensive income .

These financial instruments are accounted for at fair value. Fair value is based on market prices (Bid-price), where they are available. If these do not exist, the calculation of fair value is based on the use of numerical models, based on cash flow discount techniques which, in order to estimate fair value, market interest rate curves adjusted by the associated factors are used, predominantly credit risk and liquidity risk, determined according to market conditions and respective deadlines.

The values for very short-term rates are obtained from a similar source but for the interbank money market. Interest rates for specific cash flow deadlines are determined by appropriate interpolation methods. The same interest rate curves are also used in the projection of non-deterministic cash flows such as indexers.

Market interest rates for securities in Kwanzas are calculated on the basis of the interest rates of treasury bills and treasury bonds issued for the various maturities.

If there is optionality involved, the standard models are used considering the applicable volatility surfaces. Where it is understood that there are no market references of sufficient quality or that the available models do not fully apply to the characteristics of the financial instrument, specific quotations provided by an external entity, typically the business party, are used.

Investments at amortised cost

The fair value of these financial instruments is based on market prices, when available. If they do not exist, fair value is estimated based on the update of expected future capital and interest cash flows for these instruments.

Credit to Clients

The fair value of the credit to Clients is estimated on the basis of the update of the capital and interest expected cash flows, considering that the installments are paid on the dates contractly defined. The discount rates used are the current rates for loans with similar characteristics.

Resources of central banks and other credit institutions

The fair value of these liabilities is estimated on the basis of the update of expected cash flows of capital and interest, considering that payments of installments occur on the dates contractly defined. These liabilities are very short-term so the balance sheet value is a reasonable estimate of their fair value.

Client resources and other loans

The fair value of these financial instruments is estimated on the basis of the update of capital and interest expected cash flows. The discount rate used is the one that reflects the rates charged for deposits with characteristics similar to the balance sheet date. Whereas the applicable interest rates are renewed for periods of less than one year, there are no materially relevant differences in their fair value.

Subordinated liabilities and liabilities represented by securities

Fair value is based on market prices when available; if they do not exist, it is estimated on the basis of the update of the capital and interest expected future cash flows for these instruments. If these do not exist, the calculation of fair value is based on the use of numerical models, based on cash flow discount techniques which, in order to estimate fair value, the current rates for loans with similar characteristics are used.

With regard to exchange rates, the Bank uses in their valuation models the spot rate observed on the market at the time of the evaluation.

Note 35 - Balance sheet and income statement by segment

As required by IFRS 8, disclosures by segments are presented below according to the information as analysed by the Bank's Management Agencies:

- Consumer and High Net Worth Clients (Private Individuals);
- Business and Commercial Clients (Small and Medium Enterprises);
- Corporate and Investment Banking (Large Enterprises and Investment Banking).

As of 31 December 2021 and 31 December 2020, the balance sheet by segment is presented as follows:

(thousands of Kwanzas)

BALANCE SHEET	31.12.2021			
	Consumer and High Net Worth Clients	Business and Commercial Clients	Corporate and Investment Banking	Total
Assets				
Credit to Clients				
Loans	11 513 819	33 807 002	159 679 953	205 000 774
Overdrafts	12 115	8 620 854	8 773 552	17 406 522
Leasing	764 276	308 799	-	1 073 075
Letters of credit	-	-	8 678 074	8 678 074
Credit cards	571 047	-	-	571 047
Housing	1 444 661	-	-	1 444 661
Total allocated assets	14 305 918	42 736 656	177 131 579	234 174 153
Non-allocated Assets				734 099 747
Total Assets				**968 273 900**
Liabilities				
Client resources and other loans	80 385 467	112 922 290	484 949 776	678 257 533
Liabilities represented by securities	-	-	-	-
Total allocated liabilities	80 385 467	112 922 290	484 949 776	678 257 533
Non-allocated liabilities				120 530 705
Total Liabilities				**798 788 238**

(thousands of Kwanzas)

BALANCE SHEET	31.12.2020 Consumer and High Net Worth Clients	Business and Commercial Clients	Corporate and Investment Banking	Total
Assets				
Credit to Clients				
Loans	9 827 131	18 276 033	82 587 596	110 690 760
Overdrafts	(26 682)	12 811 929	13 294 415	26 079 662
Leasing	761 007	252 761	-	1 013 768
Letters of credit	-	223 255	686 288	909 543
Credit cards	533 284	-	-	533 284
Housing	1 082 017	-	-	1 082 017
Total allocated assets	12 176 757	31 563 978	96 568 299	140 309 034
Non-allocated Assets				739 973 304
Total Assets				**880 282 338**
Liabilities				
Client resources and other loans	69 630 068	77 575 828	544 461 590	691 667 486
Liabilities represented by securities	-	-	4 745 970	4 745 970
Total allocated liabilities	69 630 068	77 575 828	549 207 559	696 413 456
Non-allocated liabilities				66 886 511
Total Liabilities				**763 299 967**

(thousands of Kwanzas)

INCOME STATEMENT	31.12.2021 Consumer and High Net Worth Clients	Business and Commercial Clients	Corporate and Investment Banking	Total
Interest and similar income	3 713 093	5 116 388	80 812 644	89 642 125
Interest and similar charges	(1 440 970)	(891 026)	(10 920 712)	(13 252 708)
Financial margin	**2 272 123**	**4 225 362**	**69 891 932**	**76 389 417**
Income from services and commissions	7 266 312	5 042 622	5 907 623	18 216 557
Charges for services and commissions	(909 135)	(1 337 616)	(2 029 927)	(4 276 678)
Income from financial assets and liabilities valued at fair value through profit or loss	-	-	(9 239)	(9 239)
Income from financial assets at fair value through other comprehensive income	-	-	26 186	26 186
Exchange rate income	8 544 260	8 691 777	18 624 170	35 860 207
Other operating income	(473 159)	(384 071)	(3 166 000)	(4 023 230)
Net income from banking activity	**16 700 401**	**16 238 074**	**89 244 745**	**122 183 220**
Personnel costs	(6 942 207)	(5 137 495)	(9 621 042)	(21 700 744)
Third party supplies and services	(3 287 466)	(2 327 292)	(7 426 693)	(13 041 451)
Depreciation and amortisation for the year	(1 452 175)	(1 173 683)	(1 719 390)	(4 345 248)
Provisions net of reversals	(22 595)	(19 028)	(487 539)	(529 162)
Impairment for credit to Clients net of reversals and recoveries	(560 952)	(156 766)	(1 573 298)	(2 291 016)
Impairment for other assets net of reversals and recoveries	(7 820)	(3 600)	11 360 143	11 348 723
Earnings before tax	**4 427 186**	**7 420 210**	**79 776 926**	**91 624 322**
Income taxes	-	-	(15 888 010)	(15 888 010)
Net income	**4 427 186**	**7 420 210**	**63 888 916**	**75 736 312**

(thousands of Kwanzas)

INCOME STATEMENT	31.12.2020 Consumer and High Net Worth Clients	Business and Commercial Clients	Corporate and Investment Banking	Total
Interest and similar income	4 268 976	6 677 116	47 243 182	58 189 274
Interest and similar charges	(40 099)	(74 470)	(6 887 382)	(7 001 950)
				0
Financial margin	**4 228 876**	**6 602 646**	**40 355 801**	**51 187 323**
				-
Income from services and commissions	4 822 824	5 481 546	2 123 477	12 427 848
Charges for services and commissions	(683 138)	(1 163 180)	(2 380 430)	(4 226 748)
Income from financial assets and liabilities valued at fair value through profit or loss	-	-	215 151	215 151
Income from financial assets at fair value through other comprehensive income				-
Exchange rate income	(88 815)	(88 815)	26 942 280	26 764 651
Other operating income	(156 683)	(235 024)	(2 377 924)	(2 769 630)
				-
Net income from banking activity	**8 123 066**	**10 597 173**	**64 878 355**	**83 598 594**
				-
Personnel costs	(5 181 612)	(4 413 966)	(8 597 787)	(18 193 365)
Third party supplies and services	(2 898 459)	(2 570 331)	(5 583 610)	(11 052 401)
Depreciation and amortisation for the year	(744 195)	(475 797)	(588 065)	(1 808 057)
Provisions net of reversals	(171 557)	(140 365)	(759 600)	(1 071 521)
Impairment for credit to Clients net of reversals and recoveries	(58 187)	(523 682)	(374 199)	(956 068)
Impairment for other assets net of reversals and recoveries	(7 455)	(3 840)	(11 426 246)	(11 437 541)
				-
Earnings before tax	**(938 399)**	**2 469 191**	**37 548 849**	**39 079 642**
Income taxes	-	-	(2 948 554)	(2 948 554)
				-
Net income	**(938 399)**	**2 469 191**	**34 600 295**	**36 131 088**

Note 36 - Activity Risk Management

The Bank is subject to risks of various natures in the development of their activity. Risk management is carried out centrally in relation to the specific risks of each business.

The Bank's risk management policy aims to maintain, at all times, an adequate relationship between their own capital and the activity developed, as well as the corresponding assessment of the risk/return profile per line of business.

In this context, it is particularly important to monitor and control the main types of financial risks - credit, market, liquidity and operational - to which the Bank's activity is exposed.

MAIN RISK CATEGORIES

Credit – Credit risk is linked to the degree of uncertainty of recovery of the investment and its return, due to the inability of a debtor (and its guarantor, if any), thus causing a financial loss for the creditor. Credit risk is evident in debt securities or other balances to be received.

Market – The concept of market risk reflects the potential loss that can be recorded by a given portfolio as a result of changes in rates (interest and exchange) and/or the prices of the different financial instruments that compose it, taking into account both the correlations between them and their volatilities. Thus, Market Risk encompasses interest rate, foreign exchange and other price risks.

Liquidity – Liquidity risk reflects the Bank's inability to meet their financial liabilities-linked obligations at each maturity date, without incurring significant losses arising from a degradation of the conditions for access to finance (financing risk) and/or the sale of their assets below the values normally charged in the market (market liquidity risk).

Operational – Operational risk means potential loss resulting from failures or inadequacies in internal processes, people or systems, or potential losses resulting from external events.

INTERNAL ORGANISATION

Standard Bank of Angola sees risk management as a central element of the Institution's vision and strategy. Thus, the risk management model is independent of the risk-generating areas and presents decision-making and control mechanisms directly dependent on the Board of Directors.

Risk management is the responsibility of the Management Board and its committees. The Board of Directors is the body responsible for the risk strategy in the institution, relying on Committees that have as main functions the advice of the Management Body with regard to the Risk Management strategy and the supervision of the performance of the risk management function as provided for by the BNA.

The Board of Directors delegates to the Executive Comittee the day-to-day management of risks. At the level of the Executive Comittee, the responsibility of risk management is the responsibility of the Chairman of the Executive Comittee.

The risk management function is carried out in a stand-alone basis and independently by the Risk Department to identify, assess, monitor, control and provide information on all relevant risks of the activity carried out by the Institution.

For Standard Bank of Angola, Risk Management is also a way to optimise the use of capital and the selection of the best business opportunities, considering the relationship between risk and return to better respond to Client needs and maximise value creation for their shareholders.

Thus, and following international best practices, the Risk management model follows the principle of the "Three Lines of Defense", underlying the attribution of responsibilities to the various actors in risk management, and clearly defines the delegation of powers and communication channels that are formalised in the Bank's policies.

The responsibility for risk management within each line of action lies at the functional level and the committees of the Board of Directors. These lines of defense ensure the segregation of functions and independence of the model. The three lines of action are described below:

1. Management of Business and Support Units

The main responsible for the Bank's Risk Management. Risk assessment, evaluation and measurement is a continuous process that is integrated into the day-to-day activities of the business. This process includes the implementation of risk management structure, identification of problems and corrective action whenever necessary.

2. Risk Management

The Bank's Risk Management functions are primarily responsible for defining the Risk Management structure and policies, providing independent supervision and information for executive management through the Credit Risk Management Committee and the Asset and Liability Management Committee.

The Risk Management functions of the business units aim to implement the Risk Management model, approve risk acceptance limits within specific mandates and provide an overview of the effectiveness of Risk Management by the first line of defense.

3. Internal Audit

It provides an independent assessment of the adequacy and effectiveness of the Bank's Internal Control System, the global Risk Management framework, through the approval of an annual Audit Plan and consequent reporting to the Board of Directors and its Committees.

RISK ASSESSMENT

Credit Risk

Credit risk models play an essential role in the credit decision-making process. The decision-making process for credit portfolio operations is based on a set of policies using scoring models for private Clients' portfolios and rating models for the Business segment.

Credit decisions depend on risk ratings and compliance with various rules on the financial capacity and behaviour of tenderers.

Information regarding the Bank's exposure to credit risk is presented below: .

Information regarding the Bank's exposure to credit risk is presented below:

(thousands of Kwanzas)

	31.12.2021		
	Gross book value	Impairment	Net book value
Equity			
Cash and cash equivalents in central banks (Note 4)	119 628 484	-	119 628 484
Cash and cash equivalents in other credit institutions (Note 5)	92 579 748	(2 186)	92 577 562
Investments in central banks and in other credit institutions (Note 6)	186 994 339	(10 285)	186 984 054
Financial assets at fair value through profit or loss (Note 7)	181 656	-	181 656
Financial assets at fair value through other comprehensive income (Note 8)	162 789 363	-	162 789 363
Investments at amortised cost (Note 9)	92 760 728	(1 054 231)	91 706 497
Credit to Clients (Note 10)	238 958 872	(4 784 719)	234 174 153
	893 893 190	**(5 851 421)**	**888 041 769**
Off balance sheet			
Guarantees provided (Note 23)	21 474 004	(31 780)	21 442 224
Letters of credit (Note 23)	5 437 928	(1 816)	5 436 112
Unused limits (Note 23)	48 495 977	(185 809)	48 310 168
	75 407 909	**(219 404)**	**75 188 505**
Total	**969 301 099**	**(6 070 825)**	**963 230 274**

(thousands of Kwanzas)

	31.12.2020		
	Gross book value	Impairment	Net book value
Equity			
Cash and cash equivalents in central banks (Note 4)	147 520 430	-	147 520 430
Cash and cash equivalents in other credit institutions (Note 5)	65 182 188	(660)	65 181 528
Investments in central banks and in other credit institutions (Note 6)	142 281 281	(14 759)	142 266 522
Financial assets at fair value through profit or loss (Note 7)	1 824 677	-	1 824 677
Financial assets at fair value through other comprehensive income (Note 8)	89 032 526	-	89 032 526
Investments at amortised cost (Note 9)	248 578 966	(12 735 270)	235 843 696
Credit to Clients (Note 10)	143 074 698	(2 765 665)	140 309 033
	837 494 766	**(15 516 354)**	**821 978 412**
Off balance sheet			
Guarantees provided (Note 23)	24 435 726	(25 327)	24 410 399
Letters of credit (Note 23)	14 172 410	(10 248)	14 162 162
Unused limits (Note 23)	77 374 898	(467 086)	76 907 812
	115 983 034	**(502 661)**	**115 480 373**
Total	**953 477 800**	**(16 019 016)**	**937 458 784**

Regarding the level of financial assets' credit risk quality, at 31 December 2021 and 31 December 2020 is as follows:

(thousands of Kwanzas)

	Rating origin	Rating level	31.12.2021 Gross exposure	31.12.2021 Impairment	31.12.2021 Net exposure
Equity	External rating	B+ a B-	208 871 584	(1 053 509)	207 818 075
	Internal rating	AAA a AA-	20 527 510	(8 146)	20 519 364
		A+ a A-	19 550 136	(2 314)	19 547 822
		BBB+ a BBB-	343 507 869	(32 412)	343 475 457
		BB+ a BB-	147 093 038	(268 541)	146 824 497
		B+ a B-	92 696 593	(2 018 825)	90 677 768
		< B-	2 598 795	(462 584)	2 136 211
		Low	56 084 706	(166 670)	55 918 036
		Medium	2 061 668	(923 357)	1 138 311
		High	901 291	(915 063)	(13 772)
Total			**893 893 190**	**(5 851 421)**	**888 041 769**

(thousands of Kwanzas)

	Rating origin	Rating level	31.12.2020 Gross exposure	31.12.2020 Impairment	31.12.2020 Net exposure
Equity	External rating	<B-	337 611 372	(12 926 381)	324 684 991
	Internal rating	AAA a AA-	166 254 926	(3 564)	166 251 362
		A+ a A-	51 930 403	(1 959)	51 928 444
		BBB+ a BBB-	31 391 939	(41 419)	31 350 520
		BB+ a BB-	95 968 709	(52 829)	95 915 880
		B+ a B-	106 922 187	(725 753)	106 196 434
		< B-	2 156 069	(226 263)	1 929 806
		Low	42 478 510	(248 467)	42 230 043
		Medium	1 840 914	(534 556)	1 306 358
		High	939 737	(755 164)	184 573
Total			**837 494 766**	**(15 516 354)**	**821 978 412**

The tables below show with reference to 31 December 2021 and 31 December 2020 the exposure to credit risk by financial asset class, rating level and stage.

(thousands of Kwanzas)

		31.12.2021			
Financial asset class	**Rating**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Equity					
Cash and cash equivalents in central banks (Note 4)	*BBB+ a BBB-*	119 628 484	-	-	119 628 484
Cash and cash equivalents in other credit institutions (Note 5)	*AAA a AA-*	49 029	-	-	49 029
	A+ a A-	13 741 281	-	-	13 741 281
	BBB+ a BBB-	66 084 928	-	-	66 084 928
	BB+ a BB-	12 704 510			12 704 510
Investments in central banks and in other credit institutions (Note 6)	*BB+ a BB-*	49 948 887	-	-	49 948 887
	BBB+ a BBB-	120 395 870	16 649 583	-	137 045 453
Financial assets at fair value through profit or loss (Note 7)	*BB+ a BB-*	181 656	-	-	181 656
Financial assets at fair value through other comprehensive income (Note 8)	*B+ a B-*	162 789 363	-	-	162 789 363
Investments at amortised cost (Note 9)	*B+ a B-*	57 555 796	35 204 932	-	92 760 728
Credit to Clients (Note 10)	*AAA a AA-*	11 393 052	9 085 428	-	20 478 480
	A+ a A-	5 808 855	-	-	5 808 855
	BBB+ a BBB-	20 749 004	-	-	20 749 004
	BB+ a BB-	82 597 042	1 660 944	-	84 257 986
	B+ a B-	26 162 733	19 855 354	-	46 018 087
	< B-	-	2 598 795	-	2 598 795
	Caa-C	-	-	-	-
	Low	56 084 706	-	-	56 084 706
	Medium	-	2 047 896	-	2 047 896
	High	-	-	915 063	915 063
Total Gross Book Value		**805 875 196**	**87 102 931**	**915 063**	**893 893 190**
Provision for losses		(1 882 041)	(3 054 317)	(915 063)	**(5 851 421)**
Net Book Value		**803 993 155**	**84 048 614**	**-**	**888 041 769**

(thousands of Kwanzas)

Financial asset class	Rating	31.12.2020 Stage 1	Stage 2	Stage 3	Total
Equity					
Cash and cash equivalents in central banks (Note 4)	*BBB+ a BBB-*	147 520 430	-	-	147 520 430
Cash and cash equivalents in other credit institutions (Note 5)	*AAA a AA-*	305 146	-	-	305 146
	A+ a A-	47 543 115	-	-	47 543 115
	BBB+ a BBB-	11 663 683	-	-	11 663 683
	BB+ a BB-	5 670 246	-	-	5 670 246
Investments in central banks and in other credit institutions (Note 6)	*BB+ a BB-*	79 735 325	-	-	79 735 325
	BBB+ a BBB-	43 057 768	19 488 188	-	62 545 956
Financial assets at fair value through profit or loss (Note 7)	*BB+ a BB-*	71 544	-	-	71 544
	BBB+ a BBB-	1 753 133	-	-	1 753 133
Financial assets at fair value through other comprehensive income (Note 8)	*< B-*	89 032 526	-	-	89 032 526
Investments at amortised cost (Note 9)	*< B-*	200 788 751	47 790 215	-	248 578 966
	BB+ a BB-	-	-	-	-
Credit to Clients (Note 10)	*AAA a AA-*	18 429 350	-	-	18 429 350
	A+ a A-	4 387 289	-	-	4 387 289
	BBB+ a BBB-	17 446 777	-	-	17 446 777
	BB+ a BB-	10 491 594	-	-	10 491 594
	B+ a B-	40 896 808	3 479 326	-	44 376 134
	< B-	64 166	2 600 466	-	2 664 632
	Low	42 498 271	-	-	42 498 271
	Medium	-	1 840 914	-	1 840 914
	High	-	-	939 737	939 737
Total Gross Book Value		**761 355 921**	**75 199 109**	**939 737**	**837 494 767**
Provision for losses		(8 410 560)	(6 350 631)	(755 164)	**(15 516 355)**
Net Book Value		**752 945 361**	**68 848 478**	**184 573**	**821 978 412**

The breakdown by sectors of activity of exposure to credit risk, as of 31 December 2021 and 31 December 2020, is presented as follows:

(thousands of Kwanzas)

	31.12.2021						
	Exposure		Guarantees provided	Total exposure	Relative weight	Impairment	
	Outstanding	Overdue				Value	Impairment/ Total exposure
Corporate							
Central government	654 934 318	-	-	654 934 318	68%	1 066 702	0%
Financial Activities	-	-	12 926 809	12 926 809	1%	5 400	0%
Wholesale and Retail Trade	61 188 743	5	10 122 257	71 311 005	7%	1 411 421	-2%
Education	-	389 871	120 912	510 783	0%	397 196	-78%
Other collective, social and personal service activities	49 337 983	5	3 846 113	53 184 100	5%	1 184 249	-2%
Accommodation and restaurants	0	31	-	31	0%	31	-100%
Construction	1 466 472	3	7 065 969	8 532 443	1%	29 942	0%
Manufacturing	44 298 355	-	28 768 993	73 067 348	8%	338 365	0%
Extractive industries	7 615 990	-	3 181 799	10 797 789	1%	78 753	-1%
Food, beverages and tobacco industries	36 591 369	-	4 348 742	40 940 111	4%	292 322	-1%
Transport, Storage and Communication	15 887 322	2	1 515 333	17 402 658	2%	13 498	0%
Agriculture, animal production, hunting and forestry	3 141 303	-	623 810	3 765 113	0%	26 209	-1%
Health and Social Work	3 511 714	-	500 392	4 012 106	0%	2 816	0%
Electricity, gas and water supply	-	-	400 000	400 000	0%	135	0%
Private							
Consumption	12 757 443	387 686	1 986 780	15 131 909	2%	1 047 937	-7%
Housing	1 573 688	-	-	1 573 688	0%	129 026	-8%
Other	797 234	13 653	-	810 887	0%	46 823	-6%
Total	**893 101 935**	**791 255**	**75 407 909**	**969 301 099**	**100%**	**6 070 825**	**-1%**

(thousands of Kwanzas)

	31.12.2020						
	Exposure		Guarantees provided	Total exposure	Relative weight	Impairment	
	Outstanding	Overdue				Value	Impairment/ Total exposure
Corporate							
Central government	693 911 505	-	-	693 911 505	73%	12 750 690	-2%
Financial Activities	-	-	63 483 072	63 483 072	7%	357 860	-1%
Wholesale and Retail Trade	34 995 884	19	24 459 471	59 455 375	6%	493 286	-1%
Education	-	387 430	-	387 430	0%	231 145	-60%
Other collective, social and personal service activities	4 422 357	1	3 584 581	8 006 939	1%	172 665	-2%
Accommodation and restaurants	2	-	170 017	170 020	0%	313	0%
Construction	9 702 002	-	5 646 374	15 348 376	2%	60 940	0%
Manufacturing	46 217 514	81 891	7 379 816	53 679 220	6%	791 839	-1%
Extractive industries	110 944	-	-	110 944	0%	47 033	-42%
Food, beverages and tobacco industries	12 214 681	-	1 727 060	13 941 741	1%	3 537	0%
Transport, Storage and Communication	7 972 083	2	5 357 187	13 329 272	1%	42 200	0%
Agriculture, animal production, hunting and forestry	11 072 776	-	421 193	11 493 969	1%	193 602	-2%
Health and Social Work	3 932 332	-	-	3 932 332	0%	11 881	0%
Electricity, gas and water supply	-	-	1 087 763	1 087 763	0%	1 981	0%
Private							
Consumption	9 524 408	242 909	1 098 917	10 866 233	1%	547 393	-5%
Housing	1 097 972	196 036	-	1 294 008	0%	211 992	-16%
Other	1 380 553	31 464	1 567 584	2 979 601	0%	100 659	-3%
Total	**836 555 014**	**939 752**	**115 983 034**	**953 477 800**	**100%**	**16 019 016**	**-2%**

The geographical concentration of credit risk as at 31 December 2021 and 31 December 2020 is 100% in Angola, with the exception of liquidity investments with the Standard Bank Group (South Africa).

MARKET RISK

With regard to information and market risk analysis, regular reporting is ensured on the financial assets portfolios. In terms of own portfolios, various risk limits have been defined. There are also different exposure limits per issuer, per type/class of asset and level of credit quality (rating). Stop Loss and Loss Trigger limits are also defined for positions in the category of fair value through profit or loss and fair value through other comprehensive income.

The sensitivity analysis of the equity value of financial instruments to changes in exchange rates at 31 December 2021 and 31 December 2020 is presented as follows:

(thousands of Kwanzas)

	31.12.2021					
	-20%	-10%	-5%	+5%	+10%	+20%
Currency						
United States Dollars	636 744	318 372	159 186	(159 186)	(318 372)	(636 744)
Euros	1 540 845	770 423	385 211	(385 211)	(770 423)	(1 540 845)
Other currencies	35 780	17 890	8 945	(8 945)	(17 890)	(35 780)
Total	**2 213 369**	**1 106 684**	**553 342**	**(553 342)**	**(1 106 684)**	**(2 213 369)**

(thousands of Kwanzas)

	31.12.2020					
	-20%	-10%	-5%	+5%	+10%	+20%
Currency						
United States Dollars	4 622 436	(2 311 218)	(1 155 609)	1 155 609	2 311 218	4 622 436
Euros	1 648 549	824 274	412 137	(412 137)	(824 274)	(1 648 549)
Other currencies	513 333	256 667	128 333	(128 333)	(256 667)	(513 333)
Total	**2 460 555**	**1 230 277**	**(615 139)**	**615 139**	**1 230 277**	**2 460 555**

The result of the stress test presented corresponds to the expected impact (before tax) on equity.

This risk refers to the present and/or future risk on the Bank's profits and capital arising from adverse movements in interest rates affecting the positions in the Bank's banking portfolio.

Changes in interest rates affect a bank's profits by changing the level of financial margin generated from interest rate-sensitive off-balance sheet items, assets and liabilities. The economic value of a bank is also affected when interest rates change, as the current value and dates of future cash flows change, thus affecting the underlying value of its off-balance sheet items, assets and liabilities.

The interest rate risk in the bank portfolio of Standard Bank of Angola for 31 December 2021 was reported to National Bank of Angola as follows:

NATIONAL CURRENCY

(thousands of Kwanzas)

Exposures by Maturity Interval or Rate Refixing - Impact on Net Position							
National Currency							
Interval	Assets (+)	Liabilities (-)	Off-Balance Sheet Elements		Position (+/-)	Weighting Factor (A)	Weighting Position (B)
			(+)	(-)			
at sight - 1 month	45 711 030	59 046 456			(13 335 426)	0%	(10 668)
1 - 3 months	138 699 554	64 741 427			73 958 127	0%	236 666
3 - 6 months	34 549 937	12 466 523			22 083 414	1%	159 001
6 - 12 months	63 455 108	1 216 408			62 238 700	1%	890 013
1 - 2 years	71 478 721	-			71 478 721	3%	1 979 961
2 - 3 years	29 604 053	-			29 604 053	4%	1 329 222
3 - 4 years	-	-			-	6%	-
4 - 5 years	-	-			-	8%	-
5 - 7 years	-	-			-	10%	-
7 - 10 years	-	-			-	13%	-
10 - 15 years	-	-			-	19%	-
15 - 20 years	-	-			-	22%	-
> 20 years	-	-			-	26%	-
						TOTAL (C) :	**4 584 195**
	282 415 629	137 470 814			246 027 589		
Cumulative impact of interest rate-sensitive instruments:							**4 584 195**
Regulatory Equity :							**189 364 224**
Impact on Economic Value / Regulatory Equity :							**2.42%**

(thousands of Kwanzas)

Exposures by Maturity Interval or Rate Refixing - Impact on Interest Margin							
National Currency							
Interval	Assets (+)	Liabilities (-)	Off-Balance Sheet Elements (+)	Off-Balance Sheet Elements (-)	Position (+/-)	Weighting Factor (F)	Weighting Position (G)
at sight	-	-			-	2.00%	-
at sight - 1 month	45 711 030	59 046 456			(13 335 426)	1.92%	(256 040)
1 - 2 months	128 621 995	32 623 970			95 998 026	1.75%	1 679 965
2 - 3 months	10 077 558	32 117 457			(22 039 899)	1.58%	(348 230)
3 - 4 months	20 424 988	12 144 925			8 280 063	1.42%	117 577
4 - 5 months	-	214 133			(214 133)	1.25%	(2 677)
5 - 6 months	14 124 949	107 465			14 017 484	1.08%	151 389
6 - 7 months	2 129 613	100 020			2 029 593	0.92%	18 672
7 - 8 months	16 717 687	586 959			16 130 729	0.75%	120 980
8 - 9 months	23 053 507	100 807			22 952 699	0.58%	133 126
9 - 10 months	6 362 290	421 521			5 940 769	0.42%	24 951
10 - 11 months	2 967 930	1 725			2 966 206	0.25%	7 416
11 - 12 months	12 224 080	5 377			12 218 704	0.08%	9 775
	282 415 629	137 470 814					
Cumulative impact of interest rate-sensitive instruments up to one year:							**1 656 904**
Interest Margin							**70 721 085**
Cumulative Impact of interest rate-sensitive instruments up to one year as a percentage of IM:							**2.34%**

FOREIGN CURRENCY (USD)

(thousands of Kwanzas)

Exposures by Maturity Interval or Rate Refixing - Impact on Net Position							
Foreign Currency (USD)							
Interval	Assets (+)	Liabilities (-)	Off-Balance Sheet Elements (+)	Off-Balance Sheet Elements (-)	Position (+/-)	Weighting Factor (A)	Weighting Position (B)
at sight - 1 month	83 852 204	19 494 318			64 357 885	0%	51 486
1 - 3 months	-	17 153 498			(17 153 498)	0%	(54 891)
3 - 6 months	-	2 636 545			(2 636 545)	1%	(18 983)
6 - 12 months	35 204 932	783 575			34 421 357	1%	492 225
1 - 2 years	-	-			-	3%	-
2 - 3 years	-	-			-	4%	-
3 - 4 years	-	-			-	6%	-
4 - 5 years	-	-			-	8%	-
5 - 7 years	-	-			-	10%	-
7 - 10 years	-	-			-	13%	-
10 - 15 years	-	-			-	19%	-
15 - 20 years	-	-			-	22%	-
> 20 years	-	-			-	26%	-
						TOTAL (C) :	**469 837**
	119 057 135	40 067 936			78 989 199		
					Cumulative impact of interest rate-sensitive instruments:		**469 837**
					Regulatory Equity	**:**	**189 364 224**
					Impact on Economic Value / Regulatory Equity	**:**	**0.25%**

(thousands of Kwanzas)

Exposures by Maturity Interval or Rate Refixing - Impact on Interest Margin							
Foreign Currency (USD)							
Interval	Assets (+)	Liabilities (-)	Off-Balance Sheet Elements		Position (+/-)	Weighting Factor (F)	Weighting Factor (G)
			(+)	(-)			
at sight	-	-			-	2%	-
at sight - 1 month	83 852 204	19 494 318			64 357 885	2%	1 235 671
1 - 2 months	-	17 152 136			(17 152 136)	2%	(300 162)
2 - 3 months	-	1 362			(1 362)	2%	(22)
3 - 4 months	-	-			-	1%	-
4 - 5 months	-	13 897			(13 897)	1%	(174)
5 - 6 months	-	2 622 648			(2 622 648)	1%	(28 325)
6 - 7 months	-	333 488			(333 488)	1%	(3 068)
7 - 8 months	-	355 117			(355 117)	1%	(2 663)
8 - 9 months	-	-			-	1%	-
9 - 10 months	-	611			(611)	0%	(3)
10 - 11 months	-	-			-	0%	-
11 - 12 months	35 204 932	94 358			35 110 573	0%	28 088
	119 057 135	40 067 936					
Cumulative impact of interest rate-sensitive instruments up to one year:							**929 342**
Interest Margin							**1 765 106**
Cumulative Impact of interest rate-sensitive instruments up to one year as a percentage of IM:							**52.65%**

In turn, the interest rate risk in the banking portfolio for 31 December 2020 to National Bank of Angola was reported as follows:

NATIONAL CURRENCY

(thousands of Kwanzas)

Exposures by Maturity Interval or Rate Refixing - Impact on Net Position							
National Currency							
Interval	Assets (+)	Liabilities (-)	Off-Balance Sheet Elements (+)	Off-Balance Sheet Elements (-)	Position (+/-)	Weighting Factor (F)	Weighting Factor (G)
at sight - 1 month	12 962 905	44 111 803			(31 148 898)	0%	(24 919)
1 - 3 months	218 078 535	48 345 992			169 732 542	0%	543 144
3 - 6 months	24 300 351	11 019 622			13 280 729	1%	95 621
6 - 12 months	70 605 549	4 605 182			66 000 367	1%	943 805
1 - 2 years	123 237 376	52 117			123 185 259	3%	3 412 232
2 - 3 years	34 830 286	-			34 830 286	4%	1 563 880
3 - 4 years	-	-			-	6%	-
4 - 5 years	-	-			-	8%	-
5 - 7 years	-	-			-	10%	-
7 - 10 years	-	-			-	13%	-
10 - 15 years	-	-			-	19%	-
15 - 20 years	-	-			-	22%	-
> 20 years	-	-			-	26%	-
						TOTAL (C) :	**6 533 763**
	325 947 340	108 082 599			375 880 285		
						Cumulative impact of interest rate-sensitive instruments:	**6 533 763**
						Regulatory Equity :	**131 301 091**
						Impact on Economic Value / Regulatory Equity :	**4.98%**

(thousands of Kwanzas)

Exposures by Maturity Interval or Rate Refixing - Impact on Interest Margin							
National Currency							
Interval	Assets (+)	Liabilities (-)	Off-Balance Sheet Elements		Position (+/-)	Weighting Factor (F)	Weighting Factor (G)
			(+)	(-)			
at sight - 1 month	12 962 905	44 111 803			(31 148 898)	1.92%	(598 059)
1 - 2 months	190 984 531	19 476 515			171 508 016	1.75%	3 001 390
2 - 3 months	27 094 003	28 869 477			(1 775 474)	1.58%	(28 052)
3 - 4 months	11 402 975	3 385 058			8 017 917	1.42%	113 854
4 - 5 months	-	608 681			(608 681)	1.25%	(7 609)
5 - 6 months	12 897 377	7 025 883			5 871 494	1.08%	63 412
6 - 7 months	24 493 382	817 884			23 675 498	0.92%	217 815
7 - 8 months	5 469 181	748 561			4 720 620	0.75%	35 405
8 - 9 months	19 802 784	140 426			19 662 358	0.58%	114 042
9 - 10 months	496 147	539 607			(43 460)	0.42%	(183)
10 - 11 months	7 555 399	755 403			6 799 996	0.25%	17 000
11 - 12 months	12 788 656	1 603 301			11 185 355	0.08%	8 948
	325 947 340	108 082 599					
Cumulative impact of interest rate-sensitive instruments up to one year:							**2 937 963**
Interest Margin							**46 411 418**
Cumulative Impact of interest rate-sensitive instruments up to one year as a percentage of IM:							**6.33%**

FOREIGN CURRENCY (USD)

(thousands of Kwanzas)

Exposures by Maturity Interval or Rate Refixing - Impact on Net Position							
Foreign Currency (USD)							
Interval	Assets (+)	Liabilities (-)	Off-Balance Sheet Elements (+)	Off-Balance Sheet Elements (-)	Position (+/-)	Weighting Factor (F)	Weighting Factor (G)
at sight - 1 month	99 120 965	69 033 329			30 087 636	0%	24 070
1 - 3 months	12 484 296	424 840			12 059 456	0%	38 590
3 - 6 months	-	979 206			(979 206)	1%	(7 050)
6 - 12 months	-	460 032			(460 032)	1%	(6 578)
1 - 2 years	-	-			-	3%	-
2 - 3 years	-	-			-	4%	-
3 - 4 years	-	-			-	6%	-
4 - 5 years	-	-			-	8%	-
5 - 7 years	-	-			-	10%	-
7 - 10 years	-	-			-	13%	-
10 - 15 years	-	-			-	19%	-
15 - 20 years	-	-			-	22%	-
> 20 years	-	-			-	26%	-
						TOTAL (C) :	49 032
	111 605 261	70 897 408			40 707 854		
						Cumulative impact of interest rate-sensitive instruments:	49 032
						Regulatory Equity :	131 301 091
						Impact on Economic Value / Regulatory Equity :	0.04%

(thousands of Kwanzas)

Exposures by Maturity Interval or Rate Refixing - Impact on Interest Margin							
Foreign Currency (USD)							
Interval	Assets (+)	Liabilities (-)	Off-Balance Sheet Elements		Position (+/-)	Weighting Factor (F)	Weighting Factor (G)
			(+)	(-)			
at sight - 1 month	99 120 965	69 033 329			30 087 636	2%	577 683
1 - 2 months	12 484 296	424 840			12 059 456	2%	211 040
2 - 3 months	-	-			-	2%	-
3 - 4 months	-	375 639			(375 639)	1%	(5 334)
4 - 5 months	-	4 548			(4 548)	1%	(57)
5 - 6 months	-	599 019			(599 019)	1%	(6 469)
6 - 7 months	-	-			-	1%	-
7 - 8 months	-	-			-	1%	-
8 - 9 months	-	-			-	1%	-
9 - 10 months	-	294 346			(294 346)	0%	(1 236)
10 - 11 months	-	29 244			(29 244)	0%	(73)
11 - 12 months	-	136 443			(136 443)	0%	(109)
	111 605 261	70 897 408					
Cumulative impact of interest rate-sensitive instruments up to one year:							775 445
Interest Margin							2 365 013
Cumulative Impact of interest rate-sensitive instruments up to one year as a percentage of IM:							32.79%

According to the tables above, it can be seen that in the two periods, namely 2020 and 2021, the cumulative impact of interest rate-sensitive instruments on the Bank's regulatory equity was within the 20% limit in both national and foreign currency, in this case the US dollar (which remains the only foreign currency whose elements exposed to interest rate risk account for more than 5% of the bank portfolio as was the case last year).

In addition to the requirement to report interest rate risk in the banking portfolio to National Bank of Angola, the Bank should also report, to the local ALCO and the Group, internal interest rate risk metrics in the banking portfolio and for consolidation purposes by the Standard Bank Group, the Bank shall report the interest rate risk in accordance with the requirements of the South African regulator (SARB) which has Basel III as a base.

According to the requirements of the South African regulator, the assets and liabilities expected cash flows are grouped into the respective time periods taking into account the resetting date (for variable rate instruments) or contractual maturity (for fixed rate instruments) and this allows the interest rate gaps to be determined for each of the time periods. This analysis is carried out in a consolidated manner taking into account the Bank's total balance sheet and there is no need to carry out a separate analysis by currency.

The following tables reflect the interest rate gaps reported to Standard Bank Group for consolidation with the South African regulator (SARB), with reference to the financial years 31 December 2021 and 31 December 2020:

(thousands of Kwanzas)

	Refixing dates / Maturity dates								December 2021
	Up to 1 month	Between 1 and 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Indeterminate	Total
Assets									
	651 001 195	25 113 894	43 735 599	25 062 726	11 984 191	-	-	211 376 294	968 273 900
Liabilities and Equity									
	319 601 094	35 751 252	7 747 499	4 971	28 472	-	-	605 140 612	968 273 900
Net exposure	**331 400 100**	**(10 637 358)**	**35 988 101**	**25 057 755**	**11 955 719**	**-**	**-**	**(393 764 317)**	**-**

(thousands of Kwanzas)

	Refixing dates / Maturity dates								December 2020
	Up to 1 month	Between 1 and 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Indeterminate	Total
Assets									
	363 165 249	74 900 093	45 818 327	185 150 667	17 877 406	1 952 680	-	191 417 916	880 282 338
Liabilities and Equity									
	185 099 086	-	-	6 277 964	-	19 488 119	-	669 417 169	880 282 338
Net exposure	**178 066 163**	**74 900 093**	**45 818 327**	**178 872 703**	**17 877 406**	**(17 535 439)**	**-**	**(477 999 253)**	**-**

The following table includes the average interest rates recorded for the Bank's large categories of financial assets and liabilities for the year ended 31 December 2021 and 2020, as well as their average balances and income and costs for the year:

(thousands of Kwanzas)

	31.12.2021			31.12.2020		
	Average balance for the year	Interest for the year	Average interest rate	Average balance for the year	Interest for the year	Average interest rate
Applications						
Credit to Clients	178 361 539	26 109 323	14,64%	115 906 827	19 294 238	16,65%
Cash and cash equivalents	250 901 058	88 130	0,04%	237 235 206	588 925	0,25%
Securities portfolio	226 023 912	55 280 044	24,46%	269 278 563	37 316 758	13,86%
Interbank applications	113 605 531	8 164 628	7,19%	73 924 673	989 352	1,34%
Total Applications	**768 892 040**	**89 642 125**		**696 345 269**	**58 189 273**	
Resources						
Client deposits	602 278 957	11 219 681	1,86%	561 925 421	5 109 877	0,91%
Other resources	19 444 594	2 033 027	10,46%	21 900 731	1 892 074	8,64%
Total Resources	**621 723 551**	**13 252 708**		**583 826 152**	**7 001 951**	
Financial Margin		**76 389 417**			**51 187 322**	

The breakdown of assets and liabilities as at 31 December 2021 and 31 December 2020 by currency is analysed as follows:

	31.12.2021					31.12.2020				
	Kwanzas	USD	EUR	Other	Total	Kwanzas	USD	EUR	Other	Total
Assets										
Cash and cash equivalents in central banks	40 748 618	78 396 421	405 551	77 894	119 628 484	116 727 872	29 993 508	694 681	104 369	147 520 430
Cash and cash equivalents in other credit institutions	72 373	66 398 165	22 137 626	3 969 398	92 577 562	12 495	48 277 309	10 239 028	6 652 696	65 181 528
Investments in central banks and in other credit institutions	120 395 870	66 588 184	-	-	186 984 054	43 043 008	97 444 740	-	1 778 774	142 266 522
Financial assets at fair value through profit or loss	181 656	-	-	-	181 656	452 113	1 372 564	-	-	1 824 677
Financial assets at fair value through other income	162 789 363	-	-	-	162 789 363	89 032 526	-	-	-	89 032 526
Investments at amortised cost	56 983 473	34 723 024	-	-	91 706 497	194 636 404	41 207 292	-	-	235 843 696
Credit to Clients	208 421 022	17 129 222	8 605 576	18 333	234 174 153	126 836 114	12 987 055	471 251	14 613	140 309 033
Other tangible assets	43 199 753	-	-	-	43 199 753	39 912 155	-	-	-	39 912 155
Intangible assets	8 674 748	-	-	-	8 674 748	6 385 504	-	-	-	6 385 504
Current tax assets	892 277	-	-	-	892 277	448 946	-	-	-	448 946
Deferred tax assets	5 588 505	-	-	-	5 588 505	1 150 917	-	-	-	1 150 917
Other assets	21 501 812	2 899 181	(2 550 699)	26 554	21 876 848	2 644 417	85 376	7 428 769	247 842	10 406 404
Total assets	**669 449 470**	**266 134 197**	**28 598 054**	**4 092 179**	**968 273 900**	**621 282 471**	**231 367 844**	**18 833 729**	**8 798 294**	**880 282 338**

	31.12.2021					31.12.2020				
	Kwanzas	USD	EUR	Other	Total	Kwanzas	USD	EUR	Other	Total
Liabilities										
Resources of central banks and other credit institutions	(1 262 083)	(21 196 604)	(4 048 717)	(16 765)	(26 524 169)	(894 112)	-	-	-	(894 112)
Client resources and other loans	(433 808 094)	(221 967 501)	(21 834 851)	(647 087)	(678 257 533)	(444 214 590)	(230 629 330)	(16 228 241)	(595 325)	(691 667 486)
Debt securities issued	-	-	-	-	-	(4 745 970)	-	-	-	(4 745 970)
Financial liabilities at fair value through profit or loss	-	-	-	-	-	(214 709)	-	-	-	(214 709)
Provisions	(3 273 212)	(13 125)	(1 408)	(4)	(3 287 749)	(2 765 831)	(24 263)	(6 249)	-	(2 796 343)
Current tax liabilities	(17 474 432)	(43 878)	-	-	(17 518 310)	(2 867 162)	(51 360)	-	-	(2 918 522)
Deferred tax liabilities	(524 756)	-	-	-	(524 756)					
Subordinated liabilities	-	(16 704 348)	-	-	(16 704 348)	-	(19 553 301)	-	-	(19 553 301)
Other liabilities	(32 554 387)	(9 392 460)	(10 417 303)	(3 607 223)	(55 971 373)	(17 803 734)	(3 726 754)	(10 809 539)	(8 169 497)	(40 509 524)
Total liabilities	**(488 896 964)**	**(269 317 916)**	**(36 302 279)**	**(4 271 079)**	**(798 788 238)**	**(473 506 108)**	**(253 985 008)**	**(27 044 029)**	**(8 764 822)**	**(763 299 967)**
Net assets/(liabilities)	**180 552 506**	**(3 183 719)**	**(7 704 225)**	**(178 900)**	**169 485 662**	**147 776 363**	**(22 617 164) -**	**(8 210 300) -**	**33 472**	**116 982 371**

As of December 31, 2021 and December 31, 2020, the fair value financial assets item and the item Client resources and other loans show in the USD column, respectively, the securities in Kwanzas indexed to US Dollars and deposits in Kwanzas indexed to US Dollars.

LIQUIDITY RISK

The Bank reports the liquidity risk to National Bank of Angola in accordance with Instructive No. 19/2017 published on August 30, 2017. According to the statement, financial institutions should send to National Bank of Angola individual information on the distribution of their balance sheet and off-balance sheet positions by time periods through duly completed liquidity maps and with the calculations of the liquidity and observation ratio.

Thus, financial institutions should submit, on an individual basis, the following liquidity maps:

- Map considering only cash flows in all currencies;
- Map considering only cash flows in national currency; and
- Map considering cash flows in foreign currencies significant to institutions individually. A foreign currency should be considered significant when the asset denominated in it corresponds to more than 25% of the institution's total assets.

According to the statement, financial institutions shall maintain up to 36 months and 48 months, after the entry into force of the instructive, liquidity and observation ratios respectively equal to or greater than 100%.

Liquidity maps in national and foreign currency must be submitted to National Bank of Angola on a biweekly basis while the liquidity map that considers cash flows in all currencies must be submitted monthly to that institution.

Standard Bank of Angola reported the liquidity and observation ratio for 31 December 2021 to National Bank of Angola as follows:

NATIONAL CURRENCY

December 2021

Liquidity and Observation Ratio (BNA)	*31 Days*	*1-3 months*
Total net assets	**150 819 600**	
Amounts in treasury	9 305 158	
Cash and cash equivalents in central banks	32 404 511	
Assets eligible as collateral in BNA credit operations	104 869 000	
Cash and cash equivalents in financial institutions	-	
Securities	4 240 931	
Total cash outflow	**135 180 131**	**24 040 485**
Demand deposits	99 707 161	-
Term deposits	19 826 267	22 672 657
Other deposits	15 259 490	-
Irrevocable commitments to third parties	387 214	1 367 828
Interbank money market operations - with banking financial institutions	-	-
Total cash inflows	**19 295 806**	**96 686 974**
Credits	4 933 537	10 622 340
Securities purchased from third parties with resale agreement	14 362 270	86 064 634
Mismatch	**34 935 274**	**107 581 763**
Accumulated mismatch	**34 935 274**	**107 581 763**
Liquidity ratio	**130%**	
Observation ratios		**548%**

FOREIGN CURRENCY (USD)

December 2021

Liquidity and Observation Ratio (BNA)	31 Days	1-3 months
Total net assets	**144 622 873**	
Amounts in treasury	3 551 729	
Cash and cash equivalents in central banks	74 836 368	
Assets eligible as collateral in BNA credit operations	-	
Cash and cash equivalents in financial institutions	66 234 776	
Securities	-	
Total cash outflow	**73 356 055**	**121 946**
Demand deposits	63 620 147	-
Term deposits	7 635 971	44 915
Other deposits	2 099 936	-
Irrevocable commitments to third parties	-	77 031
Interbank money market operations - with banking financial institutions	-	
Total cash inflows	**156 941**	**466 410**
Credits	156 941	466 410
Securities purchased from third parties with resale agreement		
Mismatch	**71 423 759**	**71 768 222**
Accumulated mismatch	**71 423 759**	**71 768 222**
Liquidity ratio	**198%**	
Observation ratios		**58952%**

ALL CURRENCIES

December 2021

Liquidity and Observation Ratio (BNA)	31 Days	1-3 months
Total net assets	**322 194 108**	
Amounts in treasury	13 335 802	
Cash and cash equivalents in central banks	107 241 000	
Assets eligible as collateral in BNA credit operations	104 869 000	
Cash and cash equivalents in financial institutions	92 507 375	
Securities	4 240 931	
Total cash outflow	**217 094 520**	**24 162 432**
Demand deposits	171 793 783	-
Term deposits	27 462 238	22 717 572
Other deposits	17 451 285	-
Irrevocable commitments to third parties	387 214	1 444 860
Interbank money market operations - with banking financial institutions	-	
Total cash inflows	**19 295 807**	**97 153 384**
Credits	4 933 537	11 088 750
Securities purchased from third parties with resale agreement	14 362 270	86 064 634
Mismatch	**124 395 395**	**197 386 347**
Accumulated mismatch	**124 395 395**	**197 386 347**
Liquidity ratio	**163%**	
Observation ratios		**917%**

In turn, Standard Bank of Angola's liquidity and observation ratio for 31 December 2020 was reported to National Bank of Angola as follows:

NATIONAL CURRENCY

December 2020

Liquidity and Observation Ratio (BNA)	*31 Days*	*1-3 months*
Total net assets	***161 918 050***	
Amounts in treasury	7 364 950	
Cash and cash equivalents in central banks	109 358 263	
Assets eligible as collateral in BNA credit operations	38 713 384	
Cash and cash equivalents in financial institutions	-	
Securities	6 481 453	
Total cash outflow	***140 452 280***	***22 600 319***
Demand deposits	126 373 048	-
Term deposits	9 805 188	19 141 440
Other deposits	4 179 012	-
Irrevocable commitments to third parties	95 032	3 458 879
Interbank money market operations - with banking financial institutions	-	
Total cash inflows	***36 439 735***	***17 517 838***
Credits	3 559 281	7 340 525
Securities purchased from third parties with resale agreement	32 880 454	10 177 313
Mismatch	***57 905 505***	***52 823 024***
Accumulated mismatch	***57 905 505***	***52 823 024***
Liquidity ratio	**156%**	
Observation ratios		**334%**

FOREIGN CURRENCY (USD)

December 2020

Liquidity and Observation Ratio (BNA)

	31 Days	1-3 months
Total net assets	***97 758 403***	
Amounts in treasury	1 501 929	
Cash and cash equivalents in central banks	28 481 835	
Assets eligible as collateral in BNA credit operations	-	
Cash and cash equivalents in financial institutions	67 774 639	
Securities	-	
Total cash outflow	***79 223 030***	***90 556***
Demand deposits	59 669 972	-
Term deposits	19 553 058	42 484
Other deposits	-	-
Irrevocable commitments to third parties	-	48 072
Interbank money market operations - with banking financial institutions	-	
Total cash inflows	***380 968***	***379 141***
Credits	380 968	379 141
Securities purchased from third parties with resale agreement		
Mismatch	***18 916 341***	***19 204 926***
Accumulated mismatch	***18 916 341***	***19 204 926***
Liquidity ratio	**124%**	
Observation ratios		**21308%**

ALL CURRENCIES

December 2020

Liquidity and Observation Ratio (BNA)	31 Days	1-3 months
Total net assets	***277 326 934***	
Amounts in treasury	9 660 156	
Cash and cash equivalents in central banks	137 840 098	
Assets eligible as collateral in BNA credit operations	38 713 384	
Cash and cash equivalents in financial institutions	84 631 844	
Securities	6 481 453	
Total cash outflow	***227 494 011***	***22 736 407***
Demand deposits	192 005 151	-
Term deposits	29 358 246	19 183 924
Other deposits	6 035 582	-
Irrevocable commitments to third parties	95 032	3 552 483
Interbank money market operations - with banking financial institutions	-	
Total cash inflows	***36 616 530***	***17 518 422***
Credits	3 736 076	7 341 108
Securities purchased from third parties with resale agreement	32 880 454	10 177 313
Mismatch	***86 449 453***	***81 231 468***
Accumulated mismatch	***86 449 453***	***81 231 468***
Liquidity ratio	**145%**	
Observation ratios		**457%**

According to the tables above it can be verified that 40 months after the entry into force of the Instructive, the Bank has complied with the minimum limit (100%) of the said Liquidity and observation ratio, having submitted them all to National Bank of Angola through the Financial Institutions Supervision System (FISS) as established in the new regulatory package (NRP) presented to financial institutions in May 2017, in all liquidity and observation ratios, whether in national currency, foreign currency (US dollar) and all currencies.

In addition to reporting the ratios that translate liquidity risk to National Bank of Angola, Standard Bank of Angola should also make a liquidity risk assessment through internal metrics defined by the Assets and Liabilities Committee (ALCO), which also establishes tolerance limits and risk appetite alerts for each of these metrics. This control is reinforced by the monthly implementation of sensitivity analyses, with the aim of characterising the Bank's risk profile and ensuring that their obligations in a liquidity crisis scenario are met.

The control of liquidity levels aims to maintain a satisfactory level of cash and cash equivalents to meet financial needs in the short, medium and long term. Liquidity risk is monitored on a daily basis, with various reports being prepared for control purposes and for monitoring and decision-making by the Assets and Liabilities Committee (ALCO).

Without prejudice to the liquidity risk measures reported to National Bank of Angola and the internal measures reported to the local Assets and Liabilities Committee (ALCO) and that of the Group, the Bank shall also, for the purposes of consolidation by the Standard Bank Group, report liquidity risk measures in accordance with the requirements of the South African regulator (SARB), based on Basel III.

The liquidity risk report based on the requirements of the South African regulator includes two sections on liquidity risk, namely the section reflecting the Bank's structural liquidity gaps in accordance with contractual and behavioural approaches; and the section where the Bank's liquidity consolidated ratio (LCR) is presented.

The assessment of the liquidity situation based on structural liquidity gaps is carried out, in particular, on the basis of the estimated future cash flows for various time horizons, taking into account the Bank's balance sheet, thus determining the accumulated liquidity gap for several time horizons.

The contractual liquidity gap differs from the liquidity behavioural gap (BAU) fundamentally in the way the maturity profiles of assets and liabilities without contractual maturity are defined, and the maturity profiles of assets and liabilities with contractual maturity do not differ in both approaches and are always in accordance with contractual maturity.

On 31 December 2021 and 31 December 2020, the Bank's contractual liquidity gap in accordance with the rules of the South African Regulator (SARB) had the following structure:

(thousands of Kwanzas)

	Contractual residual terms						December 2021
	At sight	Up to 1 month	Between 1 and 2 months	Between 2 and 3 months	More than 3 months	Non-contractual	Total
Assets							
	174 798 771	104 693 688	52 672 563	79 228 292	480 472 578	76 408 008	968 273 900
Liabilities and Equity							
	556 940 514	53 118 824	3 465 669	132 333 855	31 922 712	190 492 326	968 273 900
Liquidity Gap	**(382 141 743)**	**51 574 864**	**49 206 894**	**(53 105 564)**	**448 549 866**	**(114 084 318)**	**-**
Accumulated liquidity gap	(382 141 743)	(330 566 879)	(281 359 985)	(334 465 548)	114 084 318	-	-

(thousands of Kwanzas)

	Contractual residual terms						December 2020
	At sight	Up to 1 month	Between 1 and 2 months	Between 2 and 3 months	More than 3 months	Non-contractual	Total
Assets							
	261 640 391	44 520 592	55 377 410	50 893 839	423 340 797	44 509 309	**880 282 338**
Liabilities and Equity							
	558 256 641	148 149 798	578 100	1 519 636	44 345 152	127 433 011	**880 282 338**
Liquidity Gap	**(296 616 250)**	**(103 629 206)**	**54 799 310**	**49 374 203**	**378 995 645**	**(82 923 702)**	**-**
Accumulated liquidity gap	**(296 616 250)**	**(400 245 456)**	**(345 446 146)**	**(296 071 943)**	**82 923 702**	**-**	**-**

In turn, the behavioural liquidity gaps in accordance with the rules of the South African regulator (SARB) on 31 December 2021 and 31 December 2020 had the following structure:

(thousands of Kwanzas)

December 2021	Behavioural liquidity gaps						
	At sight	Up to 1 month	Between 1 and 2 months	Between 2 and 3 months	More than 3 months	Non-contractual	Total
Assets							
	262 700 192	131 094 863	61 391 146	123 093 815	320 342 084	69 651 800	**968 273 900**
Liabilities and Equity							
	47 499 481	122 823 262	39 753 204	160 041 714	390 410 379	207 745 860	**968 273 900**
Liquidity Gap	**215 200 711**	**8 271 602**	**21 637 941**	**(36 947 898)**	**(70 068 295)**	**(138 094 060)**	**-**
Accumulated liquidity gap	**215 200 711**	**223 472 312**	**245 110 254**	**208 162 356**	**138 094 060**	**-**	**-**

(thousands of Kwanzas)

December 2020	Behavioural liquidity gaps						
	At sight	Up to 1 month	Between 1 and 2 months	Between 2 and 3 months	More than 3 months	Non-contractual	Total
Assets							
	314 788 048	221 773 227	43 354 384	29 426 075	226 431 295	44 509 309	**880 282 338**
Liabilities and Equity							
	35 844 637	247 381 571	49 273 444	40 165 386	380 184 290	127 433 010	**880 282 338**
Liquidity Gap	**278 943 411**	**(25 608 344)**	**(5 919 060)**	**(10 739 311)**	**(153 752 995)**	**(82 923 701)**	**-**
Accumulated liquidity gap	**278 943 411**	**253 335 067**	**247 416 007**	**236 676 696**	**82 923 701**	**-**	**-**

After analysing the tables above, it can be seen that behavioral gaps are more favorable than contractual gaps, and this is due to the way that the maturity profiles of assets and liabilities are defined in both approaches. The contractual approach classifies all non-contractual deposits, such as order and savings accounts, in the spot time range and the behavioural approach takes into account the stability of these non-contractual deposits in order to define their maturity profile through a volatility analysis of them, based on a statistical model.

Breakdown of financial instruments by exposure to interest rate risk

(thousands of Kwanzas)

	December 2021				
	Exposure to		Not Subject to Interest Rate Risk	Derivatives	Total
	Fixed rate	Variable Rate			
Assets					
Cash and cash equivalents in Central Banks			119 628 484		**119 628 484**
Cash and cash equivalents in Financial Institutions	94 957 570	90 647 247	93 956 799		**279 561 616**
Credit to Clients		234 174 153			**234 174 153**
Securities	254 677 516				**254 677 516**
Other Assets	-	-	80 232 131		**80 232 131**
Total	349 635 086	324 821 400	293 817 414	-	**968 273 900**
Liabilities					
Demand Deposits			(551 804 314)		**(551 804 314)**
Term Deposits		(152 977 388)			**(152 977 388)**
Subordinated Debt		(16 704 348)			**(16 704 348)**
Debt securities issued	-				**-**
Other Liabilities			(72 868 411)		**(72 868 411)**
Equity	-	-	(173 919 439)		**(173 919 439)**
Total	-	(169 681 736)	(798 592 164)	-	**(968 273 900)**

Breakdown of financial instruments by exposure to interest rate risk

(thousands of Kwanzas)

	December 2020				
	Exposure to		Not Subject to Interest Rate Risk	Derivatives	Total
	Fixed rate	Variable Rate			
Assets					
Cash and cash equivalents in Central Banks			147 520 430		**147 520 430**
Cash and cash equivalents in Financial Institutions	10 081 000	26 942 341	170 424 709		**207 448 050**
Credit to Clients		140 309 033			**140 309 033**
Securities	326 700 899				**326 700 899**
Other Assets	-	-	58 303 926		**58 303 926**
Total	336 781 899	167 251 374	376 249 065	-	**880 282 338**
Liabilities					
Demand Deposits			(551 365 916)		**(551 365 916)**
Term Deposits		(140 301 570)			**(140 301 570)**
Subordinated Debt		(19 553 301)			**(19 553 301)**
Debt securities issued	(4 745 970)				**(4 745 970)**
Other Liabilities			(47 333 211)		**(47 333 211)**
Equity	-	-	(116 982 370)		**(116 982 370)**
Total	(4 745 970)	(159 854 871)	(715 681 497)	-	**(880 282 338)**

Total contractual cash flows

(thousands of Kwanzas)

	December 2021									
	Contractual residual terms									
	At sight	Up to 1 month	Between 1 and 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Non-contractual	Total
Assets	**174 798 770**	**104 693 688**	**131 900 853**	**69 877 725**	**85 484 540**	**277 362 524**	**35 215 323**	**12 532 466**	**76 408 011**	**968 273 900**
Cash and cash equivalents in Central Banks	56 076 359	-	-	-	-	63 552 125	-	-	-	119 628 484
Cash and cash equivalents in Financial Institutions	93 956 799	90 647 247	94 957 570	-	-	-	-	-	-	279 561 616
Credit to Clients	24 229 442	5 811 704	22 136 412	36 767 020	26 218 349	78 137 293	27 739 659	13 134 274	-	234 174 153
Securities	-	8 234 737	14 806 871	33 110 705	59 266 191	135 673 106	3 585 906	-	-	254 677 516
Other Assets	536 170	-	-	-	-	-	3 889 758	(601 808)	76 408 011	80 232 131
Liabilities and Equity	**(556 940 514)**	**(53 118 824)**	**(135 799 523)**	**(5 724 608)**	**(6 085 987)**	**(3 398 610)**	**(2 169)**	**(16 711 338)**	**(190 492 327)**	**(968 273 900)**
										-
Demand Deposits	(551 804 314)	-	-	-	-	-	-	-	-	(551 804 314)
Term Deposits	(77 596)	(24 770 772)	(126 741 660)	(1 387 360)	-	-	-	-	-	(152 977 388)
Subordinated Debt	-	-	-	-	-	-	-	(16 704 348)	-	(16 704 348)
Debt securities issued	-	-	-	-	-	-	-	-	-	-
Other Liabilities	(5 058 604)	(28 348 052)	(9 057 863)	(4 337 248)	(6 085 987)	(3 398 610)	(2 169)	(6 990)	(16 572 888)	(72 868 411)
Equity	-	-	-	-	-	-	-	-	(173 919 439)	(173 919 439)
Liquidity Gap	**(382 141 744)**	**51 574 864**	**(3 898 670)**	**64 153 117**	**79 398 553**	**273 963 914**	**35 213 154**	**(4 178 872)**	**(114 084 316)**	**-**
Accumulated liquidity gap	**(382 141 744)**	**(330 566 880)**	**(334 465 550)**	**(270 312 433)**	**(190 913 880)**	**83 050 034**	**118 263 188**	**114 084 316**	**-**	

(thousands of Kwanzas)

	December 2020									
	Contractual residual terms									
	At sight	Up to 1 month	Between 1 and 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Non-contractual	Total
Assets	**261 640 390**	**38 237 357**	**106 271 249**	**99 609 057**	**292 309 736**	**17 437 199**	**6 700 576**	**-**	**58 076 774**	**880 282 338**
Cash and cash equivalents in Central Banks	48 367 742	-	-	-	99 152 688	-	-	-	-	147 520 430
Cash and cash equivalents in Financial Institutions	170 424 709	26 942 341	10 081 000	-	-	-	-	-	-	207 448 050
Credit to Clients	42 847 939	1 270 159	29 136 138	54 443 639	3 615 471	4 931 382	4 291 457	-	(227 152)	140 309 033
Securities	-	10 024 857	67 054 111	45 165 418	189 541 577	12 505 817	2 409 119	-	-	326 700 899
Other Assets	-	-	-	-	-	-	-	-	58 303 926	58 303 926
Liabilities and Equity	**(551 367 158)**	**(148 134 888)**	**(2 097 737)**	**(1 195 773)**	**(8 141 250)**	**(1 790 682)**	**(28 713 559)**	**(19 553 301)**	**(119 287 990)**	**(880 282 338)**
Demand Deposits	(551 365 916)	-	-	-	-	-	-	-	-	(551 365 916)
Term Deposits	(1 242)	(140 276 422)	-	-	(23 906)	-	-	-	-	(140 301 570)
Subordinated Debt	-	-	-	-	-	-	-	(19 553 301)	-	(19 553 301)
Debt securities issued	-	(45 970)	-	-	(4 700 000)	-	-	-	-	(4 745 970)
Other Liabilities	-	(7 812 496)	(2 097 737)	(1 195 773)	(3 417 344)	(1 790 682)	(28 713 559)	-	(2 305 620)	(47 333 211)
Equity	-	-	-	-	-	-	-	-	(116 982 370)	(116 982 370)
Liquidity Gap	**(289 726 768)**	**(109 897 531)**	**104 173 512**	**98 413 284**	**284 168 486**	**15 646 517**	**(22 012 983)**	**(19 553 301)**	**(61 211 216)**	**-**
Accumulated liquidity gap	**(289 726 768)**	**(399 624 299)**	**(295 450 787)**	**(197 037 503)**	**87 130 983**	**102 777 500**	**80 764 517**	**61 211 216**	**-**	

Breakdown of financial instruments with exposure to interest rate risk by maturity date or reflection date

(thousands of Kwanzas)

	December 2021									
	Refixing Dates / Maturity Dates									
	At sight	Up to 1 month	Between 1 and 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Non-contractual	Total
Assets	**24 229 442**	**104 693 688**	**131 900 853**	**69 877 725**	**85 484 540**	**213 810 399**	**31 325 565**	**13 134 274**	**-**	**674 456 486**
Credit to Banks		90 647 247	94 957 570	-	-	-	-	-	-	185 604 817
Credit to Clients	24 229 442	5 811 704	22 136 412	36 767 020	26 218 349	78 137 293	27 739 659	13 134 274		234 174 153
Securities	-	8 234 737	14 806 871	33 110 705	59 266 191	135 673 106	3 585 906	-	-	254 677 516
Liabilities	(77 596)	(24 770 772)	(126 741 660)	(1 387 360)	-	-	-	(16 704 348)	-	(169 681 736)
Demand Deposits										
Term Deposits	(77 596)	(24 770 772)	(126 741 660)	(1 387 360)	-	-	-	-	-	(152 977 388)
Subordinated Debt	-	-	-	-	-	-	-	(16 704 348)	-	(16 704 348)
Debt securities issued	-	-	-	-	-	-	-	-	-	-
Net Exposure	**24 151 846**	**79 922 916**	**5 159 193**	**68 490 365**	**85 484 540**	**213 810 399**	**31 325 565**	**(3 570 074)**	**-**	**504 774 750**

(thousands of Kwanzas)

	December 2020									
	Refixing Dates / Maturity Dates									
	At sight	Up to 1 month	Between 1 and 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Non-contractual	Total
Assets	**42 847 939**	**38 237 357**	**106 271 249**	**99 609 057**	**193 157 048**	**17 437 199**	**6 700 576**	**-**	**-**	**504 260 425**
Credit to Banks		26 942 341	10 081 000	-	-	-	-	-	-	37 023 341
Credit to Clients	42 847 939	1 270 159	29 136 138	54 443 639	3 615 471	4 931 382	4 291 457	-		140 536 185
Securities	-	10 024 857	67 054 111	45 165 418	189 541 577	12 505 817	2 409 119	-	-	326 700 899
Liabilities	(1 242)	(140 322 392)	-	-	(4 723 906)	-	-	(19 553 301)	-	(164 600 841)
Demand Deposits										
Term Deposits	(1 242)	(140 276 422)	-	-	(23 906)	-	-	-	-	(140 301 570)
Subordinated Debt	-	-	-	-	-	-	-	(19 553 301)	-	(19 553 301)
Debt securities issued	-	(45 970)	-	-	(4 700 000)	-	-	-	-	(4 745 970)
Net Exposure	**42 846 697**	**(102 085 035)**	**106 271 249**	**99 609 057**	**188 433 142**	**17 437 199**	**6 700 576**	**(19 553 301)**	**-**	**339 659 584**

CAPITAL MANAGEMENT AND SOLVENCY RATIO

The calculation of the Regulatory Solvency Ratio (RSR) has been maintained since 2017 with the minimum requirement of 10%.

According to "Aviso 02/2016", Regulatory Equity include:

1. Basic Capital Funds - comprise (i) the Share Capital realised; (ii) reservation for recording the value of the monetary update of the capital realised; (iii) results carried over from previous years; (iv) statutory reserves and other reserves arising from undistributed income, or constituted for capital increase, (v) net income for the audited year, (vi) negative latent results relating to the revaluation of securities available for sale and the hedging operations of cash flows and investments abroad and (vii) deferred tax assets/liabilities to the extent that they are associated with losses/gains that count as a negative/positive element of basic equity.

2. Complementary Equity - comprise (i) redeemable preferred shares; (ii) generic funds and provisions; (iii) reserves arising from the realisation of own-use properties; (iv) subordinated debts and hybrid instruments of capital and debt; and (v) other amounts authorised by the National Bank of Angola.

3. Deductions – Comprise: (i) shares of the institution itself subject to repurchase; (ii) redeemable preferred shares with fixed and cumulative dividends; (iii) loans granted of a capital nature; (iv) loans granted of a capital nature; (v) tax credits arising from tax losses; (vi) goodwill; (vii) other intangible assets net of depreciation; (viii) other amounts, determined by the National Bank of Angola.

BNA "Aviso 09/2016" states that for the purposes of calculating the Regulatory Solvency Ratio, the excess found at the limit of exposure to risk per Client must be deducted from the Regulatory Equity (FPR).

The regulatory capital requirements correspond to the sum of the individual requirements calculated in accordance with the following "Avisos":

1. "Aviso 03/2016" on Regulatory Capital Requirement for Credit Risk and Credit Risk of The Third Party;

2. "Aviso 04/2016" on Regulatory Capital Requirement for Market Risk and Credit Risk of A Third Party in the Trading Book; and

3. "Aviso 05/2016" on Regulatory Capital Requirement for Operational Risk.

A summary of the Bank's solvency ratio for 31 December 2021, 31 December 2020 and 31 December 2019 is as follows:

(thousands of Kwanzas)

		31.12.2021	31.12.2020	31.12.2019
Credit risk and counterparty	**A**	**31 674 442**	**24 338 117**	**19 309 570**
Credit risk, Market risk and trading book counterparty credit risk	**B**	**445 132**	**2 416 734**	**2 763 482**
Operational risk	**C**	**10 252 745**	**7 781 371**	**5 868 289**
Total	**D = A + B + C**	**42 372 319**	**34 536 222**	**27 941 341**
Own Equity				
Base	**E**	173 623 947	112 711 861	94 210 719
Complementary	**F**	15 740 276	18 589 230	14 655 666
	G = E + F	**189 364 223**	**131 301 091**	**108 866 385**
Excess to prudential limits to major risks	**H**	-	-	(30 720 490)
Regulatory Equity	**I = G + H**	**189 364 223**	**131 301 091**	**78 145 895**
Solvency Ratio	**J = L + M**	**44.7%**	**38.0%**	**28.0%**
Level I	**L = (E + H)/ (D/10%)**	**41.0%**	**32.6%**	**22.7%**
Level II	**M = F/ (D/10%)**	**3.7%**	**5.4%**	**5.2%**

Note 37 - Reform of interest rate benchmarks

Global financial regulators have been promoting in recent years the abandonment of the use of IBOR indexers and their replacement by risk-free indexers, leading to the need for a transition from LIBOR indexers to new indexers recommended by working groups set up in different jurisdictions.

This transition accelerated with the communication of the cessation of LIBOR indexers from the beginning of 2022, which means that market participants will start using new indexers without risk and change the contracts affected by the cessation of publication of LIBOR indexers.

The Bank has adopted an active stance in order to identify and address the inherent risks and ensure an appropriate transition, in particular with regard to legal and litigation risks, arising from contracts with reference to indexers that will be discontinued and the need for drafting changes, operational risks arising from the need for technological adaptations, processes and control, financial and accounting risks by the use and alteration of indexers, as well as reputational risk.

The Bank considers the exposure to LIBOR as non-material, given the low volume of assets and liabilities related to these indexers. USD LIBOR is the only indexer in terms of exposure.

For the Bank's specific case, the LIBOR rate will be replaced by the Secured Overnight Financing Rate (SOFR), which is based on the U.S. repurchase market, in which the money is temporarily exchanged for US treasury securities. As of January 1, 2022, all new credits granted in foreign currency (ME) will be contracted with the new indexers.

The detail of financial instruments that have not yet made the transition to a risk-free alternative interest rate as of 31 December 2021 is as follows:

(thousands of Kwanzas)

IBOR Reform	31.12.2021							
	Gross Exposure				Exposure that has not yet made the transition to an alternative reference interest rate			
	Assets	Liabilities	Off Balance Sheet	Total	Assets	Liabilities	Off Balance Sheet	Total
Measured at amortised cost								
Credit to Clients	17 062 456	-	-	17 062 456	17 062 456	-	-	17 062 456
Subordinated Debt (Note 19)	-	(16 649 430)	-	(16 649 430)	-	(16 649 430)	-	(16 649 430)
Total	**17 062 456**	**(16 649 430)**	**-**	**413 026**	**17 062 456**	**(16 649 430)**	**-**	**413 026**

Note 38 - Recently issued accounting standards and interpretations

1. Impact of the adoption of new standards, changes to the standards that have become effective for the annual periods that began on 1 January 2021:

a) IFRS 4 'Insurance contracts - deferral of IFRS 9 application'. This amendment refers to the temporary accounting consequences resulting from the difference between the date of entry into force of IFRS 9 – Financial Instruments and the future IFRS 17 – Insurance Contracts. In particular, the change made to IFRS 4 depresses until 2023 the expiry date of the temporary exemption from the application of IFRS 9 in order to align the effective date of the latter with that of the new IFRS 17.

b) IFRS 9, IAS 39, IFRS 7, IFRS 4 e IFRS 16 (amendment) 'Reform of benchmark interest rates - phase 2. These amendments deal with issues arising during the reform of a reference interest rate, including the replacement of a reference interest rate with another alternative, allowing the adoption of exemptions such as: (i) changes in the designation and coverage documentation; ii) accumulated amounts in the cash flow coverage reserve; (iii) retrospective assessment of the effectiveness of a coverage relationship under IAS 39; iv) changes in coverage relationships for item groups; (v) the presumption that an alternative reference interest rate, designated as a counter-specified risk component, is separately identifiable and qualifies as a covered risk; and vi) update the effective interest rate, without recognising gain or loss, for financial instruments measured at amortised cost with changes in contractual cash flows as a result of IBOR reform, including leases that are indexed to an IBOR. These changes had no material impact on the Bank's financial statements in 2021.

2. Published (new and amendments) standards, the application of which is mandatory for annual periods starting on or after 1 January 2022, and which the European Union has already endorsed:

a) IAS 16 (amendment) 'Income obtained prior to start-up' (to be applied in the years starting on or after 1 January 2022). Change in the accounting treatment given to the return obtained from the sale of products resulting from the production in the testing phase of tangible fixed assets, prohibiting their deduction at the cost of acquiring the assets. This change is retrospective, without re-expression of comparisons.

b) IAS 37 (amendment) 'Onerous contracts – costs of complying with a contract' (to be applied for years starting on or after 1 January 2022). This amendment specifies that in the assessment of whether or not a contract is onerous, only expenses directly related to the performance of the contract can be considered, such as incremental costs related to direct labor and materials and the allocation of other directly related expenses such as the allocation of depreciation expenses of tangible assets used to perform the contract. This amendment should apply to contracts which, at the beginning of the first annual reporting period to which the amendment is applied, still include unmet contractual obligations, without re-expression of the comparison.

c) IFRS 3 (amendment 'References to the Conceptual Structure' (to be applied in the exercises starting on or after 1 January 2022). This amendment updates the references to the Conceptual Structure in the IFRS 3 text and no changes have been made to the accounting requirements for business concentrations. This amendment also clarifies the accounting treatment to be adopted in relation to contingent liabilities and liabilities under IAS 37 and IFRIC 21 and prohibits the registration of contingent assets of the acquired in a concentration of business activities. This change is of foresight.

d) IFRS 17 'Insurance contracts' (to be applied for years starting on or after 1 January 2023). This new standard replaces IFRS 4 and applies to all entities isising insurance contracts, reinsurance contracts and investment contracts with discretionary participation characteristics. IFRS 17 is based on the current measurement of technical responsibilities, which are reassessed at each reporting date. Current measurement can be performed by applying the complete ("building block approach") or simplified ("premium allocation approach"). The complete model is based on cash flow scenarios weighted by probability of occurrence and adjusted for risk, and a contractual service margin, which represents the estimate of the future profit of the contract. Subsequent changes in estimated cash flows are adjusted against the contractual service margin unless it becomes negative. IFRS 17 is retrospective application with some exemptions on the date of the transition.

e) IFRS 17 (amendment), 'Insurance contracts' (to be applied in exercises starting on or after 1 January 2023). This amendment comprises specific changes in eight areas of IFRS 17, such as: i) scope; (ii) level of aggregation of insurance contracts; iii) recognition; iv) measurement; v) modification and derecognition; vi) presentation of the Statement of financial position; vii) recognition and measurement of the Income Statement; and viii) disclosures. This amendment also includes clarifications, which aim to simplify some of the requirements of this standard and speed up its implementation.

f) mprovements to standards 2018 - 2020 (to be applied in exercises starting on or after 1 January 2022). This cycle of improvements changes the following regulations: IFRS 1, IFRS 9, IFRS 16, and IAS 41.

a. IFRS 1, 'Subsidiary as an adopter of IFRS for the first time'. This improvement clarifies that, when the subsidiary chooses to measure its assets and liabilities by the amounts included in the consolidated financial statements of the parent company, the measurement of the accumulated transposition differences of all foreign operations may be made by the amounts that would be recorded in the consolidated financial statements, based on the date of transition from the parent company to IFRS.

b. IFRS 9, 'Disrecognition of liabilities – costs incurred to include in the 10% variation test'. This improvement clarifies that in the context of the derecognition tests carried out on renegotiated liabilities, the borrower shall determine the net amount between fees paid and fees received taking into account only the fees paid or received between the borrower and the financier, including fees paid or received, by either entity on behalf of the other.

c. IFRS 16, 'Rental incentives'. This improvement refers to the amendment of Illustrative Example 13 that accompanies IFRS 16, to eliminate inconsistency in the accounting treatment of rental incentives, attributed by the lessor.

IAS 41, 'Taxation and fair value measurement'. This improvement eliminates the requirement to exclude tax cash flows in the fair value measurement of biological assets, ensuring consistency with the IFRS 13 – 'Fair value' principles.

The Bank does not anticipate any significant liquidation arising from the application of these changes in their financial statements.

3. Published (new and amendments) standards, the application of which is mandatory for annual periods starting on or after 1 January 2022, and which the European Union has not yet endorsed:

a) IAS 1 (amendment), 'Presentation of financial statements - classification of liabilities' (to be applied in the years starting on or after 1 January 2023). This amendment is still subject to the endorsement process by the European Union. This amendment seeks to clarify the classification of liabilities as current or non-current balances according to the rights that an entity has to defer its payment at the end of each reporting period. The classification of liabilities is not affected by the entity's expectations (the assessment shall determine whether a right exists, but should not consider whether or not the entity will exercise such right), or by events occurring after the reporting date, such as non-compliance with a covenant. This amendment also includes a new definition of "settlement" of a liability. This change is retrospective.

b) IAS 1 (amendment), 'Disclosure of accounting policies' (to be applied in exercises starting on or after 1 January 2023). This amendment is still subject to the endorsement process by the European Union. Change to the disclosure requirements of accounting policies based on the definition of "material" to the detriment of "significant". Information relating to an accounting policy is considered material if, in the absence of it, users of the financial statements do not have the ability to understand other financial information included in those financial statements. In-material information relating to accounting policies does not need to be disclosed. Or IFRS Practice Statement 2, has also been amended to clarify how the concept of "material" applies to the dissemination of accounting policies.

c) IAS 8 (amendment), 'Disclosure of accounting estimates' (to be applied in exercises starting on or after 1 January 2023). This amendment is still subject to the endorsement process by the European Union. Introduction of accounting estimation and how it differs from accounting policy changes. The accounting estimates are now defined as monetary values subject to uncertainty in their measurement, used to achieve the objective(s) of an accounting policy.

d) IAS 12 (amendment), 'Deferred tax related to assets and liabilities associated with a single transaction' (to be applied in exercises starting on or after 1 January 2023). This amendment is still subject to the endorsement process by the European Union. IAS 12 now requires entities to recognise deferred tax on certain specific transactions, when their initial recognition gives rise to equal amounts of taxable temporary differences and deductible temporary differences. The transactions subject refers to the registration of: i) assets under use rights and lease liabilities; and (ii) provisions for dismantling, restoration or similar liabilities, and the corresponding amounts recognised as part of the cost of the related asset, when on the date of initial recognition do not be inaccurate for tax purposes. These taxable differences are no longer subject to the exemption from initial recognition of deferred taxes. The cumulative effect of the initial application of this change shall be recognised as an adjustment to the opening balance of the carried forward results (or other component of equity, as appropriate) of the oldest comparative period presented.

e) IFRS 17 (amendment), 'Initial application of IFRS 17 and IFRS 9 - Comparative Information' (in force for annual periods starting on or after 1 January 2023). This amendment is still subject to the endorsement process by the European Union. This change applies only to insurers in the transition to IFRS 17 and allows the adoption of an overlay in the classification of a financial asset for which the entity does not apply retrospectively under IFRS 9. This amendment aims to avoid temporary accounting misdemeanors between financial assets and insurance contract liabilities in the comparative information presented in the initial application of IFRS 17, providing for: (i) the application of financial assets to financial assets;

(ii) the presentation of comparative information as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset, but without requiring an entity to apply the IFRS 9 impairment requirements; and (iii) the obligation to use reasonable and supported information available on the transition date to determine how the entity expects this financial asset to be classified in accordance with IFRS 9.

The Bank does not anticipate any significant liquidation arising from the application of these changes in their financial statements.

Note 39 - Subsequent events

In February 2022, during the preparation of this report, there was a military invasion of Ukraine by Russia, an invasion that is called by experts as “the largest invasion of Europe since World War II”. From this, there have been several consequences, including the deaths of innocent civilians, economic sanctions applied to Russia and the shake-up of the economy of the countries that have received refugees from war as well as countries with economic relations with Russia.

Among the sanctions applied to Russia, we had:

- Raising the country’s risk level to “CC” as a result of the restrictions applied;
- Withdrawal of Russian banks from “SWIFT” (“Society for Worldwide Interbank Financial Telecommunication” – Society for Global Interbank Financial Telecommunications), as a way of preventing the financing of Russian military weapons;
- Devaluation of the Russian currency (Russian Ruble), which since the invasion of Ukraine has had a 37% devaluation against the Kwanza (source: https://wise.com/br/currency-converter/rub-to-aoa-rate?amount=1000).

Given that the invasion occurred after the end of 2021 and that the Bank has no relations with Russian companies or banks, the Board of Directors considers that the war situation and the sanctions applied to Russia do not have a direct and indirect material impact on the Bank’s activity, which is considered a subsequent non-adjustable event.

We are not aware of any additional facts or events after 31 December 2021 justifying adjustments or further disclosure in the Notes to the financial statements.

6.3 External Auditor's and Supervisory Board's report

pwc

Relatório do Auditor Independente

Ao Conselho de Administração do
Standard Bank de Angola, S.A.

Introdução

1 Auditámos as demonstrações financeiras anexas do Standard Bank de Angola, S.A., as quais compreendem o balanço em 31 de Dezembro de 2021 que evidencia um total de 968 273 900 milhares de Kwanzas e um capital próprio de 169 485 662 milhares de Kwanzas, incluindo um resultado líquido de 75 736 312 milhares de Kwanzas, a demonstração de resultados, a demonstração dos resultados e do outro rendimento integral, a demonstração de alterações no capital próprio e a demonstração dos fluxos de caixa do exercício findo naquela data e o correspondente Anexo.

Responsabilidade do Conselho de Administração pelas Demonstrações Financeiras

2 O Conselho de Administração é responsável pela preparação e apresentação de modo apropriado destas demonstrações financeiras de acordo com as Normas Internacionais de Relato Financeiro (IFRS) em vigor e pelo controlo interno que determine ser necessário para possibilitar a preparação de demonstrações financeiras isentas de distorção material devido a fraude ou a erro.

Responsabilidade do Auditor

3 A nossa responsabilidade consiste em expressar uma opinião independente sobre estas demonstrações financeiras com base na nossa auditoria, a qual foi conduzida de acordo com as Normas Técnicas da Ordem dos Contabilistas e Peritos Contabilistas de Angola. Estas normas exigem que cumpramos requisitos éticos e que planeemos e executemos a auditoria para obter segurança razoável sobre se as demonstrações financeiras estão isentas de distorção material.

4 Uma auditoria envolve executar procedimentos para obter prova de auditoria acerca das quantias e divulgações constantes das demonstrações financeiras. Os procedimentos seleccionados dependem do julgamento do auditor, incluindo a avaliação dos riscos de distorção material das demonstrações financeiras devido a fraude ou a erro. Ao fazer essas avaliações do risco, o auditor considera o controlo interno relevante para a preparação e apresentação das demonstrações financeiras pela entidade a fim de conceber procedimentos de auditoria que sejam apropriados nas circunstâncias, mas não com a finalidade de expressar uma opinião sobre a eficácia do controlo interno da entidade. Uma auditoria inclui também avaliar a adequação das políticas contabilísticas usadas e a razoabilidade das estimativas contabilísticas feitas pelo Conselho de Administração, bem como avaliar a apresentação global das demonstrações financeiras.

5 Estamos convictos que a prova de auditoria que obtivemos é suficiente e apropriada para proporcionar uma base para a nossa opinião de auditoria.

PricewaterhouseCoopers (Angola), Limitada
Edifício Presidente - Largo 17 de Setembro, n.º 3, 1º andar – sala 137, Luanda- República de Angola
T: +244 227 286 109, www.pwc.com/ao

Standard Bank de Angola, SA.

Angola – Conselho Fiscal

Relatório e Parecer do Conselho Fiscal
Relativo ao Exercício Findo em 31 de Dezembro de 2021

Senhores Accionistas,

Em cumprimento das disposições legais e estatutárias aplicáveis, apresentamos o nosso Relatório e Parecer sobre o Relatório de Gestão e sobre as Demonstrações Financeiras (Balanço, Demonstração de Resultados, respectivos anexos e notas), apresentadas pelo Conselho de Administração do Standard Bank de Angola e relativos ao exercício findo em 31 de Dezembro de 2021.

RELATÓRIO DE ACTIVIDADE

O Conselho Fiscal reuniu, sempre que necessário, com o Conselho de Administração e com a Comissão Executiva, tendo acompanhado genericamente a actividade do Banco bem como obtido a informação e as explicações que, regularmente, foi solicitando sobre as actividades em curso.

No desempenho das suas funções, O Conselho Fiscal reuniu com frequência com vários Directores do Banco, responsáveis, quer por áreas de negócio, quer de suporte e de controlo interno, tendo obtido dos mesmos a informação que periodicamente solicitou.

O Conselho Fiscal apreciou a preparação das contas e pôde concluir que as Demonstrações Financeiras relativas a 2021, ora apresentadas, satisfazem o que por lei e pelos estatutos do Banco é exigido.

O Conselho Fiscal não identificou qualquer situação que não estivesse de acordo com os estatutos e com as normas legais, assim como com as políticas e práticas contabilísticas aplicáveis.

No âmbito da sua actividade, o Conselho Fiscal tomou ainda conhecimento do Relatório de Auditoria Externa emitido pela PWC o qual exprime uma opinião favorável às Contas apresentadas.

PARECER

Considerando o exposto, o Conselho Fiscal do Standard Bank é da opinião que:

1. O Relatório de Gestão e as Demonstrações Financeiras (Balanço Patrimonial, Demonstração de Resultados, Demonstração da Mutações nos Fundos Próprios, Demonstração de Fluxos de Caixa e respectivos Anexos e Notas) relativas ao exercício findo em 31 de Dezembro de 2021, sejam aprovados;

2. A proposta de aplicação de resultados apresentada de 75.736.312 Milhares de AOA é a seguinte:

Distribuição de Dividendos – 46.916.606 Milhares de AOA
Resultados Transitados - 28.819.706 Milhares de AOA

O Conselho Fiscal exprime o seu reconhecimento e agradecimento ao Conselho de Administração e aos serviços do Banco pela colaboração que foi dispensada.

Luanda, 30 de Março de 2022

Sérgio Serrão
Presidente do Conselho Fiscal

Fernando Hermes
Vogal do Conselho Fiscal

Donald Lisboa
Vogal do Conselho Fiscal

Standard Bank

DECLARAÇÃO DO CONSELHO DE ADMINISTRAÇÃO

O Conselho de Administração declara que, na medida do seu conhecimento, a informação prestada nas demonstrações financeiras, foi elaborada em conformidade com as normas contabilísticas aplicáveis, dando uma imagem verdadeira e apropriada do activo e do passivo, da situação financeira e dos resultados do Standard Bank de Angola, S.A. e que o relatório de gestão relativo ao exercício de 2021, expõe fielmente a evolução dos negócios e do desempenho do Standard Bank de Angola, S.A e contém uma descrição dos principais riscos e incertezas com que se defrontam

Luanda, aos 30 de Março de 2022

Octávio Paulo	Luis Teles
Administrador Independente Não Executivo	Administrador Executivo e
e Presidente do Conselho de Administração	Presidente da Comissão Executiva

Standard Bank de Angola, S.A. [illegible]
[illegible] www.standardbank.co.ao
Standard Bank de Angola, S.A. [illegible]

Standard Bank *É POSSÍVEL*

Lista de Acrónimos

AGT – Autoridade Geral Tributária

ALCO – Comité de Activos e Passivos

AMA – Ferramenta de abordagem de gestão avançado

AML – *Anti Money Laundering*

AO – Angola

APD – Agência de Protecção de Dados

API – *Application Programming Interfaces*

ATM – *Automated Teller Machine*

BBL – Barril

BC – Branqueamento de Capitais

BCC (*Business and Comercial Clients*) – Pequenas e Médias Empresas

BCE – Banco Central Europeu

BCI – Banco Comercia e Indústria

BNA – National Bank of Angola

BPI – *Business Process and Improvement*

BT – Bilhetes Tesouro

BWP – *Botswana Pula*

CDF – *Congolese franc*

CHNW (*Consumer High Net Worth*) – Particulares

CIB – Grandes Empresas e Banca de Investimento

CMC – Comissão do Mercado de Capitais

DOS – Declarações de Operações Suspeitas

DPC – Direcção de Pessoas e Cultura

EGP – *Egyptian pound*

ETB – *Ethiopian Birr*

EUA – Estados Unidos da América

EXCO – Comissão Executiva

FCTOCI – justo valor através de outro rendimento integral

FED – Reserva Federal dos Estados Unidos da América

FMI – Fundo Monetário Internacional

FT – Financiamento ao Terrorismo

FTP – Preços de transferência de fundos

FVTPL – carteiras de justo valor através de resultados

GDE – Despesas Gerais Domésticas

GHS – *Ghanaian cedi*

GIA – Auditoria Interna do Grupo

GNL – Gás natural liquefeito

IA – Inteligência Artificial

ICAAP – Processo de Auto-avaliação da Adequação do Capital Interno

IFR – Unidade de Investigação e Risco de Fraude

IRRBB – *Interest Rate Risk of Banking Book*

KES – *Kenyan shilling*

KRI – *Key risk indicators*

KYC – *Know Your Customer*

KYS – *Know Your Supplier*

Kz – Kwanza

LGD – *Loss Given Default*

MINSA – Ministério da Saúde

MUR – *Mauritian rupee*

MWK – *Kwacha malawiana*

MZN – *Mozambican metical*

NAD – *Namibian US Dollar*

NGN – *Nigerian naira*

NPC – Comité de Novos Produtos

NPS – *Net Promoter Score*

NSFR – Rácio de Financiamento Líquido Estável

OPEP – Organização dos Países Exportadores de Petróleo

OPS – *Operational Program Software*

OT – Obrigações de Tesouro

P.P. – Ponto Percentuais

PADM – Proliferação de Arma de Distribuição em Massa

PCA – Presidente do Conselho de Administração

PCE – Presidente da Comissão Executiva

PD – Probabilidade de *Default*

PEP – Pessoas Expostas Politicamente

PIB – Produto Interno Bruto

PL – *Performing Loans*

PME – Pequenos e Médias Empresas

POCI – Compra de créditos em incumprimento

POS – *Point of Sale*

PV01 – *Point Value 01*

RAF – Função Regulatória e de Aconselhamento

RCSA – Sistema Auto-avaliação de Controlos de Risco

RDC – República Democrática do Congo

REPOs – contratos de aquisição de títulos com acordo de revenda

RMP – Sistema de Gestão de Risco Operacional

RNA – Rádio Nacional de Angola

ROE – *Return on equity*

RWA – *Risk-weighted asset*

RWF – *Rwandan franc*

SAFe – *Scaled Agile Framework*

SBA – Standard Bank de Angola

SBG – Grupo Standard Bank

SVaR – *Shareholder Value at Risk*

TAT – *Turn Around Time*

TCM – Direcção de Tesouraria e Gestão de Capital

TI – Tecnologias de informação

TPA – Terminais de Pagamento Automático

TZS – *Tanzanian shilling*

UGX – *Ugandan shilling*

UIF – Unidade de Informação Financeira

USD – *United States* dólar

VaR – *Value at Risk*

WEO – *World Economic Outlook*

XOF – *West African CFA franc*

XOF – *West African CFA franc*

ZMW – *Zambian kwacha*

Relatório & Contas

2021