Annual Report 2022

Standard Bank IT CAN BE™

Our lives were changed by the pandemic. We rotated between masks, gloves, alcohol gel, vaccines, and confinements. The doors, however, opened and we stepped out to celebrate life.

2022 is the year of the light at the end of the tunnel, of appreciation following worry and anxiety. We emerge with a strong desire to go and do. We discover that the hardship is over and that we are stronger than we expected. We gather more courage and trust in ourselves to face the challenges and opportunities that lie ahead. We realized that life is full of twists and turns. The wheels continue to whirl. It is up to us to decide the roads we will take.

After two years, we face the unknown with confidence. Standard Bank of Angola understands that the moment has come to travel, invest, value family and Employees, enjoy the details, and feel joyful and fulfilled.

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Appreciation of the family

Standard Bank of Angola is built on family reunions and moments with those closest to us, which constitutes its central pillar.

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01 Introduction

SBA recognizes that it's activities and challenges go beyond numbers, thus it strives to communicate a clear and transparent message to Stakeholders in all areas of activity, not just finance.

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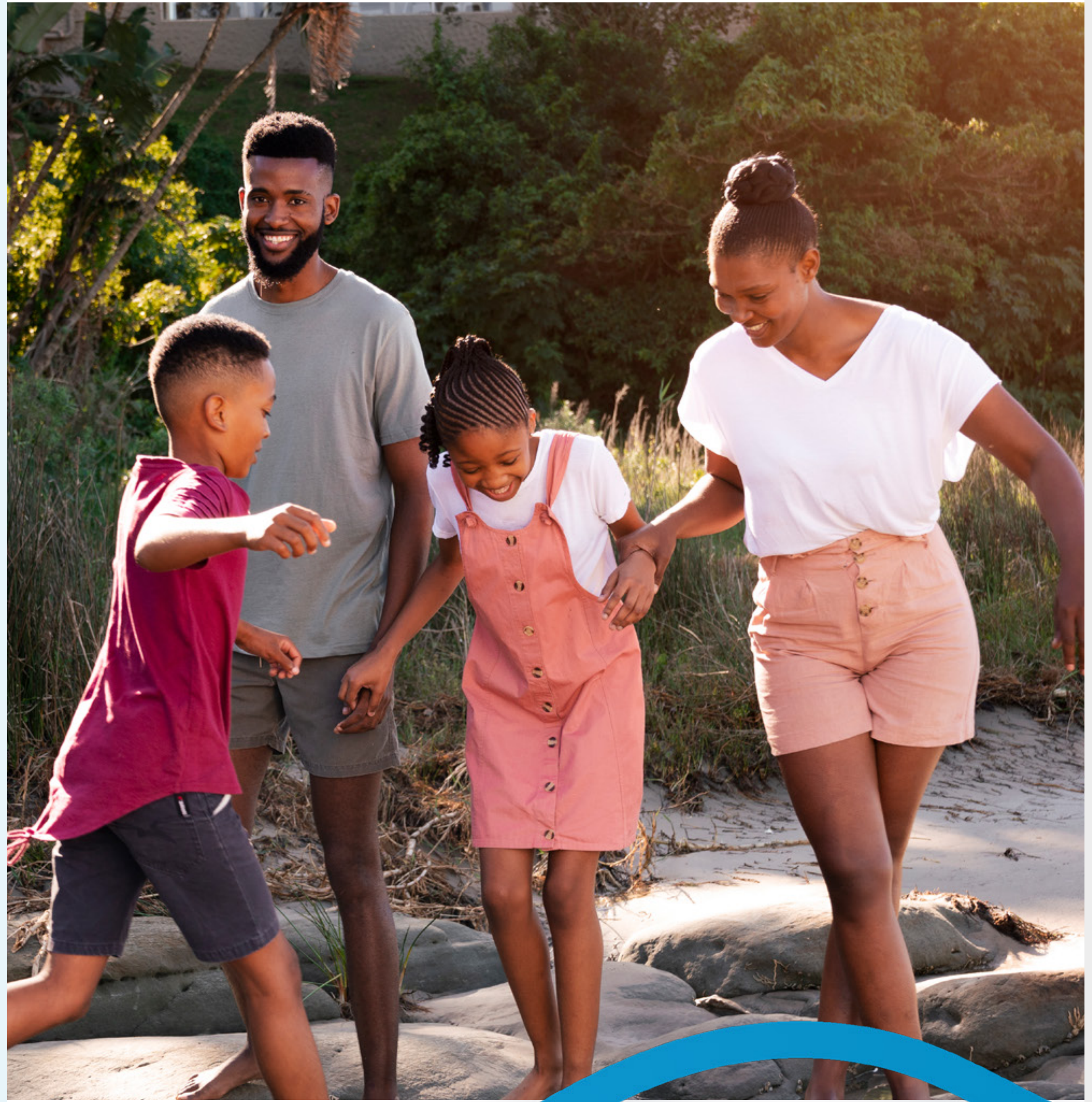
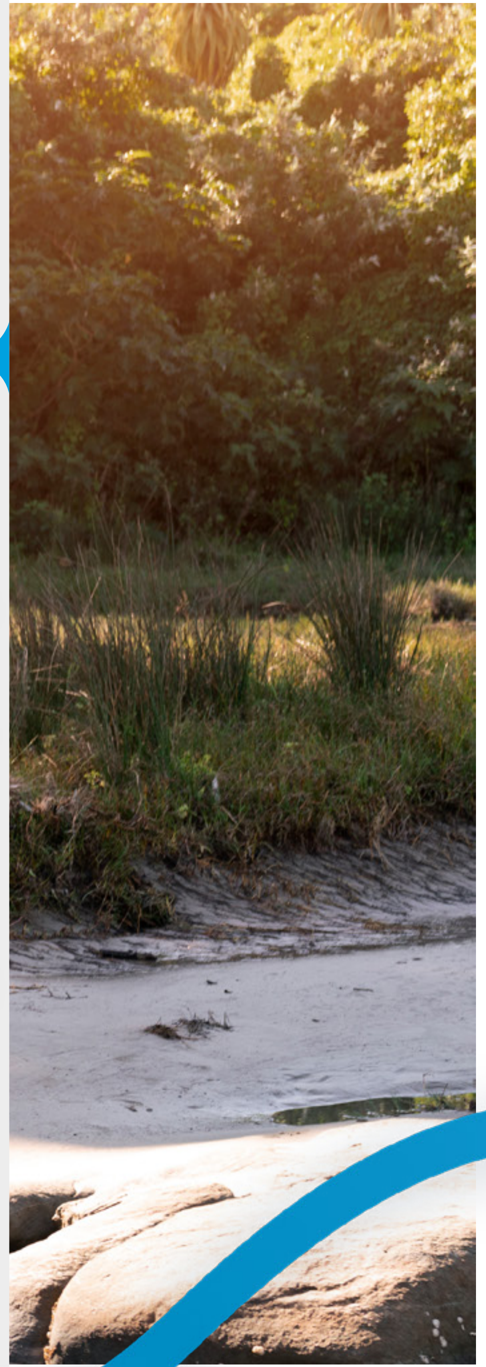
1.1 Our Reporting

The purpose of this document is to present the financial evolution of SBA, complying with regulatory and legal requirements (National Bank of Angola, Capital Market Commission 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 present the Group it is a part of and conduct a retrospective analysis of the most significant events in 2022, among which, we highlight the removal of the main restrictions imposed to combat Covid-19, and the start of the war in Ukraine, as well as the recovery of the Angolan economy, as well as the appreciation of the Kwanza against foreign currencies of reference in Angola (Euro and US Dollar).





Considering the objective 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 2022 financial year will address several themes, such as:

- The characterization of the Bank and the Standard Bank Group (SBG);
- 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 2023 financial year.

SBA's strategy is based on the following key principles:

Client-focused Approach

Presenting information on the major business lines: **Corporate and Investment Banking** (CIB), **Business and Commercial Clients** (BCC), **Consumer High Net Worth** (CHNW). In order to support these business lines throughout the 2022 financial year, the Bank has different support areas, such as: Client Solutions, Innovation and Engineering;

People as key assets

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

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Annual Report 2022 1. Introduction 1.1 Our Reporting Suite

Risk and Conduct

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

Strength in financial results

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

Operational Excellence

Offering Customers services and products that meet their expectations;

Social Responsability

Revealing 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 KPMG.

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.

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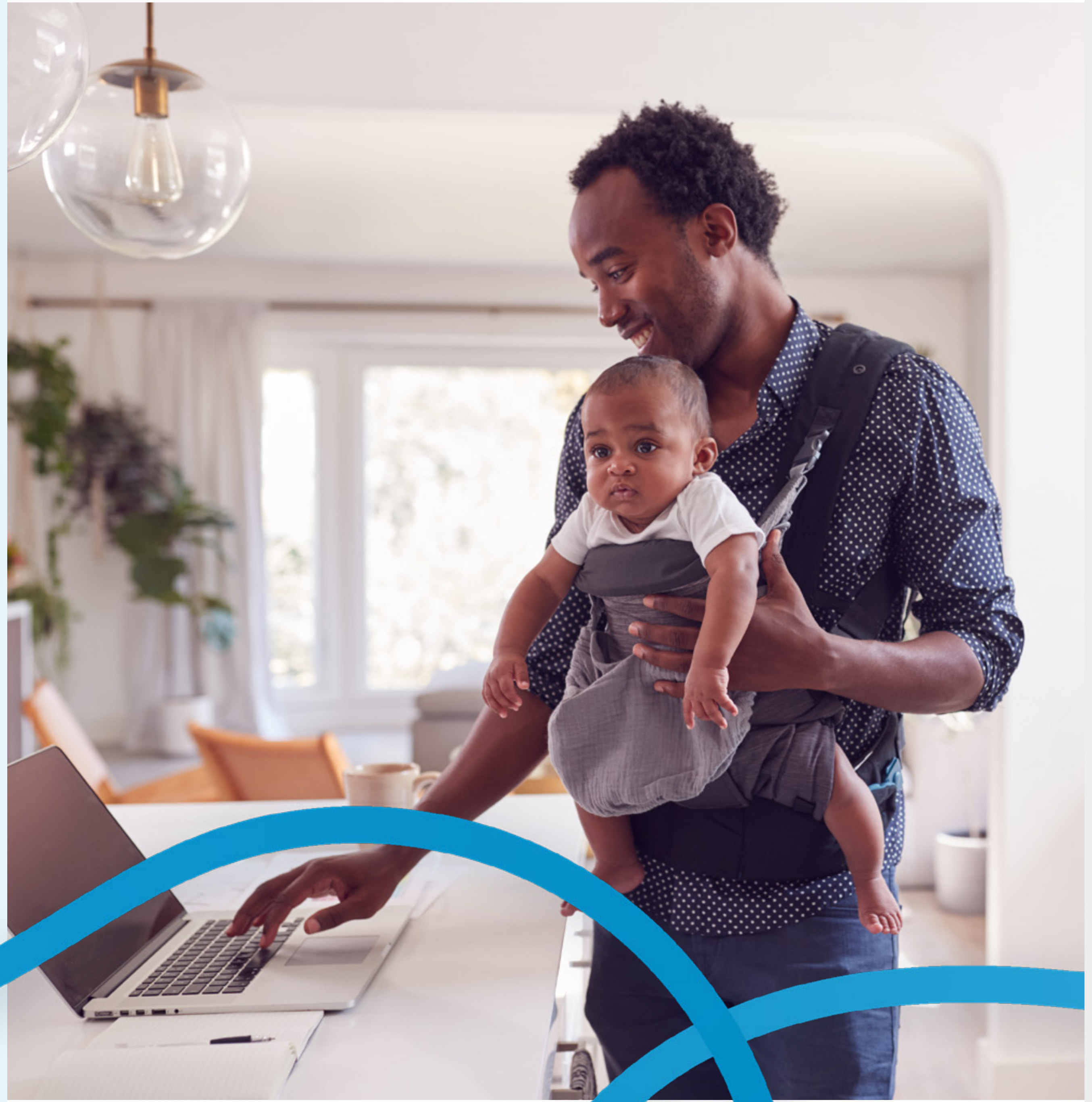
1.2 SBA's Mission, Vision and Values



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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 its Clients, one of the reference points for the Bank's Employees.

Mission

To be the leading financial institution in Angola, capable of serving the whole country, offering a differentiated experience to Clients, while creating value for the society. Angola is our home, and we drive her growth. We want to be more than a Bank by improving people's lives.

Vision

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

Values

The values presented guide the behaviour and qualities that define the Bank and that drive our actions:

- **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**

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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 "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.

About the Bank

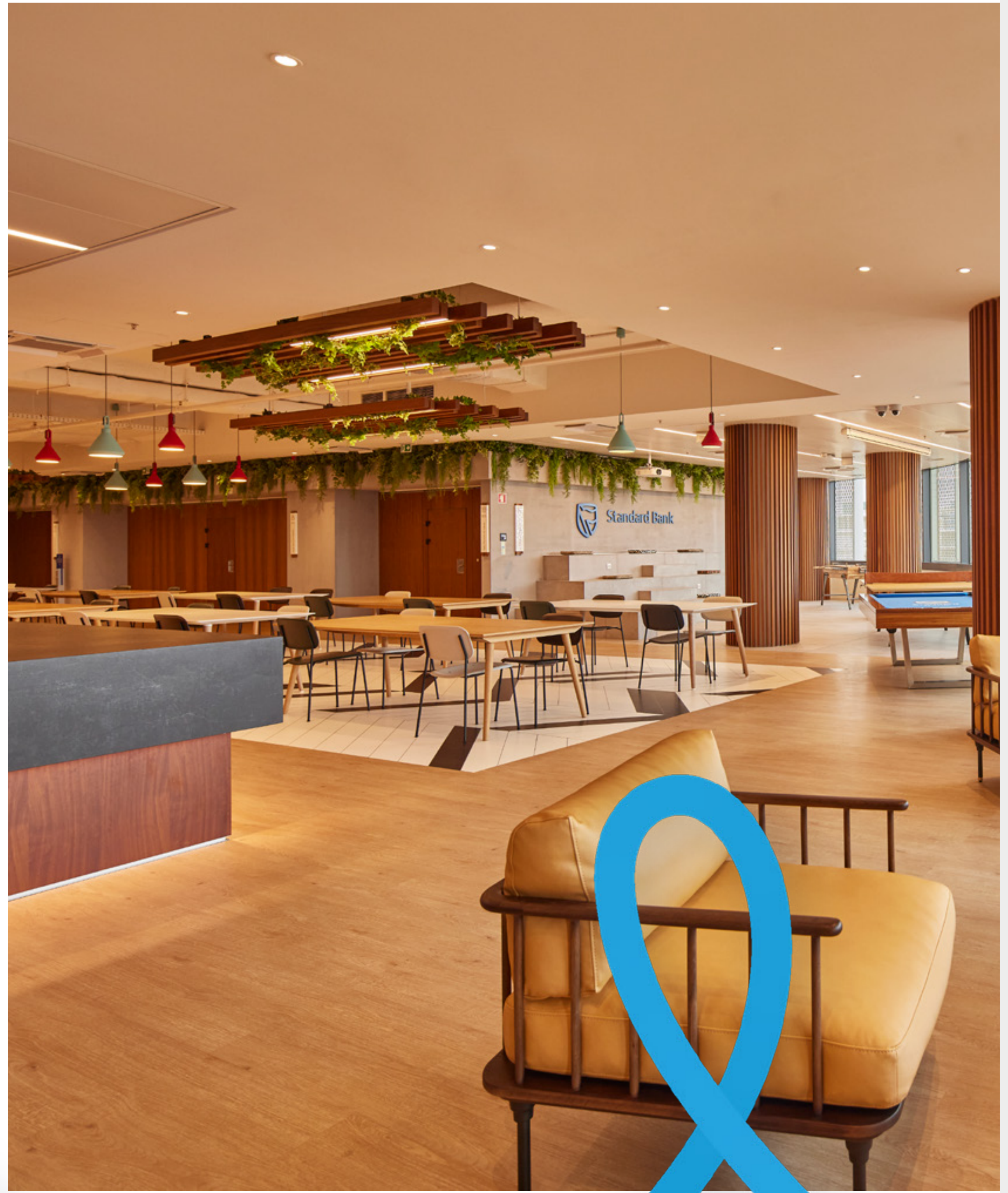
Standard Bank of Angola, S.A. is a company incorporated under Angolan law, with registered office in Talatona, Luanda, which was authorized to operate by National Bank of Angola on 9 March 2010, having started operating on 27 September 2010.

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 an African financial group, with a history of 160 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;
- diversification of investment;
- modernisation of processes and systems;
- continuous investment in Employee training and development.



Board of Directors' Composition

Octávio Manuel de Castro Castelo Paulo

CHAIRMAN

António Coutinho

NON-EXECUTIVE DIRECTOR

Ana Josina Simas Fortunato

NON-EXECUTIVE DIRECTOR

Manuel dos Passos

NON-EXECUTIVE DIRECTOR

Djamila Pinto de Andrade

NON-EXECUTIVE DIRECTOR

Raquel Kulivela Sole

NON-EXECUTIVE DIRECTOR

Luís Teles

EXECUTIVE DIRECTOR

Yonne de Castro

EXECUTIVE DIRECTOR

Aronildo Neto

EXECUTIVE DIRECTOR

Eduardo Clemente

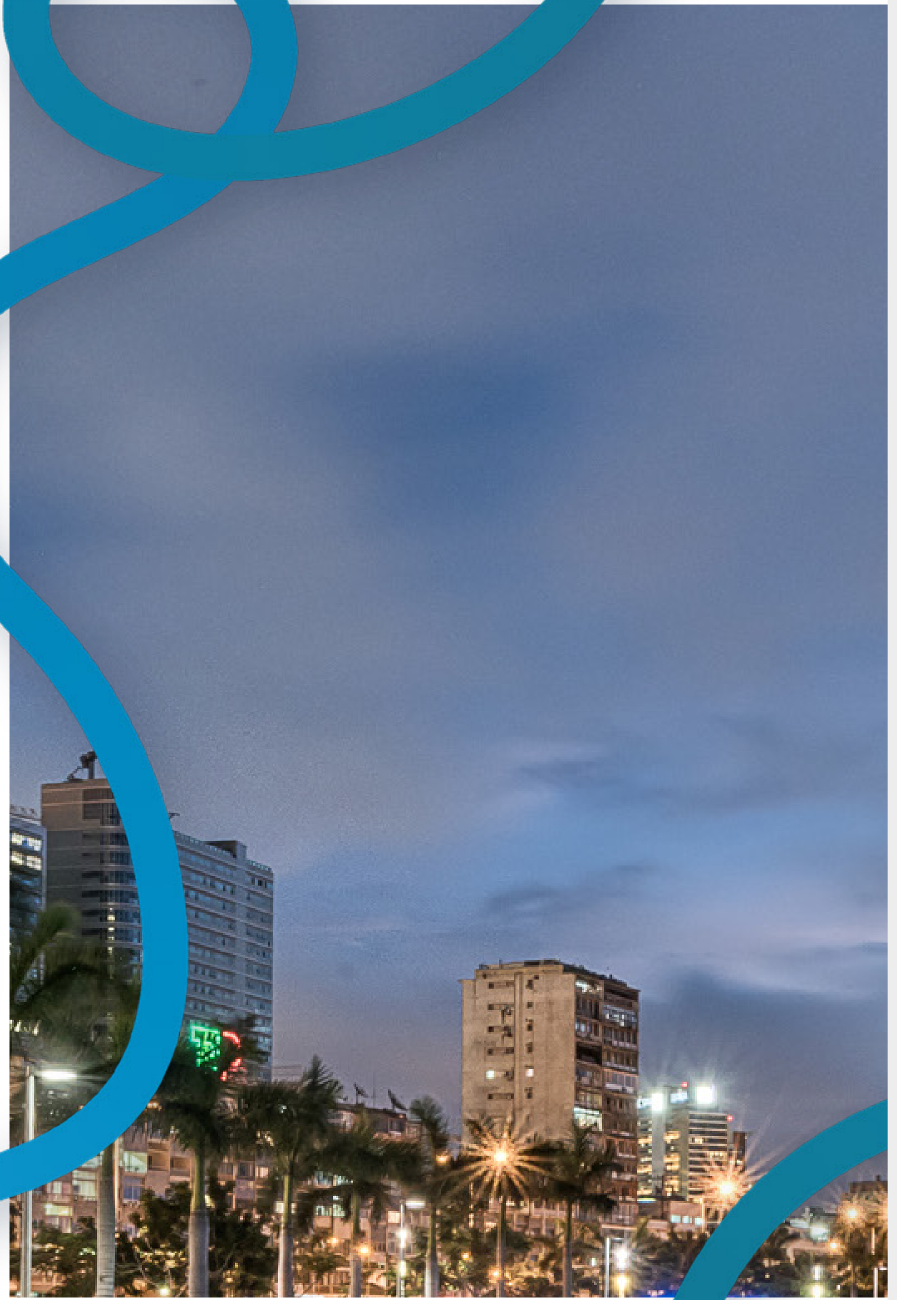
EXECUTIVE DIRECTOR

Ricardo Ferreira

EXECUTIVE DIRECTOR

From Angola to the Rest of the World

SBA has contributed to the development and growth of Angola, a country that currently presents many opportunities that potentiate its transformation, such as the agricultural potential, rapid population growth, the youth of the population, and accelerated digital growth.



The Bank's Strategy is based on 6 value drivers:

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, considering their experience, anticipating future needs, and focusing on financial inclusion and digitalisation.

Employee Engagement

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 Satisfaction 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 Environmental Impact

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 its 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.

6 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, the United Arab Emirates, China, the Island of Man and Jersey.

Standard Bank of Angola

679
Employees

99
ATM's

151,892
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
- 443 billion kwanzas of net assets
- +90% Net Income
- 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
- 880 billion kwanzas of net assets
- Recognized by ASSERTYS as the Bank with the best service quality in Angola
- The Banker - Bank of the Year in Angola 2020
- 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
- 968 billion kwanzas of net assets
- 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

2022
- 1081 billion kwanzas of net assets
- 1st transaction of international investors in Angolan public debt
- 1st REPO transaction in the interbank market
- Roadshow for international investors in Angola
- Golden Globe - "Best Social Responsibility Program"

Appreciation of experiences

The ones we took for granted and the new experiences we see as adventures.

02 The Leadership's Vision

We want to be more than just a Bank, and offer our Clients excellent service at all times. We want to be relevant in their lives, responding to their needs as an integral part of the ecosystems in which they live and operate.

2.1 Chairman and CEO's Statement

Angola is our home, we drive her growth. This is the purpose that moves us and serves as the engine to ensure that we improve the lives of our Clients, companies and consumers, by offering products and services of excellence.

2022 was another challenging year for all of us. SBA focused, once again, on its Clients and Employees, because we aim to improve people's lives and be more than just a Bank.

Octávio Castelo Paulo
Chairman

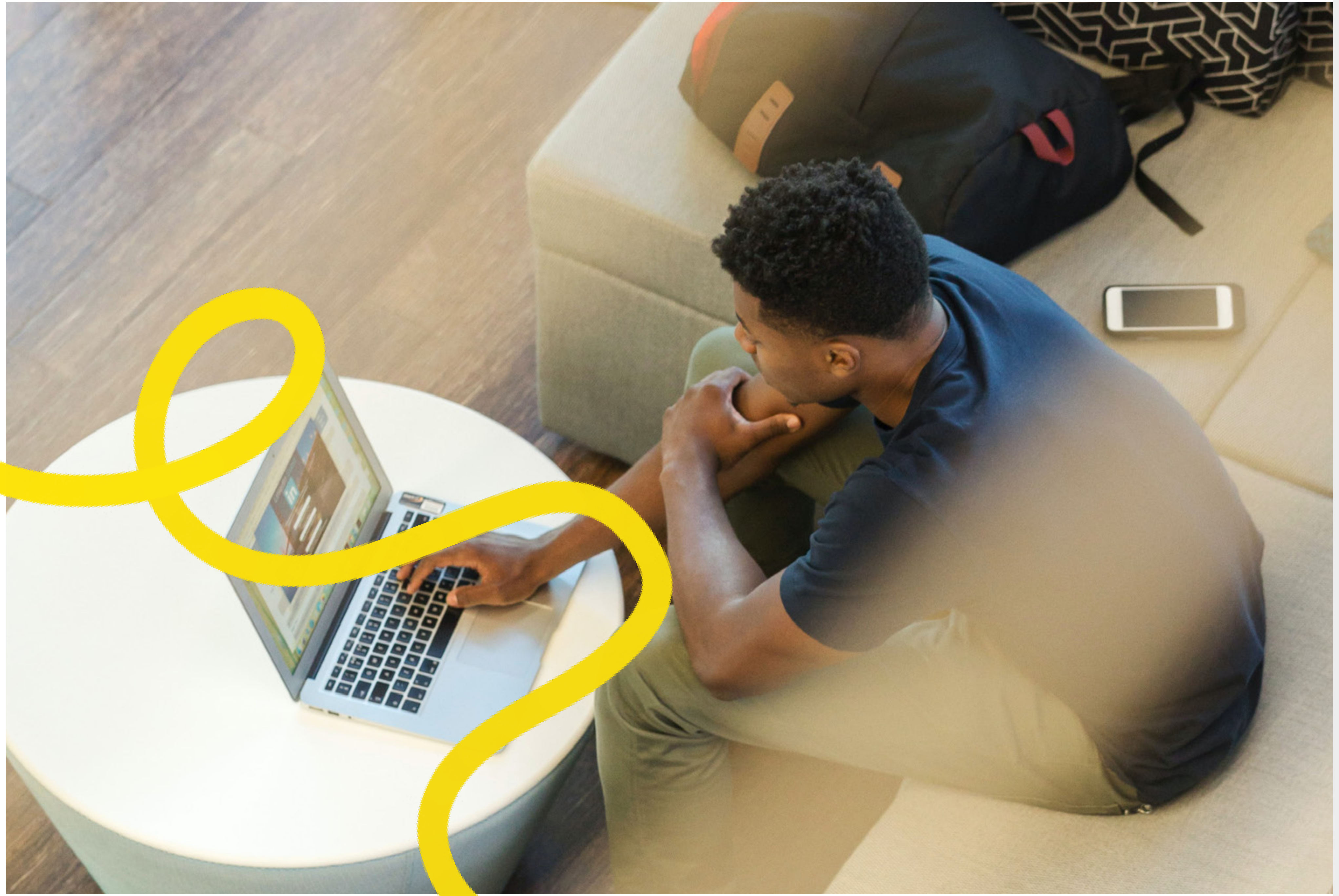
Luís Teles
CEO

Annual Report 2022 2. Chairman and CEO's Statement

The focus on the Client, on the service provided and on the products offered is something that has defined SBA since its inception and remains so today. Through an investment in the innovation of products, distribution channels and business models, we are in permanent contact with our Clients, allowing them to access the services and products they need in a simple and convenient manner. The SB24 platform, available on the web and mobile, as well as the Pontos Azuis, banking agents present in convenient locations close to our Clients, are good examples of this.

Our employees' commitment to maintaining the highest standards of excellence in the service provided is recognised by our Clients, and is evident in the excellent results in Client satisfaction indicators, namely the Client Satisfaction Index and the Net Promoter Score. Experts also recognised the Bank's quality and, as in previous years, have awarded various prizes to SBA, including Best Bank of Angola 2022 by Emeafinance, Best Investment Bank of Angola 2022 by Euromoney and World Economic Magazine, and Most Innovative Banking Application in Angola 2022, by Finance Derivative.

We aim to be the best company to work for. To achieve this goal, we are committed to listening to our Employees, understanding them and enhancing their performance, development and well-being. In this context, and in response to a clear request from our Employees, a hybrid working model was implemented at the beginning of May, giving Employees the flexibility to work partially from home, if they feel that this way their performance and wellbeing are benefited, while maintaining the possibility of working in the office, full time, for those who wish so. Nevertheless, all the necessary support to guarantee the physical and mental health of our Employees was maintained, such as the webinars and masterclasses on health and well-being, and all the health measures advised by the health authorities.



The "People and Culture" pillar of activity assumed a prominent position at the beginning of the year, not only through the investment in our Employees, something that has been happening consistently, but also through the culture programme that we are implementing as a first step towards achieving a cultural change throughout the organisation. Some of the steps to be highlighted in terms of improving working conditions for our Employees, and as a way of ensuring that they have room to innovate and shape the future of SBA, was the second edition of the Brilliant Ideas event, a time when our Employees come up with innovative ideas. We made a commitment to support Angola's youth and, as such, we continued our Graduate programme, with 12 recent graduates joining the Bank's staff for a previously defined period, which is followed by the opportunity to join SBA's permanent workforce, and we organised the first SBA Hackathon, a two-day programme that aims to make SBA a benchmark Bank for attracting and retaining young talent in technology and innovation, in which young people have to solve problems and challenges in the Banking of the Future.

Also the Angolans who are most in need deserve the highest level of support from us and the Heróis de Azul play a fundamental role in supporting them. **In 2022, the Heróis de Azul had the support of 60 volunteers and impacted 3150 lives in the most diverse areas of action, with a focus on health, education and distribution of donations.**

On a macroeconomic level, we cannot fail to mention what were, in 2022, the events with the greatest impact on the world, particularly in Angola: the lifting of Covid-19 measures and the Ukraine-Russia conflict. The withdrawal of measures to combat Covid-19 had very beneficial impacts on the economy and population, since it allowed for greater dynamism of the markets, as well as the circulation of people and goods. On the other hand, the impacts of the Ukraine-Russia conflict range from rising oil prices, which benefits the Angolan economy, to rising world inflation which, given the dependence on imports, has a negative impact on prices. The cooling of international markets as a consequence of the conflict in Eastern Europe also reflected negatively on the capacity of countries such as Angola to access foreign investment. Even so, it should be noted that inflation and interest rates in Angola have been gradually falling, a trend that is expected to continue in 2023, and that the strict management of public finances has allowed the country to avoid stress positions.

In this context, we note with great satisfaction that the country is maintaining the growth trend that began in 2021, and that SBA is actively contributing to that growth. In fact, SBA has proven to be a fundamental piece in the development of the Angolan capital market and in attracting foreign investment to Angola. Regulators and partners recognise this, relying on the Bank's support for the most innovative and challenging projects. For instance, it should be noted that in May 2022, after having been part of the working group, actively contributing to the drafting of the regulation for the new interbank repurchase transaction (Repos) market, SBA was one of the first Banks to register a transaction, attesting to the effectiveness of the new market. Also, during the month of May, SBA reinforced its position as a business platform and, after carrying out the first investment operation in securities with a non-resident investor, brought together, in Angola, a group of potential investors interested in understanding the dynamics of the Angolan market.

The country's growth is accompanied by Standard Bank's growth, which walks hand in hand with its partners, Clients and with the Angolan society.

The year 2022 was marked by a major investment in banking for Private Clients and small and medium-sized Businesses, ensuring that these Clients are served with the highest levels of excellence.

In fact, the Bank maintains accelerated growth in the number of Clients accompanied by a sustainable increase in credit to the economy. The commitment to lending to the real economy, with a focus on sustainable projects that contribute to the economic development of the country, has enabled Standard Bank to increase the credit granted by 27%, without impacting the proportion of non-performing loans, which remained, in 2022, very low, as a result of an adequate credit risk management policy. Also, other key indicators such as the volume of transactions or deposits maintained the growth trend seen in the past, with an increase in deposits, ensuring that the Bank remains clearly profitable and with healthy liquidity levels.

> Given the high growth rate of SBA, the focus on ensuring a robust internal control environment becomes even more relevant.

The accuracy related to Compliance, Risk Management and adherence to regulatory requirements are cornerstones of SBA's identity. These allow us to protect our Clients and our business, ensuring that we do the right thing in the correct way. Also in this context, we concluded the restructuring of our Board of Directors, with an increase from 7 to 11 members, which will begin functions in 2023, ensuring an adequate supervision of the Bank's activity and the required segregation of duties between the executive directors.

> In 2023, Standard Bank of Angola will continue, to collaborate with regulators and with Angolan society, in order to contribute positively to the development of the financial sector and of the country.

We would like to thank our Clients, Employees, Shareholders, Regulators and other Stakeholders. The impact they have on our organisation is invaluable and is essential for us to continue on our path with security, sustainability and confidence in the future.

Appreciation of business

Facing the constant and growing challenges of today, enterprises have responded with courage and resilience. In their journey to leave a legacy for Humanity, they have found in Standard Bank of Angola a partner that supports them to make possible in the future, the impossibilities of the present.

03
How to create Value

Angola is our home, we drive its growth.

3.1 Operating Context

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Global Economy

The year 2022 was marked by the Russian invasion to Ukraine. The shock in energy prices was one of the main consequences, thus causing a worldwide crisis, with an increase in inflation levels, which caused an adjustment in the monetary policies of the main world economies and leading investors to seek the US Dollar as a refuge from the crisis.

For the year 2023 it is expected that the global economy may slow down due to the risk of recession in the main economies. Due to the negative effects of the prolonged war between Russia and Ukraine, restrictive economic policies are expected as a formula to combat rising inflation. Due to this scenario, most economic growth forecasts for the year 2023 have been revised downwards.

GDP Growth (variation %; y/y)

	2018	2019	2020	2021	2022e	2023f	2024f
World	**3,6**	**2,8**	**-3,00**	**6,2**	**3,4**	**2,9**	**3,1**
Advanced Economies	**2,3**	**1,7**	**-4,40**	**5,4**	**2,7**	**1,2**	**1,4**
USA	2,9	2,3	-3,41	5,9	2,0	1,4	1,0
Eurozone	1,8	1,6	-6,09	5,3	3,5	0,7	1,6
Emerging and Developing Economies	**4,6**	**3,6**	**-1,89**	**6,7**	**3,9**	**4,0**	**4,2**
China	6,8	6,0	2,24	8,4	3,0	5,2	4,5
Sub-Saharan Africa	**3,3**	**3,2**	**-1,65**	**4,7**	**3,8**	**3,8**	**4,1**

Source: IMF World Economic Outlook (WEO) Update Jan 2023

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The International Monetary Fund (IMF), in its most recent January update of the World Economic Outlook (WEO), revised upwards its forecast for global economic growth to 2.9% y/y for 2023, and has an estimated growth rate of 3.4% y/y for 2022.

Developed economies are expected to grow by about 1.2% in 2023, which represents a decrease compared to the growth forecast for 2022, which is 2.7%. For the economy of the United States of America, the IMF estimates growth of 2% for 2022, although a reduction of 0.6 p.p. is expected in 2023, and economic growth will remain at 1.4%.

Emerging markets are expected to grow 4% in 2023, which represents a 0.1 p.p. increase compared to 2022, which is estimated to grow by 3.9%.

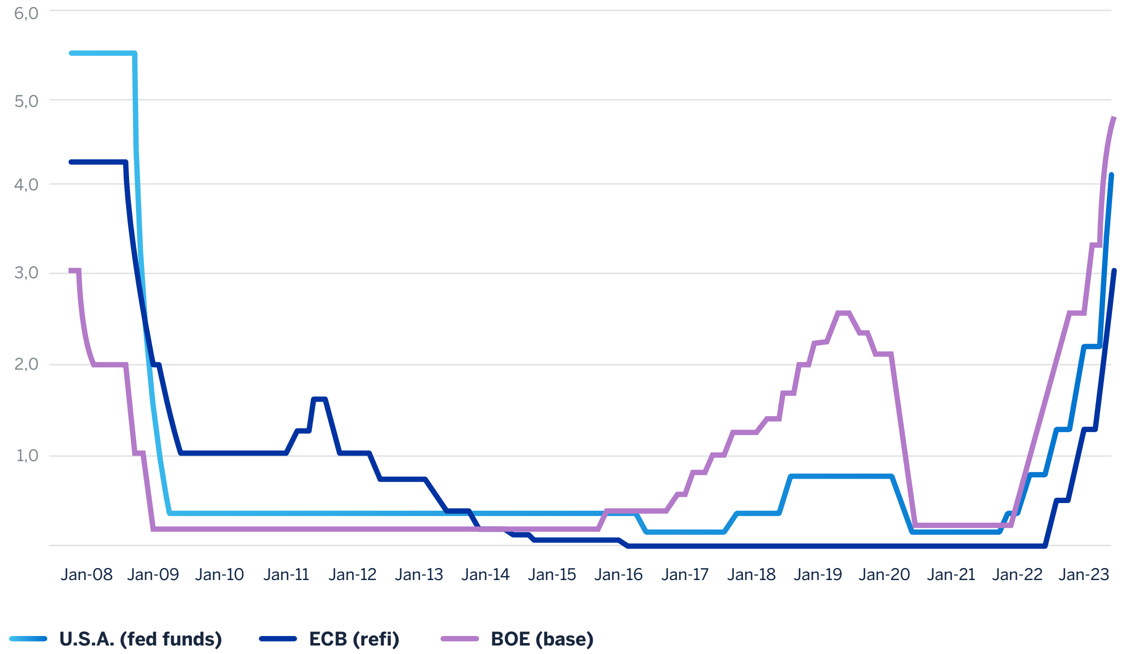
China's projected economic GDP growth is now 5.2% for 2023, up from an estimated 3.0% in 2022.

Sub-Saharan Africa's economic growth forecast was revised upwards to 3.8% in 2023 and 4.1% in 2024, after an estimate of 3.8% in 2022.

The IMF estimates, however, that high interest rates and inflation, as well as the Russia Ukraine war, will continue to weigh on global economic activity in 2023. The risks of recession in the most developed economies remain high. The high government debt ratio does not provide policymakers with the tools to fight high inflation such as did not exist decades ago and to promote economic growth. However, since an aggressive expansionary fiscal policy would promote economic growth, this would work against the moderation of inflation that Central Banks have attempted to control through more restrictive monetary policies.

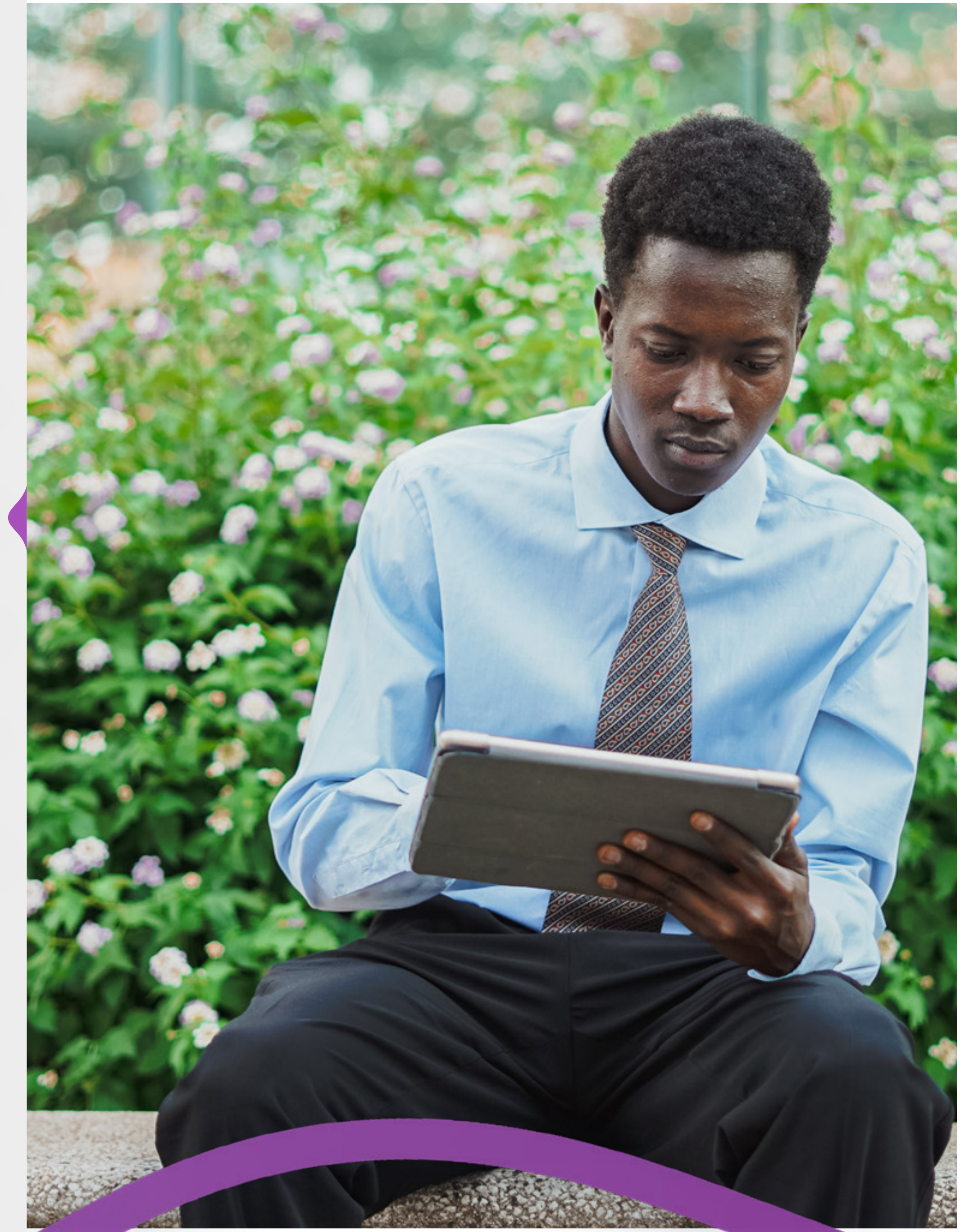
During 2022, the US Federal Reserve (Fed) raised the benchmark interest rate by 425 p.p. to a closing level of 4.5%, the highest increase in many decades.

Policy Interest Rates (%)



Source: Official statistical agencies; Standard Bank Research

Annual Report 2022 3. How to create value 3.1 Operating Context



The Fed currently has its interest rate, in March 2023, at the level of 4.75%, however it is quite likely that there will be at least three more 25 p.p. hikes, according to the IMF, thus reaching a maximum of 5.25% before the start of a slowdown cycle.

A decrease in the pace of rate hikes of 25 p.p., followed by 50 p.p. by the end of the first half of the year, has been noted. The Fed forecasts a decline in inflation until the end of 2023.

US inflation closed 2022 at 6.5% y/y, after peaking at 9.1% y/y, compared with 4.7% y/y in 2021, and 1.2% y/y in 2020.

The US economy remained resilient and grew at a stronger pace than expected in 2022. US GDP growth slowed to 2.9% y/y in the last quarter of 2022, maintaining an estimated annual average of 2.0% y/y.

The US unemployment rate decreased to 3.4% in January 2023, a level last seen in 1969, after closing 2022 at 3.5% and a 12-month average of 3.6%.

Eurozone GDP beat expectations in 2022 and is expected to grow by 3.5% y/y. German and Italian GDP contracted in Q4 2022, while Spain and France recorded economic expansion. However, the data suggests that the Eurozone is on track to avoid recession.

Unemployment in the Eurozone in 2022 stood at 6.6%, and inflation at 9.2% y/y. These indicators lead the European Central Bank (ECB) to continue to raise reference interest rates, even considering that, in January 2023, inflation stabilised more than expected at 8.5% y/y, resulting in lower energy costs.

During 2022, the ECB raised interest rates by 250 p.p. to a level of 2.5% at year-end 2022. However, another 50 p.p. hike was announced in February, which increases borrowing costs to 3%. This Eurozone benchmark rate is now at its highest level since the 2008/9 global financial crisis.

In relation to the UK, there is likely there will be a recession in 2023. In the most recent Bank of England (BOE) policy decision, where the benchmark interest rate rose 50 p.p. to 4%, it was noted that most UK policymakers believe that strong wage growth, and a continued shortage of skilled workers are contributing to price pressures in the economy. The BOE expects the UK to be in recession by 2025.

With expectations of a slowdown in global economic growth, there are naturally concerns around economic growth in sub-Saharan Africa as well. A slowdown in global demand could be negative for the Continent as most of its economies are commodity export oriented.

In South Africa, GDP has recovered more than expected, thus growth is expected to exceed 2% in 2022, with softer growth expected in 2023 given the slowdown in global economic growth. Real GDP is now firmly above pre-pandemic trends.

The South African Reserve Bank (SARB) raised benchmark interest rates by 325 p.p. to 7% in 2022.

The rand is expected to remain volatile this year as it faces a number of global and local challenges. However, it remains supported by high terms of trade in 2023. The rand is expected to end 2023 at R16.25/$ and averaging R16.61/$.

Angolan Economy

General Overview

The year 2022, in political terms, was marked by the presidential elections, which elected President João Lourenço for his second term (2022-2027), who stressed that his mandate would focus on greater transparency and efficiency of government institutions.

His economic programme will focus on economic diversification, job creation, strengthening education, modernising public administration, decentralising the state and expanding health and sanitation.

With regard to the economy, the year 2022 was marked by the contribution of the oil price to Angola's economic growth, as record values were reached on the international markets, which helped to further strengthen the Kwanza, reduce inflation and ensure a fiscal surplus, all crucial to help restore macroeconomic stability.

As a result, there is a GDP growth estimate of 2.9% y/y for 2022. Expectations of a slowdown in the global economy in 2023, as well as a stabilisation of oil prices and moderate investment, may contribute to Angolan GDP declining to 1.8% y/y in 2023.

Investment in the oil sector remains negligible, which may not help revive the stagnant oil production (which remained more or less stable at around 1.1 m bpd in 2022). Due to this scenario, most economic growth forecasts for the year 2023 have been revised downwards.

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Despite progress in structural reforms since 2018, aimed at making both oil and non-oil economies more attractive to investors, there has been little conversion from the oil sector, i.e. there remains a heavy reliance on this sector.

The government has made efforts, culminating in remarkable reforms, in its quest to diversify the economy away from oil. For example, the fight to eliminate corruption has been remarkable, resulting in Angola's removal from the "grey list" under the Financial Action Task Force (FATF).

Furthermore, progress in implementing VAT for goods at 14% helps diversify government revenue sources away from oil dependence, and privatisation efforts are also noticeable.

The government is also seeking to create a more favourable environment for oil companies, by creating the Angolan Oil Gas and Biofuels Agency, which is apart from Sonangol.

Indeed, this should help foster a more favourable and predictable regulatory framework for the oil sector, which may help stem the decline in investment in that sector.

In the 2023 government budget, to support the non-oil economy and create jobs, the government will focus on three programmes to increase production of cereals, livestock and fisheries, thereby easing both inflation and social pressures.

The BNA reduced the main policy rate by 150 p.p. to 18% in January 2023 due to easing inflationary pressures as well as aligning monetary conditions with the medium and long-term inflation target. Further cuts in the monetary policy rate are likely this year. The BNA expects inflation to continue the deceleration path in 2023, ending the year between 9%-11% y/y. Inflation has slowed to 13.9% y/y at the end of 2022 from 27% y/y at the end of 2021.

Balance of Payments

More stable oil prices during 2023 could moderate the current account surplus (C/A) to USD 6.2 billion, or 5.5% of GDP, from an estimated USD 11.5 billion, or 9.8% of GDP in 2022.

This would reflect an expected 15.7% y/y drop in exports to USD 41bn, mainly due to prices, as oil production may rise 0.6% y/y in 2023 to 1,144m bpd, with gas production rising 10.1% y/y to 114k BOE/d.

Imports may decline by around 9% y/y, no material exchange rate correction is expected this year, even during pockets of inadequate FX liquidity.

Angola remains highly dependent on its oil sector, which accounts for more than 95% of exports, nearly 50% of fiscal revenues, and nearly 30% of GDP. This is combined with high external debt service.

Net foreign direct investment (FDI) is likely to remain negative because outflows from the oil sector related to past investment still exceed domestic investment.

Despite exports increasing in 2022 by 43% y/y to USD 48.3 billion as oil prices increased to USD 101/bbl from USD 71/bbl, foreign exchange reserves declined by 6.6% y/y to USD 14.5 billion at end-2022.

Foreign Exchange Outlook

The Kwanza looks set to depreciate this year due to softer export earnings. However, as with many other currencies on the continent, such devaluation of the Kwanza will not fully reflect likely foreign exchange liquidity pressures.

In 2022, a year of global US Dollar strength, the Kwanza appreciated by about 10.2% against the US Dollar, closing the year at an official exchange rate of 503.7, after gaining 18.4% in 2021, reflecting both favourable oil prices and external financing.

Net foreign direct investment (FDI) is likely to remain negative because outflows from the oil sector related to past investments still exceed inward investment.

Despite exports increasing in 2022 by 43% y/y to USD 48.3 billion as oil prices increased to USD 101/bbl from USD 71/bbl, foreign exchange reserves declined by 6.6% y/y to USD 14.5 billion at end-2022.

Annual Report 2022 3. How to create value 3.1 Operating Context

Monetary Policy

It is the market's expectation that during 2023, the reference interest rates will be cut again, as occurred in January with a 150 p.p. cut to 18%. The BNA forecasts inflation at year-end 2023 of between 9% y/y and 11% y/y.

The BNA has allowed real interest rates to turn positive since August when inflation fell below the BNA rate level of 20%. After the general elections, the BNA reduced the monetary policy rate by 50 p.p. to 19.5%.

Inflation was still declining, but remained relatively high, and the Kwanza was about to start a correction. The correction of the Kwanza became more pronounced in October, when the currency lost more than 4% to the US Dollar in a single day as the Treasury's foreign exchange sale ended.

Inflation eased (to 13.9% y/y December), the lowest since some time, as fuel subsidies helped keep prices stable, and mostly imported food inflation slowed, and favourable base effects played out.

The volatility of oil prices, and the heavy reliance on imported food and fuel will require prudence in monetary policy to subdue inflation. After all, a weaker kwanza could fuel imported inflation.

The Government is forecasting an average inflation rate of 11%, for the 2023 budget.

The Government plans to reduce the VAT rate to 5%, from 14%, on commodities, and implement a VAT exemption on imported goods due for humanitarian assistance grants.

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Fiscal Policy

The government budget, for the year 2023, targets a surplus of 0.9% of GDP, from estimated surpluses of 2.7% of GDP in 2022 and 4% of GDP in 2021.

Some fiscal space has been created by prudent spending as well as strong revenue performance from the oil sector due to buoyant oil prices. This may further reduce the public debt stock this year.

The Government's budget assumes an average oil price of USD75/bbl for 2023, after a conservative USD59/bbl in the original 2022 budget.

Revenues grow by 15.7% y/y, or 22.1% of GDP, with expenditure growth (excluding loan repayments and other financial transactions) of 10.9% y/y, 21.1% of GDP, allowing for a likely 2023 surplus.

There is a material increase in principal repayments on external debt in 2023, because some of the debt to China (which has benefited from a 3-year principal moratorium since 2020 when the pandemic saw a collapse in oil prices) will have to be repaid.

An overall interest bill of AOA 2,440 8 billion is forecast for 2023, a 19.2% decline from last year's budget of AOA 3,020 billion, which reduces the interest-to-revenue ratio to 18.1% from 26%.

Medium-term economic growth scenarios

	Q1:23	Q2:23	Q3:23	Q4:23	Q1:24	Q2:24	Q3:24	Q4:24	Q1:25	Q2:25	Q3:25	Q4:25	Q1:26	Q2:26	Q3:26	Q4:26
Base Case Scenario																
GDP (% y/y) pa	1,8	2,1	1,5	1,8	2,5	1,5	2,1	2,1	1,8	1,7	1,5	1,7	1,4	1,2	1,1	1,2
CPI (% y/y) pe	10,9	11,4	12,8	14,4	15,4	15	15	14,1	13,6	14,3	13,6	14,5	15	14,7	15,4	14,7
Policy rate (%) pe	16	15,5	15,5	15,5	15,5	15,5	15,5	15,5	15,5	15,5	15,5	15,5	15,5	15,5	15,5	15,5
3-m rate (%) pe	5,8	5,7	5,7	6,8	5,7	5,7	5,7	6,1	5,7	5,7	5,7	5,7	5,7	5,7	5,7	5,7
6-m rate (%) pe	7,3	7,2	7,5	7,7	7,9	7,8	7,8	7,7	7,6	7,7	7,6	7,7	7,8	7,8	7,9	7,8
USD/AOA pe	519,4	535,2	551,4	568,1	583,6	599,5	615,8	632,6	647,9	663,5	679,6	696	710,8	725,8	741,1	756,8

Source: Banco Nacional de Angola; Bloomberg; Instituto Nacional de Estatística; Ministério das Finanças; Standard Bank Research

Notes: pa - period average; pe - period end

Annual Indicators

	2018	2019	2020	2021	2022e	2023f	2024f
Output							
Population (million)	29,3	30,2	31,4	32,1	33,1	34,1	35,2
Nominal GDP (Kz bn)	25 627.7	30 330.4	31 700.8	44 537.6	54 223.7	61 012.4	69 971.9
Nominal GDP (USD bn)	101,4	83,2	54,8	71,4	117,8	113,4	116,1
GDP / capita (USD)	3 466.3	2 756.7	1 743.1	2 223.2	3 560.7	3 323.6	3 302.5
Real GDP growth (%)	-1,3	-0,7	-5,7	1,1	2,9	1,8	2,1
Oil output ('000 bpd)	1 477.7	1 383.1	1 271.5	1 124.5	1 136.9	1 144.0	1 139.5
LNG output ('000 BOE/d)	115,3	140,7	146	120,5	104	114,5	128
Central Government Operations							
Budget balance / GDP (%)	2,1	0,6	-2	4	2,7	0,9	1,5
Domestic debt / GDP (%)	30,7	34,6	36,1	24,1	18,7	17	15,8
External debt / GDP (%)	46,3	59,5	91,4	71,8	39,8	40,9	38,1
Balance of Payments							
Exports (USD bn)	41,4	35,2	21	33,7	48,3	40,7	44,8
Imports (USD bn)	-25,9	-22,3	-15,1	-18,8	-27,2	-24,7	-22,4
Trade balance (USD bn)	15,5	12,9	5,9	14,8	21,1	15,9	22,4
Current account (USD bn)	7,4	5,1	0,9	8,4	11,5	6,2	12,5
- % of GDP	7,3	6,2	1,6	11,8	9,8	5,5	10,8
Financial account (USD bn)	-7,8	-3,2	-3,4	-7	-6,9	2,7	5,8
- FDI (USD bn)	-6,5	-1,7	-2	-3,3	-4,4	-4,1	-4,2
Basic balance / GDP (%)	-0,4	2,3	-4,5	1,9	3,9	7,8	15,8
FX reserves (USD bn) pe	16,2	17,2	14,9	15,5	14,5	13,4	13,7
- Import cover (months) pe	7,5	9,3	11,8	9,9	6,4	6,5	7,3
Sovereign Credit Rating							
S&P	B-	B-	CCC+	CCC+	B-	B-	B-
Moody's	B3	B3	Caa1	B3	B3	B3	B3
Fitch	B	B	CCC	CCC	B-	B-	B-
Monetary & Financial Indicators							
Headline inflation (%) pa	19,6	17,1	22,3	25,8	21,4	12,3	14,9
Headline inflation (%) pe	18,6	16,9	25,1	27	13,9	14,4	14,1
M2 LCY money supply (% y/y) pa	0,3	2,7	11,9	13,4	17,2	14,1	9
M2 LCY money supply (% y/y) pe	-6,2	14,1	20,7	1	15,3	16,2	8,7
Policy interest rate (%) pa	17,25	15,58	15,5	17,75	19,83	16	15,5
Policy interest rate (%) pe	16,5	15,5	15,5	20	19,5	15,5	15,5
3-m rate (%) pe	13,6	9,5	19	19,4	7,3	6,8	6,1
1-y rate (%) pe	19	14,7	20,8	17	11	10	9,3
USD/Kz pa	252,8	364,6	578,4	624,1	460,3	538,1	602,4
USD/Kz pe	308,6	482,2	656,2	555	503,7	568,1	632,6

Source: Banco Nacional de Angola; Bloomberg; Instituto Nacional de Estatística; Standard Bank Research

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

3.2 SBA Figures

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ACTIVITY INDICATORS (MILLION KWANZAS)	DECEMBER 2022	DECEMBER 2021	VARIATION
Net Interest Margin	79,954	76,389	5%
Net Income	65,657	75,736	-13%
Cost-to-income Ratio	38%	32%	6 p.p.
Credit to Clients	1,080,819	968,274	12%
Credit Granted	303,941	238,959	27%
Credit Quality –			
Impairment coverage for credit over credit granted	2%	2%	0 p.p.
Non-performing credit (+90 days) over credit granted	0.4%	0.3%	0 p.p.
Deposits	743,388	678,258	10%
Transformation Ratio	40%	35%	5 p.p.
Equity	198,876	169,486	-1%
Return on Equity	36%	53%	-17 p.p.
Solvency Ratio	35%	45%	-10 p.p.
Active Clients	77,130	51,654	25,476
Employees	679	652	27
Points of Representation	59	35	27
ATM's	99	91	8

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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 Culture recognises that "how we do it" is as important as "what we do".

Delivery Model

The constant search for the optimisation of the Bank's operational performance allows SBA to offer its 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 service 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

77,130
ACTIVE CLIENTS

INCREASING THE CLIENTS BASE

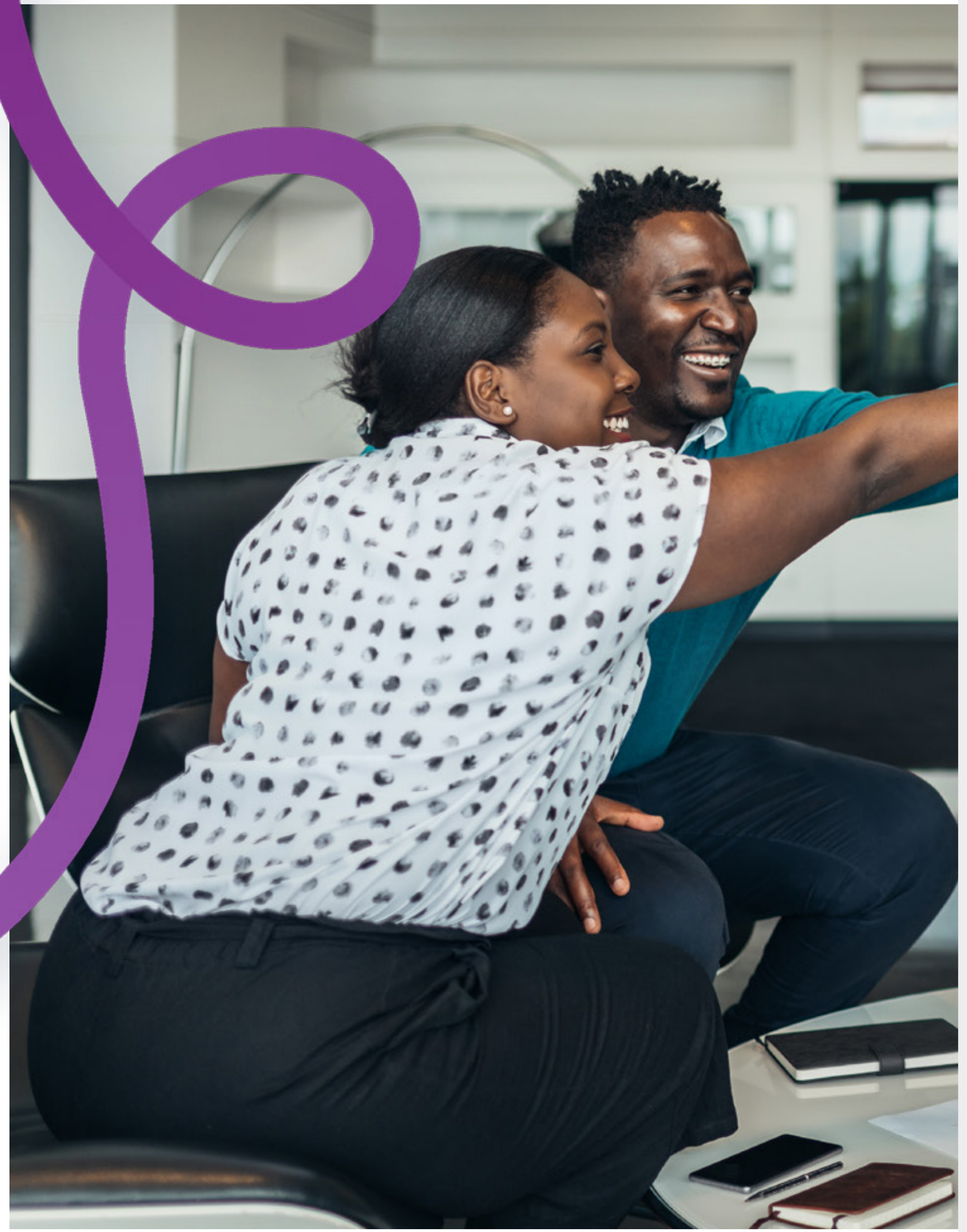
Growth of the Clients base through digital solutions, fostering financial inclusion

+

113,063
HOURS OF CLASSROOM TRAINING

EMPLOYEE TRAINING

The focus on training and capacity building, through the development of skills for the Future, demonstrates that Employees are the most important asset of SBA.



35%
SOLVENCY RATIO

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.

+

303,941
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.

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.

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.

The Strategy

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' needs
- Maintain high levels of integrity

SBA's Vision

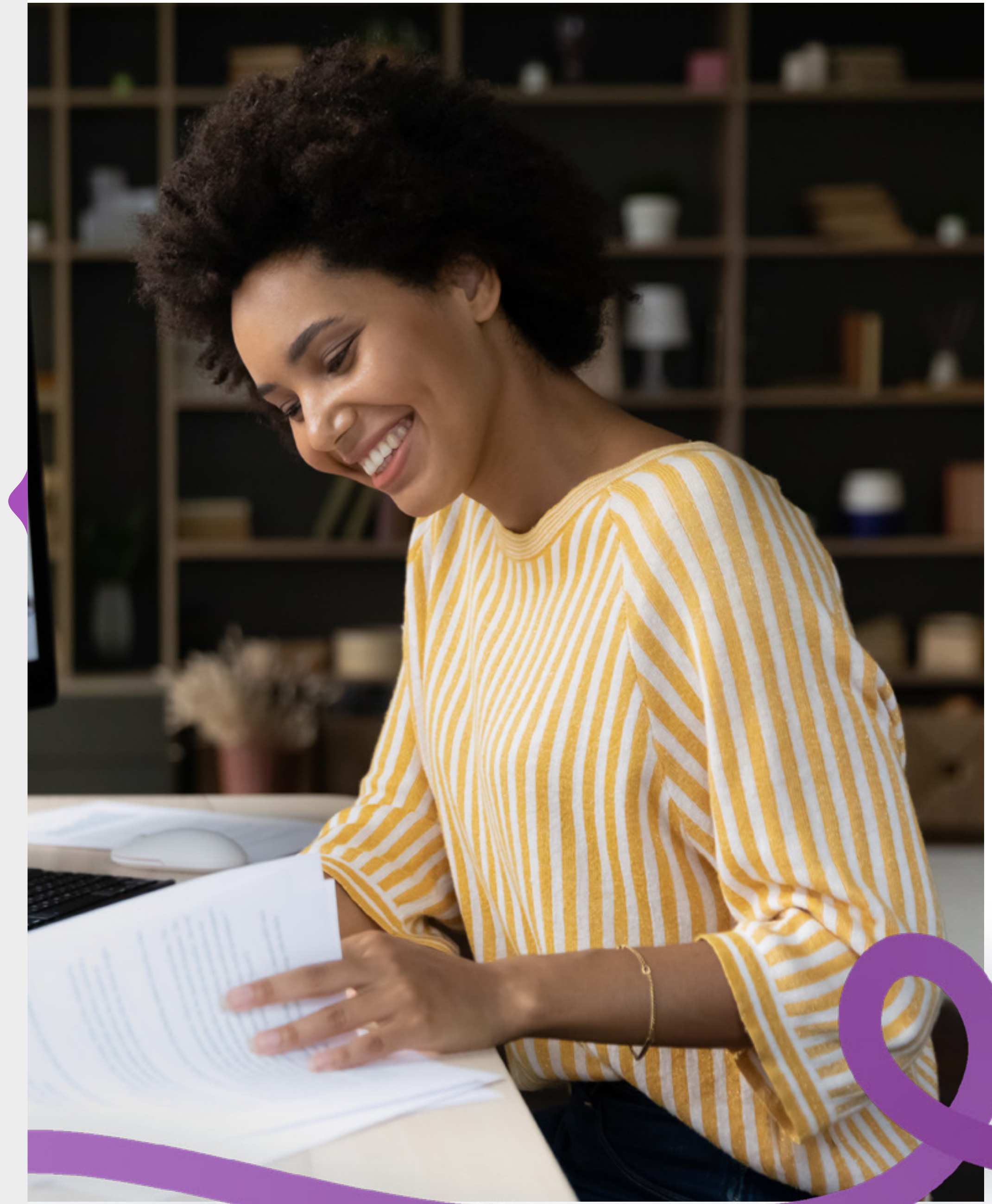
Bank's expected achievements

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 SBA's 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.

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.

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Annual Report 2022 3. How to create value 3.4 SBA's Strategy

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 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.

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Execution Structure

HORIZON 1 | SHORT TERM | MANAGING THE PRESENT 2023

- 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**.

HORIZONTE 2 | MEDIUM-TERM | BEING READY FOR THE FUTURE 2024 - 2025

- Ensuring that the **Client is at the centre** of everything the Bank does;
- Using digital technology and human labour to **offer innovative services and products;**
- Remodeling infrastructure to **remain relevant and competitive** in the digital era.

HORIZONTE 3 | LONG-TERM | CREATING THE FUTURE > 2026

- **Being a truly digital Bank** with a positive impact on communities communities;
- Truly human: to provide solutions and opportunities necessary for Clients and Employees to achieve **growth, prosperity and fulfilment**;
- Truly digital: to be a **digital and data-driven organisation** to better serve Cli-ents.

As Métricas do SBA

Client focus + **People and culture** + **Risk and conduct** + **Operational excellence** > **Financial outcome** **Social and economic environment**

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.

Appreciation of Employees

There are no businesses without people. Employee demand and support are critical to SBA's success. It is always important to commend them for their efforts and to recognize their dedication. It is because of them that it can be.

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04 The Operationalisation of a Strategy

2022 was a year with many internal and external challenges, but SBA maintained its excellence. We believe that by putting the Client at the centre of everything we do, we can overcome obstacles and achieve exceptional results.

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4.1 Client Focus

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

Annual Report 2022 4. The Operationalisation of a Strategy 4.1 Client Focus

We make our Clients' dreams possible

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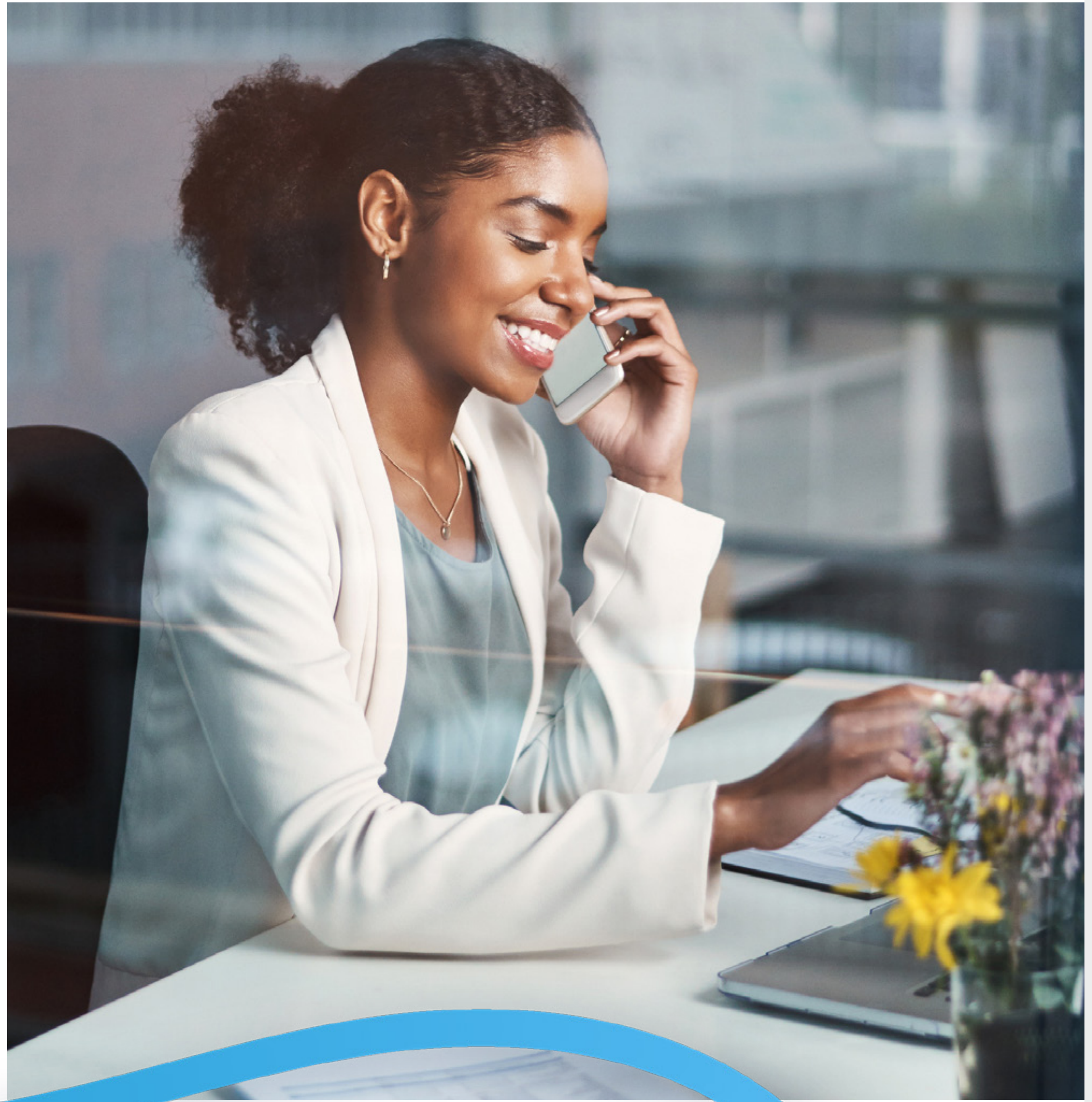
Corporate and Investment Banking (CIB)

CIB's approach is centred on the Clients, a key strategic pillar of the business, ensuring that Corporate and Investment Banking is constantly evolving to deliver solutions that meet the changing needs of its Clients.

It aims to continue driving adoption and commitment to digital solutions, offering holistic solutions in the market in which SBA operates, delivering consistently exceptional Client experiences and creating a network of partners and devices to meet Clients needs.

SBA provides large companies, multinational and national institutions with specialised consultancy, transactional, commercial and financial support solutions.



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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 swaps and derivatives
- 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**

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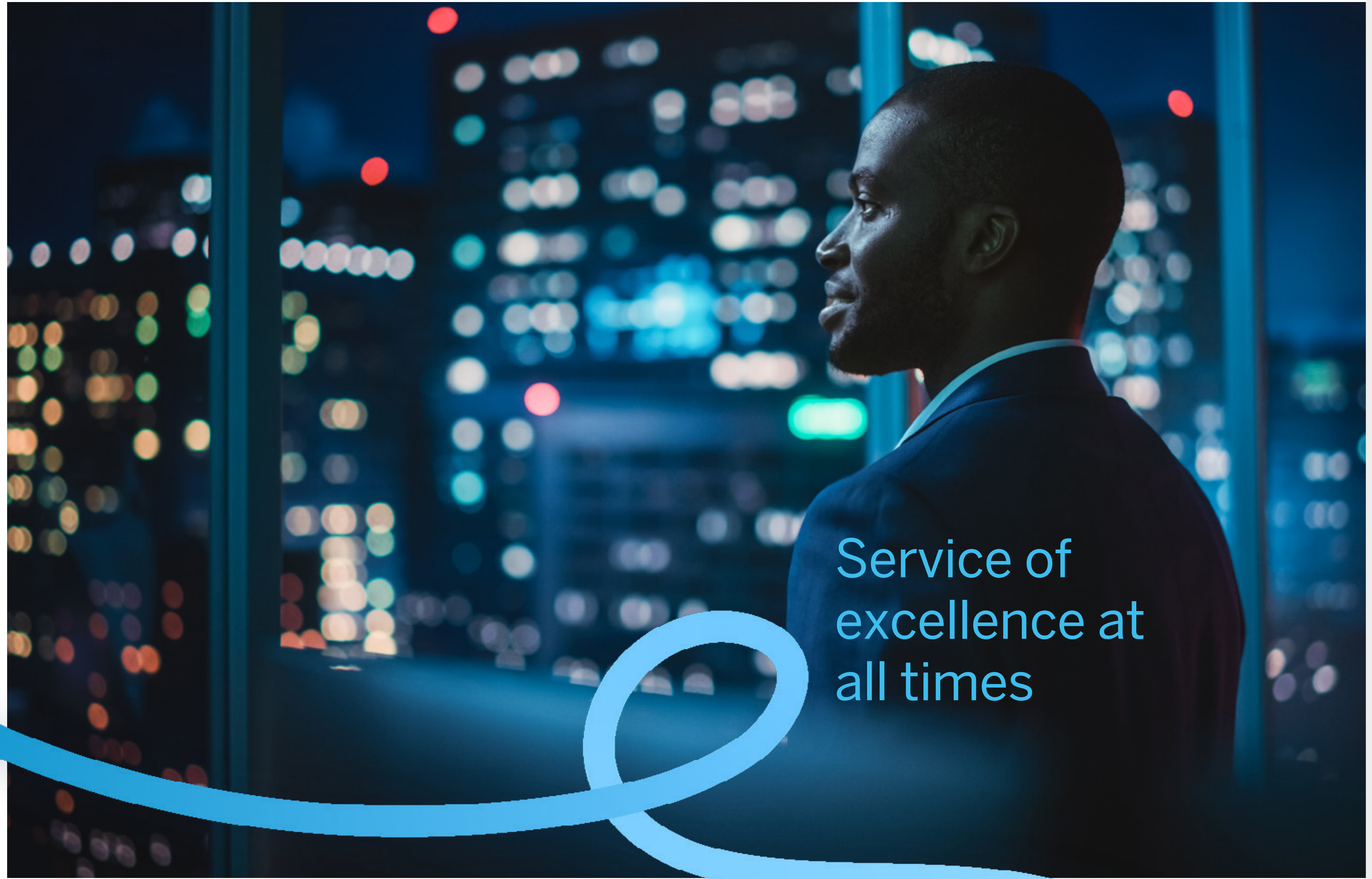
Corporate and Investment Banking Organisational Structure

Diversity drives innovation and allows to better respond to Clients' needs. Thus, CIB is committed to building an inclusive and engaging culture where everyone is valued for their differences and empowered to bring different perspectives and ideas to the workplace.

- CORPORATE AND INVESTMENT BANKING DIRECTOR
  - INVESTMENT BANKING
    - DEBT SOLUTIONS
    - CORPORATE FINANCE
  - GLOBAL MARKETS DIRECTOR
    - GM SALES
      - SALES MANAGERS
    - FOREIGN EXCHANGE
      - TRADE MANAGERS
    - BUSINESS MANAGER
  - TRANSACTIONAL PRODUCTS AND SERVICES DIRECTOR
    - TRANSACTIONAL SOLUTIONS
      - TRANSACTIONAL MANAGERS
    - CLIENT AND CHANNEL SOLUTIONS IMPLEMENTATION
      - CHANNEL MANAGERS
    - PRODUCT MANAGEMENT
      - PRODUCT MANAGERS
    - BUSINESS MANAGER
  - CORPORATE BANKING DIRECTOR
    - CLIENT MANAGERS
      - CLIENT ANALYSTS
  - BUSINESS MANAGER
  - STRATEGIC INTERACTION MANAGER
  - EXECUTIVE SECRETARY (CONSULTANT)



Corporate and Investment Banking Performance

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 continued liberalisation of the foreign exchange market, the Bank has increased its market share. The trading approach, based on volume and relationship management has helped SBA to position itself as the Bank of choice for operating companies, securing a share of more than 80% of dollars from the oil sector and subsequent interbank sales, equivalent to USD 327 million.

The quality of SBA's performance was recognised by Global Finance as "Best Foreign Exchange Provider in Angola in 2022" and "Best Treasury and Cash Management Provider in Angola in 2022".

The good results obtained during 2022 reflect the strength of the Standard Bank brand, with more than 160 years of experience, and based on two fundamental strategic axes: "what we do" and "how we do it", in a context in which the global economy is strongly characterised by the worsening conflict in Eastern Europe, geopolitical tensions, growing challenges in the distribution logistics chain and interruptions in international trade.

The exchange rate of the Kwanza against the US Dollar appreciated approximately 9.2%, from the end of December 2021 to December 2022. At the end of December 2022, Standard Bank of Angola bought a total of USD 3.5 billion, as a result of improved terms of trade and higher oil prices.

The results from foreign exchange operations in the year 2022 amounted to USD 64.47 million, an increase of 126% compared to the same period of the previous year.

Capital Markets

The year 2022 was marked by the implementation of the Repo market, with Standard Bank of Angola having carried out the first Buy & Sell Back transaction on the Angolan market, in May 2022, thus maintaining an active role in the development of the Angolan capital market, in partnership with BODIVA. Standard Bank of Angola was part of the pioneering initiative, launched this year by the Ministry of Finance, to identify Preferred Dealers for Treasury Bonds (OPTT) - in which SBA had the privilege of being selected among three banks. In March 2022, Standard Bank of Angola brokered the execution of the first bond transaction for a Non-Resident Investor Client - with a volume of 20 million American dollars. On the other hand, the Bank highlights the implementation of the stock market with the first Initial Public Offering (IPO).

The Bank assumed the fifth position of the most active members on the Stock Exchange based on trading volume, in the third quarter of 2022. Compared to the same period of the previous year, the amount of transactions carried out on the Stock Exchange by Standard Bank of Angola recorded an increase of over 200%, reaching a total of 102.56 billion kwanzas. The increase in the transaction value was seen in the market in general, with BODIVA registering an increase in the amount traded on the secondary market of 121.78%. Standard Bank of Angola has contributed significantly to the development of the Angolan market through frequent sales of foreign currency to other commercial banks and an active participation in BODIVA through daily activity on the secondary market.

Annual Report 2022 4. The Operationalisation of a Strategy 4.1 Client Focus

SBA remains very active with the main capital market players, on issues related to regulation, implementation of new products and operational issues, always with a view to raising the market to the levels of international standards.

Client focus continues to be one of the pillars of Standard Bank of Angola's strategy, and in this sense, the Bank makes every effort to be increasingly closer to its Clients, offering investment opportunities and innovative solutions.

The year 2022 was more challenging for the capital market in Angola, with the banking sector having few short term investment alternatives, in a scenario where restrictive monetary policies are expected to continue. There is an increase in demand, a significant reduction in the remuneration rates of short and medium term debt instruments.

CIB remains optimistic in relation to the market's potential, continues to ensure the promotion of investments by non-residents, contributes to the further development of Angolan financial markets with a view to including more sophisticated financial instruments, thus maintaining the presence and relevance of Standard Bank of Angola in the capital market.

Distribution Channels

The strategic focus on the Bank's distribution channels continues to deliver positive results. SBA believes that with the strategy in place, and as the economy recovers, it is well placed to exploit further opportunities and enhance its distribution channel engagements.

CASH-IN-TRANSIT SERVICES

An increase in the amount collected in the order of 31% relative to the year 2021 is registered, referring only to the Province of Luanda, as a result of greater proximity to the Clients and recovery in the Client's sales volume.

INTERNET BANKING

The number of transactions carried out through Internet Banking (Business Online - BOL) registered an increase of 95% compared to 2021, and in monetary terms, there was a 61% increase compared to 2021.

Achievements of 2022

- Increase in products offered to Clients (cross selling products with GM and IB).
- Increase in APTs penetration (33%) and value collection (31%).
- Increase in support and short term credit facility for large local businesses.
- Successful implementation of Direct Debit Services and certification with EMIS.
- Success in improving the Client experience in electronic channels, for greater efficiency and Client satisfaction, such as sending payments abroad through the Internet Banking platform, tax payments through the Internet Banking platform and Swift, and offering solutions integrated with Clients' ERP systems.
- Investments in the stability and security of systems and electronic means, and greater convenience in access.
- Privatisation Programme in Angola: Standard Bank acted as financial advisor in the privatisation of Banco de Comércio e Indústria, S.A., which was successfully completed, being the first stock market auction held in Angola
- High market share for US Dollar buying from exporting companies (IOC and mining).
- Active participation in the interbank foreign exchange market.
- Fast execution of Clients' foreign exchange orders.
- Standard Bank of Angola was part of the pioneering initiative launched this year by the Ministry of Finance to identify Preferred Treasury Bond Traders - as SBA holds an elite privilege that has only been granted to three Banks.
- SBA has a robust investment portfolio in terms of quantity, return and average duration.
- In March 2022, Standard Bank of Angola intermediated in the execution of the first bond transaction on behalf of a non-resident investor - with a volume of USD 20 million.
- Standard Bank's Trading team was an active participant in the development of the Angolan repo market in partnership with BODIVA - executing the first repo transaction in the Angolan market, which occurred in May.
- The Investment Banking team was mandated as Lead Arranger, Underwriter and Bookrunner of a Pre-Export Finance ("PXF") financing of US$1.3 billion to be used for general corporate purposes and to fund the development needs of the company. The transaction was funded by a syndicate of several regional and international Banks.
- The Investment Banking team acted as Joint Mandated Lead Arranger for a US$2.5 billion financing having a commitment of US$250 million to be used for general corporate purposes and to fund the future needs of the company. The transaction was funded by a syndicate of several regional and international banks.

Main challenges of 2022

01 Restrictive monetary policy, adopted by the BNA (Custody fee)

02 Inconsistency in the definition of the market exchange rate

03 Legislative inhibition in the promotion and diversification of new products

04 Long response time and bureaucracy in the request for approval of new transactions made to the Regulator

05 FX Forwards still limited for import of goods and equipment.

06 Foreign exchange position limit relatively low and impacting the flexibility of marketing and trading of banking products.

07 Rising interest rates negatively impacting loans and consequently increasing the balance sheet.

08 Elections in August 2022 generate a level of uncertainty in the market.

09 Depreciation of the national currency seen in the post-election period from September to October, as a result of the scarcity of foreign exchange on the foreign exchange market, with a negative impact on the Bank's revenue in the said period.

SBA's Ambition for 2023

Maintaining its position of #1 Bank for multinational companies

Increasing the percentage of revenues of the large local companies

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

Strategy for 2023

Technology has changed the way people live and work, and financial services are no different. The expectations Clients have of SBA are changing radically and rapidly, and the strategy needs to respond to those expectations. SBA is strengthening its digital capabilities and integrating the business to transform Client experiences and drive operational efficiency for a radically different world. Therefore, 2023 will see continued investment in the pillars of SBA's strategy:

Client Focus

2022 was still marked by some uncertainty regarding the evolution of the pandemic. In this sense, Standard Bank maintained its commitment to support its Clients through the various channels available, ensuring that all requests were attended to quickly and effectively. SBA remains focused on simplifying and adding value to the business of its Clients.

In 2022 it was possible to resume in a face-to-face format the "Economic Forums" organised by Corporate and Investment Banking and presented by the Economist of Standard Bank Group.

The objective of being a business platform for Clients who want to expand in Africa is clearly evident in the DNA of the Bank, which continues to have the mission of attracting foreign investment to Angola and to the countries where Standard Bank Group has a presence.

Annual Report 2022 4. The Operationalisation of a Strategy 4.1 Client Focus

Operational Excellence

Clients and the market are increasingly looking for innovative and value-added solutions. Standard Bank is always improving its Clients' experience and, in this sense, it has implemented a differentiated Client model, improved online channels and teams are adapting their skills for a better partnership with Clients. It has also constantly sought to shape its processes and champion some of the leading initiatives in the market across all Client segments.

People and Culture

Humanised management focused on people's well-being, in order to become the best and happiest company to work for.

People are the most important asset and are essential for the transformation of the Bank. Therefore, continuous investment in development is essential, and future skills are a major priority in attracting and retaining talent.

SBA will continue to reward the result of performance for the execution of the business strategy, with the objective of ensuring that resources are fit for purpose, empowering them and driving their growth.

Digitalisation

Digitalisation is driving the convergence of industries around the world, resulting in traditional groups and financial services facing a host of new competitors. Great opportunities exist for financial services organisations that are able to adapt its strategies in these changing times.

SBA has the ambition to be an efficient and modern institution that simplifies, stabilises and eliminates IT architecture risk through system resilience and prioritises technology and digital initiatives, thus ensuring focus on investments.

Great focus on some products and services, next year, such as: direct debit, improvements to the Internet Banking platform, Mobile Money, app for Collection Management and others.

Business and Commercial Clients

General Vision

The Business and Commercial Clients Department (BCC) of Standard Bank of Angola, adopts a very specific organizational model, in order to meet all the Clients' needs and create solutions in line 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.

Annual Report 2022 4. The Operationalisation of a Strategy 4.1 Client Focus

We build a sustainable and long-lasting relationship

01 02 03 04 05 06

Organisational Structure

01 02 03 04 05 06

BCC is divided into 7 areas in order to segment Clients, guaranteeing greater attention and monitoring of their needs. **Thus the Bank has:**

01
Small and Medium Enterprises Banking:

This segment includes Clients with turnover equal to or less than 3,5 million US dollars. 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

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02
Commercial Banking

Clients in this segment have a turnover of 3.5 million US dollars or more and less than 100 million US dollars. 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 with China, 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, CHNW, and BCC to ensure the Bank is working with the entire Client value chain.

05
Public Sector

This area implements a tailored value proposition for public sector Clients and develops partners for the delivery of various integrated products and services for the Client.

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.

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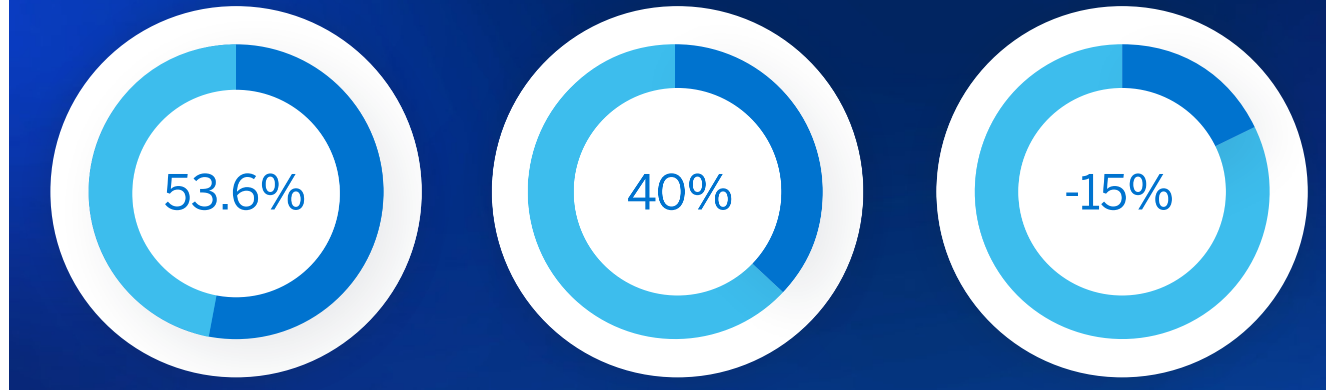
Performance 2022

The BCC of Standard Bank of Angola proved to be resilient, registering a 53.6% year-on-year growth in net operating income, due to a 5% increase in the complementary margin, as a significant result of the increase in the volume of foreign exchange margins, the increase in insurance revenues and documentary remittance commissions.

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.

BCC Management has seen an increase in the active Client base over the past year, from 1,939 Clients in December 2021 to 2,714 in December 2022.

The growth in active Clients is the concrete evidence of the trust the Clients have in the Standard Bank of Angola's brand, as well as the excellence of the services provided by its Employees.



Operating income growth
25,688 million kwanzas

Active Clients increase
2,714 active Clients

Client resources growth
95,978 million kwanzas

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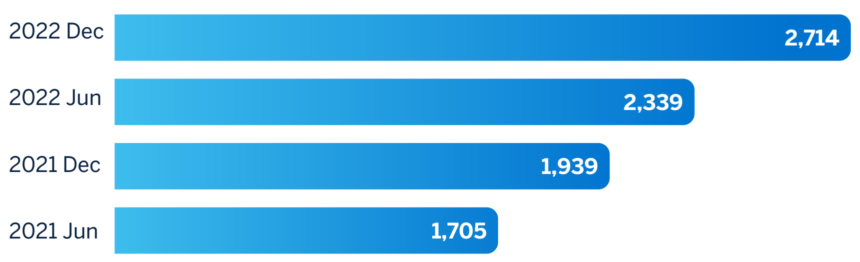
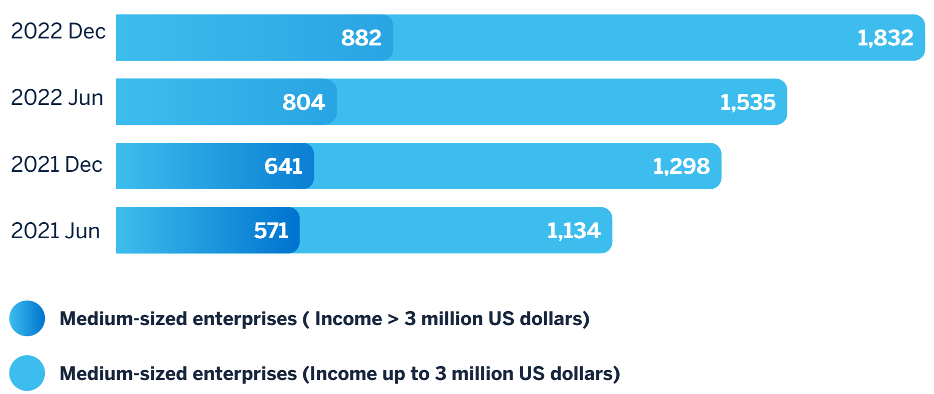
Number of BCC Clients



Typer of Clients



Credit

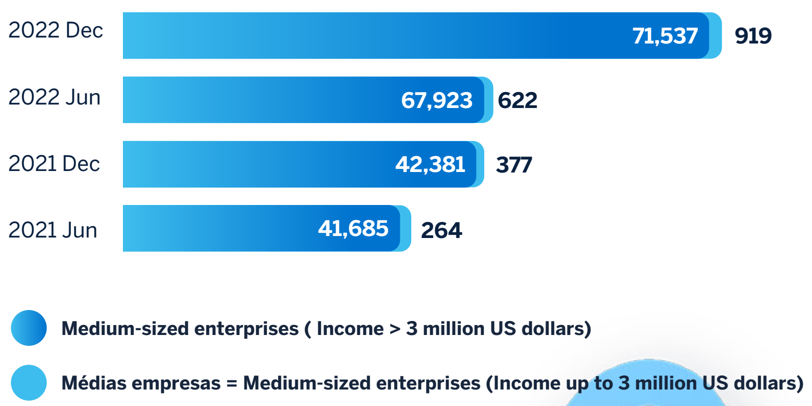
BCC seeks to support the promotion of the national economy, aiming to grant credit to SMEs. This support has been applied across all sectors and all companies, with special emphasis on SMEs in the agriculture, livestock, fisheries and production of essencial goods sectors.

This segment substantially increased the net credit, by 69.5% in relation to the same period of the previous year, this is evident in the continued focus on fostering the national economy, and is in line with the normative of BNA's Notice 10/20.

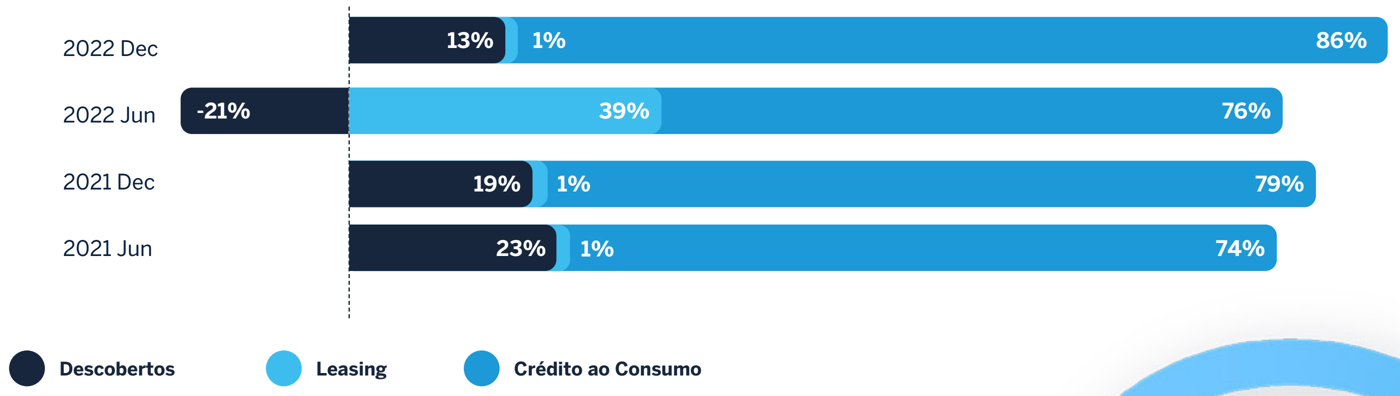
The transformation ratio increased by 22 p.p., essentially due to the reduction in the deposit base and increase in approved and disbursed credits, bringing this ratio to 74.9%.

The levels of overdue credit (+90 days) were stable, with a rate of around 0.7%, well below the market which is still at average levels of 22%. This, once again, demonstrates the rigour and selectivity in what concerns the granting of credit.

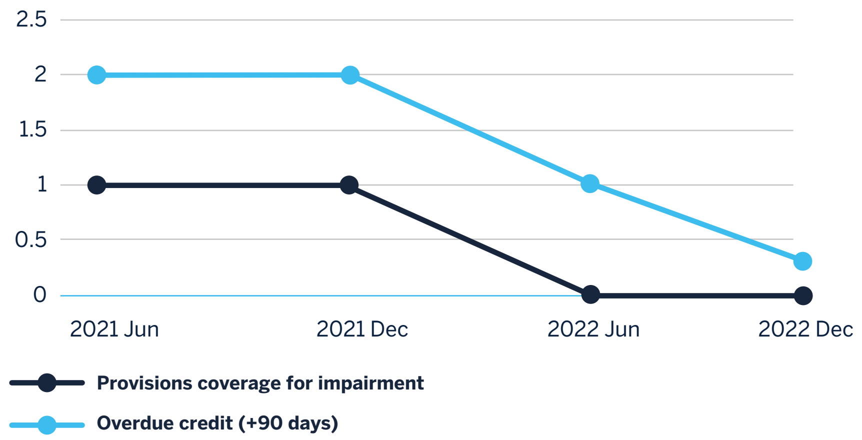
Credit by Client Segment (million kwanzas)



Evolution of Credit Products (in %)



Quality of the Credit Portfolio (in %)

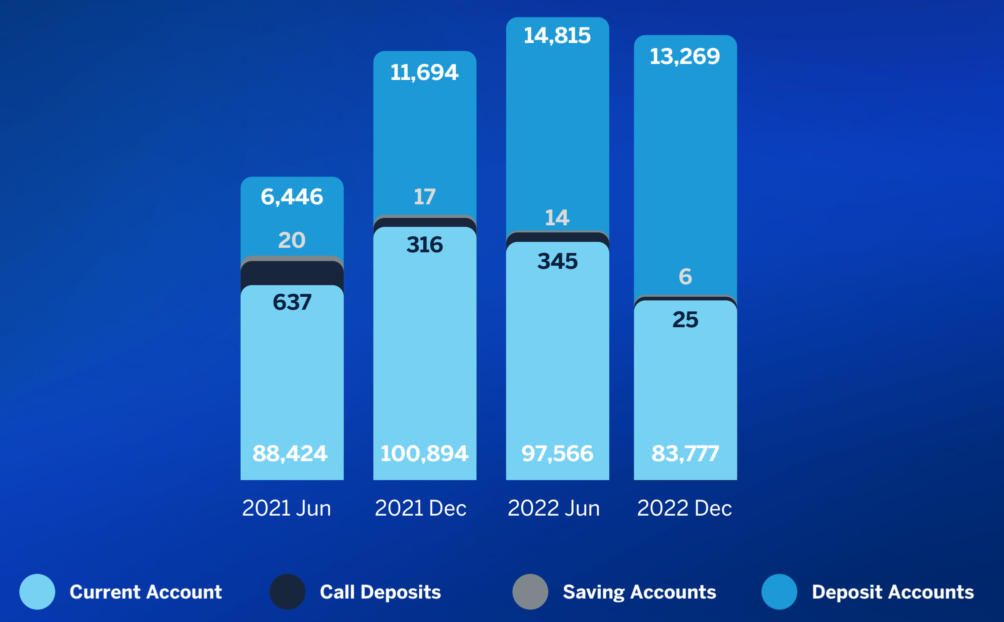


Deposits

Clients' deposits totaled 743,387,714 million kwanzas, an increase of 10% over the same period.

In relation to BCC there was a 15% decrease in the collection of deposits to a value of 95,977 million kwanzas, reflected mainly in deposit accounts.

Deposits by products (million kwanzas)



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 tzhe 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 to meet Clients' needs.

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.

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Consumer and High Net Worth Clients

The purpose of Standard Bank of Angola's Consumer and High Net Worth Clients Department is to help Clients to prosper, promoting greater proximity with the objective of achieving greater financial inclusion.

The Department's vision is materialized in two strategic initiatives, which are: 1) to defend the position of leader in the Client Experience in all priority segments and 2) to increase our active Clients base.

Aware of the relevance of this process for society and fully committed to creating a disruptive concept, during 2022, an increase of 44,872 Customers were recorded in comparison to December 2021. With a simple premise, the strategy allied to this initiative was focused on two main pillars:

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.

An adequate products and services offer, designed to serve the interests and needs of a segment that, in its majority, will have 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.

Ponto Azul: banking agent service where you can make withdrawals, deposits, consult balance and much more, in a Standard Bank partner store.

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General Vision

The results of commercial activity in the Consumer and High Net Worth segment were in line with the objectives for the year, with a reduction in the percentage of inactive Clients to 34% and an increase in the total portfolio to 145,258 Clients.

In order to achieve this growth, the Department undertook a number of initiatives during the year, including the opening of more than 20,000 simplified accounts with the attribution, at the time, of debit cards, and more than 400 automatic payment terminals associated with simplified accounts for commercial purposes. Reference should also be made to the strategic partnership of the Informal Economy Reconversion Programme (PREI) with the Ministry of the Economy, in which the Bank was present in more than 6 markets in the country (for example: Luanda, Cabinda, Namibe, Lubango, among others).

From the point of view of expanding the banking network – Ponto Azul - 36 new banking agents were established in Arreiou shops with the purpose of serving retail Clients.

In order to establish and defend its most valuable Client base for the Bank and with the objective of continuing to provide excellent service to its Clients, this segment, during 2022, redimensioned the value proposal for its Clients in this segment, highlighting the creation of a back office structure with the objective of supporting Private managers. As a result of this action, efficiency was increased and the response time to Client was reduced.

Digital acceleration is an important aspect for Client retention and loyalty, as well as for cost optimisation - in this sense, in June, the Management launched a Client Management platform that offers a single and shared view of each Client.

Also during this year, the functionality of international salary transfers was added to the mobile and internet banking platform.

The stabilisation of this platform has a relevant weight in ensuring Client adoption and allowed the number of digital Clients on the SB24 platform to increase to 51%.

As a result of the COVID-19 pandemic, more Clients resorted to the Voice Channel - Voice Branch, and to ensure excellent service, this year an external evaluation was conducted to improve efficiency ratios. The implementation of some measures resulted in an improvement of the Client care efficiency ratio from 50 to 95%.

Organisational Structure

Consumer & High Net Worth Clients

- **Affluent and High Net Worth Clients**
- **Retail Clients (Main Market)**
- **Distribution Channels**
- **Digital & Ecommerce**
- **Protocol and Company Clients Banking**

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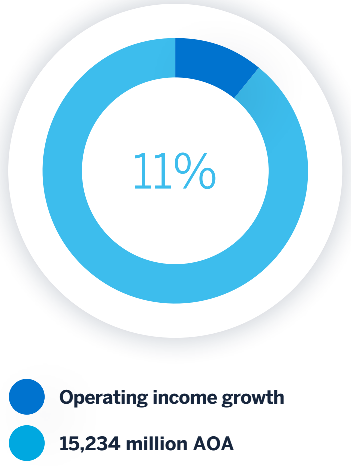
Performance 2022

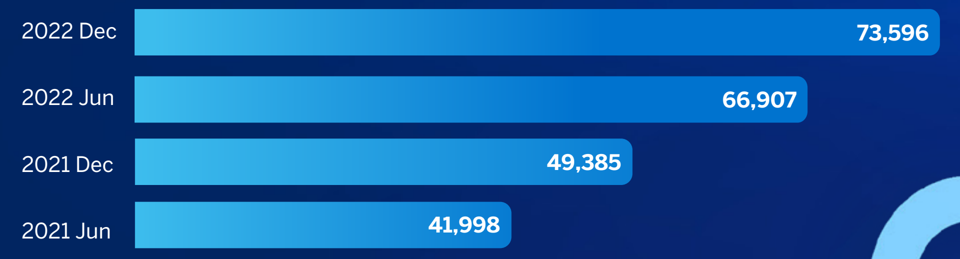
During 2022, CHNW recorded an increase in net operating revenues of 11% year-on-year, substantially driven by the increase in foreign exchange earnings, of 9,385 million kwanzas, in December 2022 compared to December 2021.

The Department registered a 49% increase in the Client base, in comparison to December 2021, from 99,814 to 145,258 total Clients and 49,385 to 73,596 active Clients, respectively.



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.



SB24

With the implementation of the new digital platform SB24, in November 2020, and conducting the Product Quality Assurance Process (PQA), during the first half of 2022, to identify low adherence by Clients, CHNW recorded a 31% increase in digital Clients compared to the same period last year. Currently 51% of active Clients are digitally registered, 31% of these use the SB24, executing daily digital transactions.

Credit

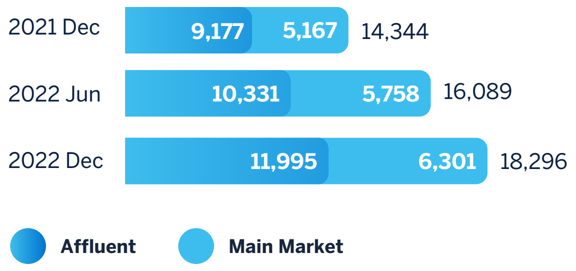
The Department seeks to support and improve people's lives by granting credit.

CHNW substantially increased net credit, in the order of 28%. Regarding the credit products offering, there was an increase of 40% in consumer credit and 21% in home loans compared to December 2021.

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 2.8 p.p.

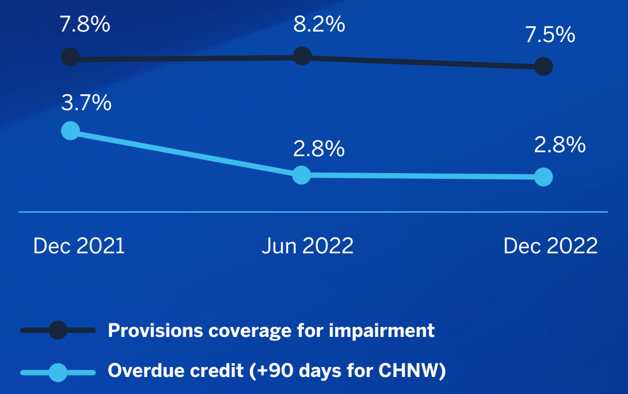
The levels of credit default (+90 days) remains stable, with a rate of around 2.26%, well below the market benchmark, which is above 15%, and 1.34 p.p. below 2021. This demonstrates the rigour and selectivity in what concerns the granting of credit.

Credit by Client segment (Million Kwanzas)



Evolution of credit products (in %)

Quality of the credit portfolio (in %)

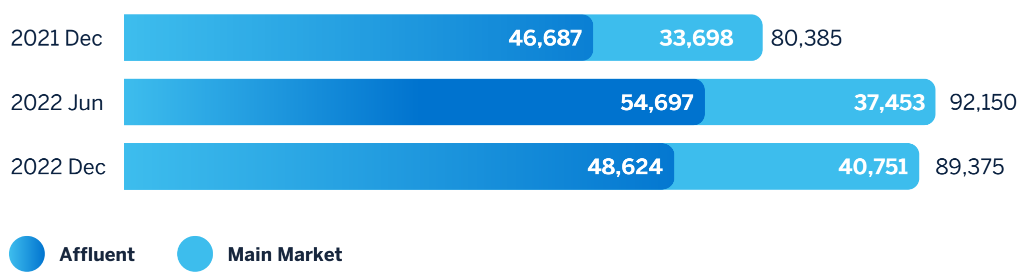


Deposits

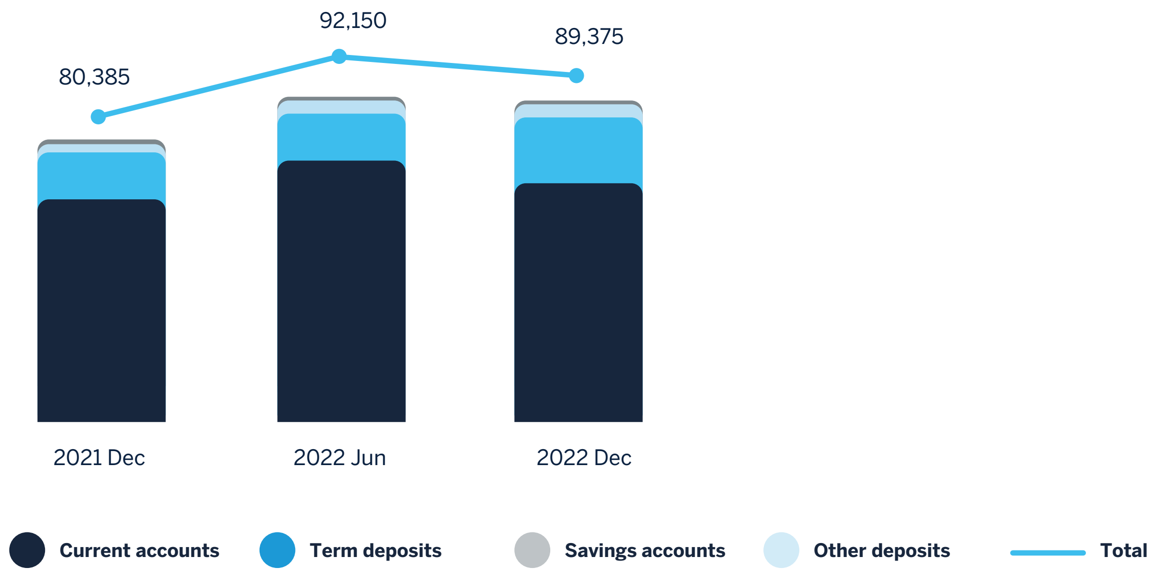
CHNW maintained its policy of diversifying its product offering and presenting an increasingly competitive pricing.

Consumer and High Net Worth Clients' deposits amounted to 89,375 million kwanzas, an increase of 11% compared to December 2021. 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 82% of the total portfolio, which translates into an increase of 4p.p. in relation to the same period in the previous year. Deposits in foreign currency amounted to 15,846 million kwanzas, about 10% below the December 2021 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 product (Million Kwanzas)



Deposits by type of Clients (Million Kwanzas)



Distribution Channels

Standard Bank of Angola is currently operating in 8 provinces (Luanda, Bengo, Cabinda, Namibe, Huíla, Uíge, Benguela and Huambo), with a commercial network of 35 physical channels:

18
Branches

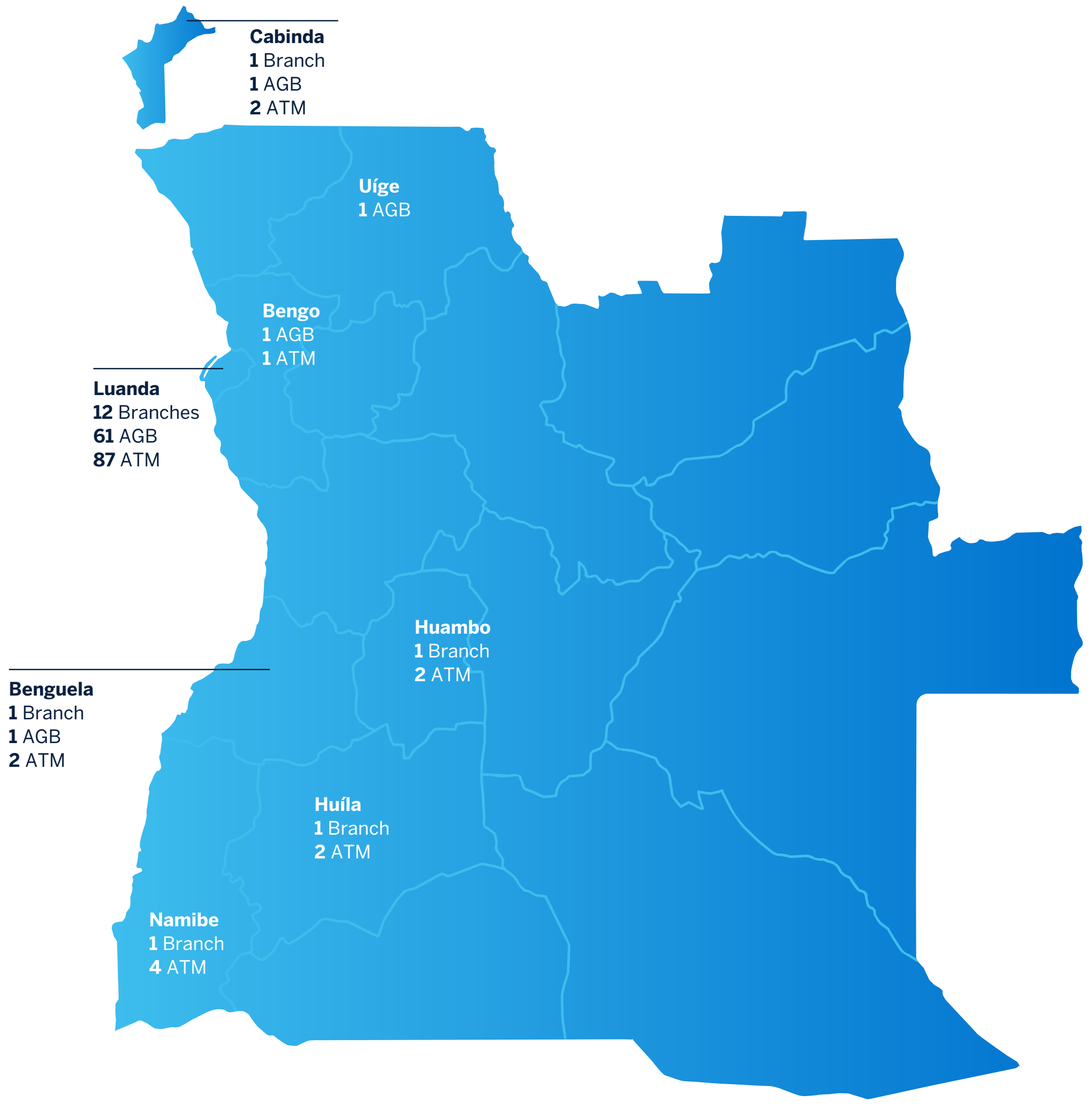
2
Corporate centres (serves BCC segment Clients)

1
Client service point

2
Private Suite

36
"Ponto Azul" Banking Agents

99
TPA



What has been done for SBA's Clients

1st Edition of the Economic Briefing 2022

With the theme "Recovery of growth supported by reforms and oil price appreciation, in a politically eventful year", the event held in February had a total of 156 participants including Regulators, public institutions, and representatives of key sectors who gathered from Angola and other regions of the world.

2nd Edition of the Economic Briefing 2022

SBA held the Economic Briefing, the first in-person post-pandemic, where the prospects for the Angolan economy were presented, followed by an approach on Agribusiness as as a source of economic diversification. The event held in June was attended by over 200 participants, including Regulators, public institutions and representatives of key sectors.

Standard Bank sponsored the 1st Edition of the University Innovation Fair

The Bank sponsored the 1st edition of the University Innovation Fair. The initiative took place on the 15th, 16th and 17th of June 2022, at Instituto Superior Politécnico de Tecnologias e Ciências (ISPTEC).

The event showcased innovation solution projects as a way to solve specific social and business problems. The entire fair was based on the exchange of knowledge and experiences between the academic and business worlds.

Given the importance that innovation has in the Standard Bank, our Head of Acceleration of Innovation Department, Mara Santos, was a key speaker of the panel Innovation Best Practices: the key to sustainable development.

Additionally, the best project presented was entitled to 3 months of free mentoring (technical and business) offered by the Bank.

Standard Bank sponsors the 1st edition of the Angola Digital Forum

This event aimed at stimulating the creation, dissemination and knowledge application in the Digital Transformation area, as part of the integration between business and technology as well as academia and practice.

The first day's theme was "Digital Transformation in Angola" and the second day's focus area was "The Role of Startups for the Diversification of the Economy."

Standard Bank of Angola promoted a webinar with ICBC - Industrial and Commercial Bank of China

Held in June, it aimed to share the macroeconomic and financial situation, the foreign exchange market and policies, as well as products and services related to special activity between Angola and China.

SBA promotes Roadshow with Non-Resident Investors

After carrying out its first investment operation in securities with a non-resident investor, in March 2022, the Bank once again strengthened its position as a business platform by inviting and bringing together in Angola a group of potential investors interested in understanding the dynamics of the Angolan market.

The roadshow took place in May and included a number of meetings with different institutions, namely the BNA, BODIVA, the Ministry of Finance, AIPEX, IGAPE, Sonangol, the Catholic University and the IMF.

The purpose of this initiative was to gain the confidence of these investors in the local market as a result of the reforms that have been made to the economy and financial system in Angola.

Onboarding Development

Developments we made in the Workflow and T24 system for the process of **Opening Individual** and **Company Accounts** as a way to improve the experience of the Bank's Clients.

SBA was responsible for 26% of all the credit granted to the market under BNA's Notice 10/20

This represents direct support for the creation of 6,144 jobs. The Notice applies to the granting of credit by Banking Financial Institutions for the production of essential goods that have deficits in domestic production supply, raw material and the investment required for their production, including investment in the acquisition of technology, machinery and equipment.

With regards to the credit granted to the market by SBA under Notice 10, over 189 million kwanzas were approved and over 158 million kwanzas disbursed.

Of the 6,144 jobs created thanks to the support of SBA, of which 2,655 in the food industry sector, 2,527 in the manufacturing industry, 822 in fishing and aquaculture and 140 in agriculture.

Client Differentiator Model

In order to provide a better service to Corporate & Investment Banking (CIB) Clients, such that their customised needs are met, the Client Differentiator Model was implemented in January in the Client Services Area. With this new service model, CIB Clients were grouped into 3 categories (Tiers):

Premium - Tier reserved for the 115 CIB Clients with the highest local and international revenues;

High Touch - Tier composed by the 235 Clients with the highest revenue after the "Premium" ones;

Standard - Tier composed by the remaining CIB Clients.

The new model aims at achieving excellence in serving CIB Clients by placing agents assigned to Tier Premium and High Touch Clients, in order to improve the relationship and reduce the response time. This initiative is supported by a specialized and dedicated team, which reinforces SBA's strategic pillar of "Client Focus".

Correct Filling in the EPP's Client Survey

In the scope of Law no. 5/2020 of 27 January (Law for the Prevention and Combat of Money Laundering of the Financing of Terrorism and Proliferation of Weapons of Mass Destruction) establishes that Politically Exposed Persons (PPE's) were requested to Employees for the act of research of Clients, for the correct classification of the associated risk in order to correctly perform the due diligence required in the process of opening accounts and review of Clients.

FINANCIAL SYSTEM - Client Service System

Updating the rules and procedures for the Clients care services for financial products and services, as set out in BNA's Notice No. 12/2016, of 05 September, on Client Protection for Financial Products and Services. And considering the provisions of Presidential Decree No. 72/22, of 31 March, which implemented exceptional and temporary measures to be in force during the public calamity situation, declared pursuant to COVID-19, and Directive No. 09/DSP/DCF/2021, on attendance services, aimed at reducing the agglomerations still recorded in Bank branches, as well as mitigating the number of complaints recorded on the slowness of Client attendance.

Private Segment restructure

The Bank is working on restructuring the current Private Segment with the goal of better serving our Internal and External Clients.

PRODESI - Standard Bank awarded in the category of Best Performance in Client

The Bank was awarded in the category of Best Performance in Client Service in the scope of PRODESI - Program to Support Production, Export Diversification and Import Substitution.

PRODESI has in its genesis the acceleration of the national economy diversification process. To this end, it prioritises the promotion of production and exports in non-oil sectors.

Standard Bank sponsored the XII Banking Forum - The impact of the FATF assessment on the banking sector, changes in the structure and future challenges

The Forum took place on July 22nd at Hotel Intercontinental (Miramar) and intended to promote a wide debate on the changes that the banking sector will undergo in the short and medium term, which may also include changes in the Shareholder structures of some institutions, through the opening of capital in the stock exchange, not only for the State participations, but also with the possibility of purchases or mergers.

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Annual Report 2022 4. The Operationalisation of a Strategy 4.1 Client Focus

Coffee with the CEO

Standard Bank's CEO was invited to participate in the most recent session of the "Café com o CEO" initiative which aims to promote professional excellence in various sectors of the CPLP - **Community of Portuguese Speaking Countries**, recognizing the valuable contributions of individuals operating at the highest level of their professions, and seeking, through interviews, to dialogue, appreciate and learn from the potential of the Lusophone human capital, in the financial system, academia, judiciary, public administration, culture, biodiversity, diplomacy, cinema, sports, business class and politics.

This event took place on the 30th of September 2022 at the Intercontinental Hotel.

Standard Bank Promotes Angola - Mozambique Investment Conference

The Bank promoted a Conference in Portugal (Lisbon) with the objective of strengthening our relationship with Portuguese companies, as well as sharing information about the economies of Angola and Mozambique.

With two panels moderated by the heads of BCC and CIB from Standard Bank Angola and Standard Bank Mozambique, Clients also shared their experiences, challenges and opportunities, as well as what they expect to face in these countries in the future.

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Standard Bank Sponsors 1st Padel Tournament

The Bank sponsored the Reumon Padel Week 2022. It was the first event of its kind in Angola. Padel is gaining momentum worldwide with daily games and great visibility.

Padel is a sport that promotes sociability and does not require great technical knowledge or development.

This sporting event took place between 24 September and 2 October 2022 at the Padel Park in Talatona Shopping.

During the tournament, the Bank had a lounge area where our managers interacted with the participants of the event with the objective of presenting our products and services.

Awareness Campaign for the Supplier Performance Evaluation Process

Supplier Performance Management allows the management of supplier performance, relative to the agreed service level.

Every year, based on the previous year's volume of purchase, the Bank's TOP 80 suppliers are defined in order to choose which ones will have to be assessed.

The TOP 80 suppliers are analysed using a segmentation template and are divided into: strategic, operational and commodity. Segmentation is carried out by the supplier relationship manager (BU) and validated by Procurement.

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Standard Bank sponsors the 5th Edition of the EurAfrican Forum

Standard Bank sponsored the 5th edition of the EurAfrican Forum, an event promoted and organized by the Portuguese Diaspora Council.

This initiative was held on 28 and 29 July 2022 in Portugal, under the theme "Empowering EU-Africa Alliance in times of disruption", with the main objective of promoting an effective, modern and inclusive debate supported by ideas, realities and projects in the mutual interest of the two continents.

The 5th edition of the EurAfrican Forum 2022 focused on four major current issues that are undoubtedly the priority and centre of attention of political institutions and world governance, of the business, scientific and academic sectors, of young people and of society in general:

- The new geopolitical and geostrategic world map and its impact on Europe and Africa;
- Health, Education and Science in a Post-Covid-19 World;
- The major challenges in Economy and Employment;
- The goals of the Energy and Digital Transition.

Standard Bank sponsors the V Conference on Digital Transformation

Standard Bank sponsored the V Conference on Digital Transformation under the theme "Telecommunications as a Factor of Digital and Financial Inclusion".

The objective of this event was to analyse the advances and challenges of digitalisation, from administrative services to electronic and digital banking solutions, as well as the factors that condition the access to communication services in the country, as a determining element for digital, financial and social inclusion, including coverage, price and quality of service.

There was also a debate that analysed the characterisation of the communications market in Angola, while analysing the issues of the "Universal Service" and the "Social Internet Tariff", already in use in some markets and which essentially aims to allow families on low incomes or with special social needs to access broadband Internet services, fixed or mobile, a measure that according to the specialists, may determine a faster digital inclusion process in the country.

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Standard Bank sponsors event at the Museu da Moeda

The Bank sponsored an event which took place at the Museu da Moeda, located in Luanda's Marginal.

The event was organized by AMCHAM - Chamber of Commerce USA - Angola, together with the Ministry of Culture and Tourism through the Angolan Institute for Tourism Development (INFOTUR) and by the Ministry of Foreign Affairs. Its purpose was to bring to the country a committee of 20 African American citizens, descendants of Angolan slaves who arrived to the United States of America in 1619.

The visit is part of the "Angola Heritage Tour" promoted by the Tucker family and friends, who want to establish contacts with Angolan roots that have influenced several areas of American culture, as well as to shed light on relevant social, historic, touristic and economic aspects of these communities, and to provide business and investment opportunities.

The Tucker family visited our country for the first time in 2019 following a meeting in Washington DC with His Excellency the President of the Republic of Angola, João Lourenço.

The family owns the William Tucker 1624 Society, which conducts research into the life of William Tucker and his slave descendants who left Angola.

The event was attended by our Executive Director, Yonne de Castro, the outgoing Vice-President of the Republic of Angola, Bornito de Sousa and the Governor of the National Bank of Angola, José Massano.

4.2. People and Culture

Human Resources

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.

With a challenging economic context, the results achieved during 2021 reflect the success of the Bank's investment in their Employees. To this end, the People and Culture Department (DPC) 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.

The People and Culture Department maintains the vision "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, as well as external Clients. The Bank has in its Employees its most important asset and only in this way can it ensure the excellence and quality of its service.

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People and Culture Department

The DPC of SBA 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 DPC has a strategy aligned with that of the Standard Bank Group, and throughout 2022, continued to support the business units in the pursuit of their objectives.

MAIN RESPONSABILITIES

01 **Manage SBA's 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.

Pillars of Action 2022

The strategy for 2022 was built on 3 pillars of action aimed at: accelerating effective leadership, empowering the Future workforce (through the acquisition and retention of critical talent and the development of critical skills and capabilities) and also sustaining momentum in the execution of the strategy.

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.

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, through the well-being programme.

Annual Report 2022 4. The Operationalisation of a Strategy 4.2 People and Culture

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 and strengthen its use during 2022;
- 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.

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;
- Strengthen the importance and alignment of the corporate culture, as well as its leaderships, keeping the Client at the centre of the Bank's Culture;
- Continuation of the Graduate Programme;
- Design of the Female Leadership Programme, which will contribute to a more egalitarian and future-proof work environment;
- Continuation of the quarterly People to People Seminars, creating greater proximity with the People and Culture Department and bringing transversal themes of interest for all;
- Design the Leadership Effectiveness Programme.

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 2022, 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 Employees for this transformation, and also the training in technological / innovative / digital skills.

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. During 2022 SBA highlights:

01

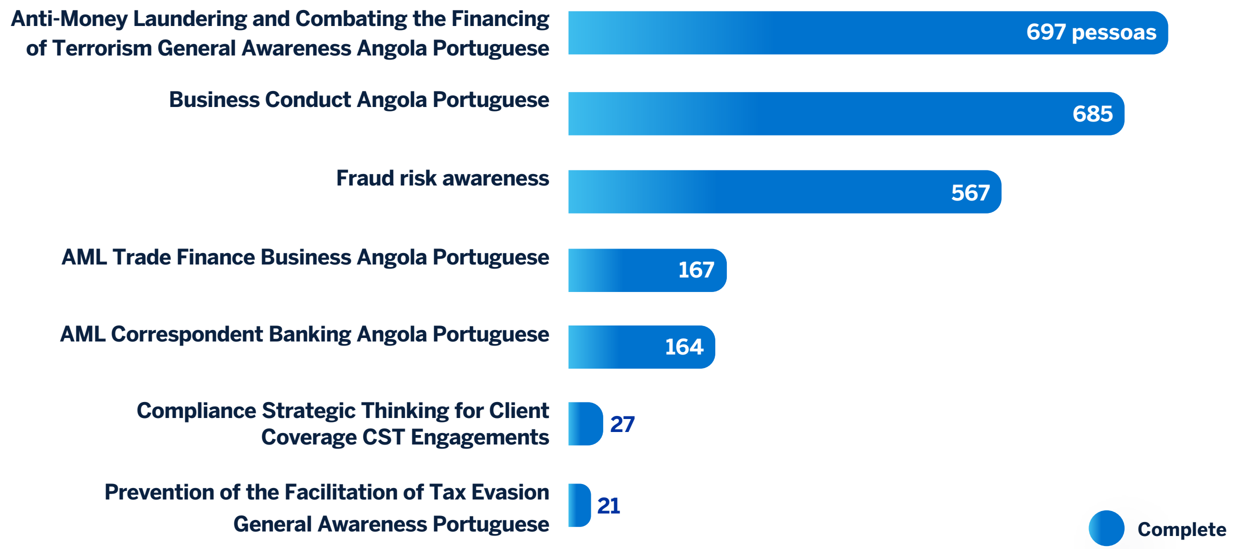
TOP 10 MOST ATTENDED TRAINING COURSES

In the search for learning and the awareness for continuous growth, it is observed that both soft and hard skills are important in the Organisation.

02

COMPLIANCE TRAININGS

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



03

TOP 4 MOST USED TRAINING PLATFORMS

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

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ANNUAL SUMMARY

4,693
CLASSROOM TRAINING ACTIONS

10,931
ONLINE TRAINING ACTIONS

7,850
HOURS OF ONLINE TRAINING
(Average of 57 hours of training per Employee)

681
TRAINED EMPLOYEES

AOA 267 MILLIONS
INVESTMENT IN TRAINING

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Wellbeing Strategy

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

For 2022 the focus remains on providing support to Employees through **programmes and initiatives aimed at developing and maintaining healthy habits. Thus, the following areas were prioritized:**

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

01

During 2022, the importance of emotional well-being was reinforced among Employees through communication via email; the sharing of well-being messages (with messages aimed at reflection and encouraging healthy practices) was initiated; the continuation of the Employee Support Programme - ICAS was reinforced in order to create greater involvement, connection and to demystify issues related to the psychological field and to encourage participation, whenever necessary (communication via email, teasers and with heads of areas and Employees); protocols were established with gyms and schools and work continued to establish other partnerships;

02

Workshops were started on the theme: "Be a Well-Being Ambassador". This training aims to empower Employees, helping them to develop a set of specific skills that will enable them to understand the importance of well-being and support other Employees in the workplace;

03

A Hybrid (Experimental) Work Model was implemented: The whole process of return to work was carefully discussed in the different forums at SBA leadership level. The aim was to ensure a phased and safe return for all Employees. In order to clarify possible doubts and present the hybrid working options to the Employees, the Bank held a Masterclass on the subject for clarification for all.

04

During 2022, the "Women who Inspire" sessions were started with the aim of raising the role of women in the Organisation. With these sessions, and through the use of storytelling, the aim is to give voice to women leaders who can inspire and motivate people in terms of leadership and professional growth by sharing their life story (personal and professional path).

Priorities for the year of 2023

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
- Digitalisation and Innovation

People and Culture in 2022

TOTAL EMPLOYEES

Between 1 January and 31 December, 71 Employees were hired for all areas of the Bank.

In terms of EXCO members, under the gender equity initiative, up to 31 December the Bank had a representation of 50% male and 50% female.

TOTAL EMPLOYEES

635 IN 2020

652 IN 2021

679 IN 2022

41% WOMEN (2021: 41%)

59% MEN (2021: 59%)

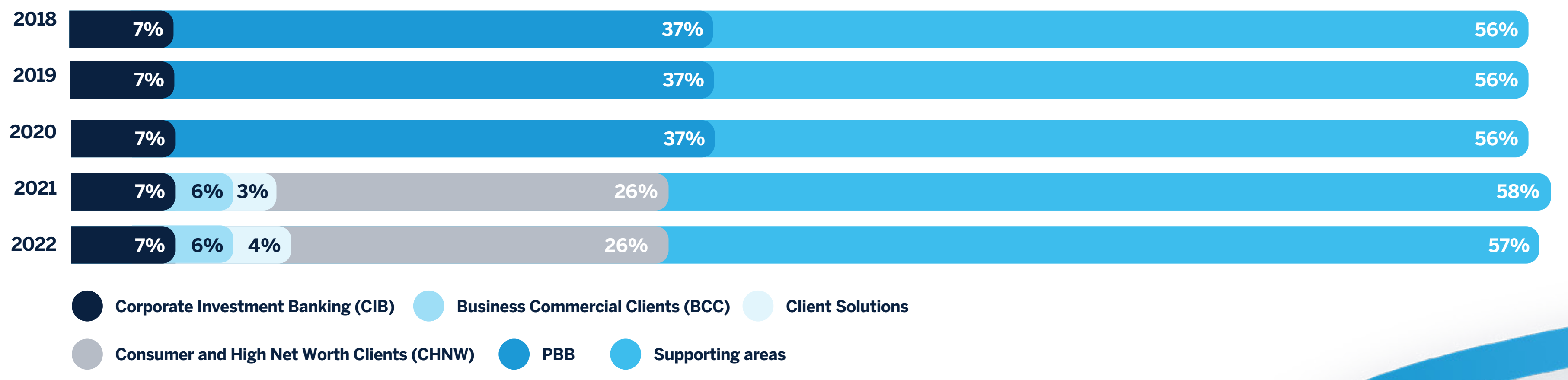
EXECUTIVE COMMITEE

50% WOMEN

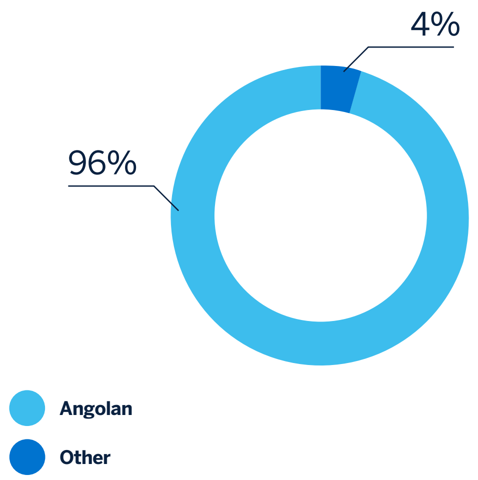
50% MEN

EVOLUTION OF THE NUMBER OF EMPLOYEES BY BUSINESS UNIT

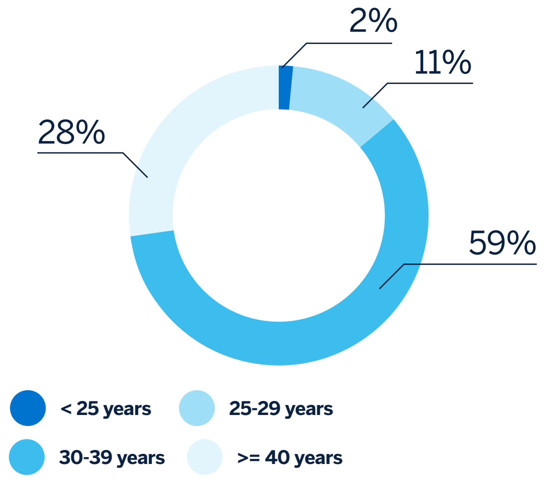
As part of the restructuring process, the PBB Business Area is subdivided into the independent areas of Business and Commercial Clients (BCC) and Consumer and High Net Worth Clients (CHNW).



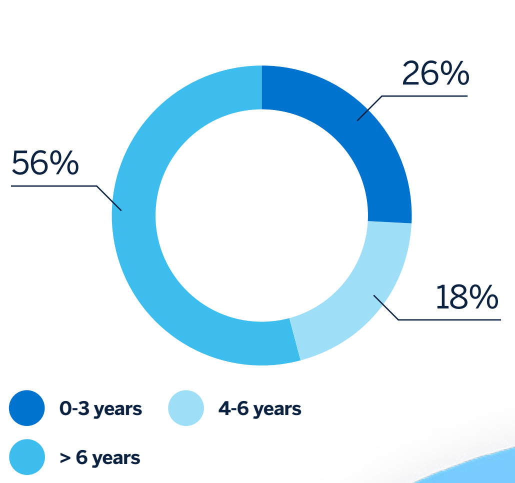
NATIONALITY



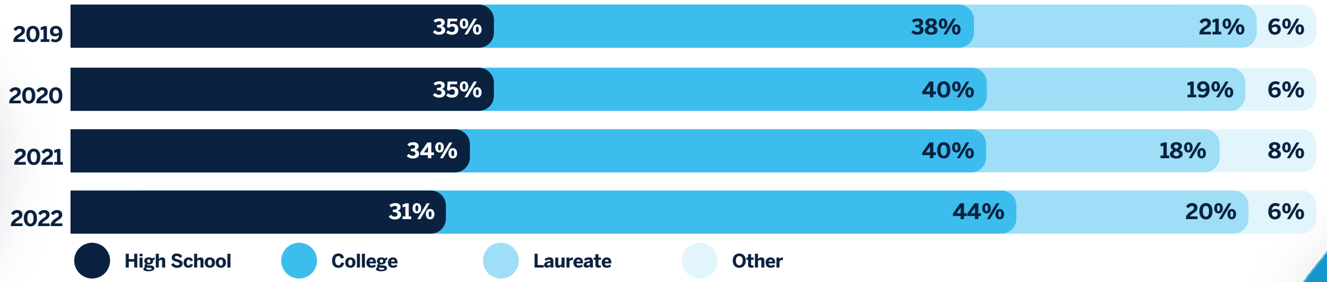
AGE GROUPS



TENURE



EDUCATION LEVEL OF EMPLOYEES



Actions for SBA's Employees

Innovation page on the Intranet

The Bank's objective of becoming a Platform Business focused on collaboration with our partners, exploration of new industries and business models is well known. Transforming the Bank and Innovating will require everyone's participation.

In order to innovate, **news on innovation and emerging technologies, proof of concept** and initiatives associated with ecosystems, as well as the dissemination of events on **entrepreneurship, science and technology**, among others.

The challenges of SBA

Message from the CEO in order to inspire Employees to do something for the first time. These are reflections in video format related to our strategy, calling for consistency in Customer service, focus on the execution of projects, and more innovation in the way of thinking in order to achieve ambitious goals.

Women who inspire

A monthly initiative called "Women who Inspire", which aims to give a voice to Leading Women who, by sharing their life stories, inspire and motivate.

2021 Financial Results - Message from the CEO

It was with great satisfaction that the Management Report and Financial Statements approved by our General Shareholders' Meeting on 29 April 2022 were communicated.

Projects such as SB24, Salesforce, the Bank Agents ("Ponto Azul"), our migration to the Cloud, our Data strategy, among others equally relevant, are essential to achieve our purpose, since they allow us to accompany our Clients at every moment of their lives, and to deeply understand their needs.

We have accelerated our investment in our People, in infrastructure and digital platforms so that we can further deliver an excellent experience to our Clients. The enormous work we have been doing in transforming the culture and the business at the Bank is reflected in the growth in the number and engagement of Clients and also in our results. At a time when the banking sector presents its audited 2021 results, we are extremely proud to witness the consolidation of Standard Bank of Angola as one of the most profitable and solid Banks in the market.

Luis Teles, Chief Executive Officer

We Change Together

A culture programme that aims to inspire, motivate and develop Employees to deliver the SBA vision and strategy. The Bank inspires Angolans to achieve their dreams.

SBA's leadership is focused on Staff development with the purpose of offering a great experience to Clients and adding value to communities in order to expand the business in a sustainable manner.

Standard Bank promotes the 1st Edition of the Occupational Health and Safety Forum

The objective of this initiative was to draw the attention of companies and Employees to the importance of adopting preventive measures that ensure safety and health at work and is part of the World Day for Safety and Health at Work that takes place on April 28.

Bright ideas

Programme that aims to contribute to SBA becoming a Platform Business, through the exploration of new industries, new business models and the development of ecosystems leveraged on technology. To this end, it is fundamental to prepare the Bank properly, by fostering internal efficiency and collaboration.

As part of this preparation for business transformation, Employees will be asked to contribute through the "Bright Ideas Campaign".

Understanding the Risk Universe

The words “risk universe”, “risk taxonomy”, “risk library”, “risk type” and “risk” are often used and can be confusing. It is vital that Bank Employees understand the differences and have a common understanding.

In the first of two-part series, the Bank provided clarity on the relationship between risks, risk types and risk categories. In the second part, it detailed the different databases in use.

Our **Risk Universe** consists of hundreds of risks. These have been recorded in the **Global Risk Database**, located in the Risk Market Place (RMP). Anyone in the Group (not just risk professionals) can capture a risk in the RMP for consideration in the risk database.

These hundreds of risks are ranked in a hierarchy by origin and this is how we arrive at a smaller number of **risk types** and an even smaller number of **risk categories**.

Evacuation Procedures at Headquarters and Head Office

The Evacuation Procedure is the document that defines the guidelines to develop preparation and prevention actions in case of an emergency situation.

The main goal is to provide evacuation instructions to the building occupants so that they can evacuate without panic and in an orderly manner, following safe routes previously defined and publicised, leading people to a pre-determined safe place (meeting point), where all evacuees should remain together until the end of the emergency is declared.

However, it is necessary that everyone is fully aware of the Emergency Preparedness and Response procedure, so that in an emergency situation there is no room for hesitation, confusion or lack of emotional control.

Understanding the business of platform

The importance of there being a good joint understanding in very simple terms, with the timely approach regarding platform business and the mindset change that needs to be made.

This understanding of the various themes of our transformation is fundamental to SBA being “More than a Bank”.

You’re a fan / We’d love to hear your views

So much has changed since last year. The Bank has grown as a team and clarified future ambitions. “We survived Covid-19. We are stronger and more resilient and believe in the future.”

In that sense the Bank invited its Employees to share their views, aiming to understand the thoughts and feelings on what it means to work for Standard Bank Group. The collected inputs will help inform how the Bank can, together, create the ideal workplace in Angola, as SBA wants to be the Best Company to work for in Angola.

ADOBE E-Signature

In order to improve and simplify the process of collecting signatures for internal documents in the Bank’s units, the digital signature solution was implemented.

Adobe E-signature is a digital solution that automates, formalises and authorises processes, allowing to have total control of the flow of signatures, from the creation of the document, signatures, archive and audit.

Procurement Challenges - Procurement Policy Breach

When you do not follow the Procurement Policy you may be compromising the efficient and cost effective procurement of goods and/or services which are based on the principles of value optimisation, ethics, fair and effective competition, accountability, sustainability and Risk Management.

It is also possible to incur re-equational risks, namely with adjudications to suppliers who have not undergone a Know Your Supplier process, or adjudications that make it impossible to pay the supplier as expected, because the expense was not approved or contracted initially following the Bank’s Governance.

In some situations, namely with suppliers who are not resident in Angola, there may be regulatory risks with awards that are not in accordance with the legislation, namely in accordance with circular letter 2/2020.

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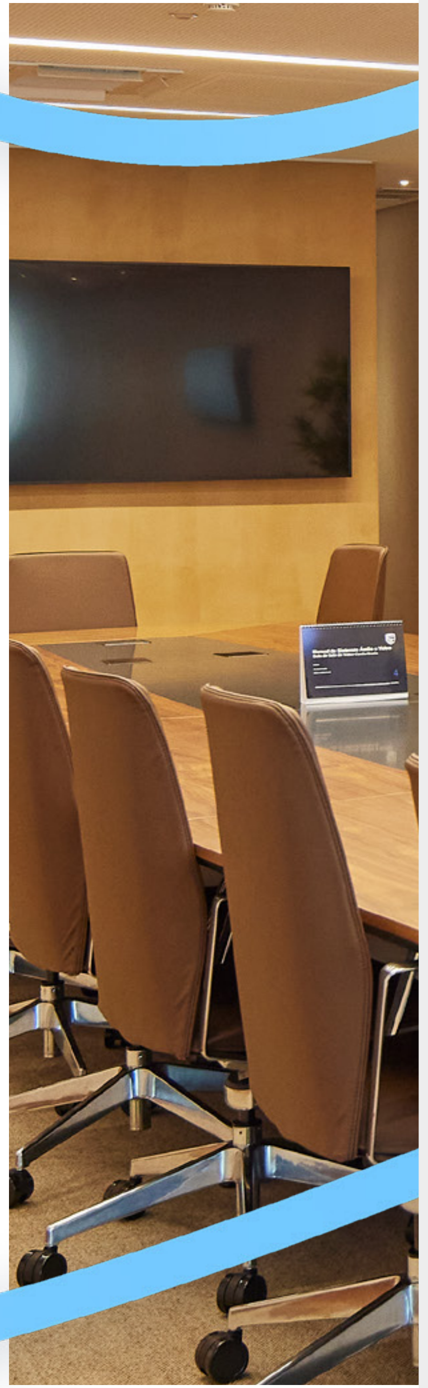
Operations Management Satisfaction Survey

In order to evaluate the performance of the Production Area and also measure some **KPI's - Key Performance Indicators**, a survey was carried out to obtain the opinion of colleagues to improve the quality of our services and thus more easily meet the needs, expectations and interests of our Clients.

Get Digital Savvy Now

Group CEO, Yinka Sanni, sent out a note encouraging Employees to achieve Digital Literacy, indicating to prioritise Module 5: Digital Literacy of the Future Ready Skills Curriculum



4.3. Risk and Conduct

The transparency of SBA is reflected in the confidence of its Clients

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 reinforced 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 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", 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 define the 3 lines of defence:

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

02 **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 activities risks;

03 **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 apetite.

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

Organizational Structure | Organizational Culture | Strategic Planning

RISK MANAGEMENT SYSTEM

Risk Control

Risk Identification | Organizational Culture | Risk Monitoring

INTERNAL CONTROL ENVIRONMENT

Management Information System

MONITORING

Self-assessement | Internal Audit

REPORTS:

Compliance Report

Risk Management Report

Internal Audit Report

Combined Assurance Report

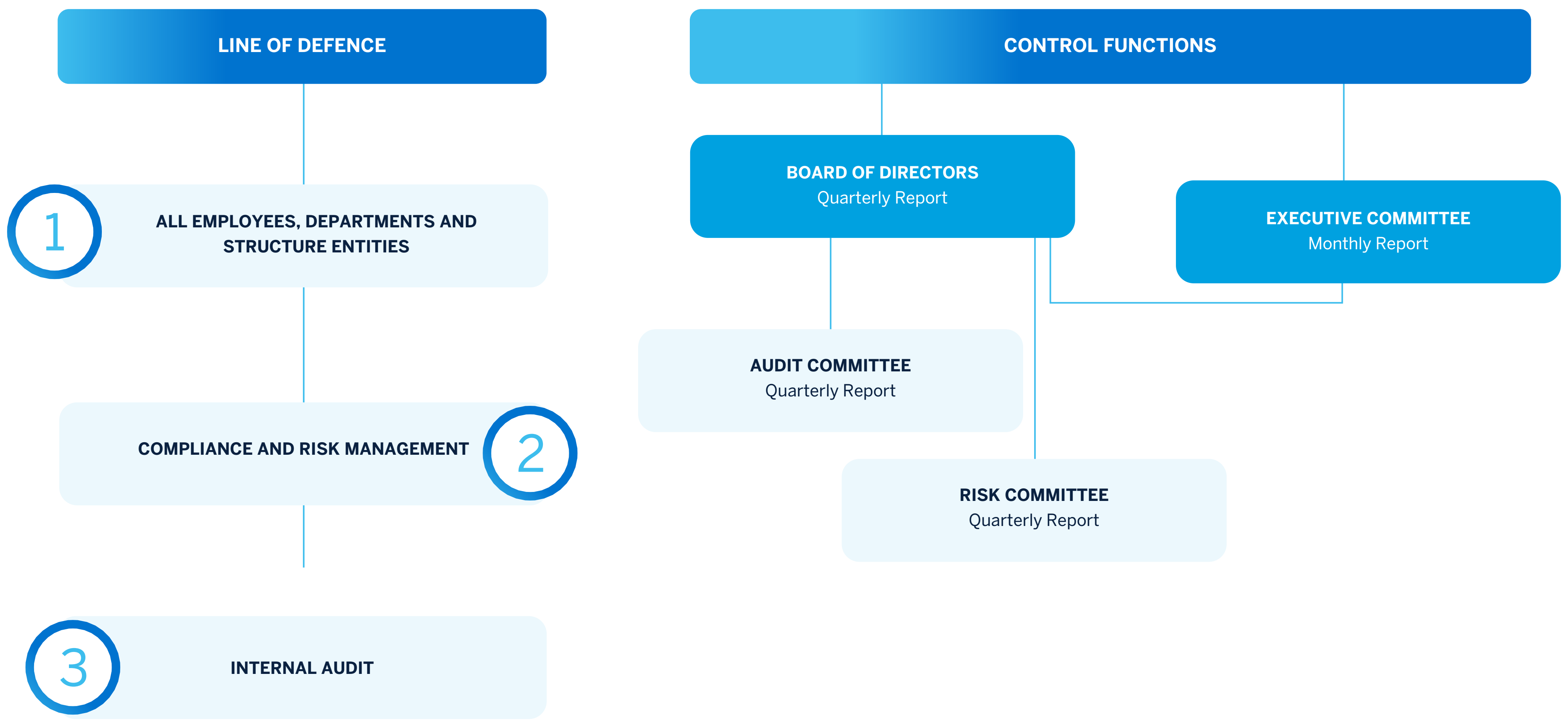
Global Opinion of the Administration

During 2022, SBA continued the implementation and improvement of its processes, policies and procedures, within the scope of its Internal Control System, in order to accompany the growth of the activity and ensure compliance with the strategic and operational objectives, safeguarding the security of its operations.

PROCESSES, PROCEDURES AND POLICIES

The processes, procedures and policies implemented complement SBA's Internal Control Strategy 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.



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 arising from 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.

Annual Report 2022 4. The Operationalisation of a Strategy 4.3 Risk and Conduct

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 with a view to introduce 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 reporting to the members of the Board of Directors, only for matters of an administrative nature. Additionally, the Internal Audit function also reports to Standard Bank Group Internal Audit, which has its headquarters in Johannesburg, South Africa, for issues 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

- Perform an objective assessment of the effectiveness of Risk Management, the Internal Control System and the 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.

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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 assessment;

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 three 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 challenges of Governance, Risk Management and associated Internal Control 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 "consulting" 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 findings identified during the various audit actions;

06 **An improvement in the proportion of satisfactory audits to the year 2021 was recorded;**

07 It should be noted that, by 09 August 2022, **the Bank closed 100 agreed improvement actions**, compared to 103 actions that were closed by 05 December 2021.

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COORDINATION OF ACTIVITIES OF THE INTERNAL CONTROL AREAS (COMBINED ASSURANCE)

Combined Assurance is a monthly forum attended by all the control areas that aims to leverage all lines of defence in the Bank, in order to avoid overlaps and gaps, ensuring an efficient end-to-end line of defence, ensuring a holistic view and a coordinated approach in the Management of the Bank's main risks.

The main topics discussed at the meetings are the following

- Map and assess the Bank's main risks
- Share annual business plans;
- Open findings of internal and external audit;
- Control and manage outstanding incidents;
- Review of key Audit / Control / Risk Monitoring issues
- Fraud trend report;
- Share best practices (best ways of working);
- Share resources, training and feedback on interaction with Stakeholders;
- Analyze 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 Combined 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 2022;
- **Consolidation of the results** of all the risk control areas (Dashboard), eliminating the duplication of actions;
- **Conducting risk culture awareness sessions for various business units,** with 10 sessions on culture and risk having actually been held for areas of opening accounts, account maintenance, CVU, cards, IT infrastructure, Consumer and High Net Worth Clients, credit recovery, internal control, licensing and IT security;
- **Preparation, since April 2022, of the Report with a dashboard with the main risks and control indicators** that is shared and presented every month at the Risk Management Committee (RMC).

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DIGITALISATION - AUTOMATION AND ROBOTICS APPROACH

In line with Standard Bank's digitalization strategy, the Group Internal Audit (GIA) embarked on the journey to digitalize the audit approach, in order to improve efficiency and effectiveness of communication delivery and the Bank's Risk Management. Together with the Group's Data Services team, the Employees of the area have undertaken a set of trainings in order to empower the area to digitalize its services.

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 requirements to the audit area such as:

- To strengthen the team with IT specialists;
- To draw up a training plan for Employees that is aligned with the Bank's digitalisation project.

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FOLLOW-UP ACTIONS

67% of audits conducted in the year 2022 were satisfactory, compared to 56% of satisfactory audits conducted in the previous year.

8 Audits carried out in 2022, compared to 9 carried out in 2021.

176 Process improvement actions implemented.

12 Risk Culture Sessions held until 31 December 2022.

Challenges for 2023:

- Continue with the process of implementing the strategy of digitalisation of audit processes, which will include the replacement of the current audit platform (GIANT) with a more modern, digital and cloud-based one;
- Continue the process of training the team aligned with the digital transformation underway in the Bank;
- Resize the internal audit function by increasing its installed capacity in terms of human and technological resources to address the universe of emerging risks and the growth recorded by the Bank in terms of business volume and complexity of its operations.

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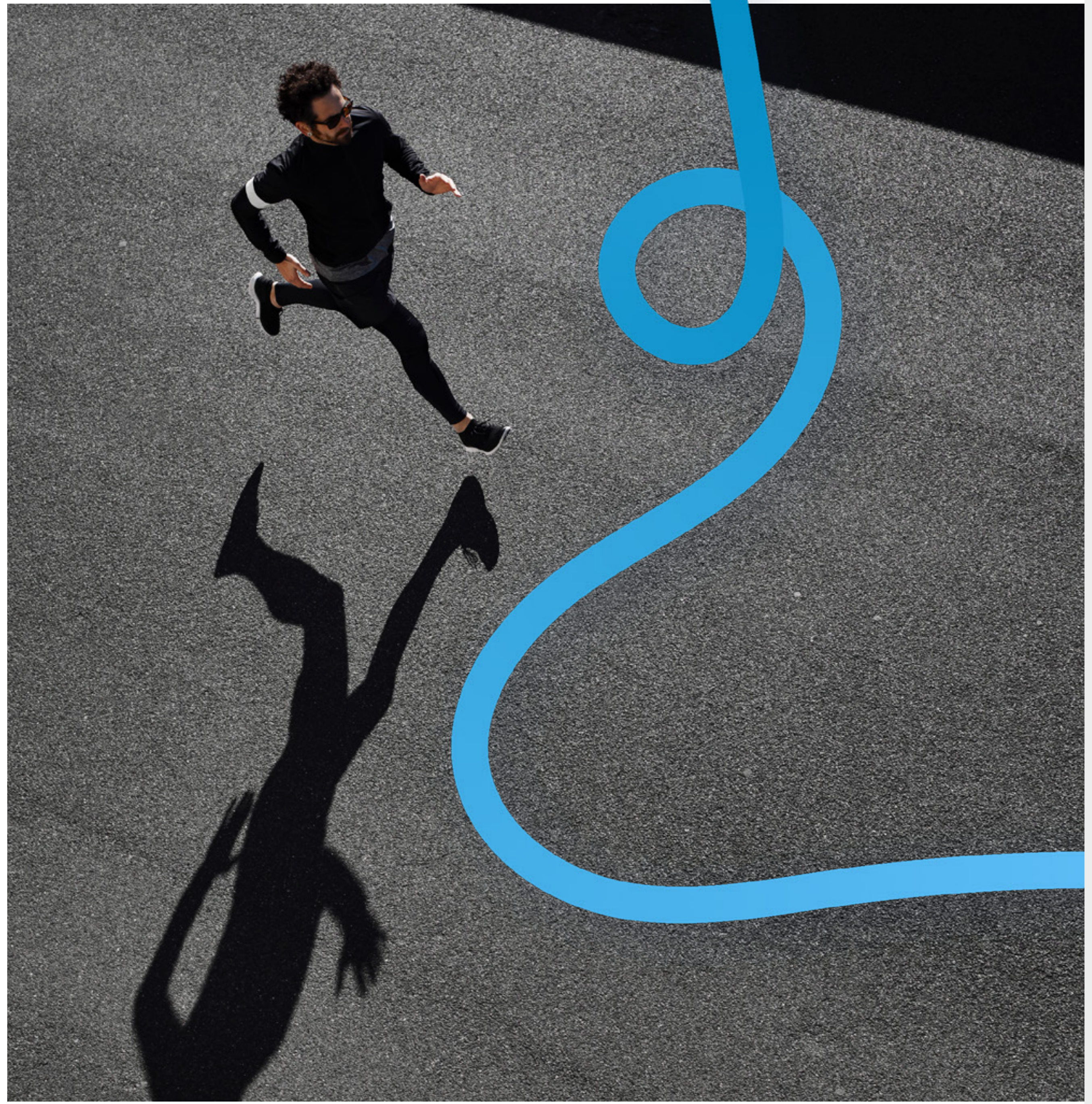
Risk Management Function

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; Compliance Risk and 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 risk. In this way, the Risk Management function is an active and mandatory member of the Committees that report to the Executive Committee and the Board of Directors.



RESPONSIBILITIES

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 within 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 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 Committee, 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 (iv) the Audit and Risk Committees, both subcommittees of the Board of Directors; and to Standard Bank Group Compliance.

SBA's Compliance Function is organised in accordance with the legal provisions and requirements mirrored in Notices no. 01/20221 of 28 January and Notice no. 14/202 of 22 June, both issued by the BNA. Within its Mandate it has been granted the authority to intervene in any operation/project where there is reason to believe that there is a breach of legal or regulatory requirements, or non-compliance with internal policies. To this end, the Compliance Function has unlimited access to all Bank Employees and records reasonably required to support its function.

RESPONSABILITIES

01 **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 Committee, Risk Management Committee, Audit Committee and Board of Directors;

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

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

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

05 **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");

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

[1] Sobre o Código do Governo Societário das Instituições Financeiras Bancárias;

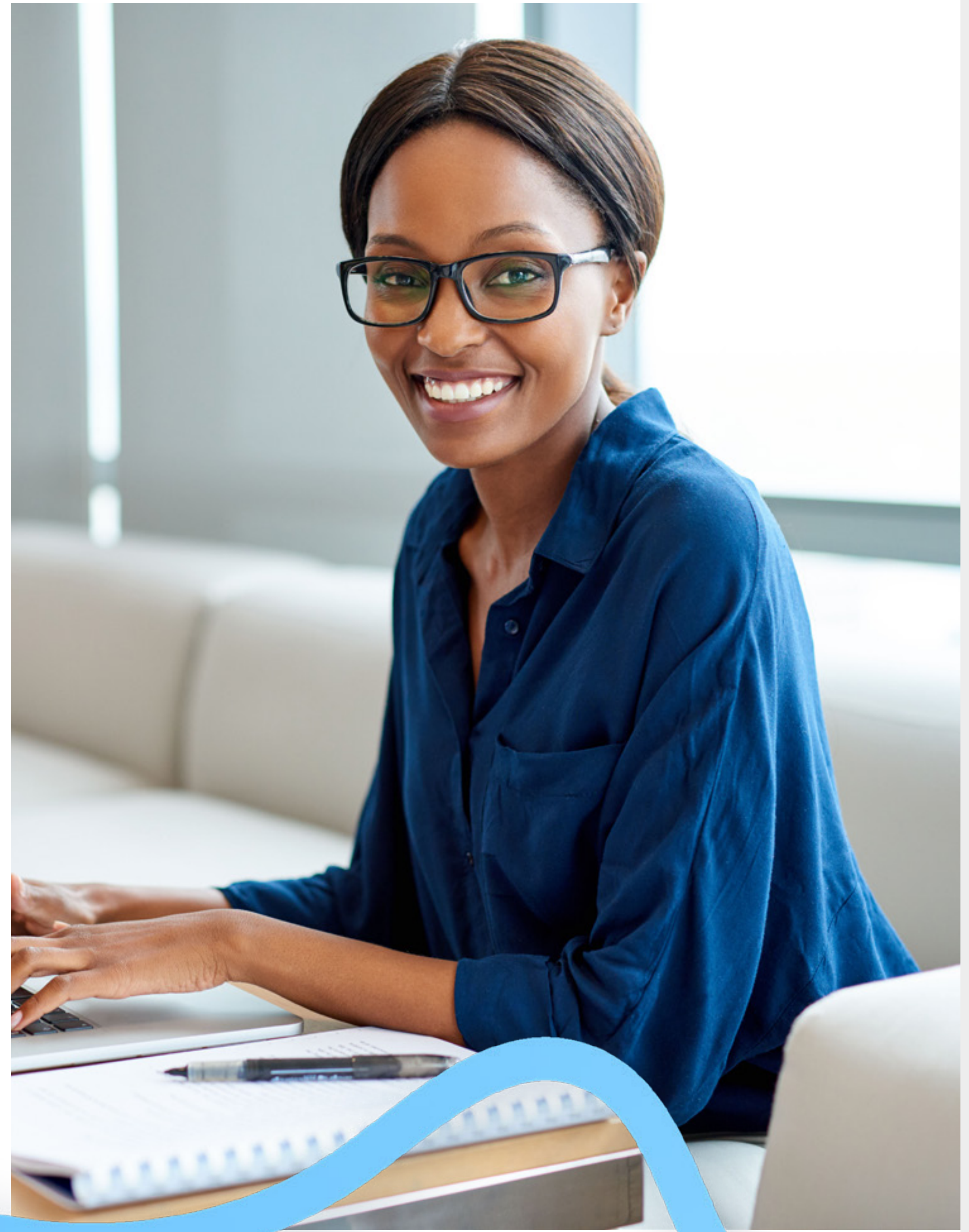
[2] Que estabelece as Regras sobre as Condições de Implementação Efectiva das Obrigações Previstas na Lei n.º 5/20, de 27 de Janeiro, Lei de Prevenção e Combate ao Branqueamento de Capitais, do Financiamento do Terrorismo e da Proliferação de Armas de Destruição em Massa

07 **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;
- Management of Conflict of Interest;
- Data Privacy;
- Consumer Protection of Financial Products and Services;
- Routine Monitoring;
- Fraud Prevention and Risk.

In order to meet the requirements of the BNA and other regulatory bodies with regard to the implementation of a compliance culture, SBA continues to focus on a zero tolerance approach, on the one hand, to non-adherence to mandatory compliance training, and on the other, to 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.



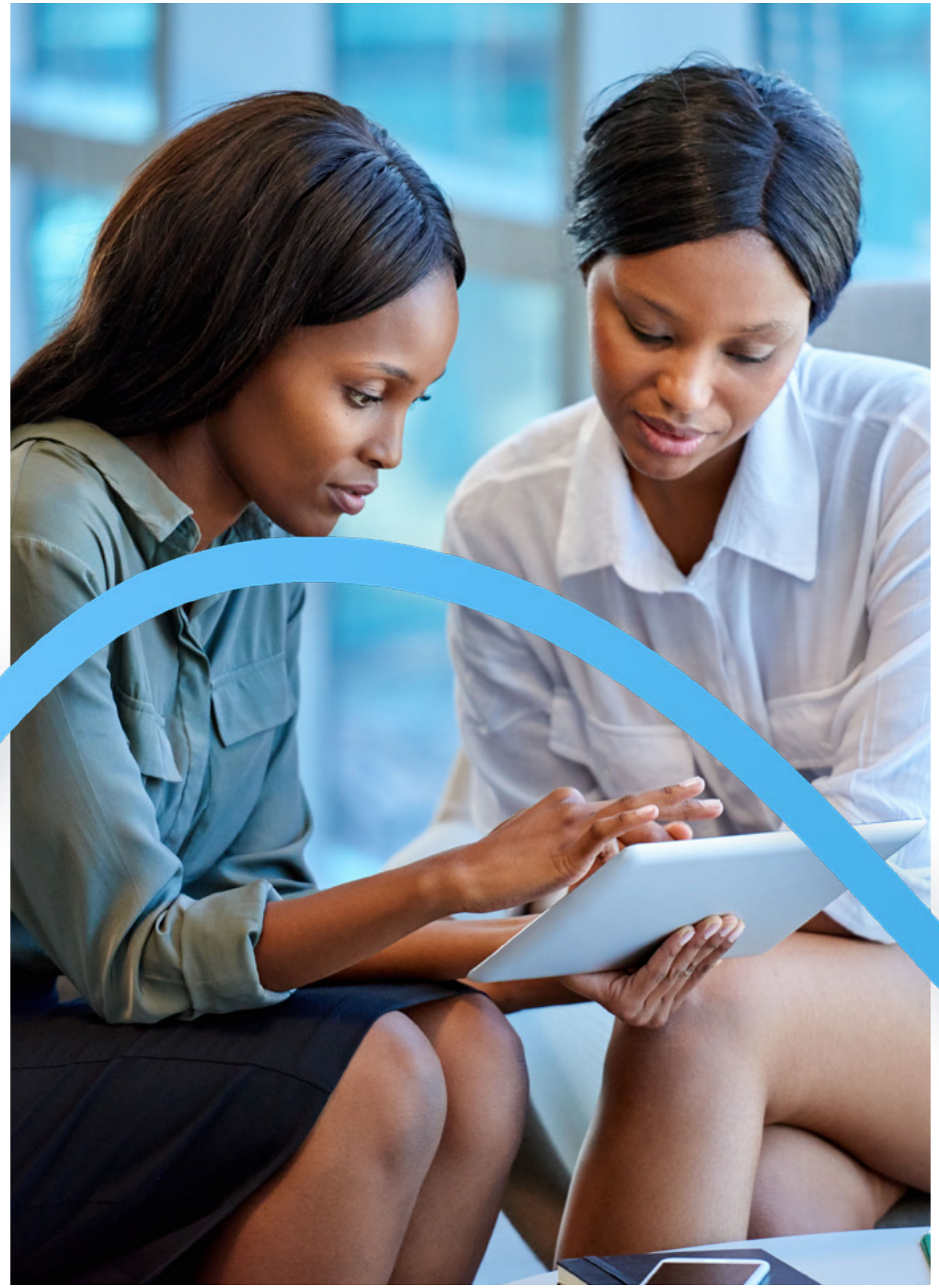
STRATEGY

The Compliance Function has contributed to the Bank's strategy by supporting the Board of Directors in maintaining a culture of compliance, continuing a transversal programme of awareness-raising and training of values on compliance with the rules and legislation applicable to the Combating of Money Laundering, Financing of Terrorism and Proliferation of Weapons of Mass Destruction - CBC/FT/PADM.

The Compliance Function's strategy consists of:

- To support the Board in maintaining a Compliance Culture so that business is done the right way;
- To support the implementation of a risk matrix and operational controls;
- Apoiar na materialização de uma matriz de risco e controlos operacionais;
- To advise the Business Units and the Management Body on legal matters related to compliance and the Fight against Money Laundering, Terrorism Financing and Proliferation of Weapons of Mass Destruction;
- To support the effective relationship between the Bank and the Regulatory Entities.

Protecting the Bank's Reputation → **Avoid legal proceedings against the Bank** → **To promote a good relationship with regulators** → **Demonstrate that the Bank is capable of to carry out its activity.**



REGULATORY AND ADVISORY FUNCTION

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.

Advisory support: New products and services / Changes made to products and services / Internal procedures of the Bank

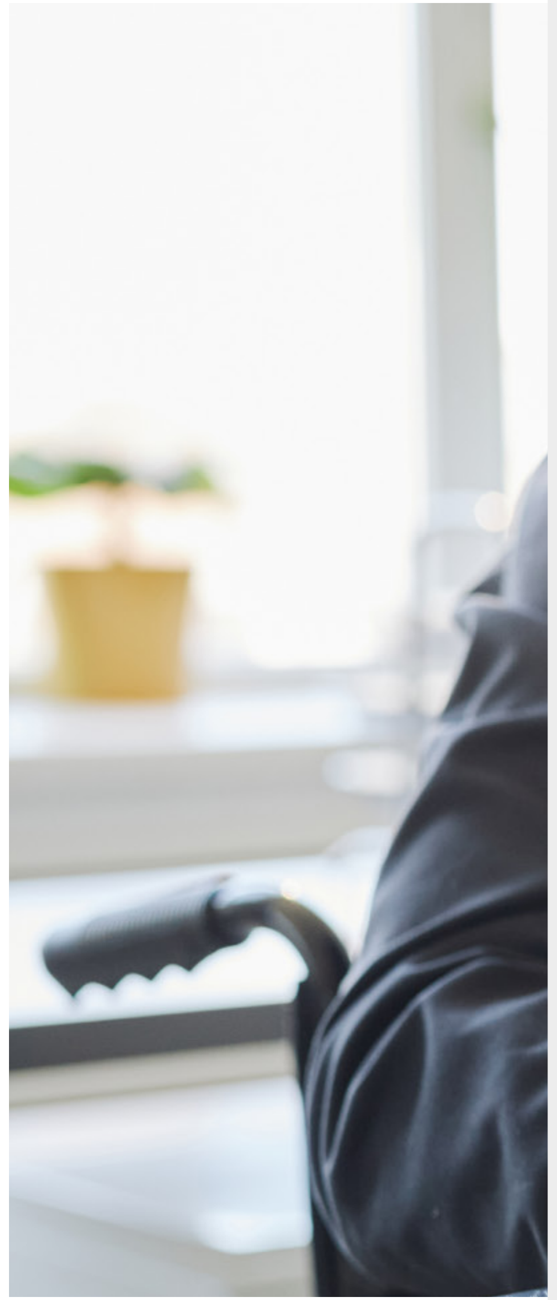
The RAF ensured, during 2022, that the development of the business units' products was carried out in accordance with the legislation in force, as well as, supported and advised the various areas of the Bank on issues raised by them and, where necessary, including products that were submitted to the New Products Committee (NPC) and other relevant forums.

During 2022, the Compliance Department reviewed and analysed 88 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 legislation in force applicable to the respective procedures and processes, 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 Notice 13/16, Notice 14/16 and Circular Letter no. 001 / DCF / 2020, in accordance with the Product and Service Licensing Seminar Guidelines and other legislation in force.

Main data protection and privacy activities

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, with the increased use of digital solutions and mechanisms, it becomes imperative to ensure compliance with data protection and privacy standards, which is why, during 2022, the RAF guided and ensured compliance with the legislation in force, through:

- **Data Privacy Impact Assessment:** several data protection assessment forms submitted by business units were analysed to ascertain the risk of non-compliance with data protection requirements;
- **Advice and opinions for other areas of the Bank:** several 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 case of non-compliance with the requirements issued;
- **Interaction with the DPA:** 9 processes were submitted for analysis, evaluation and approval by the DPA;
- **Awareness raising:** Awareness communications were sent to the Bank, identifying the requirements of the Data Protection Act and the minimum data protection requirements, as well as identifying the rules and precautions to be observed during the provision of remote work.



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TRAINING AND AWARENESS-RAISING

In order to ensure understanding of the rules attached to the Compliance Function and policies, there is a set of mandatory training courses that must be attended by all Bank Employees. Below we detail the state of completion of these training courses on 31 December 2022.

TITLE OF TRAINING	NO. OF ELIGIBLE EMPLOYEES	NO. OF TRAINING COURSES COMPLETED	% COMPLETED	% NOT COMPLETED
CBC Non-Profit Organisations	162	159	98%	2%
CBC Trade Finance	162	159	98%	2%
CBC Wire Transfers	548	541	99%	1%
Combating Money Laundering	668	663	99%	1%
General Awareness on Anti-Bribery and Corruption	668	662	99%	1%
Business Conduct	668	663	99%	1%
Conduct with Clients	668	648	97%	3%
Strategic Thinking for Client Management Compliance	28	28	100%	0
Trading Room Communication Policy	9	9	100%	0
Financial Sanctions and Combating the Financing of Terrorism	162	161	99%	1%
Market Abuse for the Global Markets Department	18	18	100%	0
Personal Conduct	668	662	99%	1%
Total	**4591**	**4532**	**99%**	**1%**

Due to the increase in the number of individual Independent Service Providers (ISPs) and the consequent increased risk of non-compliance with compliance policies and regulatory requirements, it was decided that all ISPs must also complete mandatory Compliance trainings. These trainings commenced in August 2022 through a Group platform, different from the one where Employees undertake their training.

Below is the completion status of these trainings for this specific group at 31 December 2022:

TRAINING	NO. OF ELIGIBLE PERSONS	COMPLETED
Anti-money Laundering	101	80%
Business Conduct	101	87%
Conduct with Clients	101	74%
Personal Conduct	101	75%
General Anti-Bribery and Corruption Awareness	101	80%
Total	**505**	**79%**

MONITORING FUNCTION

In compliance with the provisions of subparagraphs a) and d) of paragraph 4 of article 33 of notice 1/2022 (corporate governance code for banking financial institutions), the compliance department has a compliance monitoring area, whose main responsibilities are:

- **Monitor** the organisation's compliance with laws and regulations in order to facilitate the establishment of a Compliance culture that contributes to prudent Risk Management;
- **Contribute** to increasing the level of awareness of regulatory obligations by performing quality monitoring analyses that provide innovative, relevant and pragmatic solutions, focused on meeting the needs of Stakeholders and Clients;
- **Monitor** the adequacy and effectiveness of the Compliance Risk Management Plan;
- **Benchmark** the implementation of controls and compliance with internal standards and all current legislation impacting the Bank;
- **Monitor** compliance with the rules of conduct established in the compliance policies, including compliance with mandatory compliance training;

External commercial interests

As per the purpose of the External Commercial Interests Policy, the Bank, with the support of the Group, has a system for Managing Employees' declarations of external commercial interests. The platform has a declaration flow, for approval or rejection, in order to ensure transparency and proper Management of any conflicts of interest that may occur between Bank and Client, Bank and Employee, and Employee and Client. In 2022, the process of declarations of external commercial interests of individual service providers began, as the need for more effective control was identified, in order to prevent potential situations of Conflict of Interest due to the activity they provide to the Bank.

Below is the status of the declarations as of 31 December 2022:

	State	# Employees
1	Nothing to declare	637
2	Declarations declines	5
3	Declarations approved	221
4	To be approved	4
5	Not declared	19

Gifts and Entertainment

The Bank manages conflict of interest through the Management of gift exchange which, to a certain extent, may influence the relationship between Stakeholders, and may be susceptible to potential bribery and/or corruption. Accordingly, a Gift and Entertainment Management process is in place as well as controls to avoid potential conflicts of interest. In 2022, the Gifts and Entertainment policy underwent a change, with all gifts, regardless of value, to be refused.

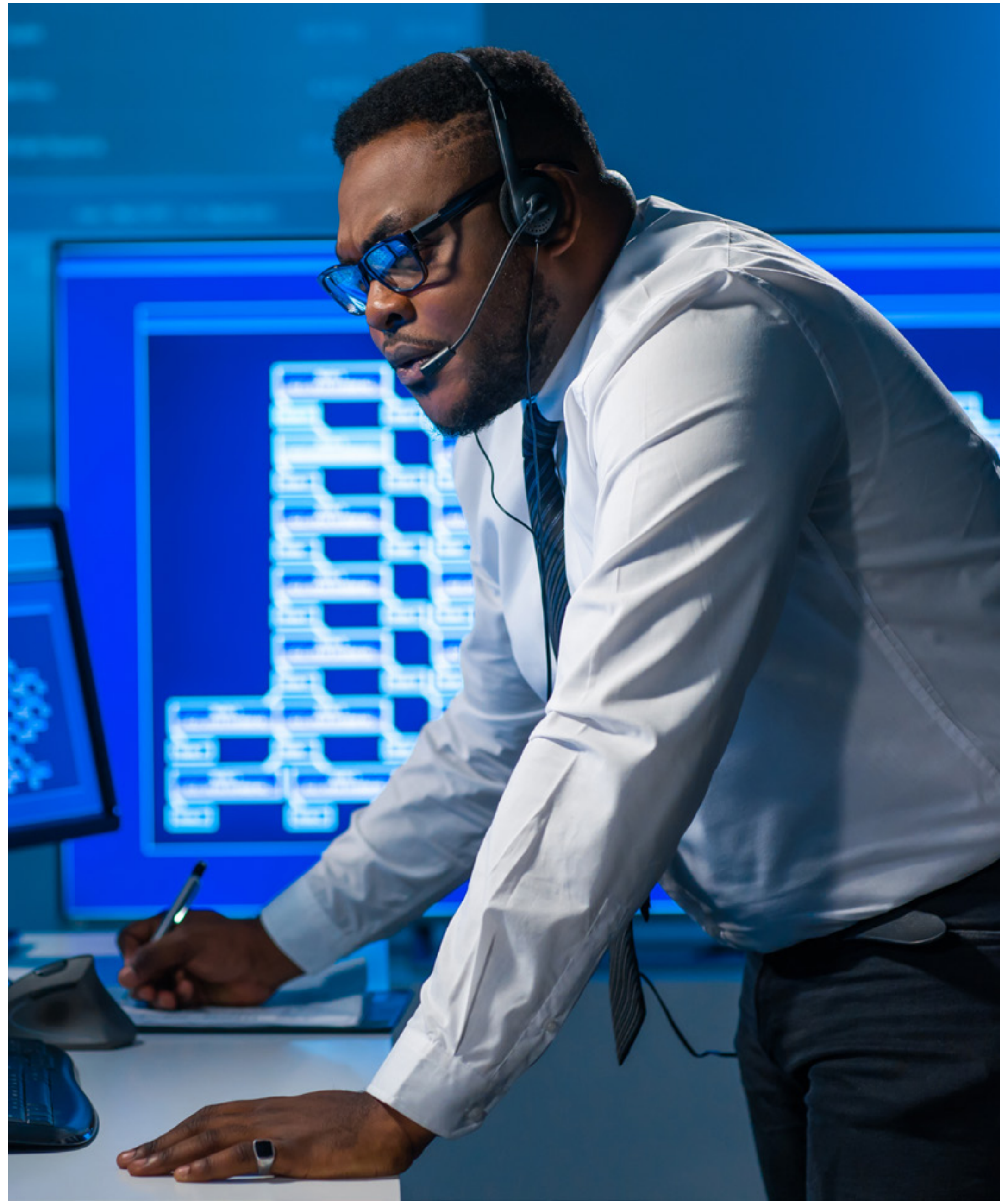
No. of Gifts and Entertainment	AOA Value	Destination
73	3 295 860	Internal auctions and donations. Note: The amounts raised at internal auctions are also donated.

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

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

The Compliance Directorate 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 (BC/FT/PADM), whose responsibilities include, but are not limited to:

- **Control, compliance and adherence** to Anti Money Laundering or AML policies;
- **Surveillance** – Alerts Management;
- **Alerts on sanctions/**preparation of reports to the FIU;
- **Alerts of suspicious operations/**preparation of reports to the 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 and 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 Correspondent Banks;
- **Management** of the Compliance risk matrix;
- Velar pela confirmar de troca de chaves/RMA.



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 ML/ TF/ 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.

b) High-risk Clients submitted to the Committee during 2022

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 ASSESMENT
CHNW Banking	67	77	139	05
BCC Banking	47	100	133	14
CIB Banking	21	99	107	13

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 the Bank 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.

It should be noted that the Bank started, in 2020, a project aimed at updating the existing tool (Nice Actimize) so that it can develop its functionalities in real time. This project is divided into three phases, the first consists in the implementation of the solution for monitoring suspicious activities in batch, the second consists in the fine-tuning and implementation of the AML SAM (Monitoring of Suspicious Activities) rules and, the third consists in the implementation of the real time customer due diligence solution. The first and second phases of the project have been completed. At this moment, the implementation of the real-time customer due diligence solution is underway and should be completed in the first quarter of 2023.

Upon completion, the tool will be able to develop the following functionalities:

1. Perform daily filtering against sanction lists and politically exposed persons of Customers, suppliers and Employees;
2. Automatically classify the risk associated with customers;
3. Perform the risk assessment review, as set forth in points 1 and 2 of Article 4 of Notice no. 14/2020 of 22 June;
4. Carry out daily monitoring of all Customer transactions, based on the rules defined taking into account the global and local risk typologies, adjusted in accordance with the risk appetite limits defined by the Bank.

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:

• OFSI: UK Office for the Implementation of Financial Sanctions;

EU: European Union

OFAC: Office of Foreign Assets Control (US)

CSNU: 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.

POLICIES AND MANUALS – COMPLIANCE DEPARTMENT

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 Matrix for CBC/FT
- Policy on Combating Money Laundering and Terrorist Financing - CBC/FT
- Operational Standards on Anti-Money Laundering, Terrorist Financing and Proliferation of Weapons of Mass Destruction CBC/FT/PADM
- Enhanced Due Diligence Manual for Combating Money Laundering and Terrorist Financing - CBC/FT
- Compliance Risk Management Policy
- Compliance Manual
- Compliance Risk Management Governance Standards
- Conflict of Interest Policy
- Foreign Business Interests Policy
- Personal Account Trading Policy
- Gifts and Entertainment Policy
- Information Barriers and Strictly Required Information Policy
- Control of Financial Sanctions and Terrorist Financing Policy
- Market Abuse Policy
- Safewatch Process
- Prevention of Facilitation of Tax Evasion Policy
- Anti-Bribery and Corruption Policy
- KYC Process and Customer Due Diligence Analysis Procedure
- Procedure for the Management of Correspondent Bank Questionnaires and RMA
- Human Resource Committee or HRC Administrative Management Procedure
- Rules on Financial Sanctions and Countering the Financing of Terrorism
- Minimum Standards for Establishing Relationships with Correspondent Banks
- Surveillance Processes and Procedures
- Procedure of Account Restrictions and Freezing of Funds
- Procedure of Submitting Information to the Data Protection Agency
- High Risk Committee Procedure
- Mandate of the HRC
- Risk Based Approach Framework to Combat Money Laundering and Terrorist Financing
- Policy on Monitoring Suspicious Transactions
- Procedure for Handling Request for Information from Correspondent Banks "Refinement for Information - RFI
- Regulatory Compliance Risk Universe Methodology Manual and Compliance Risk Management Plan
- Data Privacy Operational Rules
- Watchlist and Shortlist Policy
- - Trading Room Communication Policy
- Conduct Risk Policy
- Personal Account Trading Policy
- Anti-Competition Policy
- Competition Manual
- Compliance Risk Management Governance Rules
- Manual for Interaction with Supervisory Bodies
- Guidelines for Interaction with Regulators
- Compliance Guidelines for the Multidisciplinary Customer Service Team
- Mandate of the Fraud Risk and Investigation Unit
- Whistleblowing Policy
- Anti-Fraud Policy
- Procedure for submitting information to the Data Protection Agency

INVESTIGATION AND FRAUD RISK

Investigations

In terms of incidents of fraud, 2022 showed a trend consistent with the same period in 2021, in which the majority of complaints were related to debit card fraud, more specifically with transactions made on the EMIS Multicaixa Express product. Until December 2022, incidents amounting to AOA 57.1 million were reported to the Fraud Risk and Investigation team, compared to AOA 50 million in the same period of the previous year. The complaints received were mainly related to debit card fraud, where transactions were not recognised by Customers. During the period under review, the Bank incurred total operating losses of AOA 2 million, of which 70% related to debit card fraud claims and 30% related to credit card fraud claims.

Prevention

In 2022, the Fraud Risk and Investigation team conducted two preventive investigation exercises with the aim of reviewing the transactional behaviour of Employees, as well as conducting analyses on transactions carried out on inactive or dormant accounts belonging to external Customers.

Review of transactional behaviour

In April 2022, the IFR compiled data relating to the period from December 2021 to March 2022, and by sampling, selected 30 Employees to assess the following aspects:

- **Existence of alternative source of income.**
- **Legitimate justification of the alternative source of income.**
- **In case of existence of external commercial activity, we checked if the justification is in accordance with the declaration of External Commercial Interests (OBI).**

From the test carried out, 1 Employee was identified who did not respond to the request for information because he left the organisation during the period under analysis. In terms of responses received, no irregularities were identified. The IFR found that the majority of justifications for resources received, other than salary, involved family support, sale of goods and declared OBI, representing 89% of the sample tested.

Transactional analysis of inactive and dormant accounts dormant

In May, the IFR compiled data for the period January 2022 to May 2022, supported by reports generated by Standard Bank's automation technology at Standard Bank of Angola, we selected 15 bank accounts in inactive/adormitted status, by sampling, to evaluate the following aspects:

- **Existence of unauthorized changes made to the inactive/ dormant bank account.**
- **Transaction performed during the dormant/ inactive dormant/inactive period was confirmed by the Customer.**
- **Dorm/inactivity period compared with Bank Statement of the selected accounts.**

From the test performed, no irregularity was identified test, no irregularity has been identified, taking into account that all transactions performed on the inactive and dormant dormant accounts included in the sample were confirmed by the Customers, who are the owners of the accounts.

SUMMARY OF COMPLIANCE INITIATIVES AND PROJECTS

INITIATIVES	STATUE	VALUE	COMMENTS
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	In progress	Optimisation and digitalisation	The aim is to improve the preparation time for suspicious transaction reports sent to the Financial Intelligence Unit
Automation of the Impact Assessment of Data Privacy	In progress	Optimisation and digitalisation	Ensure that the privacy and personal data protection risks are managed automatically
Postal Mail Tracker	Concluded	Optimisation and digitalisation	The automation of the monitoring process of interactions with supervisory bodies was completed, allowing a more efficient management of the correspondence and requests sent by Regulators as well as ensuring that requests are responded to within the stipulated deadlines.
Automation of the legislative alerts	Concluded	Optimisation and digitalisation	Completion of the automation of the search and notification of diplomas issued by the Regulators, BNA, CMC, BODIVA and ARSEG. Whenever a diploma is published on the internet page of the above mentioned Regulators, the robot issues an alert informing that a diploma has been issued and identifying the entity that issued it.
Make key legislation and regulations and legislative alerts available on the Bank's intranet.	In progress	Client Centralisation	A repository of key legislation and summaries of legislative alerts was created to allow easy consultation by the relevant internal Stakeholders (BUs and FCs). Legislative alerts should gradually be included in this repository.

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INITIATIVES	STATUE	VALUE	COMMENTS
Related Party Management Tool.	In progress	Optimisation and digitalisation	Development of an application to support the Management of information of the members of the governing bodies and their related parties, including functionalities for the preparation of regulatory Reports and collection of data from other banking systems, in order to support the execution of relevant transactions
Survey to understand what Employees perceive to be responsibilities of the team, how they evaluate the work done by the team on a scale of 0 to 5 (0 being very very bad and 5 very good) and to receive criticisms or suggestions that may exist.	Concluded	Improvement of processes and quality of service provided	From the responses obtained, the Bank found that 81% of the survey participants demonstrated understanding about the responsibilities of the Fraud Risk and Investigation team, but SBA is aware that further disclosure of the mandate and related policies is required. Regarding the quality of the work performed, a positive rating of "GOOD" was given by survey participants.

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TRAINING

During 2022, the following training sessions delivered through Microsoft Teams and organised by the Compliance Department, were held:

DATE	SUBJECT	TARGET AUDIENCE
January	Gift and Entertainment Policy	Training for all Standard Bank of Angola Employees
January	Workshop on the Regulatory Universe Methodology Manual and Compliance Risk Management Plan	Members of the Combined Assurance Committee
February	Workshop - Directive No. 002/DSP/DRO/2019 (Expiry date of Payment Cards)	Employees assigned to the various areas where the diploma has an impact
March	Workshop on Instruction 24/2021 (Value Limits in Transactions Operations carried out in Payment Systems)	Employees assigned to the various areas where the diploma has an impact
March	Workshop on Notice 06/2020 (Granting of Credit to Holders of Qualified Shareholdings)	Employees assigned to the various areas where the diploma has an impact
May	Workshop on Instruction 10/2021 (Internal Process for the Evaluation of Capital Adequacy Assessment Process - ICAAP)	Employees assigned to the various areas where the diploma has an impact
May	*Workshop on Instruction no. 181/2021 (Internal Process for the Assessment of Adequacy Assessment Process - ILAAP)*	Employees assigned to the various areas where the diploma has an impact
May	In the second quarter of 2022, the Fraud Risk and Investigation team initiated the fraud awareness sessions, in which, approximately 200 Employees were exposed to the Fraud Risk and Investigation and policies, as well as general concepts of fraud.	Training for all Standard Bank of Angola Employees
July	Anti-Money Laundering Training	Members of the Management
August	Workshop on Notice no. 01/22 (Corporate Governance Code)	Company Secretary, Internal Audit, Compliance, Risk, Financial Department, People and Culture Department, Marketing Department and Engineering Department
October	Anti-Bribery and Corruption Training	Training for all Standard Bank of Angola Employees
November	KYC Programme Training	Training for all Standard Bank of Angola Employees
November	Training on the Reporting of Suspicious Operations	Training for all Standard Bank of Angola Employees
November	Training on the Origin of Funds and Support Documents	Training for all Standard Bank of Angola Employees
December	Training Request for Information from Correspondent Banks	Training for all Standard Bank of Angola Employees

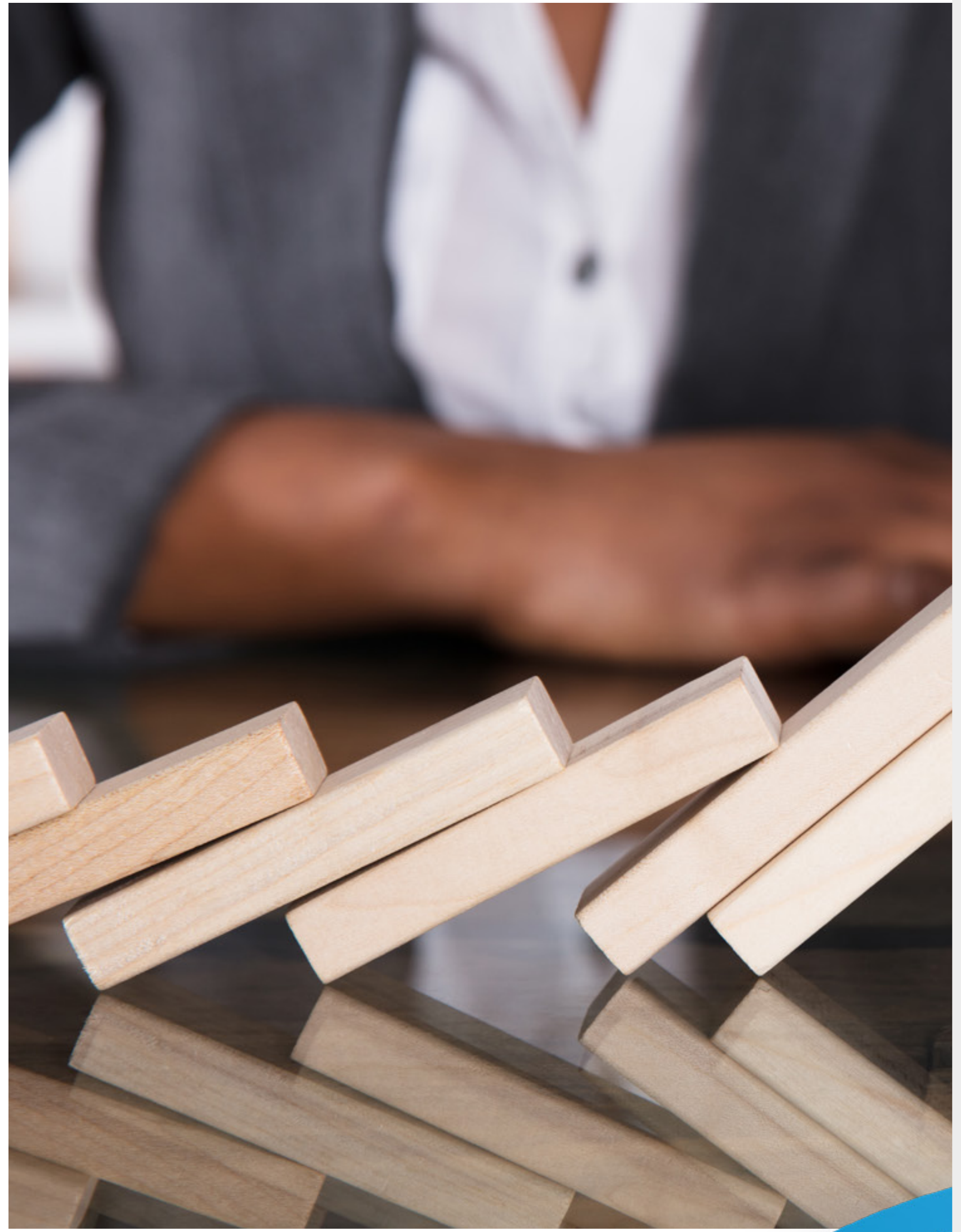
Annual Report 2022 4. The Operationalisation of a Strategy 4.3 Risk and Conduct

Risk 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.



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 the "Aviso No. 10/21".

SBA's 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 n.º 10/21", which entered into effect 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
- Engineering Committee
- Nomination and Remuneration Committee

EXECUTIVE COMMITTEE

- Risk Management Committee
- Assets and Liabilities Committee
- Credit Risk Committee
- High Risk Client Analysis Committee
- Client Experience Committee
- Human Capital Committee
- Risk Conduct Committee
- Pricing Committee
- New Products Committee
- Projects Committee
- Procurement Committee
- Financial Control Committee
- Data and Information Governance 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:

1

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.

2

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.

3

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.

1

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.

2

Assesment

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.

3

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.

4

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 or type of risk 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 2022 the risk appetite covers three different levels:

Level I: Risk appetite dimensions

- Regulatory capital
- Economic capital
- Stressed earnings
- Liquidity

Level II: Risk apetite dimensions, by risk type

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

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 TEST

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;
- Support communication with internal and external Stakeholders. The Bank's stress test programme covers various levels, from business as usual to the analysis of various scenarios, from moderate to extreme.

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. The risk appetite has also been integrated into the Bank's stress testing programme to ensure that the test results obtained are are in line with the defined 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.

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) general 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.

Market risk management in Angola is carried out with the support of the Standard Bank Group to ensure that the Group's standards are respected and that the minimum requirements are met.

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

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, in accordance with the legislation in force, 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 Btacktesting

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. 3/22, 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.

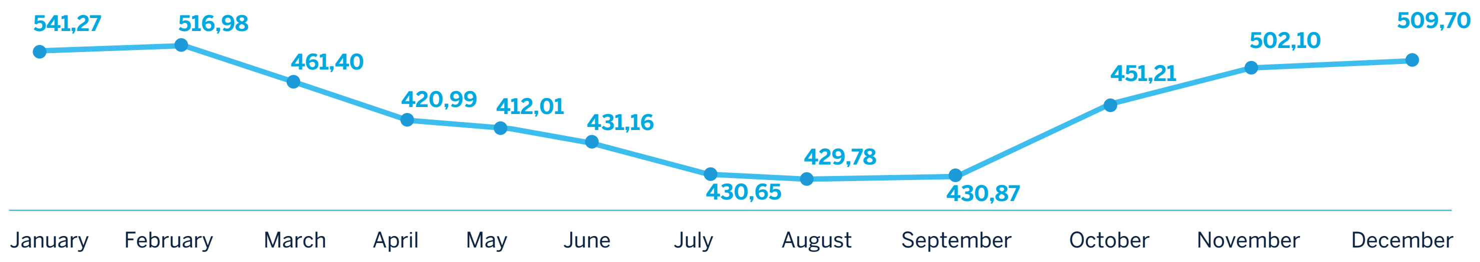
Monitoring and Reporting

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

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 and regulatory standards 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 AOA/USD exchange rate during the year 2022.

Average Monthly Exchange Rate (Kwanzas/USD)



Source: Bloomberg (BGM mid).

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.

The events of the last few years at global level have led to constant analysis of SBA's credit portfolio, and frequent reviews of the risk assumed have been carried out to ensure that the impact of the pandemic has been properly managed. adequately.

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, iv) 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.

SBA's risk exposure takes into account its risk appetite, strategy and existing mitigation techniques. We manage and allocate capital efficiently to add Shareholder value, ensuring compliance with regulatory capital requirements. These limits must be met in the lending and Loan Portfolio 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 other data from the applicable portfolio.

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 mortgage guarantees are, in accordance with BNA's BNA rules, re-evaluated every two years.

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 People 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.

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.

  These tests are a key support tool for business processes: (i) strategic and financial planning; (ii) capital management planning; (iii) liquidity planning and management; (iv) risk appetite updating and definition; (v) identification and proactive risk mitigation through dynamic limits.
- **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.

01 02 03 04 05 06

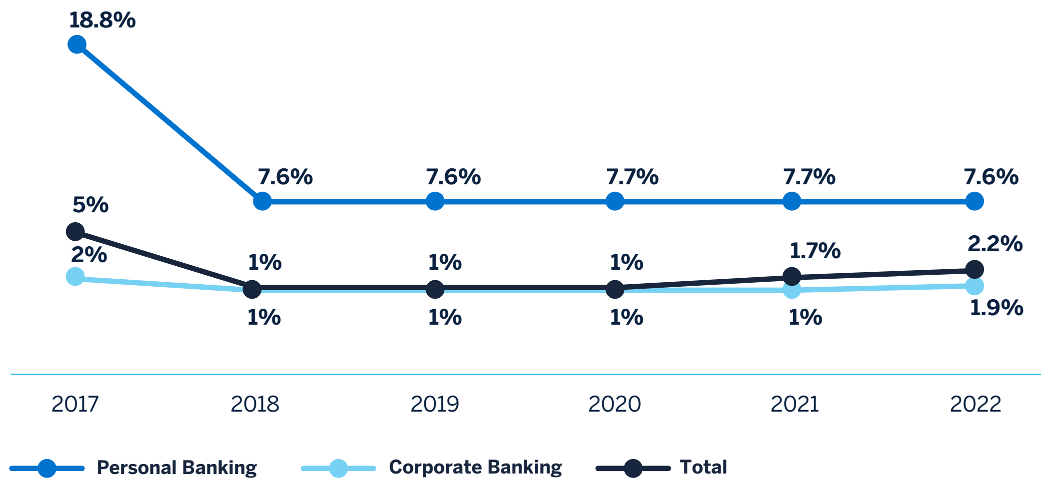
07 Credit Quality

The level of provisioning of SBA's credit portfolio remained at 2.3%, recording a slight increase compared to the level recorded in 2021. 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, experienced in 2022.

It should be noted that the personal credit portfolio has a relatively higher associated risk than the corporate segment, in 2022 the portfolio coverage ratio continued to deteriorate by 0.6 p.p., reaching 2.3% in 2022, compared to 1.7% in 2021.

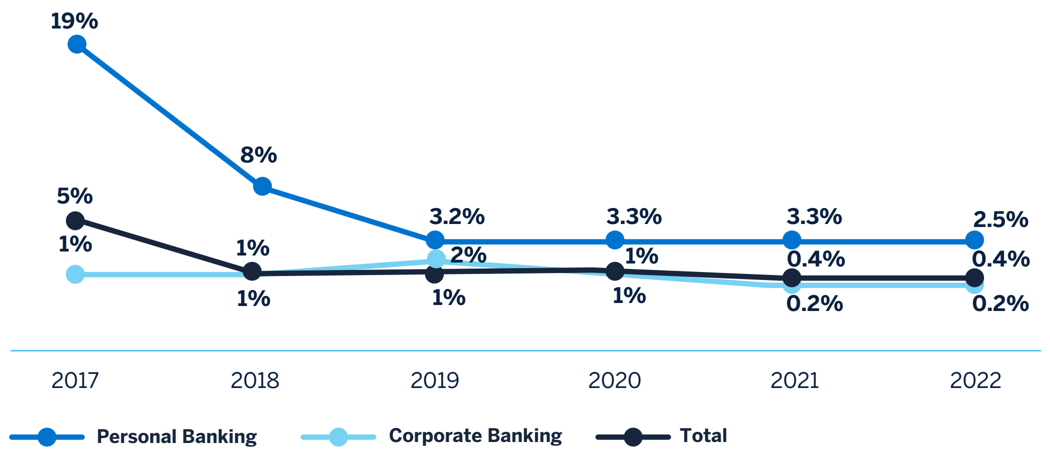
At the same time, the ratio of defaults above 90 days of SBA's credit portfolio remained at 0.4% for 2022. However, there was a slight improvement in the individual segment segment in the ratio of defaults over 90 days, of 2.7% in 2022, against 3.3% registered in 2021. These values resulted from a continuous assessment and appropriate risk management by the Bank, in a proactive manner proactively in view of the market dynamics.

CREDIT PORTFOLIO COVERAGE



Source: Financial statements 2022
Note: Credit Portfolio Coverage = Credit Impairment /Total Gross Credit

DEFAULTS OVER 90 DAYS



Source: Financial Statements 2022
Note: Defaults over 90 days = Credit overdue for more than 90 days / Total Gross Credit

01 02 03 04 05 06

EXPOSIÇÃO AO RISCO DE CRÉDITO

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

PL ou 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 ou 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.

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.

	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	Investment	Normal Monitoring	A1, A2, A3	A+, A, A-	A+, A, A-
8-12	Investment	Normal Monitoring	BAA1, BAA2, BAA3	BBB+, BBB, BBB-	BBB+, BBB, BBB-
13-21	Sub-Investment	Normal Monitoring	BA1, BA2, BA3, B1, B2, B3	BB+, BB, BB-, B+, B, B-	BB+, BB, BB-, B+, B, B-
22-25	Sub-Investment	Closing 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 loss resulting from inadequacy/failure in internal processes, people, systems or external events. Included in this risk are reputational, legal, information, change, business continuity, fraud, compliance and cyber risks. The Bank's Operational Risk department is responsible for identifying, analysing, measuring, managing, monitoring and reporting operational risk by applying quantitative and qualitative measures to determine the level of risk (probability vs. severity), which will help to determine the cost of mitigation versus the benefit, as well as the type of controls needed to do so.

From a quantitative analysis perspective, the area makes use of the following mechanisms: Incident Management; key risk indicators; external information (audit/ Regulator); scenario analysis.

From a qualitative analysis perspective, the area makes use of Risk Control Self-Assessments made by the business and support areas.

Through these analyses, the area, through the Risk Management Committee, monitors and reports monthly on the financial impact that operational risk has on the monthly earnings of each Business Unit, using a Capital Model in accordance with the guidelines established in Basel II.

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.

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

- Business continuity and information risk management (BCM & IR)
- Combined Assurance Committee
- Executive Committee's Risk Management Committee (RMC)
- Board of Directors' Risk Management Committee (BRC)

NON-FINANCIAL RISK DEPARTMENT

SAFETY AND SECURITY PHYSICAL 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 Part Risk	Financial Crime Risk

NON-FINANCIAL RISK POLICIES (INCLUDING OPERATIONAL RISK)

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. Non-Financial risk management at SBA, advocates the policies followed by the Group and is essentially based on the following pillars:

- **Risk Appetite**
- **Incident management**
- **Risk Control Self-Assessment System**
- **Key Operational Risk Indicators (KRI or Key Risk Indicator)**
- **Risk scenario analysis and stress testing**

OPERATIONAL RISK MANAGEMENT

Operational risk has been 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 Procedure:** Procedure 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 (RCSA):** 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.

EXERCÍCIO DE 2022 EM ANÁLISE

During 2022, 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:

- Risk assessment more focused on each category of non-financial risks, thus guaranteeing broader coverage of the Management of emerging risks.
- The implementation of a new structure for integrating new suppliers and carrying out an analysis and assessment of suppliers considered critical. This allows the Bank to evaluate its response capacity in terms of Business Continuity Management, information processing, as well as its controls at the level of physical and electronic security.
- Integration and continuous improvement of all non-financial risk processes in the Risk Management Platform (RMP) such as: Risk Assessment and Controls (RCSA), Incident Reporting, Key Risk Indicators (KRI), Scenario Risk Analysis, Business Continuity Plans (BCP), Business Impact Analysis (BIA), Information Assets Register (IAR).
- The ongoing enhancement of the Risk Management System (RMP), such as automation of the business resilience process, Information Management and Third Party Risk Management, still in progress.
- Revision of non-financial risk policies, recovery plans and Information Management and data analytics to align with the new structural changes and lessons learned from the pandemic to ensure that the Bank remains resilient to continue serving its Clients.
- Improvements in root cause by analysis of material incidents and submission of Report from relevant committees to ensure that robust solutions are implemented to prevent their occurrence.
- Revision of Insurance Standards to ensure that the Bank and its Employees have greater coverage for risks to which the Bank may be exposed.
- Carrying out crisis simulation to test the preparedness of the executive members and their alternates in the Business Continuity Management of the Bank, as well as disaster recovery tests to ensure that the Bank is able to recover its critical systems in a timely manner.

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

1 **Re-fixing risk**

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

2 **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.

3 **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.

4 **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 time period.

Currently, the risk appetite alert of SBA's economic value is 20% of the Bank's regulatory own funds.

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

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.

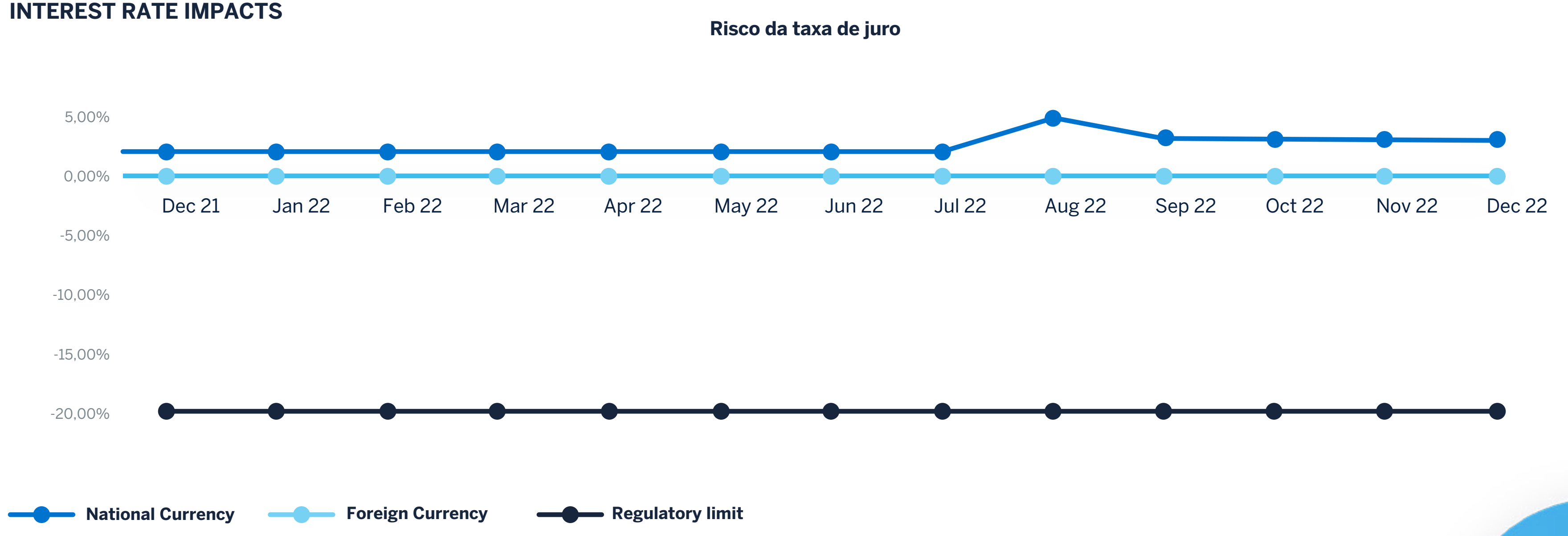
To calculate the impact of interest rate changes on the interest margin and market prices of instruments in the banking portfolio, at least 12 months of forecasting should be considered. This analysis allows not only for the dynamic interaction of payments and interest rates, but also captures the impact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

INTEREST RATE IMPACTS



According to the tables above, it can be seen that in 2022, 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.

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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.

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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

- 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 the 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

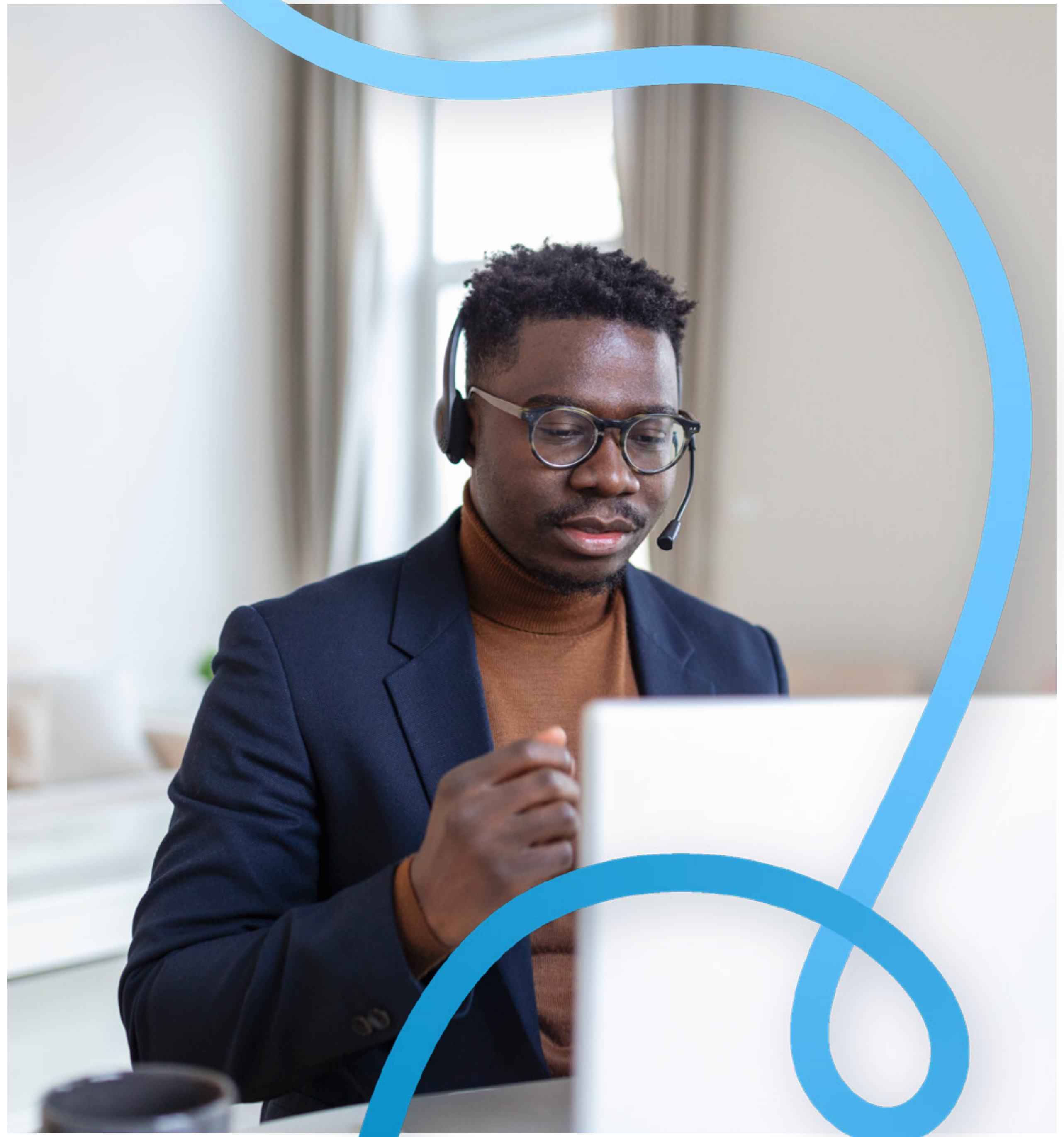
It aims to ensure adequate liquidity availability during adverse situations and to provide a pre-planned response mechanism for managing temporary and long-term eventualities.

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.

Internal Liquidity Adequacy Assessment Process (ILAAP)

The internal liquidity adequacy assessment process (ILAAP) according to Instruction no. 11/2021, aims to ensure prudent liquidity risk management through the identification, quantification and control of liquidity risk at different time horizons, thereby ensuring adequate levels of liquidity. Additionally, a portfolio of high quality unencumbered liquid assets is maintained in order to withstand a series of stress events, including those involving the loss or deterioration of secure and unsecured financing



sources. Therefore, in addition to frequent monitoring of liquidity (daily/weekly) through the EWIS tool and the liquidity indicators defined in the RAS, there is more conservative monitoring of specific indicators as part of the ILAAP exercise.

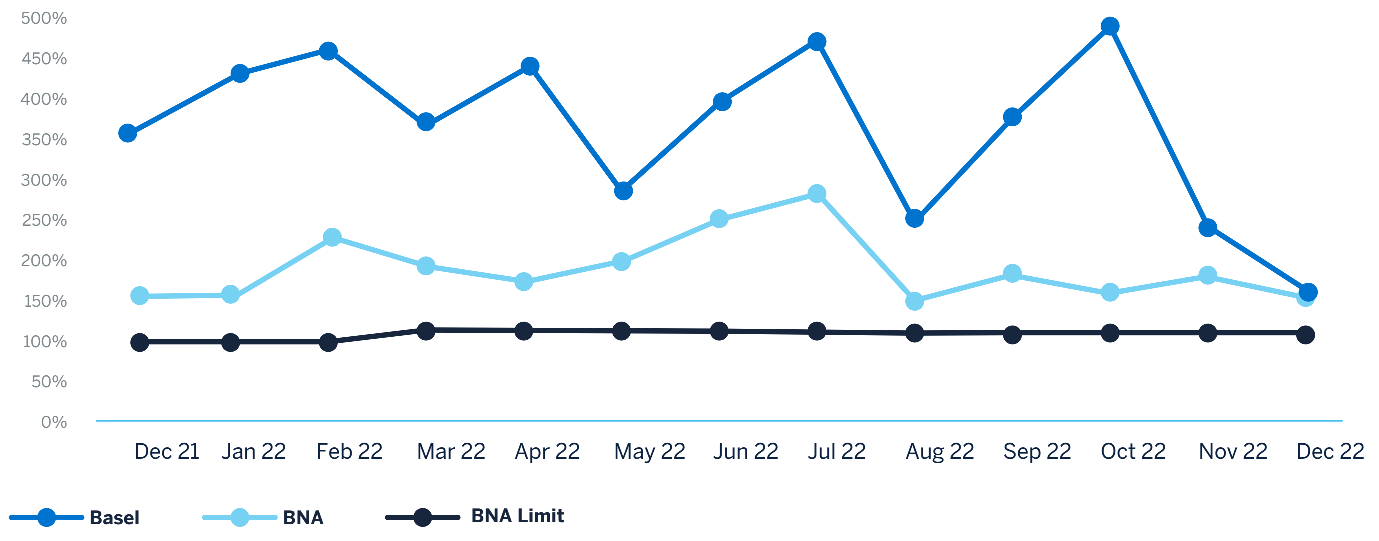
The ILAAP is conducted by SBA's Board of Directors, directly or indirectly through specialised committees.

Monitoring of the BNA and Basel III liquidity ratio

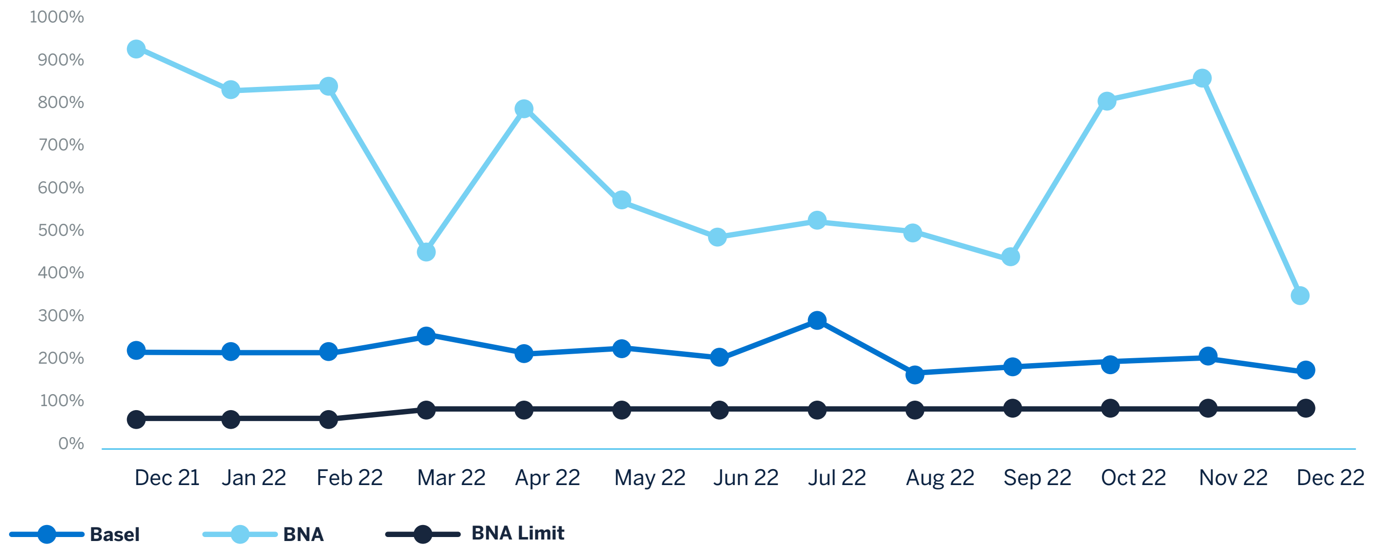
The reporting of the liquidity ratios must be made to the BNA, in accordance with local legislation, Instruction No. 14/2021 of 27 December, and to the South African regulator (SARB or South African Reserve Bank), in accordance with Basel III.

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. 14/2021. 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 2022.

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.

The main objective of SBA 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 carried out by the Service area that belongs to Experience – Client Solutions, 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. Based on the strategies of the various departments and segments, several mechanisms were created and implemented in 2019 that make it possible to monitor and evaluate the various activities and services provided.

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". This management is carried out by the Services Quality function.

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, within an SLA of up to 5 working days.

Client's Voice

For the Bank to provide a service of Excellence it is necessary for us to listen to the Voice of the Client. SBA has mechanisms in place to assess Client Satisfaction. This assessment is made annually using several internal and external tools, from studies such as NPS, CSI, ABT, eNPS, Mystery Client, Focus Group and satisfaction surveys, allowing us to know the needs of Clients, their ambitions and concerns. Associated with this evaluation system is the implementation of a Sales Force platform, the Service Cloud, which allows the management of 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.

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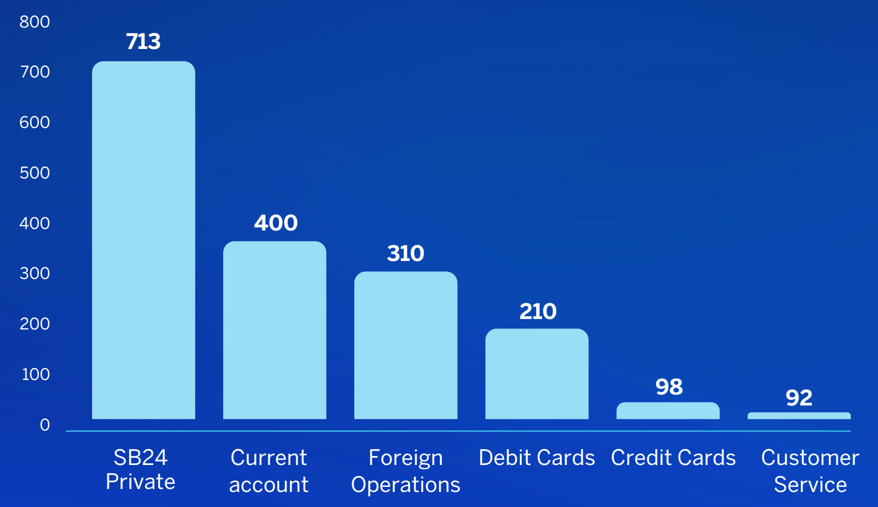
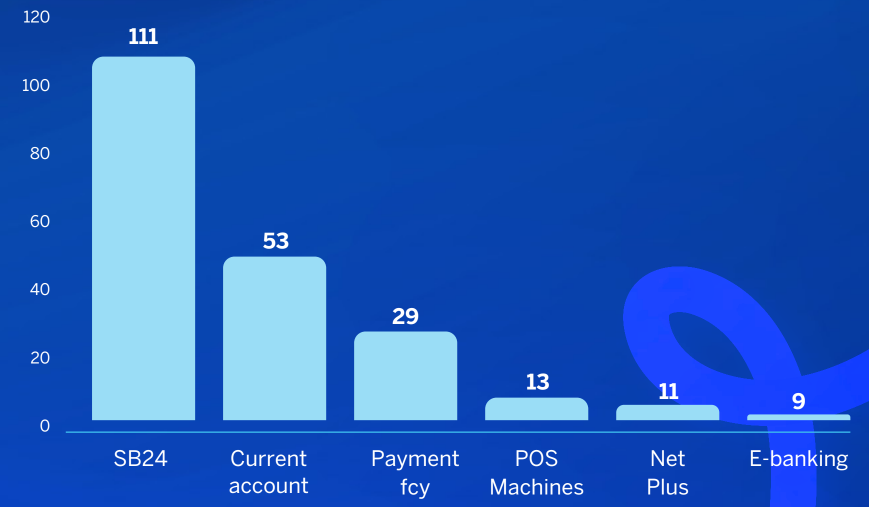
2022 UNDER REVIEW

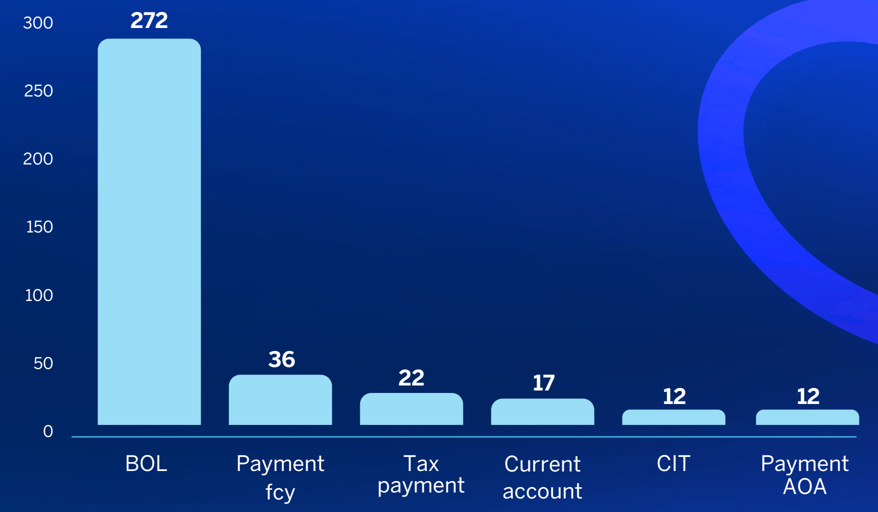
Top 6 Complaints by Segment 2022



BCB Top 6



CIB Top 6



The figures below provide a clear perspective of the quality of service provided by SBA, where the total number of complaints from January to December 2022 was 2,613, corresponding to a weight of 3.7% of complainants in the total numbers of active Clients. In 2022, the Service Quality area launched a campaign to raise awareness among Employees, Clients and Partners about the importance of making complaints and recording them; the campaign was a success.

Active Clients **70,926**

Total Complaints **2,613**

Weight of **3.7%**

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Compliance Risk

Compliance Risk comprises the 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 its 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 limited trading and and conflicts of interest;
- Registration and processes for "gifts" and "entertainment";
- Declaration of outside business interests.

COMPLIANCE RISK ASSESSMENT

Compliance risk assessment in SBA begins with the identification of the risks associated with each activity. In this process, the scope of compliance risk applicable to the respective activities is determined, in order to help the business units to prioritise risk management strategies appropriately.

The Compliance risk is quantified by determining the impact, which describes the seriousness or significance of the Compliance requirement and the probability of occurrence, with reference to the Bank's current control environment.

In this way, the Compliance risk assessment process identifies the level of Compliance risk to which the Bank is exposed and establishes what could lead to non-compliance with the requirement. It also provides an indication of the extent to which compliance requirements are being managed at the Bank and is a source of reference for the plans and tests for monitoring this risk to be carried out.

01 02 03 04 05 06

Focus for 2023

SBA highlights a set of dimensions to be addressed in 2023 within the risk function:

01 Implementation of an online fraud prevention tool to monitor accounts and digital channels. Implementing an automatic classification system for the information produced, in order to ensure that sensitive information is not shared with inappropriate people.

02 Implementation of a tax risk assessment tool with real-time capacity to review the customer base.

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

04 Implementation of a conduct risk structure and formation of a defence conduct committee.

05 Implementation and incorporation of Third Party Risk Management system and evaluation of suppliers to assess their cyber resilience so as to consistently review and evaluate suppliers deemed critical.

Cybersecurity is an extremely important topic in today's digital world. Cybercrime has increased exponentially in recent years, especially in the financial sector, which continues to be the most attacked. Investment in cybersecurity will continue in the form of a programme that includes awareness campaigns, training for Employees and the implementation of specific projects to protect the Bank's channels.

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4.4. Operational Excellence

Client Solutions

General Vision

The Client Solutions Department aims to design and implement new products, services and solutions that serve not only for internal use by the business units but also to meet the needs of Clients and Partners within their respective ecosystems and platforms, enabling a symbiosis that exponentially increases the generation of value for those involved in the process.

The Client Solutions Department works in partnership with the business units to create innovative and disruptive solutions that complement the Bank's value proposition for Clients, and in partnership with the Engineering and Innovation Departments to ensure the delivery of these solutions in accordance with best practices in project management and agile methodologies.

SBA intends to be more than a Bank for its 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 SBA provides to its 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 of SBA;
- 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 SBA's Partners operate.

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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.**

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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. This offer includes transactional, savings and credit products, including access to means of payments, such as debit and credit cards and other digital solutions.

In 2022, the Department's focus has been on incorporating the voice of the Client - their needs, wishes and suggestions - in the processes of design and maintenance of products and services, in order to increasingly tailor the Bank's offer to Clients' real needs and demands.

INSURANCE PRODUCTS

The scope of the Insurance Products Department focuses on products and services related to the insurance area.

More than a distribution channel for a wide variety of high-quality products offered by the Bank's Partners, this Department plays a collaborative role with Partners to align the offer to the requirements of SBA Clients.

One of the directorate's main focuses in 2022 has been on digitalising the distribution chain, creating the foundations so that, increasingly, the beneficiaries of these solutions can join them in fully digital channels and autonomously.

PARTNERSHIPS

The Partnerships Department was created as a result of the Bank's strategic change process, **which aims to become 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. With the aim to make the Bank the preferred destination for SBA Clients and Partners for all their day-to-day needs, whether financial or not.

With an initial focus on identifying potential market partnerships, the intention is for this first step to evolve towards providing 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 has in its catalogue.

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Client Solutions

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.

INSURANCE

Short and long-term personal insurance (life, health, motor, travel, multi-risk, salary protection, funeral and personal accident) and corporate insurance (group health insurance, transported goods, multi-risk, workplace accidents, business interruption, machinery breakdown, motor fleet, group liability and life, BBB, cyber risk insurance, construction).

CREDIT PRODUCTS

Throughout 2022, Standard Bank of Angola continued to present a wide range of financing solutions - home loans, VAF, structured products and distinct short, medium and long-term solutions for individuals and companies.

In terms of new credit products, 2022 was dedicated to the process of creating and developing new digital solutions, which will be presented to Clients in order to facilitate the adhesion and subscription process, ensuring that the adhesion process is immediate.

SAVINGS AND INVESTMENT

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

It also updated the interest rate for these products, making them more competitive and appealing to Clients, and launched campaigns to encourage savings, by offering promotional interest rates for those who adhere.

The Bank also rebranded "Swaip and Poupa" to "Risca e Poupa", with the intention of making the product more familiar, with the language of the local market, for a better understanding of the product by Clients.

TRANSACTIONAL PRODUCTS

The Bank focused on monitoring the use of its transactional products and services, collecting complaints and suggestions for improvement from its Clients and internal users. In this regard, and as a direct response to these concerns, the following initiatives were prioritised:

- **Payment of Taxes to the State (RUPE)** - As a result of the continuous improvement process, the RUPE process was improved, enabling a superior Client experience, allowing that from digital channels such as SB24, SWIFT, Payments Workflow, it is possible to pay taxes above 100 million kwanzas. This functionality is available on BOL for CIB Clients.
- **Payment capacity assessment** - Review of the payment's infrastructure in preparation for digital adoption, by identifying gaps, new Client needs and alignment with the Bank's strategy.
- **SINOC Integration** - International transfer is an extensive process with many manual interventions, one of which is the registration of transactions in the Central Bank's SINOC system. The integration is currently being implemented using APIs made available by the BNA, which will allow this specific part of the process to be automated, resulting in gains in performance, team efficiency and Client satisfaction.
- **Direct Debits** - Completion of the certification of direct debit processes with EMIS. This payment service will allow the Bank Client (debtor) to make his periodic payments through a debit authorisation in his Bank account, previously delivered to the creditor. Direct debits allow the Bank Client to make all types of payments resulting from long-lasting contracts and/or of a periodic nature, or even one-off payments. For creditors, direct debits represent an efficient means of collection.

PRODUCING A MODULAR SOLUTION - WALLET ENABLER

Mobile financial services (MFS) are gaining popularity. As digital technologies and mobile connectivity evolve, the limited ability of Banks to enhance financial inclusion has ceased to be an issue. SBA positions itself as a support entity for partner wallet implementation, offering the fiduciary account and cash in, cash out, wallet to account and account to wallet mechanisms in a modular way.

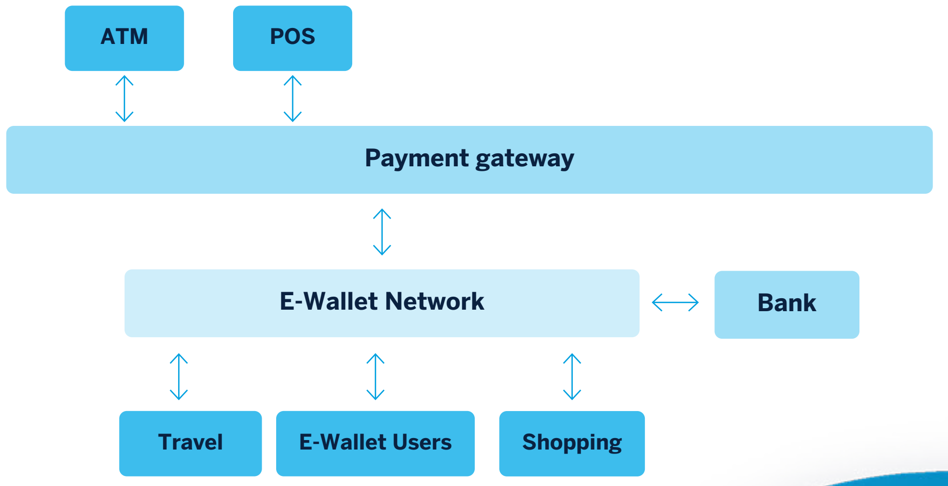


Fig.1 Wallet as a modular offering

CARDS, ATMS AND TPAS

The year 2022 showed stable growth in the Client base based on the acquisition strategy defined by the business, a clear expression of the Clients' bet on the Standard Bank of Angola brand. This factual scenario guaranteed an increase in the number of cards, ATMs and TPAs.

For the period in question, there was a growth of around 14% in the number of cards (debit and credit) in comparison with the same period in the previous year, with a total of 118,863 active cards.

Debit cards grew by 14%, closing December 2022 with around 115,875 active cards. In terms of credit cards, there was growth in the order of 5% in active cards.

On the other hand, the total number of TPAs increased 53% compared to the numbers registered in 2021.

By the end of 2022, 99 ATMs were registered.

Annual Report 2022

118,863
Active Cards

115,875
Active debit cards

5,200
TPAs

2,988
Active credit cards

99
ATMs

97%
Debit card penetration rate 2022

SBA's Strategy

The aim of SBA is to continue the work developed in accordance with the 4 main pillars defined in the 2022 strategic plan:

01 **Optimisation, Digitisation and Automation:** SBA recognises the need to improve the current processes, which consume the time and resources of its 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. As part of the process automation and optimisation process, we implemented improvements to the TPA Management and Allocation Platform, including the implementation of multiple requests for TPAs, which optimises the time taken to fill in forms and thus improve the delivery times of TPAs for SBA Clients and better monitoring of the allocation process.

02 **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.

03 **Partnerships:** In the context of the changing environment, the importance of partnerships is recognised. The aim is to bring together the right people and technologies to create new opportunities. This expansion through the creation of new solutions, which over time, go beyond financial services and will drive incremental value growth for SBA's Partners and Clients. Solutions that can scale internally and externally. Delivered through the platforms and ecosystems of the Bank and Partners, in order to generate new sources of revenues. Above all, we aim to be increasingly recognised as the Bank of choice in the country's partnership space.

04 **Experiência:** 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 its Partners and Employees. The goal is to connect and integrate all areas of the Bank, contributing to the construction of a people-oriented culture, with defined metrics to ensure the best experience at all points of contact. The information obtained from interactions with Clients helps create a set of products and solutions tailored to their needs, as well as identifying new opportunities, new markets and/or increased profits, fostering a personalised experience and aware that Clients' needs change throughout their lives and are influenced by their main events.

Innovation

Digital, Innovative and Disruptive

The future is inseparable from technology and, for SBA, so is the present. In this sense, Standard Bank of Angola has been promoting the digitalisation of its processes and procedures and the modernisation of its systems.

The innovation and digital transformation of the Bank is a major concern, always with the aim of making SBA more efficient, agile, secure and better able to provide excellent service to its Clients.

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. The Innovation Department is a part of this process, and its mission is to leverage the strategy of partnerships, the exploration of ecosystems and the introduction of disruptive innovation in the market.

Annual Report 2022 4. The Operationalisation of a Strategy 4.4 Operational Excellence

SUMMARY 2022

The first half of the year helped leverage the strategy of partnerships with various players in the start-up ecosystem, especially Fintech, with the aim of improving the service offered to Clients. It was this mindset that led SBA to participate in various events such as the Angola Digital Forum (ADF) and to contribute to the holding of the 1st Edition of the Innovation Fair (FUI) of ISPTEC (Higher Polytechnic Institute of Technologies and Sciences).

SBA was the driving force behind an in-depth study of the Family Farming Ecosystem, with the aim of understanding the real difficulties of the sector, so as to enable the design of solutions suited to the needs of this important segment of the economy.

During this period, mechanisms were implemented that will enable significant streamlining of account opening and maintenance processes, through Application Programming Interface architectures (APIs) and interconnection with State entities.

The Bank also held the first Hackathon 2022, a programming marathon whose main objective was to attract talent through a two-day programme, during which candidates had to solve various challenges presented by the Bank.

The 2nd edition of the Bright Ideas Campaign (the Bank's internal event to capture and incubate ideas) was for the first time held in a hybrid format, allowing all Employees to participate in the event.

The second half of the year served to consolidate initiatives aligned with the strategy of partnerships and exploration of ecosystems, among which the development of a micro-credit solution and the integration with digital payment platforms of local startups.

As part of the partnership with the Confederation of Agro-livestock Cooperatives of Angola (UNACA), the Bank started the development of a solution for the allocation of microcredit, enabling family farmers to receive inputs locally.

Additionally, a partnership was established with the Angolan startup PayPay. The innovation resulted from direct integration via APIs and validation of Open Banking models. SBA continued to collaborate with the various market players in order to understand their needs, for the subsequent creation of solutions and new value proposals that result in improved Client service.

From this exercise arose the opportunity to develop a solution for installment payments, which will allow commercial establishments to increase their sales volumes and private Clients to strengthen their purchasing power, having access to a wider variety of services and products.

OUTLOOK FOR 2023

Standard Bank of Angola will continue to focus on initiatives to strengthen partnerships and explore ecosystems.

Innovative payment and micro-credit solutions will be announced during the year.

Finally, in 2023 SBA will also continue to focus on the incessant search for the improvement of Bright Ideas, with the objective of continuing to improve excellence in Client service.

Engineering

General Vision

The Engineering Department is responsible for supporting all business lines and functions, ensuring operationalisation is aligned with the priorities outlined by the Executive Committee. This multidisciplinary team, with characteristics predominantly related to Engineering functions, is composed of the areas of Technology & Operations, Data & Analytics, Information Security and Asset Management.

Annual Report 2022 4. The Operationalisation of a Strategy 4.4 Operational Excellence

Technology & Operations

The technology and operations area provides services to the business that must respond in a synchronised manner to the needs of the Client and the market. For this reason, the Engineering Department is responsible for implementing, optimising and executing a large part of the business processes.

The Operations team has anticipated all the growth needs of the business in all the Client journeys in which it participates, the main ones being Account Opening and Maintenance, Payments and Credit. Compliance with operational service levels, adopting the straight-through processing (STP) policy when possible, leverages the business to achieve financial results and attract new Clients, the volume of payments processed by the area increased by 27% while maintaining service levels. The Cash Centre continues to implement its plan to optimise and support Client acquisition and partnerships in the banking market, with turnover increasing by 58% in 2022.

The Client Services team has continuously supported the Large Enterprise segment and throughout 2022 increased its portfolio of services to be offered to other segments, namely Small and Medium Enterprises.

The Technology team has focused a lot on ensuring that it implements and operates all solutions as efficiently as possible in its various skills and competencies, through the Always-On programme, using methodologies used by BigTechs such as the Site Reliability Engineer (SRE) function, ensuring better performance, monitoring and recovery of services by increasing their SLA for Clients (Internal or External).

Customized integrations with companies are also a main focus of this team, increasing and ensuring Client satisfaction through the efficient implementation of straight-through processing (STP).

The digital channel SB24 has been one of the initiatives with the highest growth and performance of the Bank with a growth in individuals above 100% with quarterly launches attracting Clients and increasing revenue, from the last quarter it covered the segment of small and medium enterprises, with a very positive adoption. This initiative applies recent technologies and methodologies which creates the sustained basis for creating skills and high performance teams. Some examples of methodologies and technologies are, DevSecOps, including CI/CD and Cloud Operations (Kubernetes and Micro-Services).

Information Security

Angola and the financial sector in particular continue to be the target of cyber attacks by international groups and small national players due to its good internet connectivity and lack of maturity of the institutions. In addition, there are a number of security policies that must be complied with as well as local regulations issued by the various Regulators.

With the regularity defined resilience, tests are made such as disaster and cyber attack simulations, **the results have been positive and prepare the teams for real events.**

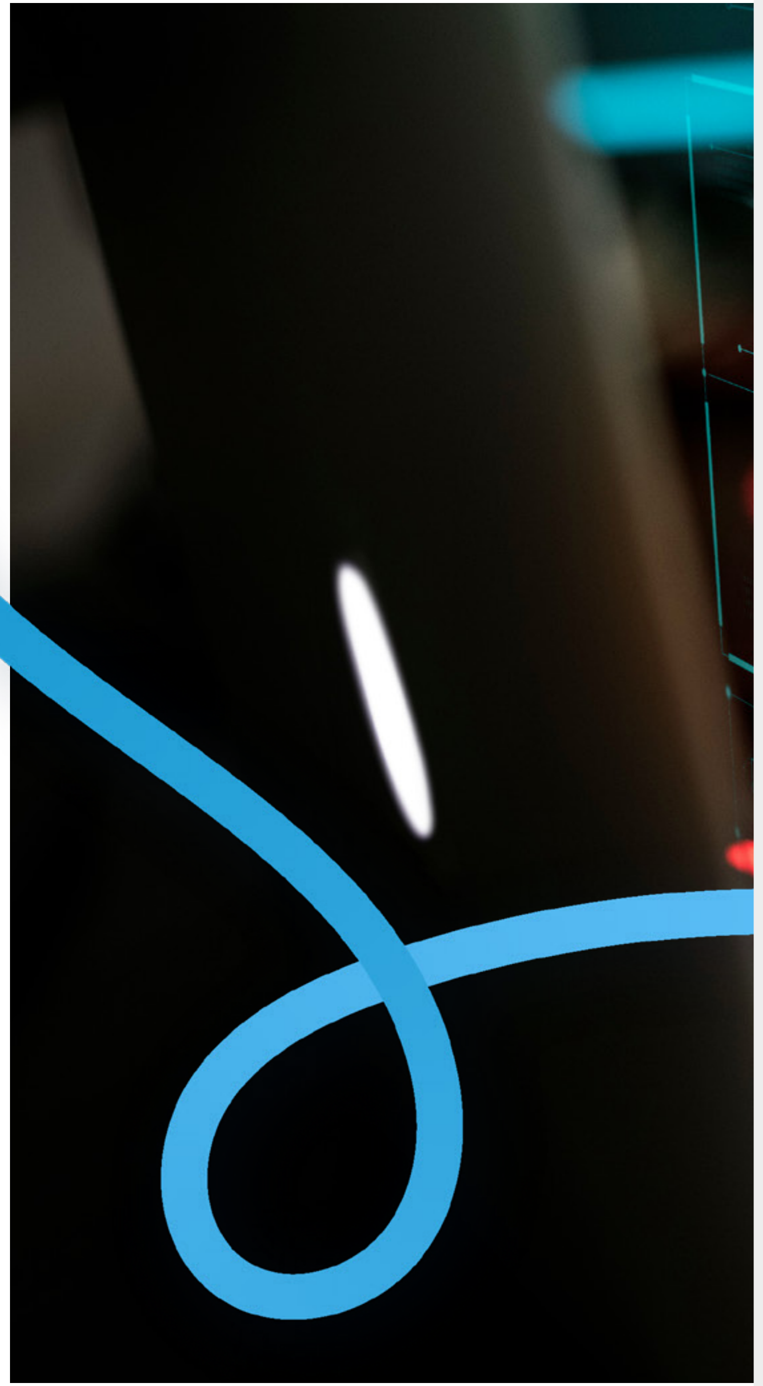
Data and Analytics

One of the areas with a very relevant potential and responsibility for assertive decision making of the business areas and corporate functions, has a focus on creating the informational base of the Bank in the Reservoir (Enterprise Data Ware House).

Advanced analytics has taken its first steps in experimenting with data analysis models in various dimensions, in particular Client Behavior Analytics that analyses feedback from social networks, Churn Model, Cross Sale and Global Markets FX.

Property

The implementation and adoption of the Assets Management platform (NextBitt) was one of the developments in 2022, improving the Management of physical assets under its Management. Effective improvements have also been made in all areas, namely Maintenance, Security, Works and Logistics, which ensure a sharp financial efficiency to the Bank.



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Annual Report 2022 4. The Operationalisation of a Strategy 4.4 Operational Excellence

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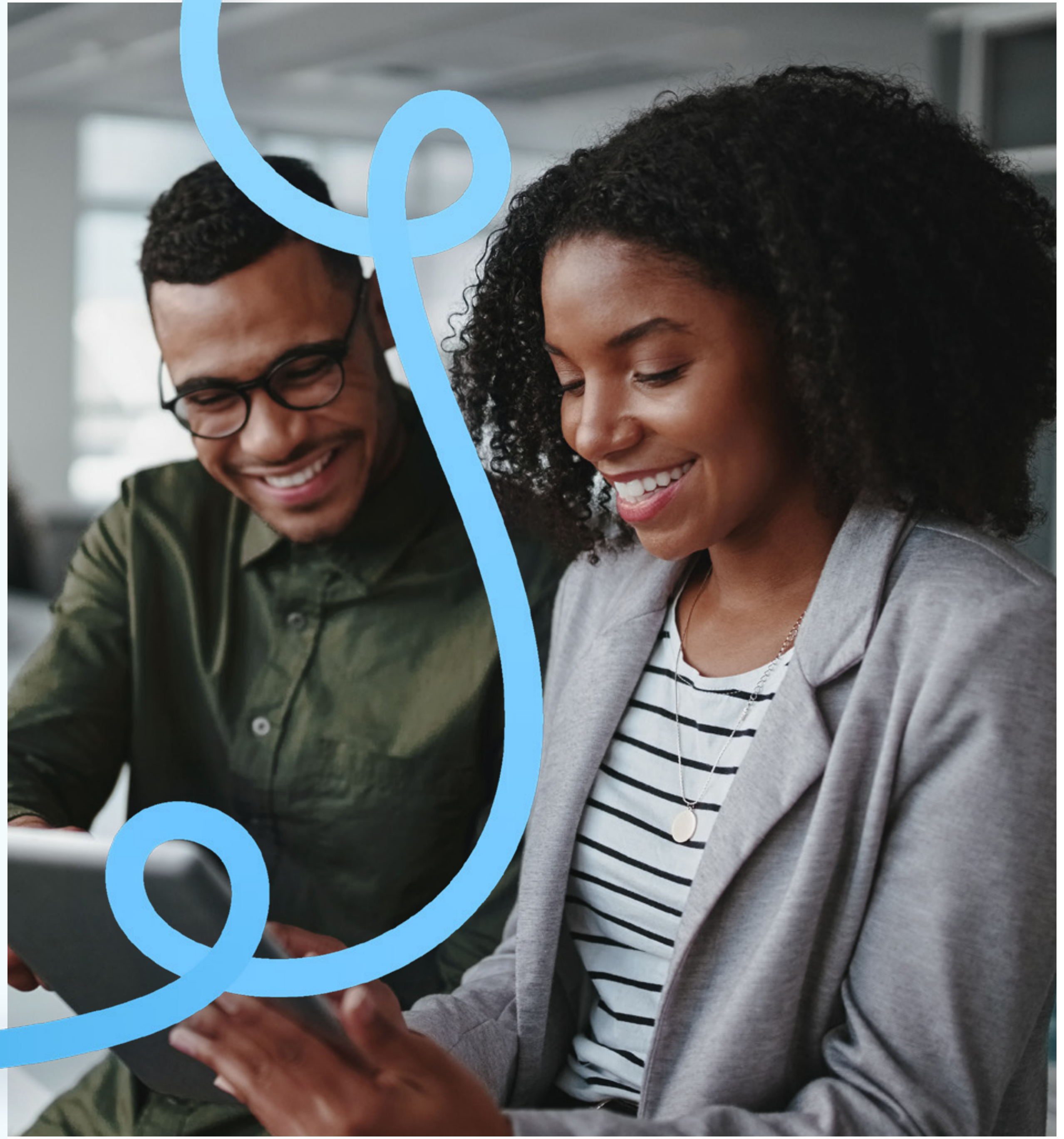
4.5 SBA's Key figures

BALANCE SHEET ANALYSIS

In 2022 Standard Bank of Angola registered an increase of 12% in the value of its total assets, which was essentially based on the retention of the value generated by its operating activity and on continuous reinvestment in low risk, high profitability assets, thus contributing to the sustainability of its long-term growth.



BALANCE

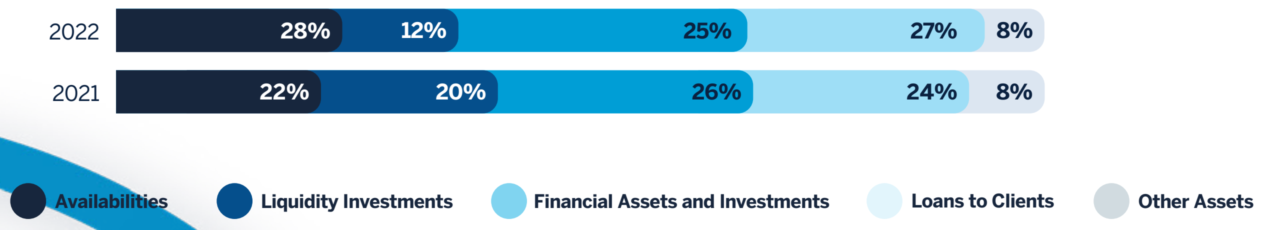
	thousands of Kwanzas			thousands of USD		
BALANCE SHEET	**31.12.2022**	**31.12.2021**	**Variation**	**31.12.2022**	**31.12.2021**	**Variation**
Assets						
Cash	301,890,505	212,206,046	42%	599,357	382,366	57%
Deposits in central banks and other credit institution	132,120,422	186,984,054	-29%	262,305	336,920	-22%
Financial assets at fair value through profit or loss	6,394,206	181,656	3420%	12,695	327	3778%
Financial assets at fair value through other income	168,436,476	162,789,363	3%	334,404	293,324	14%
Investments at amortised cost	93,348,877	91,706,497	2%	185,330	165,243	12%
Loans & Advances to Clients	297,184,635	234,174,153	27%	590,014	421,950	40%
Fixed assets	50,610,061	51,874,501	-2%	100,478	93,471	7%
Other assets	30,834,019	28,357,630	9%	61,216	51,097	20%
Total Assets	**1,080,819,201**	**968,273,900**	**12%**	**2,145,798**	**1,744,697**	**23%**
Liabilities and Equity						
Deposits from central banks and other credit	42,539,372	26,524,169	60%	84,455	47,793	77%
Deposits from Clients and other loans	743,387,714	678,257,533	10%	1,475,880	1,222,127	21%
Debt securities issued	-	-	-	-	-	-
Financial liabilities at fair value through profit or loss	10	-	-	-	-	-
Provisions	4,148,379	3,287,749	26%	8,236	5,924	39%
Current tax liabilities	1,734,317	17,518,310	-90%	3,443	31,566	-89%
Subordinated debt	15,386,552	16,704,348	-8%	30,548	30,099	1%
Other liabilities	74,746,985	56,496,129	32%	148,398	101,798	46%
Total Liabilities	**881,943,329**	**798,788,238**	**10%**	**1,750,961**	**1,439,307**	**22%**
Equity						
Share capital	9,530,007	9,530,007	0%	18,920	17,172	10%
Reserves and retained earnings	123,688,910	84,219,343	47%	245,565	151,752	62%
Net profit or loss	65,656,955	75,736,312	-13%	130,352	136,466	-4%
Total Equity	**198,875,872**	**169,485,662**	**17%**	**394,837**	**305,390**	**29%**
Total Liabilities and Equity	**1,080,819,201**	**968,273,900**	**12%**	**2,145,798**	**1,744,697**	**23%**

ASSETS:

At 31 December 2022, SBA recorded assets amounting to 1,080,819 million kwanzas, representing an increase of 12% over the year 2021. This evolution essentially resulted from the increase in the items liquid assets (+42%) and loans and advances to Clients net of impairment (+27%), which offset the decrease in investments in Central Banks and other credit institutions (-29%) and in fixed assets (-2%).

This increase in assets is due to the Bank's investment policy, favouring low risk assets with high levels of profitability, namely in Cash and Loans & advances to Clients.

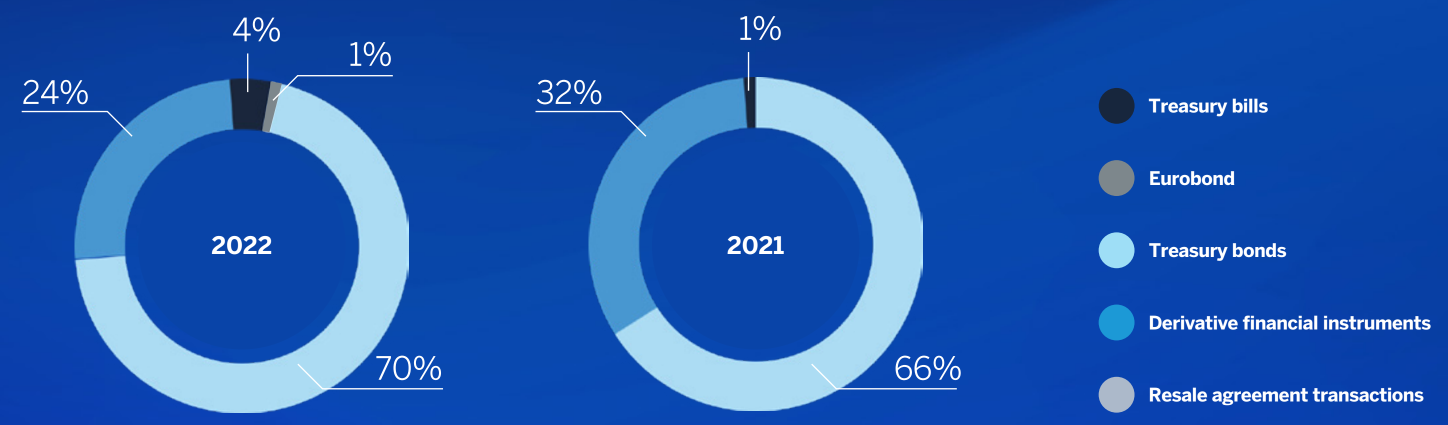
Despite this investment made in the granting of loans, the Bank maintained a strict risk management policy, having seen a decrease in the proportion of overdue loans in total gross loans to only 0.37%, maintaining levels of coverage for impairment at around 2% of total loans. The Bank has around 90% of its exposures classified as stage 1 (no indication of financial difficulties) (2021: 84%), most of which (61%) are to large companies. In view of the above, the balance sheet structure underwent slight changes, however the Bank's business model remains unchanged, being based on a conservative risk management policy with a consistent focus on sustainable profitability



Securities Portfolio

	Yields		thousands of Kwanzas			thousands of USD		
Investments in central banks and other credit institutions	**2022**	**2021**	**2022**	**2021**	**Var**	**2022**	**2021**	**Var**
Resale agreement transactions	n.a.	n.a.	85,581,018	119,006,349	-28%	169,908	214,433	-21%
Accrued interest	n.a.	n.a.	1,270,484	1,389,521	-9%	2,522	2,504	1%
Financial assets at fair value through profit or loss								
Treasury bonds	n.a.	n.a.	6,203,288	-	0%	12,316	-	-
Derivative financial instruments	n.a.	n.a.	1,181	-8,071	-115%	2	-15	-116%
EMIS shareholdings	n.a.	n.a.	189,727	189,727	0%	377	342	10%
Financial assets at fair value through other comprehensive income								
Treasury bills	n.a.	n.a.	15,819,731	5,550,255	185%	31,408	10,001	214%
Treasury bonds	17.08%	15.88%	152,616,745	157,239,108	-3%	302,997	283,323	7%
Investments at amortised cost								
EUROBOND	9.50%	n.a.	2,824,701	-	-	5,608	-	-
Treasury bonds - USD	n.a.	5.00%	-	34,723,025	-100%	-	62,566	-100%
Treasury bonds - AOA	17.19%	11.57%	90,524,176	56,983,472	59%	179,722	102,676	75%
Total			**355,031,051**	**375,073,386**	**-5%**	**704,859**	**675,831**	**4%**
Resale agreement transactions	-	-	86,851,502	120,395,870	-28%	172,430	216,937	-21%
Treasury bills	-	-	15,819,731	5,550,255	185%	31,408	10,001	214%
Treasury bonds	-	-	249,344,209	248,945,605	0%	495,034	448,566	10%
EUROBOND	-	-	2,824,701	-	-	5,608	-	-
Derivative financial instruments	-	-	1,181	-8,071	-115%	2	-15	-116%
EMIS shareholdings	-	-	189,727	189,727	0%	377	342	10%

BONDS AND SECURITIES



CREDIT

	thousands of Kwanzas			thousands of USD		
	2022	2021	Variação	2022	2021	Variação
Loans & Advances to clients	302,822,509	238,167,618	27%	601,207	429,146	40%
Non performing loans	1,118,823	791,254	41%	2,221	1,426	56%
TOTAL CREDIT	**303,941,332**	**238,958,872**	**27%**	**603,428**	**430,571**	**40%**
Impairment losses	-6,756,697	-4,784,719	41%	-13,414	-4,215	218%
NET CREDIT	**297,184,635**	**234,174,153**	**27%**	**590,014**	**426,357**	**38%**
Guarantees provided	32,762,676	21,474,004	53%	65,045	37,237	75%
Credit letters	8,224,263	5,437,928	51%	16,328	21,597	-24%
Unused credit limits	40,511,588	48,495,977	-16%	80,429	117,909	-32%
THIRD-PARTY LIABILITIES	**81,498,527**	**75,407,909**	**8%**	**161,803**	**176,743**	**-8%**
PROVISIONS FOR GUARANTEES AND COMMITMENTS	**-245,781**	**-219,404**	**12%**	**-488**	**-395**	**23%**
Credit Quality						
NPLcredit / total credit	0.37%	0.33%	0.04%	0.37%	1.00%	-0.63%
NPL coverage ratio	16.56%	16.54%	0.02%	34.00%	47.00%	-13%

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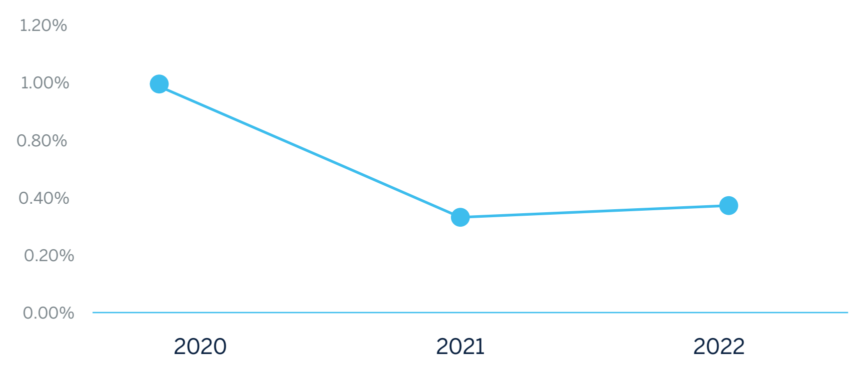
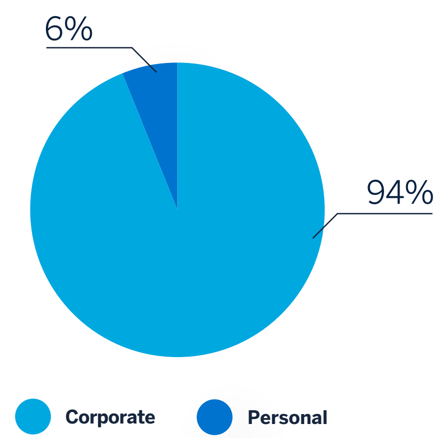
Credit Granted

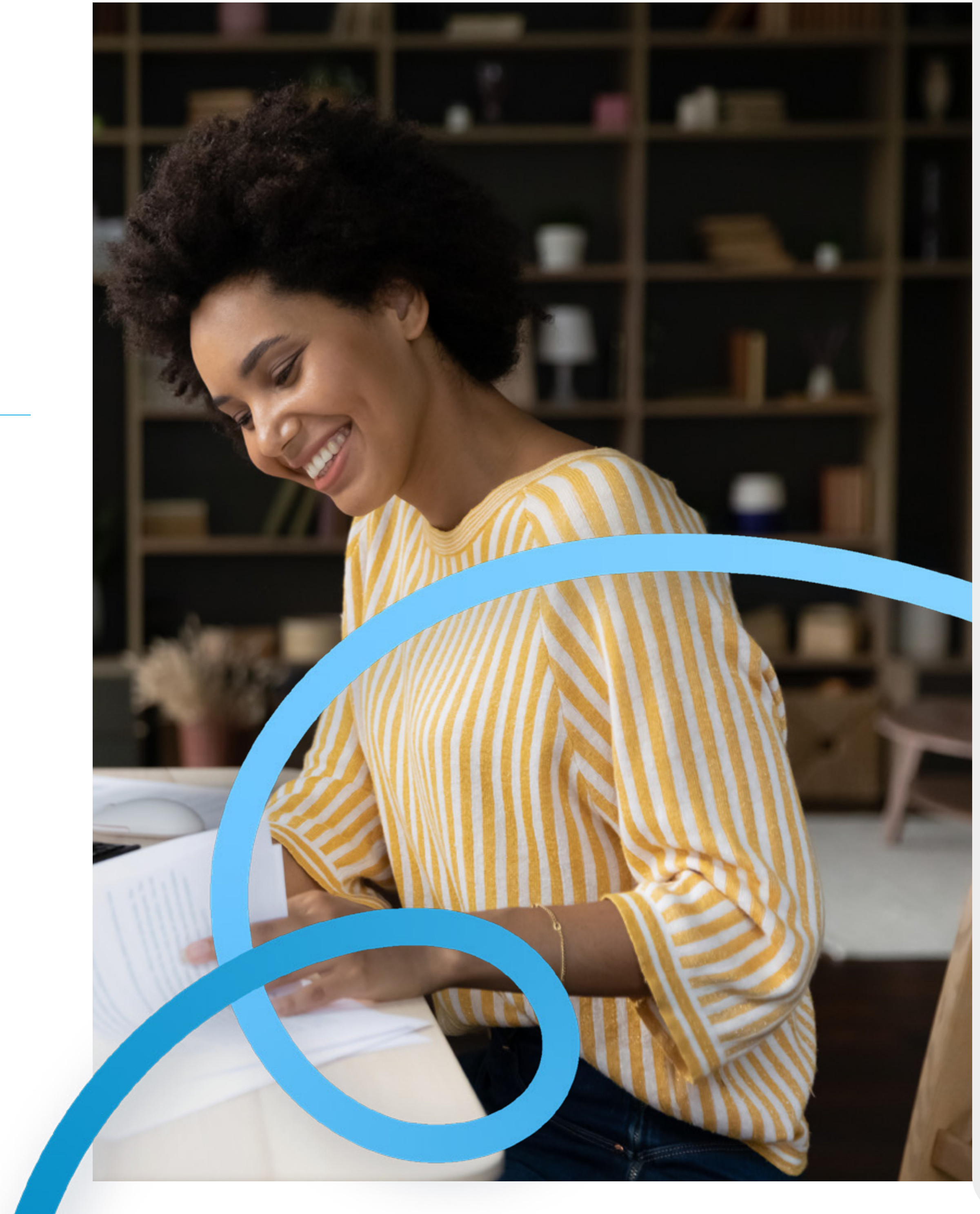
NPL EVOLUTION[1]



[1] Credit in overdue for more than 90 days/ total credit

CREDIT GRANTED BY TYPE OF CLIENT





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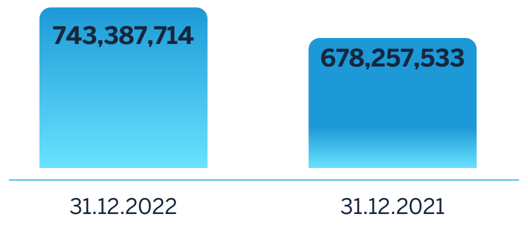
LIABILITIES:

As mentioned previously, the Bank's assets increased mainly as a result of the reinvestment of earnings obtained from investments made, although the Bank increased its liabilities by about 10% to a total of 881,943 million kwanzas.

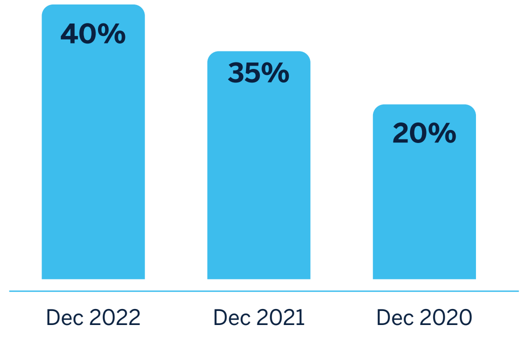
This increase essentially resulted from the rise in the heading resources from Central Banks and other credit institutions (+60%), resources from Clients and other loans (+10%) and in other liabilities (+32%).

The increase under the other liabilities heading is essentially justified by the growth in the deferred tax liabilities heading which incorporates the amount of 8,337 million kwanzas relating to potential favourable exchange rate variations in accordance with Law no. 26/20, of 20 July - Law amending the Industrial Tax Code - and 1,387 million kwanzas on fair value reserves. Additionally, this heading recorded in 2022, 50,268 million kwanzas of dividends payable compared to the 12,401 million kwanzas recorded in 2021. Current tax liabilities showed a reduction of 15,783 million kwanzas (-90%) compared to 31 December 2021. This decrease is mainly justified by the fact that the Bank at 31 December 2022 had not yet recorded the amount relating to industrial tax payable.

CLIENT RESOURCES AND OTHER LOANS



TRANSFORMATION RATIO



Equity

REGULATORY EQUITY

Total equity as at 31 December 2022 reached 198,876 million kwanzas, which represents a 17% increase compared to December 2021. This record is essentially due to the robustness of reserves and retained earnings, which reinforce the Bank's solidity and position in the financial sector. Regulatory equity increased from 189,364 million kwanzas in December 2021 to 194,399 million kwanzas in December 2022. The regulatory solvency ratio, calculated in accordance with Instruction no. 19/2021, stood at 35% as at 31 December 2022. This value remains significantly above the solvency limit required by the National Bank of Angola.

During 2021, the National Bank of Angola issued a set of new regulations with a view to creating equivalence in its supervisory process to that seen in Europe. The year 2022 was marked by the entry into force of the new regulatory package on Prudential Requirements, defined by Notice No. 8/2021 of 18 June, changing the methodology for calculating the Own Funds Ratio. Thus, the regulatory minimum requirement is 8%, 2 p.p. less than the limit defined in the revoked legislation. Despite the Bank's continued efforts to improve its internal risk management processes and others that make a relevant contribution to this assessment, SBA is complying with the new requirements, presenting Tier I own funds of 179013 million kwanzas and Tier II of 15387 million kwanzas.

Income Statement Analysis

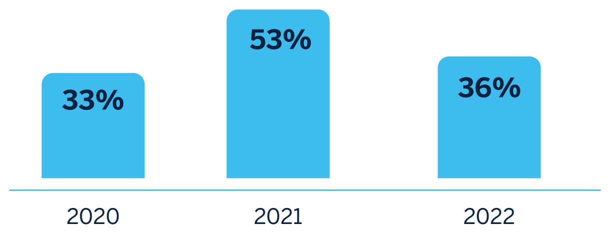
The net income of 65,736 million kwanzas was a reflection of the high standards of efficiency and operational effectiveness and the recognition of the Standard Bank brand, reflecting the Bank's strength, experience and innovation, even in an adverse macroeconomic environment.

	thousands of Kwanzas			thousands of USD		
DEMONSTRAÇÃO DE RESULTADOS	**31.12.2022**	**31.12.2021**	**VARIAÇÃO**	**31.12.2022**	**31.12.2021**	**VARIAÇÃO**
Interest and similar income	105,255,411	89,642,125	17%	208,968	161,523	29%
Interest and similar charges	(25,301,884)	(13,252,708)	91%	-50,233	-23,880	110%
Financial Margin	**79,953,527**	**76,389,417**	**5%**	**158,735**	**137,643**	**0**
Fees and Commissions	11,486,221	13,939,879	-18%	22,804	25,118	-9%
Net gains/ (losses) from financial assets and liabilities measured at fair value through profit or	502,045	(9,239)	-5534%	997	-17	-6087%
Net gains / (losses) from financial assets at fair value through other comprehensive income	1,090,515	26,186	4064%	2,165	47	4489%
Foreign exchange gains and losses	35,944,782	35,860,207	0%	71,363	64,615	10%
Other operating income	(3,198,419)	(4,023,230)	-21%	-6,350	-7,249	-12%
Net operating income from banking activity	**125,778,671**	**122,183,220**	**3%**	**249,714**	**220,157**	**13%**
Staff Costs	(26,687,626)	(21,700,744)	23%	-52,984	-39,102	36%
Other Operating Expenses	(15,262,884)	(13,041,451)	17%	-30,302	-23,499	29%
Depreciation and amortisation for the year	(6,248,902)	(4,345,248)	44%	-12,406	-7,830	58%
Provisions and impairment	(2,105,475)	8,528,545	-125%	-4,180	15,367	-127%
Earnings Before Taxes	**75,473,784**	**91,624,322**	**-18%**	**149,841**	**165,095**	**-9%**
Income tax	(9,816,829)	(15,888,010)	-38%	-19,490	-28,628	-32%
Net income	**65,656,955**	**75,736,312**	**-13%**	**130,352**	**136,466**	**-4%**
Average number of ordinary shares issued	1,000,000	1,000,000				

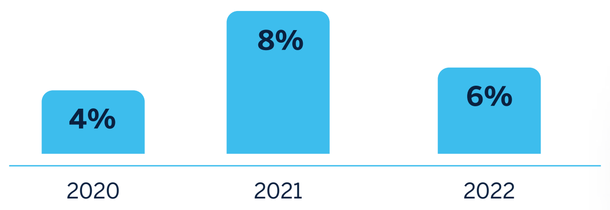
In 2021 SBA recorded the best results in its history, rising to 75,736 million kwanzas, which represented a growth of 110% over the same period. This result enabled SBA to record a Return-on-Equity of 53% and a Return-on-Assets of 8% for that financial year.

In December 2022, the Bank reported net income of 65,657 million kwanzas, which represents a year-on-year decrease of 13%. Consequently, the Return-on-Equity decreased to 36% and the Return-on-Assets to 6%. The following relevant factors contributed to the financial performance, i) interest and similar income of about 17%, reaching 105,255 million kwanzas.

ROE EVOLUTION



ROA EVOLUTION



FINANCIAL MARGIN

	thousands of Kwanzas			thousands of USD		
	31.12.2022	31.12.2021	Var	31.12.2022	31.12.2021	Var
Interest Income from securities	52,937,194	55,755,819	-5%	105,099	100,464	5%
Interest Income from loans and advances	34,671,256	26,109,323	33%	68,834	47,045	46%
Other interest and similar income	17,646,961	7,776,983	127%	35,035	14,013	150%
Interest expenses with deposits	**105,255,411**	**89,642,125**	**17%**	**208,968**	**161,523**	**29%**
Deposit costs	24,239,449	11,515,738	110%	48,124	20,750	132%
Other costs and similar charges	1,062,435	1,736,970	-39%	2,109	3,130	-33%
Costs of passive financial instruments	**25,301,884**	**13,252,708**	91%	**50,233**	**23,880**	110%
Financial Margin	**79,953,527**	**76,389,417**	**5%**	**158,735**	**137,643**	**15%**

The growth in financial margin, during 2022, resulted from the increase in interest income from loans and other interest and similar income (amounting to 52,318 million kwanzas), compared to the same period the previous year, the total of both headings grew 54%. The growth in financial margin was dampened by the decrease in income from securities (amounting to 52,937 million kwanzas) by about 5% year on year. On the other hand, interest costs on deposits increased by about 110% to 24,239 million kwanzas, which is justified by the new policy of attracting deposits followed by the Bank with the aim of increasing its volume of Clients.

In turn, the increase presented in the additional margin is also influenced by the positive evolution verified in the results of foreign exchange operations of 0.24% representing a total increase of 84.6 million kwanzas compared to the same period last year. This increase results from the fact that the Bank is one of the preferred Banks for carrying out transfer operations, namely abroad. 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 increases by approximately 4% in 2022 compared to the same period the previous year, amounting to a total of 34,064 million kwanzas.

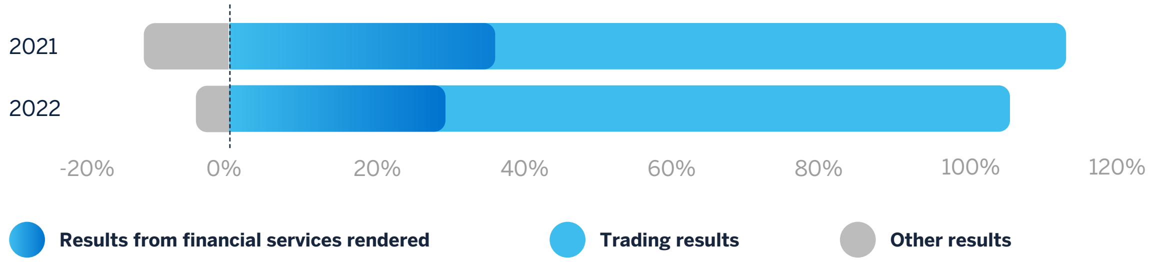
NON INTEREST REVENUE

	thousands of Kwanzas			thousands of USD		
	2022	2021	Var	2022	2021	Var
Fee and Commisions	11,486,221	13,939,878	-18%	22,804	25,118	-9%
Foreign exchange gains and losses	35,944,782	35,860,207	0.24%	71,363	64,615	10%
Other results	-1,605,859	-4,006,283	-60%	-3,188	-7,219	-56%
Non Interest Revenue	**45,825,144**	**45,793,803**	**0.07%**	**90,979**	**82,514**	**10%**

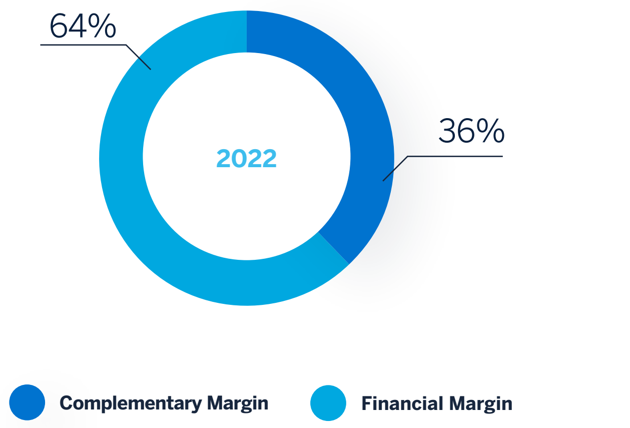
Mitigating the positive effects described above, there was an increase in structural costs, namely personnel costs and third-party supplies and services by 23% and 17%, respectively. This increase is explained by the review of the salary structure of its staff, to bring it more in line with the very high inflation felt in Angola in recent years (2020 and 2021: 25%), allowing the maintenance of the purchasing power of its Employees as well as its 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 its Clients.

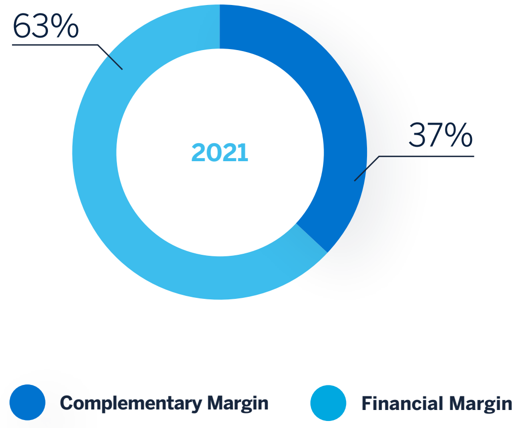
Finally, and in line with Standard Bank Group practices, the Bank has a prudent tax strategy, aimed at mitigating any unexpected financial consequences and, naturally, protecting its reputation. In this context, it determined a tax on its income of about 9,817 million kwanzas, which is justified by the results before tax of about 75,474 million kwanzas verified in December 2022 and, consequently, by the end of the reportable tax losses.

SBA continues to strengthen its 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 35% places SBA on the right path to growth and stability. The capacity to remunerate its Shareholders and the constant adoption of the best risk management practices are also proof of trust and of an adjusted governance model.



COMPLEMENTARY AND FINANCIAL MARGIN RATIO





TOTAL COSTS

	thousands of Kwanzas			thousands of USD		
	2022	2021	Var	2022	2021	Var
Staff costs	26,687,626	21,700,744	23%	52,984	39,102	36%
Other operating expenses	15,262,884	13,041,451	17%	30,302	23,499	29%
Depreciation and amortization	6,248,902	4,345,248	44%	12,406	7,830	58%
Total Costs	**48,199,412**	**39,087,443**	**23%**	**95,692**	**70,430**	**36%**
Cost-to-income	**38%**	**32%**	**-4%**	**38%**	**32%**	**-4%**

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 2022, in the amount of 65,656,956,360 kwanzas, to be applied as follows:

a) 42,677,021,634 kwanzas 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

65,656,956,360

Distribution dividends

42,677,021,634

Retained earnings

22,979,934,726

4.6. Relevant Impacto on Society

Standard Bank of Angola, through its social responsibility program, Heróis de Azul, remains dedicated to providing support to people in need, with the goal to promote human development, having as its premise the areas of health, teaching and education and the promotion of entrepreneurship.

Among the actions carried out in 2022, the Bank highlights the Arts and Crafts Workshops, one of the practical ways of sharing knowledge and guidance.

The distribution of various donations and nutritional accompaniment have been frequent, to respond to the countless post-confinement challenges, a period in which poverty in many families has increased, removing the purchasing power of many of them.

In some areas SBA is motivating farming, initially on a very small scale, while the programme is being refined.

Since 2021 the Bank has put the elderly and social entrepreneurship at the centre of its attention. Since then initiatives aimed at the care, enhancement and reactivation of the elderly have been implemented.

Identifying the best solutions, strategic partners and volunteers committed to the missions allows the Bank to make an assertive contribution and in a natural way to involve new Stakeholders.

IN SUMMARY THE BANK HIGHLIGHTS:

MORE THAN
450
PARTICIPATIONS IN THE VOLUNTEERING PROGRAMMES

MORE THAN
150
ELDERLY PEOPLE RECEIVING REGULAR SUPPORT

AROUND
100
YOUNG PEOPLE AND ADOLESCENTS BENEFITING FROM ARTS AND CRAFTS WORKSHOPS

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PROMOTED
4
BREAD-MAKING WORKSHOPS

FORMAÇÃO DE ACTIVISTAS DA DÁDIVA DE SANGUE, CREDENCIADOS PELO INSTITUTO NACIONAL DE SANGUE

SUPPORTED
5
WORKSHOPS ON SOAP PRODUCTION AND RECYCLING

MORE THAN
1400
MEDICAL CONSULTATIONS CARRIED OUT IN 4 MUNICIPALITIES OF LUANDA

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Hérois de Azul

The Hérois de Azul are, without doubt, a very powerful vehicle for connecting the Bank's Employees with SBA brand given that it is the clear example of the materialisation of the Bank's purpose: "Improving people's lives by being more than a Bank."

The Bank relies on the daily support of the entire organisation to make its actions happen. They are the ones who support us in the different projects and help us to promote them with different partners so that it is possible to increasingly increase the spectrum of action of the Hérois de Azul volunteers.

The volunteers dedicate hours of work, contributing with donations, sponsoring causes or helping in different ways to overcome challenges that are found in the different projects that the Bank supports.

It is a project that makes the Bank very proud, it is credible and recognised both by the community that the Bank supports and by public and private organisations that count on the support to be able to develop their purpose as well.

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5TH VOLUNTEERING AND YOUNG CITIZENSHIP FORUM - VOLUNTEER'S TEA

The 5th edition of the Volunteering and Young Citizenship Forum, promoted by "Heróis de Azul" in partnership with VIS and the Volunteering Portal, brought together hundreds of participants from the third sector, moved by the spirit of exchange of knowledge, experience and continuous encouragement of the practice of volunteering and mutual help between people, who debated various themes for the promotion of development.

BRONZE SPONSORSHIP OF THE NATIONAL HAEMOTHERAPY CONFERENCE

"Hemotherapy in Angola: safe blood for all" was the theme chosen in 2022 for the II National Hemotherapy Forum, sponsored by Standard Bank, as part of its partnership with the National Blood Institute (INS), within its social responsibility program in Angola, " Heróis de Azul".

For two days professionals from haemotherapy services from all over the country, activists for voluntary blood donation and partners of the National Blood Institute got together in order to reflect on a model of excellence, from donation to the production of clinical and laboratory screening components, thus allowing the establishment of good practice requirements in haemotherapy services in the country.

Currently, a team is part of the National Blood Institute's activist group, with the objective of maximising the movement of voluntary blood donation to ensure the stock of haemotherapy centres.

SUPPORT TO THE CAMUNGA ARTS SCHOOL

As part of the support to Camunga Arts School, the Heróis de Azul donated school desks, painted classrooms and promoted a musical concert.

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CELEBRATION OF NELSON MANDELA DAY | SUPPORT TO THE NAZARÉ HOME SHELTER CENTRE, WITH VARIOUS DONATIONS

Since the institution Standard Bank of Angola, every year, at the invitation of the South African Embassy, the Bank has joined other organizations to promote a charity action, in salute to Nelson Mandela's day.

Support for the Ongundi Y'Omwenho Centre for the elderly in the province of Huambo.

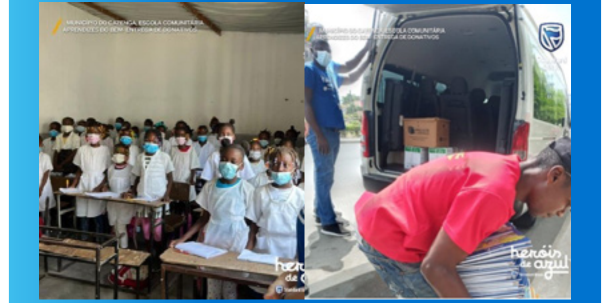
SUPPORT FOR THE PROJECT MY WATER MY LIFE

At the invitation of the French Embassy and the NGO Química Verde Lab, on 5 May, the Heróis de Azul participated in the launch of the project "Minha Água Minha Vida" in the Paranhos Community, in Caxito, Bengo Province. On the occasion, a workshop on handmade soap production and a workshop on hygiene and basic sanitation were held.

Standard Bank of Angola is proud to continue to bring help to various parts of the country, in order to improve the lives of the population.

SUPPORT TO SOYO HOSPITAL

As part of the Health in the Communities programme, Heróis de Azul went to the municipality of Soyo, in Zaire province, to support the Soyo Municipal Hospital.



SUPPORT TO THE APPRENTICES FOR GOOD SCHOOL

The Heróis de Azul were at the Apprentices of Good School, in Cazenga municipality, on another social support mission. The community school "Aprendizes do Bem" is a project created and managed by two young people from a reception centre for minors and welcomes about 300 children.

THE HOUSE OF THE RADIO

Answering an invitation from **A Casa do Rádio**, a radio programme on Rádio Nacional de Angola, we joined the special broadcast that took place at Ngola Kanine School in Luanda to mark the **School Libraries Day**.

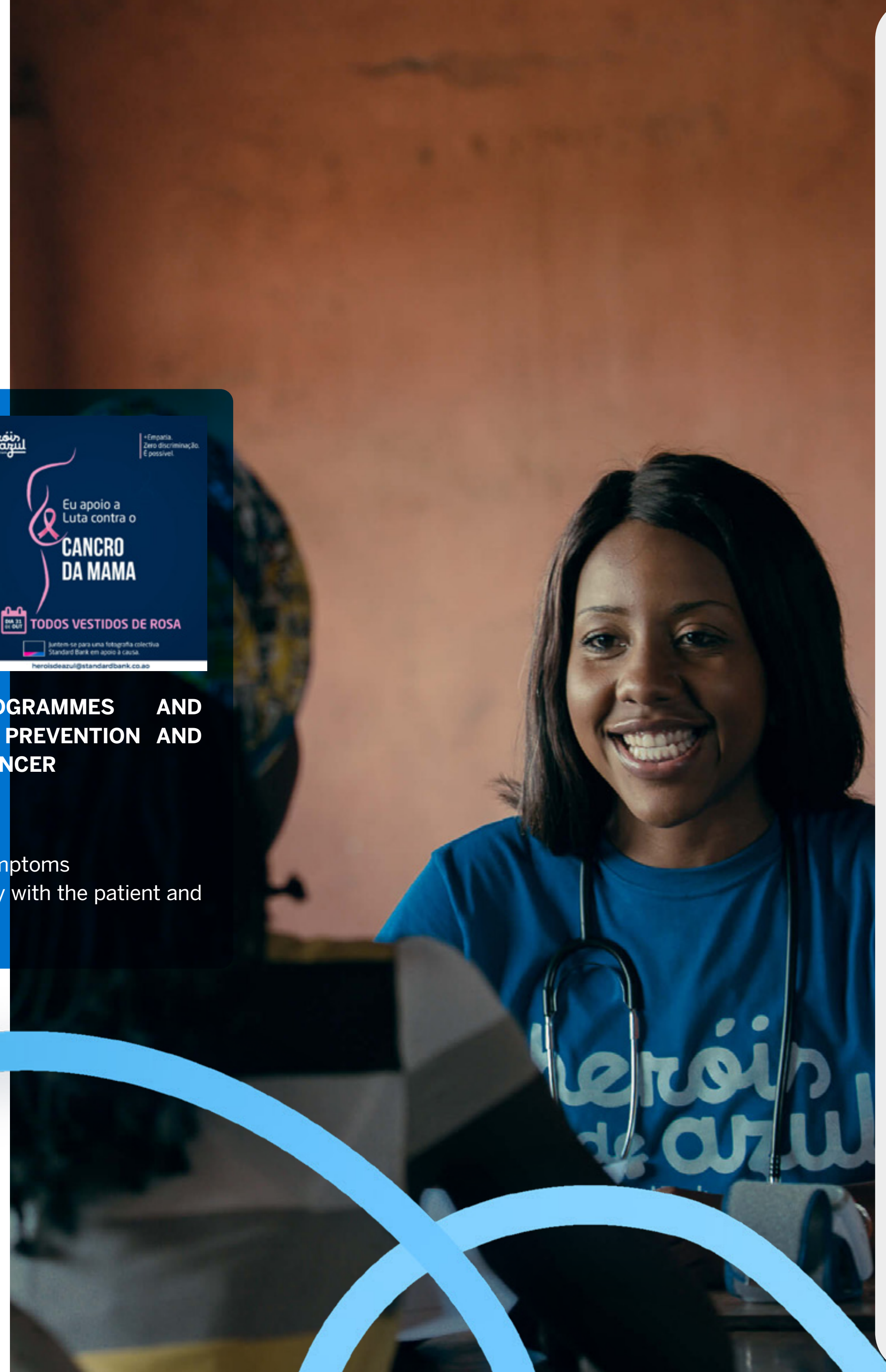
The Standard Bank of Angola team contributed with various books and the snack of the day.

SUPPORT FOR BLOOD DONATION

As part of the Red June campaign, promoted by the National Blood Institute, the Heróis de Azul performed a blood donation action at the Lucrécia Paim Maternity Hospital, in Luanda.

SUPPORT TO PROGRAMMES AND INITIATIVES FOR THE PREVENTION AND COMBAT OF BREAST CANCER

- Lectures
- Gymnastics session
- Alerts of signs and symptoms
- Promotion of empathy with the patient and zero discrimination



CHILDREN'S MONTH

ARTS AND CRAFTS LABORATORY

Support to the project Kandengues Cientistas in the World Space Week:

- Holding workshop with the theme - How the Space sector influences the 17 SDGs in Angola.
- Space Education creation workshops
- Environmental Education (space junk)
- Exhibition of projects

Following the celebrations of the month of the child, on 2 July, the Arts and Crafts Workshop programme of the Heróis de Azul Project provided the little ones of the Camunga Arts School with a field day, with horticultural activities. It was a very profitable moment.

The Arts and Crafts workshops have deserved special attention, particularly in horticulture, baking, cutting and sewing, crochet and other crafts that promote sustainability and community development.

On 25 June 2022, Heróis de Azul promoted a recreational morning for children from the Bita Cacati community. Meals, toys and basic food baskets were distributed in support of hundreds of families.

The activity took place at the Bita Cacati Health Centre and was supported by Standard Bank of Angola, the project DAT-Dentista Aqui Tem, Valliosus Comunicação and Chana Rent-a-Car.

HEALTH IN THE COMMUNITIES

The Heróis de Azul were in the **community of Wakongo in April and May offering medical consultations, health guidance and clinical analysis to the local community.** The action was supported by Cura Ferida Care, Viana Sol Padaria, Valliosus and Neomedic Angola.

The Heróis de Azul were present at FILDA. On the 19th of July they offered Nutritional Assessment and Dental Talk. It was also a great opportunity to share experiences and attract new volunteers and partners.

As part of the health programme in the communities, Heróis de Azul worked in Bairro 4 de Fevereiro, in Cabinda. The day, with the active participation of local volunteers, **provided support to the 4 de Fevereiro Children's Centre and the Vunda Moyo Centre for the disabled.**

PROMOTION OF THE VOLUNTEERING CULTURE

The Heróis de Azul recognise the contribution of the volunteer, their values and sense of community aligned with the Sustainable Development Goals (SDGs). As part of the Volunteer Days, from 1 to 10 December, the **Heróis in Azul promoted and participated in various actions for the benefit of people in vulnerable situations, communities in need, protection of the environment.**

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As part of the Volunteer Day 2022, the **Heróis de Azul offered the community of Wakongo a morning of celebration**. The initiative called A Handy Christmas involved several Employees of Standard Bank, who dedicated quality time to celebrate the festive season in an environment full of flavors, games and good Angolan style music.

The Heróis de Azul took joy to Lar do Ancião, the reception centre for the elderly located in the municipality of Viana. **The Christmas Special, held on 18 December, was also marked by the delivery of donations such as personal hygiene products, cleaning products and much more**, to help meet the needs of the home. The day was filled with dynamic activities that contributed to the fun of all present.

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Heróis de Azul Awards

Social Impact, in the III Edition of the Angola 2022 Golden Globes awards

In May, the Heróis de Azul were recognised at the III Edition of the Angola 2022 Golden Globes awards, in the Social Impact category, for their relevant contribution to the country, in the promotion of good practices and support to the most vulnerable. This award was based on the appreciation of the actions carried out by various institutions, companies or projects during 2020 and 2021.

"Social Cause of the Year", in the II edition of FestiPub

In October, the Heróis de Azul were distinguished with the platinum award "Social Cause of the Year", in the II edition of FestiPub, an award event of the national advertising market. The Bank thanks all the volunteers and partners for all their collaboration and support.

Awards won by SB Angola in 2022

BEST INVESTMENT BANK
in Angola 2022

BEST INVESTMENT BANK
in Angola 2022

BEST FOREIGN EXCHANGE OPERATIONS BANK
in Angola 2022

BEST TREASURY AND CASH MANAGEMENT
in Angola 2022

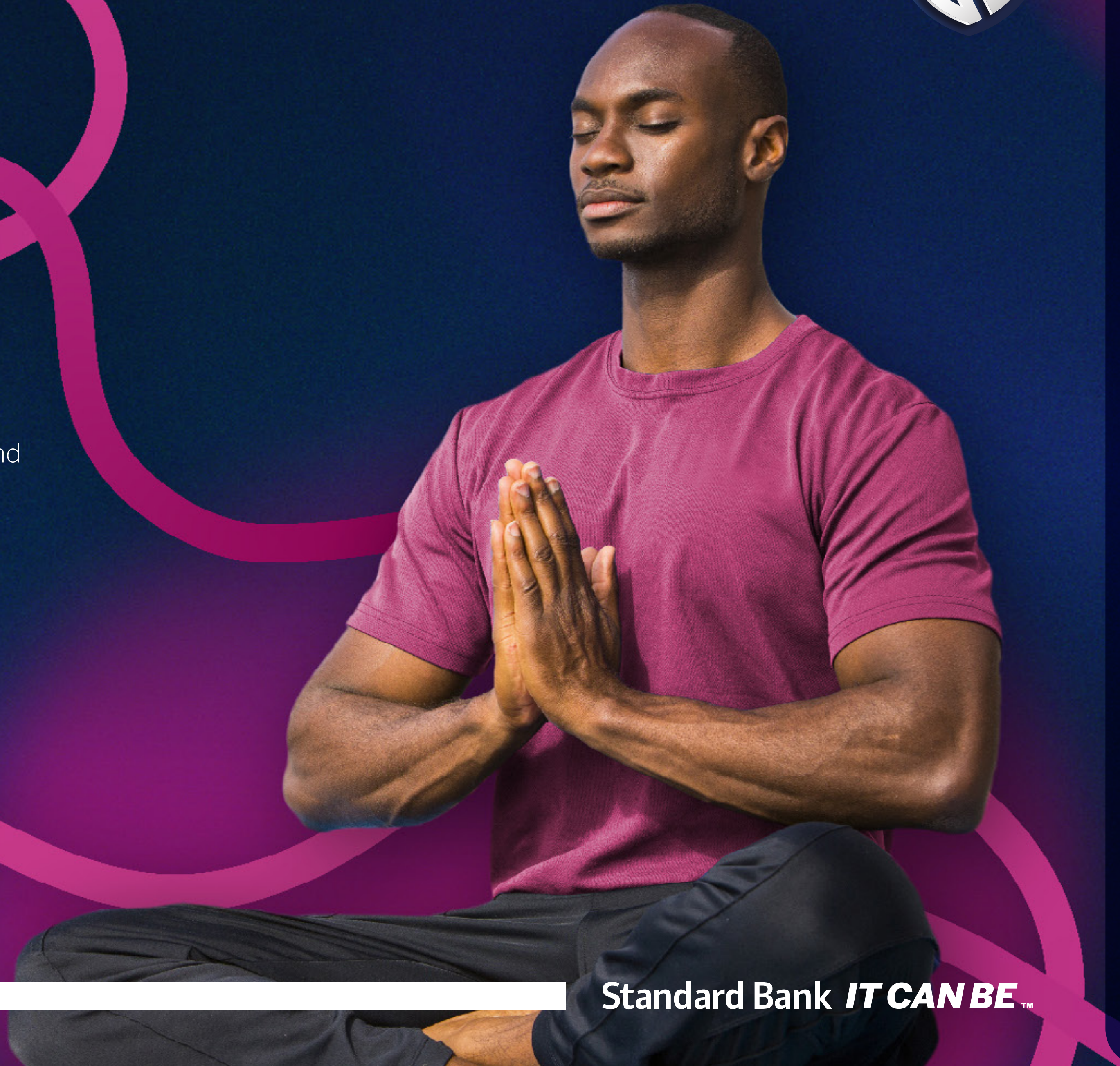
BEST BANK
in Angola 2022

BEST INVESTMENT BANK
in Angola 2022

BEST INNOVATIVE BANKING APPLICATION
em Angola 2022

Appreciation of well-being

Choose what is good, promote well-being and the necessary balance.



05 Corporate Governance

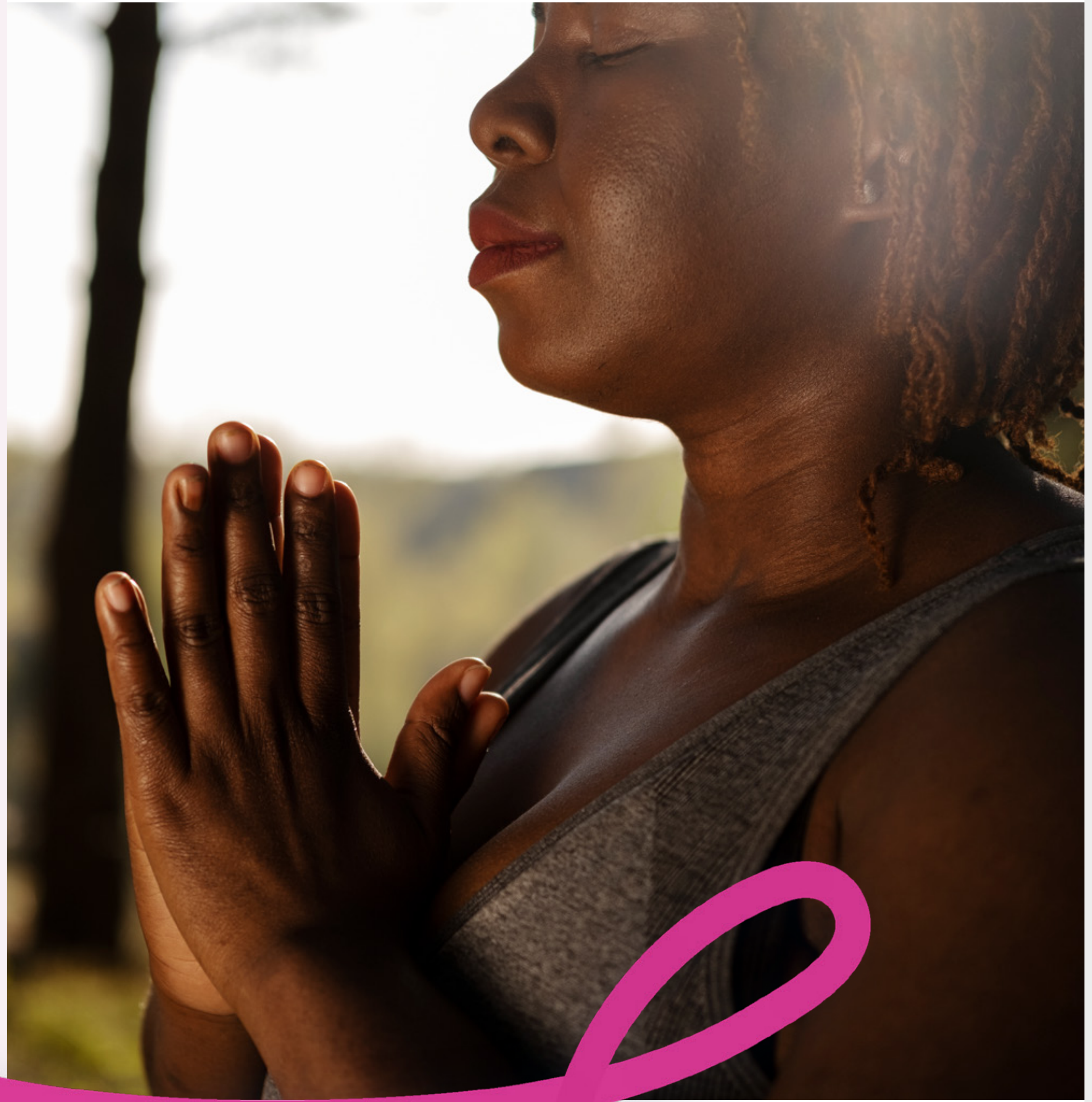
In a world of constant change, Corporate Governance is a fundamental pillar that sustains the Bank's operations, facilitating strategic decisions and reconciling the interests of all Stakeholders.

5.1 The Governance Model

The Bank's internal structure takes into consideration the inherent characteristics of their activity.

In the defined governance model, the Bank 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, dayto-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.

With Notice no. 1/2022 of 28 January 2022, BNA established the fundamental pillars of Corporate Governance and Internal Control of Financial Institutions, defining a set of practices in the areas 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 and agile strategy. Some examples of the best practices implemented are:

- Identification of strategic opportunities in accordance with SBA's 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.

Organisation Chart

LUÍS MIGUEL FIALHO TELES
CEO

CORPORATE AND INVESTMENT BANKING DEPARTMENT
- Investment Banking
- Client Coverage
- Transactional Products and Services
- Global Markets

BUSINESS AND COMMERCIAL CLIENTS DEPARTMENT
- Commercial Banking
- Enterprise Direct
- Digital Commerce
- Agribusiness
- Africa-China
- Public Sector
- Ecosystems

CONSUMER & HIGH WORTH CLIENTS DEPARTMENT
- Affluent
- Main Market
- Personalisation
- Digital Distribution Channels
- Digital and e Commerce

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

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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

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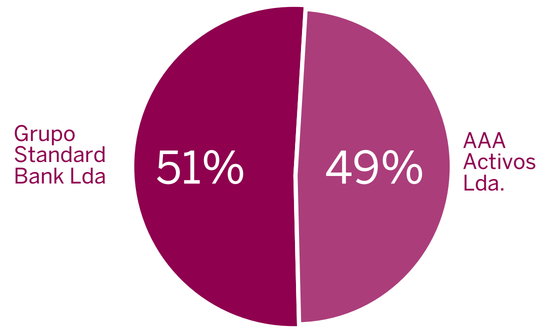
Corporate Governance

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
			Conduct Risk Commitee

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 AOA 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:



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.

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 Gneeral Meeting**
  Vanessa Pinto Rodrigues

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 11 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:

- **Chairman**
  Octávio Manuel de Castro Castelo Paulo
- **Non-executive Director**
  António Caroto Coutinho
- **Non-executive Director**
  Manuel Costa Duarte dos Passos
- **Non-executive Independent Director**
  Ana Josina de Assis Sima Fortunato
- **Non-executive Independent Director**
  Raquel Celeste da Conceição Kulivela Sole
- **Non-executive Independent Director**
  Djamila Sousa Pinto de Andrade
- **Executive Director**
  Luís Miguel Fialho Teles
- **Executive Director**
  Eduardo Miguel Massena Clemente
- **Executive Director**
  Yonne Lizett de Queiróz de Castro
- **Executive Director**
  Ricardo Matias Ferreira Petinga
- **Executive Director**
  Aronildo Bartolomeu Delgado Neto

The Board of Directors has the following competencies:

- Responsible for the 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 four Executive Directors. The Executive Comittee meets weekly, with the following members:

- **Chief Executive Officer**
  Luís Miguel Fialho Teles
- **Executivo Director**
  Eduardo Miguel Massena Clemente
- **Executivo Director**
  Yonne Lizett de Queiróz de Castro
- **Executivo Director**
  Ricardo Matias Ferreira Petinga
- **Executivo Director**
  Aronildo Bartolomeu Delgado Neto

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 five elements, a President, two members and two alternate members, with four-year mandates. 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**
  Pereira Carlos Mendonça

EXTERNAL AUDITOR

The Bank's external audit is currently performed by the audit firm KPMG. 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.

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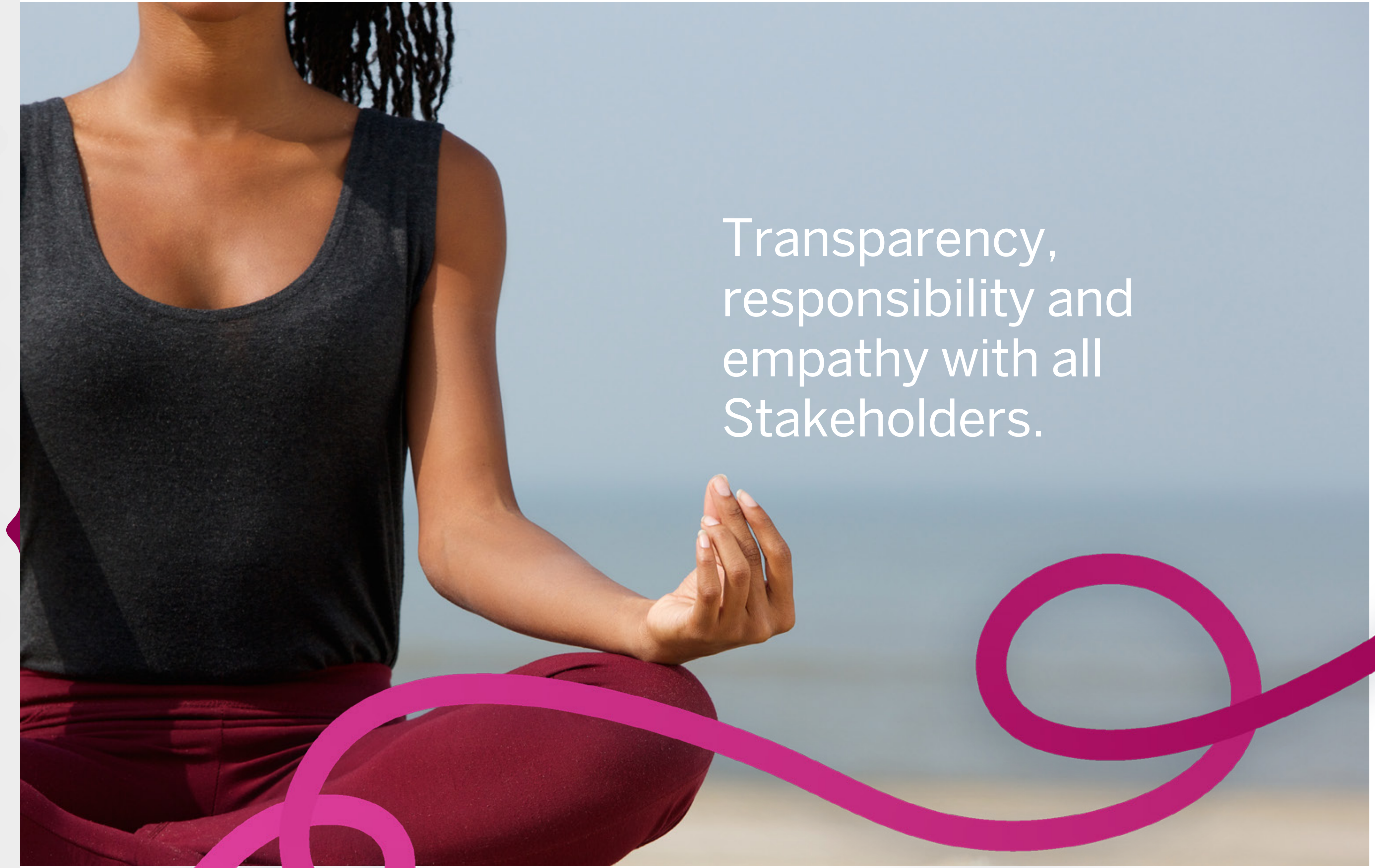
Annual Report 2022 5. Corporate Governance 5.1 The Governance Model



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Committees

	COMPOSITION	MEETING'S FREQUENCY	RESPONSABILITY
BOARD OF DIRECTORS COMMITTEES			
Human Capital Management Committee	• **President:** Non-executive Director • **Members:** Two Non-Executive Directors	Quaterly	• 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, nominating Directors, and monitoring the evaluation component. • Define the recruitment and hiring policies.
Audit Committee	• **President:** Non-executive Director • **Members:** Member or the Supervisory Board and Non-executive Director	Quaterly	• 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	MEETING'S FREQUENCY	RESPONSABILITY
Risk Committee	• **President:** Independent Non-Executive Director • **Members:** Two Non-Executive Directors	Quaterly	• 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	Quaterly	• 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	Quaterly	• Ensure that there is an effective governance and management of technological risk, with particular emphasis on SBA's 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	MEETING'S FREQUENCY	RESPONSABILITY
EXECUTIVE COMMITTEES			
Assets and Liabilities Committee	• **President:** CEO • **Members:** Executive Director, Finance Director, Consumer & High Networth Clients Executive Director, Business & Commercial Clients Executive Director, 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, Consumer & High Networth Clients Executive Director, Business & Commercial Clients Executive Director, 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	MEETING'S FREQUENCY	RESPONSABILITY
Credit Risk Committee	• **President:** Risk Director • **Members:** CEO, Consumer & High Networth Clients Executive Director, Business & Commercial Clients Executive Director, Corporate and Investment Banking Executive 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, Consumer & High Networth Clients Executive Director, Business & Commercial Clients Executive Director, Corporate and Investment Banking Executive 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	Quaterly	• 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	MEETING´S FREQUENCY	RESPONSABILITY
New Products Committee	• **President:** CFO • **Members:** Consumer & High Networth Clients Executive Director, Business & Commercial Clients Executive Director, Corporate and Investment Banking Executive 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	Quaterly	• Evaluation and approval of new products, channels and service proposals.
Projects Committee	• **President:** CEO • **Members:** Executive Directors, Engineering Director, Consumer & High Networth Clients Executive Director, Business & Commercial Clients Executive Director, Corporate and Investment Banking Executive 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	MEETING´S FREQUENCY	RESPONSABILITY
Procurement Committee	• **President:** CFO • **Members:** Procurement Executive Director, Engineering Director, Legal Director, Consumer & High Networth Clients Executive Director, Business & Commercial Clients Executive Director, Corporate and Investment Banking Executive 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, Consumer & High Networth Clients Executive Director, Business & Commercial Clients Executive Director, Corporate and Investment Banking Executive 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 Committee	• **President:** CFO • **Members:** CFO, Engineering Director, Consumer & High Networth Clients Executive Director, Business & Commercial Clients Executive Director, Corporate and Investment Banking Executive 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	MEETING´S FREQUENCY	RESPONSABILITY
Human Capital Executive Committee	• **President:** CEO • **Members:** Executive Directors, Consumer & High Networth Clients Director, Business & Commercial Clients Director, Corporate and Investment Banking Director and People and Culture Director	Monthly	• Approve SBA's 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, Consumer & High Networth Clients Executive Director, Business & Commercial Clients Executive Director, Corporate and Investment Banking Executive 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

	COMPOSITION	MEETING´S FREQUENCY	RESPONSABILITY
Data and Information Governance Committee	• **President:** CEO • **Members:** Executive Directors, Engineering Director, Consumer & High Networth Clients Executive Director, Business & Commercial Clients Executive Director, Corporate and Investment Banking Executive 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.
Conduct Risk Committee	• **President:** CEO • **Members:** Executive Directors, Engineering Director, Consumer & High Networth Clients Executive Director, Business & Commercial Clients Executive Director, Corporate and Investment Banking Executive Director, Compliance Director, Risk Director, Legal Director, Client Solutions Director, People and Culture Director, Marketing Director, Finance Executive 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.

ELATED 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), 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 2022						
Remunerations and other short-term benefits	2 133 396	-	2 133 396	15 851	181 840	2 331 087
Variable remunerations	778 091	-	778 091	8 939	32 393	819 423
Subtotal	**2 911 487**	**-**	**2 911 487**	**24 790**	**214 233**	**3 150 510**
Total	**3 051 087**	**-**	**3 051 087**	**24 790**	**214 233**	**3 290 110**
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
Sub total	**2 231 612**	**-**	**2 231 612**	**23 994**	**111 984**	**2 367 590**
Total	**2 399 654**	**-**	**2 399 654**	**23 994**	**111 984**	**2 535 632**

Appreciation of details

Valuing our surroundings is essential to achieve a fulfilled life.

06 Financial Statements and Notes

We aim to send a clear and transparent message transparent message to all Stakeholders, not only financially, but also in a more comprehensive way, because our business and the challenges we face are not just about numbers.

06. Financial Statements and Notes

6.1 Financial Statements

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Balance Sheet on 31 December 2022 and 31 December 2021

Amounts expressed in thousands of Kwanzas, except when explicitly indicated

(thousand of Kwanzas)

BALANCE SHEET	Notes	31.12.2022	31.12.2021
Assets			
Cash and cash equivalents in central banks	4	261,119,428	119,628,484
Cash and cash equivalents in other credit institutions	5	40,771,077	92,577,562
Deposits at central banks and other credit institutions	6	132,120,422	186,984,054
Financial assets at fair value through profit or loss	7	6,394,206	181,656
Financial assets at fair value through other comprehensive income	8	168,436,476	162,789,363
Investments at amortised cost	9	93,348,877	91,706,497
Loans and advances to Clients	10	297,184,635	234,174,153
Other tangible assets	11	41,149,969	43,199,753
Other tangible assets	12	9,460,092	8,674,748
Current tax assets	13	1,512,463	892,277
Deferred tax assets	13	8,777,497	5,588,505
Other assets	14	20,544,059	21,876,848
Total Assets		**1,080,819,201**	**968,273,900**
Liabilities and Equity			
Resources from central banks and other credit institutions	15	42,539,372	26,524,169
Resources from Clients and other loans	16	743,387,714	678,257,533
Financial liabilities at fair value through profit or loss	7	10	0
Provisions	17	4,148,379	3,287,749
Current tax liabilities	13	1,734,317	17,518,310
Deferred tax liabilities	13	9,723,558	524,756
Subordinated liabilities	18	15,386,552	16,704,348
Other liabilities	19	65,023,426	55,971,373
Total Liabilities		**881,943,328**	**798,788,238**
Equity			
Share Capital	20	9,530,007	9,530,007
Revaluation reserves	21	2,575,958	974,547
Other reserves and retained earnings	21	121,112,952	83,244,796
Net Income		65,656,956	75,736,312
Total Equity		**198,875,873**	**169,485,662**
Total Liabilities and Equity		**1,080,819,201**	**968,273,900**

The explanatory notes are an integral part of these financial statements.

Financial Statement for the years ended 31 December 2022 and 2021

Amounts expressed in thousands of Kwanzas, except when explicitly indicated

(thousand of Kwanzas)

FINANCIAL STATEMENT	Notes	31.12.2022	31.12.2021
Interest and similar income	23	105,255,411	89,642,125
Interest and similar charges	23	-25,301,884	-13,252,708
Financial Margin		**79,953,527**	**76,389,417**
Income from services and commissions	24	17,284,506	18,216,557
Fee and commission expense	24	-5,798,285	-4,276,678
Net gains / (losses) from financial assets held at fair value through profit or loss	25	502,045	-9,239
Net gains / (losses) from financial assets at fair value through other comprehensive income	26	1,090,515	26,186
Foreign exchange results	27	35,944,783	35,860,207
Other operating income	28	-3,198,419	-4,023,230
Net operating income from banking activities		**125,778,672**	**122,183,220**
Personnel costs	29	-26,687,626	-21,700,744
Third-party supplies and services	30	-15,262,884	-13,041,451
Depreciation and amortisation for the year	11 e 12	-6,248,902	-4,345,248
Provisions net of reversals	17	-115,160	-529,162
Impairment for loans and advances to customers net of reversals and recoveries	10	-2,103,792	-2,291,016
Impairment for other assets net of reversals and recoveries	4,5,6,9,14 e 22	113,477	11,348,723
Earnings before taxes		**75,473,785**	**91,624,322**
Income tax	13	-9,816,829	-15,888,010
Net Income		**65,656,956**	**75,736,312**
Average number of ordinary shares issued		1,000,000	1,000,000
Basic earnings per share (in kwanzas)	31	65,657	75,736
Diluted earnings per share (in kwanzas)	31	65,657	75,736

The explanatory notes are an integral part of these financial statements.

Statement of Comprehensive Income for the years ended 31 December 2022 and 2021

Amounts expressed in thousands of Kwanzas, except when explicitly indicated

(thousand of Kwanzas)

INCOME STATEMENT OF OTHER COMPREHENSIVE INCOME	Notes	31.12.2022	31.12.2021
Net income for the year		**35,944,783**	**75,736,312**
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 21		
Fair value variations		2,782,845	2,337,924
Transfer to income due to impairment recognised in the period		-319,135	261,253
Deferred taxes on fair value changes		-862,299	-524,755
Transfer to income due to impairment recognised in the period		**1,601,411**	**2,074,422**
Total comprehensive income for the year		**37,546,194**	**77,810,734**

The explanatory notes are an integral part of these financial statements.

Cash flow statement for the years ended 31 December 2022 and 2021

Amounts expressed in thousands of Kwanzas, except when explicitly indicated

(thousand of Kwanzas)

CASH FLOW STATEMENT	Notes	31.12.2022	31.12.2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest, commissions and other similar income received		116,430,646	102,701,087
Interest, commissions and other similar costs paid		-26,642,855	-15,806,681
Payments to employees and suppliers		-41,950,510	-34,742,195
Other results		32,746,364	31,836,977
Cash flows before changes in operating assets and liabilities		**77,583,645**	**83,989,188**
(Increases)/Decreases in operating assets:			
Investments in central banks and other credit institutions		54,744,442	-43,368,059
Financial assets at fair value through profit or loss		-5,376,876	944,494
Financial assets at fair value through other comprehensive income		1,822,457	-72,181,904
Investments at amortized cost		-4,184,913	155,447,819
Credit to Clients		-63,024,647	-92,289,396
Other assets		-2,471,389	-16,351,363
Net flow from operating assets		**-18,495,926**	**-67,798,409**
(Increases)/Decreases in operating liabilities:			
Resources of central banks and other credit institutions		15,765,741	25,630,057
Client resources and other loans		62,604,533	-18,025,392
Other liabilities		14,878,485	14,441,281
Net flow from operating liabilities		**93,248,759**	**22,045,946**
Net cash from operating activities before income taxes		152,336,478	38,236,725
Income taxes paid		-20,211,198	-1,288,222
Net cash from operating activities		**132,125,280**	**36,948,503**
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Acquisitions of other tangible assets, net of disposals		-1,409,309	-5,230,280
Acquisitions of intangible assets, net of disposals		-3,163,357	-2,204,506
Net cash from investment activities		**-4,572,666**	**-7,434,787**
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution of dividends		-37,868,156	-25,307,439
Issuance of securities, net of repayments and purchases		0	-4,702,189
Net cash from financing activities		**-37,868,156**	**-30,009,628**
Change in cash and its equivalents		89,684,458	-495,912
Cash and cash equivalents at the beginning of the period		212,206,046	212,701,958
Cash and cash equivalents at the end of the period		**301,890,504**	**212,206,046**
Cash and cash equivalents includes:			
Cash	4	13,259,745	13,353,605
Central Bank Cash Availability	4	100,208,811	42,722,754
Cash and cash equivalents in central banks of a mandatory nature	4	147,650,871	63,552,125
Cash and cash equivalents in other credit institutions	5	40,771,077	92,577,562
Total		**301,890,504**	**212,206,046**

The explanatory notes are an integral part of these financial statements.

Statement of changes in equity for the years ended 31 December 2022 and 2021

Amounts expressed in thousands of Kwanzas, except when explicitly indicated

(thousand of 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, 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 results for impairment recognised in the year	-	261,253	-	-	-	-	-	261,253
Deferred taxes on fair value changes	-	-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**
Capital increase	-	-	-	-	-	-	-	-
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	-	-2
Balance at December 31, 2021	**9,530,007**	**974,547**	**9,530,007**	**73,713,580**	**1,209**	**83,244,796**	**75,736,312**	**169,485,662**
Other comprehensive income:								
Fair value changes	-	2,782,845	-	-	-	-	-	2,782,845
Transfer to uneven results recognised in the year	-	-319,135	-	-	-	-	-	-319,135
Deferred taxes on fair value changes	-	-862,299	-	-	-	-	-	-862,299
Net income for the year	-	-	-	-	-	-	65,656,956	65,656,956
Total comprehensive income for the year	**-**	**1,601,411**	**-**	**-**	**-**	**-**	**65,656,956**	**67,258,367**
Constitution of reserves	-	-	-	75,736,312	-	75,736,312	-75,736,312	-
Distribution of dividends	-	-	-	-37,868,156	-	-37,868,156	-	-37,868,156
Other movements	-	-	-	-	-	-	-	-
Balance at December 31, 2022	**9,530,007**	**2,575,958**	**9,530,007**	**111,581,736**	**1,209**	**121,112,952**	**65,656,956**	**198,875,873**

The explanatory 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 20, the Bank is majority owned by Standard Bank of South Africa at 51%. Note 32 details the main balances and transactions with Shareholders and other related entities.

In December 2022 and December 2021, 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, 2022.

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:

	2022	2021
USD	509.322	554.981
EUR	543.268	628.738

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, 2022 were approved by the Board of Directors on 30 March 2023.

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 2022. 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 Impairment (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

2.2.1.1 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 Notetions, 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 298 ANNUAL REPORT 2021 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 noncolaterised 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 SBG 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

For Consumer and High Net Worth Clients and Business and Commercial Clients, the Bank's impairment model for Stage 3 loans is carried out on an individual basis. For loans in Stage 1 and 2 it is carried out on a collective basis, grouping the portfolio by segment (Business & Commercial Client or BCC and Consumer & High Net Worth Client or CHNW) and by product (home loans, leasing, overdrafts, medium and long-term loans, credit cards and letters of credit).

For Corporate and Investment Banking (Wholesale segment), the Bank's impairment model is carried out on an individual basis, taking into account a rating model for each class of asset.

2.2.1.3 Significant increase in credit risk (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 (Stages)

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 perspective

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 disregarded, 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)..

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:

i) "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;

ii) "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;

iii) "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:

i) 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

ii) Credit situations overdue for more than 90 (ninety) days and/or other indications of impairment; or

iii) 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:

iv) 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.

v) 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)

vi) 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 19), 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

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).

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).

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.

n 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 shortterm 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:

for shares and other capital instruments, a continued devaluation or significant value at its market value below the acquisition cost, and

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 Derivate 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.

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2.4.4.2 Recognition and measurement

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

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- 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-ofuse 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.

2.7 INVESTMENTS 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 for 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:

has the legally enforceable right to offset current tax assets and current tax liabilities; and

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).

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 (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 24) 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 23).

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 22) 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 22) 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 13) and Other liabilities (Note 19).

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 judgements 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 DERIVATE 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, for 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

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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 TAX

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:

(thousand of Kwanzas)

	31.12.2022	31.12.2021
Cash	**13,259,745**	**13,353,605**
Cash and cash equivalents in central banks	**247,859,683**	**106,274,879**
National Bank of Angola (BNA)	247,859,683	106,274,879
Accumulated impairment	-	-
	261,119,428	**119,628,484**

As at 31 December 2022, the heading "Cash and cash equivalents" at the National Bank of Angola includes mandatory deposits of 147,650,871 thousand kwanzas (2021: 63,552,125 thousand kwanzas), the purpose of which is to satisfy the legal requirements with regard to the constitution of mandatory minimum reserves. In accordance with Instruction no. 02/2021 of the National Bank of Angola, of 10 February 2021, and in accordance with Directive no. 11/DME/2022 of the National Bank of Angola, of 13 December 2022, the minimum compulsory reserves in demand deposits at BNA on 31 December 2022, are calculated in accordance with the following table:

		National Currency	Foreign Currency
Incidence Base Rates			
Central Government, Local Governments and Municipal Administrators	**Daily Clearance**	17%	100%
Other Sectors	**Weekly Clearance**	17%	22%

Compliance with the minimum reserve requirements for a given weekly observation period (Other Sectors), is calculated taking into account the average value of deposits with the Bank during that period. period. On 31 December 2022, total liabilities (Central Government, Local Governments, Local Aministrations and Other Sectors) amounts to 136,511,352 thousand kwanzas (2021: 167,011,701 thousand kwanzas).

On 31 December 2022 and 31 December 2021, with the entry into force into force of the Directive 13/2019 of 27 December 2019, which states that an LGD of 0% must be considered a 0% LGD for the portfolio of cash and cash equivalents and investments with the National Bank of Angola, no impairment loss was recorded.

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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:

(thousand of Kwanzas)

	31.12.2022	31.12.2021
Cash and cash equivalents in other credit institutions in the country		
Other cash and deposits	5,322,631	72,372
Cash and cash equivalents in other credit foreign institutions		
Demand deposits	35,448,446	92,505,190
Applied value	35,448,512	92,507,376
Accumulated impairment	-66	-2,186
	40,771,077	**92,577,562**

Cash and cash equivalents in other foreign credit institutions include interest bearing demand accounts with Standard Bank of South Africa.

As of December 31, 2022, the Bank calculated impairments in accordance with IFRS 9 for cash and cash equivalents in other credit institutions in the amount of 66 thousand kwanzas (2021: 2,186 thousand kwanzas). As of 31 December 2022 and 31 December 2021 the exhibitions were classified in stage 1.

Note 6 – Investments in central banks and other credit institutions

This heading as at 31 December 2022 and 31 December 2021 is examined as follows:

(thousand of Kwanzas)

	31.12.2022	31.12.2021
Applications in credit institutions in the country		
Operations with resale agreement	85,581,018	119,006,349
Accrued interest	1,270,484	1,389,521
Applications in credit institutions		
Very short-term applications	45,268,920	66,588,184
Applied value	45,268,920	66,598,316
Accrued interest	-	153
Accumulated impairment	-	-10,285
	132,120,422	**186,984,054**

As at 31 December 2022, transactions with a resale agreement correspond to repos concluded with National Bank of Angola, with a weighted average interest rate of 8.851% and investments in very short-term credit institutions in foreign currency of 4.089%.

As at 31 December 2021, transactions with a resale agreement correspond to repos concluded with National Bank of Angola, with a weighted interest rate of 12.547% and investments in very short-term credit institutions in foreign currency of de 0.055%.

As of 31 December 2022 and 31 December 2021 the exhibitions were classified in stage 1.

Note 7 – Financial assets and liabilities at fair value through results

As at 31 December 2022 and 31 December 2021, the heading financial assets at fair value through profit and loss shows the following values:

(thousand of Kwanzas)

31.12.2022	Currency	Indexing	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									
- Treasury Bonds	AOA	n.a.	-	5,895,598	5,963,080	336,811	-3,170	-93,433	**6,203,288**
- EMIS Participation - Capital	AOA	n.a.	n.a	-	-	-	-	-	-
- EMIS Participation - Unpaid ancillary benefits	AOA	n.a.	n.a	-	-	-	-	-	-
Financial assets held for trading									
- Derivative Financial Instruments	AOA	n.a.	-	-	-	-	-	1,191	**1,191**
Financial liabilities held for trading									
- Derivative Financial Instruments	AOA	n.a.	-	-	-	-	-	-10	**-10**
				5,895,598	**5,963,080**	**336,811**	**-3,170**	**-92,242**	**6,204,469**

(thousand of Kwanzas)

31.12.2021	Currency	Indexing	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									
- Obrigações do Tesouro	AOA	USD	-	-	-	-	-	-	-
- 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**	**-**	**-**	**-**	**181,656**

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 2022 and 31 December 2021 can be analysed as follows:

(thousands of Kwanzas)

Financial assets not held for trading mandatorily at fair value through profit or loss	31.12.2022	31.12.2021
Initial portfolio balance	**189 727**	**71 544**
Acquisitions	-	118 183
Final portfolio balance	**189 727**	**189 727**

On 31 December 2022 and 31 December 2021, the staggering of financial assets at fair value through profit or loss by residual maturity periods is as follows:

(thousands of Kwanzas)

	Less than three months	Between three months to one year	From one to five years	Indeterminate duration	Total
- Treasury Bonds	3,760	234,449	5,965,079	-	6,203,288
- EMIS Participation	-	-	-	189,727	189,727
Balance at December 31, 2022	**3,760**	**234,449**	**5,965,079**	**189,727**	**6,393,015**
- Treasury Bonds	-	-	-	-	-
- EMIS Participation	-	-	-	189,727	189,727
Balance at December 31, 2021	**-**	**-**	**-**	**189,727**	**189,727**

DERIVATES

On 31 December 2022 and 31 December 2021 the derivatives were compositioned as follows:

(thousands of Kwanzas)

	31.12.2022	31.12.2021
Financial assets held for trading		
Derivative Financial Instruments		
- FX Forward	1,191	-
- FX Option	-	-8,071
	1,191	**-8,071**
Financial liabilities held for trading		
Derivative Financial Instruments		
- FX Forward	-10	-
- FX Option	-	-
	-10	**-**
Final Portfolio Balance	**1,181**	**-8,071**

At 31 December 2022, derivative financial instruments correspond to Forwards Exchange contracted with non-financial corporations, maturing in January 2023.

At 31 December 2021, derivative financial instruments correspond to Foreign Exchange Options contracted with non-financial corporations, maturing in January 2022.

On 31 December 2022 and 31 December 2021, the escalation of derivatives by residual maturity periods is as follows:

(thousands of Kwanzas)

	Less than three months	Between three months to one year	From one to five years	Indeterminate duration	Total
Financial assets held for trading					
Derivative Financial Instruments					
- FX Forward	1,191	-	-	-	1,191
	1,191		**-**	**-**	**1,191**
Financial liabilities held for trading					
Derivative Financial Instruments					
- FX Forward	-10	-	-	-	-10
	-10	**-**	**-**	**-**	**-10**
Balance at December 31, 2022	**1,181**	**-**	**-**	**-**	**1,181**

(thousands of Kwanzas)

	Less than three months	Between three months to 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**

Note 8 – Financial assets at fair value through other comprehensive income

This heading as at 31 December 2022 and 31 December 2021 is examined as follows:

(thousands of Kwanzas)

31.12.2022	Currency	Indexing	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									
- Treasury Bills	AOA	n.a.	n.a.	16,500,000	15,131,745	0	718,875	-30,889	15,819,731
- Treasury Bonds	AOA	Fixed rate	17.08%	145,612,800	136,420,839	6,239,510	6,095,724	3,860,672	152,616,745
				162,112,800	**151,552,584**	**6,239,510**	**6,814,599**	**3,829,783**	**168,436,476**

(thousands of Kwanzas)

31.12.2021	Currency	Indexing	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									
- Treasury Bills	AOA	n.a.	n.a.	5,871,835	5,019,519	0	536,795	-6,059	5,550,255
- Treasury Bonds	AOA	Fixed rate	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**

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 33).

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 2022 and 31 December 2021, 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
- Treasury Bills	7,195,055	8,624,676	-	15,819,731
- Treasury Bonds	38,321,480	18,183,131	96,112,134	152,616,745
Balance at December 31, 2022	**45,516,535**	**26,807,807**	**96,112,134**	**168,436,476**
- Treasury 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**

Note 9 – Investments at amortised cost

As at 31 December 2022 and 31 December 2021, the heading investment at amortised cost shows the following values:

(thousands of Kwanzas)

31.12.2022	Currency	Indexing	Average Rate	Nominal Value	Acquisition Cost	Accrued Interest	Prize / Discount	Fair Value Adjustment	Balance Sheet Value
Investments at amortised cost									
- Treasury Bonds	AOA	Fixed rate	17.19%	89,224,600	85,028,995	4,060,402	2,547,626	-1,112,847	90,524,176
- EUROBOND	USD	n.a.	9.50%	2,829,998	2,829,998	36,584	-	-41,881	2,824,701
				92,054,598	**87,858,993**	**4,096,986**	**2,547,626**	**-1,154,728**	**93,348,877**

(thousands of Kwanzas

31.12.2021	Currency	Indexing	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	Fixed rate	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**

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 Notetion published in the Moody's study for the financial year in question. As of 31 December 2022 the exhibitions were classified in stage 1 .

(thousands of Kwanzas

	Stage 1	Stage 2	Stage 3	Total
- Treasury Bonds	90,524,176	-	-	90,524,176
- EUROBOND	2,824,701	-	-	2,824,701
Balance at December 31, 2022	**93,348,877**	**-**	**-**	**93,348,877**
- 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**

Impairment losses as at 31 December 2022 and 31 December 2021 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 2022 and 31 December 2021, the escalation of investments at the cost amortised by maturity periods is as follows:

(thousands of Kwanzas)

	Less than three months	Between three months to one year	From one to five years	Total
- Treasury Bonds	9,826,468	19,009,783	61,687,925	90,524,176
- EUROBOND	-	-	2,824,701	2,824,701
Balance at December 31, 2022	**9,826,468**	**19,009,783**	**64,512,626**	**93,348,877**
- 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**

Note 10 – Credit to Client

This heading as at 31 December 2022 and 31 December 2021 is examined as follows:

(thousands of Kwanzas)

	31.12.2022	31.12.2021
Internal credit		
To companies	283,673,013	223,039,039
Loans	256,911,323	196,483,744
Overdrafts	19,953,260	17,545,404
Leasing	569,055	325,121
Letters of credit	6,239,375	8,684,770
To private individuals	19,149,496	15,128,579
Housing	1,908,757	1,573,688
Consumption and others	17,240,739	13,554,891
	302,822,509	**238,167,618**
Credit and interest accrued		
Up to 3 months	624,669	0
From 3 months to 1 year	376,545	316,166
From 1 to 3 years	117,609	475,088
	1,118,823	**791,254**
	303,941,332	**238,958,872**
Impairment losses	**-6,756,697**	**-4,784,719**
	297,184,635	**234,174,153**

On 31 December 2022 and 31 December 2021 the item of Credit to Clients includes, in return for Other liabilities (Note 19), 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 2022 and 31 December 2021, the item Client credit includes 2,140,795 thousand of kwanzas and 1,340,470 thousand of kwanzas for the adjustment of the fair value of Employee credits (Note 14).

On 31 December 2022 and 31 December 2021, the item Client credit includes 151,956,240 thousand of kwanzas and 154,950,627 thousand of kwanzas under "Aviso 10" of 7 April 2022 respectively.

The escalation of credit to Clients for residual maturity periods on 31 December 2022 and 31 December 2021 is as follows:

(thousands of Kwanzas)

	31.12.2022	31.12.2021
Up to 3 months	20,359,468	37,289,008
From 3 months to a year	43,545,681	16,107,800
From one to five years	212,831,037	149,591,732
More than five years	26,641,873	35,150,145
Indeterminate duration	563,273	820,187
	303,941,332	**238,958,872**

The movements in impairment losses evidenced in the Credit to Clients were as follows:

(thousands of Kwanzas)

	31.12.2022	31.12.2021
Initial Balance	4,784,719	2,765,665
Appropriations	2,187,164	4,089,013
Uses (Note 22)	-327,117	-491,184
Rollbacks	-416,816	-1,561,403
Exchange and other exchange differences	528,747	-17,371
Final Balance	**6,756,697**	**4,784,719**

On 31 December 2022 and 31 December 2021, uses (Note 23) correspond to derecognised balance sheet credits (written-off from the asset). In addition, its annual variation includes a recovery of 327,117 thousand of kwanzas for credits previously written-off from the asset and 6,189 thousand of kwanzas of interest cured.

The distribution of credit to Clients by type of rate is as follows::

(thousands of Kwanzas)

	31.12.2022	31.12.2021
Flat rate	184,029,888	93,625,987
Variable rate	119,911,444	145,332,885
	303,941,332	**238,958,872**

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									Impairment 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 restructured	Total Impairment	Stage 1 Credit	Stage 2 Credit	Stage 3 Credit
Corporate and Investment Banking	211,897,132	185,907,841	2,276,089	-	23,438,749	11,190,845	-	2,550,542	2,550,542	-3,973,360	-1,635,978	-726,452	-1,610,930
Business and Comercial Clients	72,400,551	69,054,811	-	-	2,721,071	-	-	624,669	609,828	-1,294,000	-54,416	-614,915	-624,669
Consumer and High Net Worth Clients	19,643,649	18,020,306	38,598	-	1,098,477	50,867	-	524,866	32,172	-1,489,337	-162,144	-802,327	-524,866
Total	**303,941,332**	**272,982,958**	**2,314,687**	**-**	**27,258,297**	**11,241,712**	**-**	**3,700,077**	**3,192,542**	**-6,756,697**	**-1,852,538**	**-2,143,694**	**-2,760,465**

(thousands of Kwanzas)

Segment	Exposure 31.12.2021									Impairment 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 restructured	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	-	-	1,032,383	-	-	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**	**-6,129,769**	**-1,314,994**	**-2,554,662**	**-915,063**

2. By intervals of overdue days

(thousands of Kwanzas)

Segment	Exposure 31.12.2022									Impairment 31.12.2022								
	Stage 1			Stage 2			Stage 3			Stage 1			Stage 2			Stage 3		
	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days
Corporate and Investment Banking	185,907,841	-	-	23,438,749	-	-	2,550,542	-	-	-1,635,978	-	-	-726,452	-	-	-1,610,930	-	-
Business and Comercial Clients	69,054,811	-	-	2,721,071	-	-	-	-	624,669	-54,416	-	-	-614,915	-	-	-	-	-624,669
Consumer and High Net Worth Clients	18,020,306	-	-	909,006	189,471	-	30,712	-	494,154	-162,144	-	-	-674,130	-128,197	-	-22,871	-	-501,995
Total	**272,982,958**	**-**	**-**	**27,068,826**	**189,471**	**-**	**2,581,254**	**-**	**1,118,823**	**-1,852,538**	**-**	**-**	**-2,015,497**	**-128,197**	**-**	**-1,633,801**	**-**	**-1,126,664**

(thousands of Kwanzas)

Segment	Exposure 31.12.2022									Impairment 31.12.2022								
	Stage 1			Stage 2			Stage 3			Stage 1			Stage 2			Stage 3		
	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 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**

The detail of the credit portfolio by segment and by year of concession of operations for 31 December 2022 and 31 December 2021 is as follows:

(thousands of Kwanzas)

Year of concession	31.12.2022								
	Corporate and Investment Banking			Business and Commercial Clients			Consumer and High Net Worth Clients		
	Number of operations	Amount	Constituted Impairment	Number of operations	Amount	Consituted Impairment	Number of operations	Amount	Constituted Impairment
2017 and earlier	7	10,152,209	-153,213	9	7,457,529	-96,781	3,527	743,195	-86,792
2018	-	-	-	-	-	-	335	140,290	-3,753
2019	3	3,339,472	-37,731	10	2,231,497	-3,943	973	721,975	-76,509
2020	5	25,457,371	-534,330	18	7,769,493	-12,671	999	2,199,421	-272,121
2021	14	115,483,024	-2,816,696	26	14,221,750	-432,943	1,512	5,241,472	-601,171
2022	37	57,465,056	-431,390	87	40,720,282	-747,662	1,995	10,597,296	-448,991
Total	**66**	**211,897,132**	**-3,973,360**	**150**	**72,400,551**	**-1,294,000**	**9,341**	**19,643,649**	**-1,489,337**

(thousands of Kwanzas)

Year of concession	31.12.2022								
	Corporate and Investment Banking			Business and Commercial Clients			Consumer and High Net Worth Clients		
	Number of operations	Amount	Constituted Impairment	Number of operations	Amount	Consituted Impairment	Number of operations	Amount	Constituted Impairment
2016 e	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**

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 2022 and 31 December 2021, is as follows:

1. By segment

(thousands of Kwanzas)

31.12.2022	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	211,897,132	-3,973,360	624,669	-624,669	524,866	-524,866	213,046,667	-5,122,895
Collective Impairment	-	-	71,775,882	-669,331	19,118,783	-964,471	90,894,665	-1,633,802
Total	**211,897,132**	**-3,973,360**	**72,400,551**	**-1,294,000**	**19,643,649**	**-1,489,337**	**303,941,332**	**-6,756,697**

(thousands of Kwanzas)

31.12.2022	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**

2. By sector of activity

(thousands of Kwanzas)

31.12.2022	Central government		Wholesale trade		Construction		Manufacturing		Private		Others		Total	
	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment
Individual Impairment	53,410,628	-780,025	48,137,892	-412,972	-	-	44,117,340	-220,235	524,866	-524,866	66,855,941	-3,184,797	213,046,667	-5,122,895
Collective Impairment	-	-	37,935,541	-103,236	939,565	-29,581	11,542,438	-497,403	19,118,783	-964,471	21,358,338	-39,111	90,894,665	-1,633,802
Total	**53,410,628**	**-780,025**	**86,073,433**	**-516,208**	**939,565**	**-29,581**	**55,659,778**	**-717,638**	**19,643,649**	**-1,489,337**	**88,214,279**	**-3,223,908**	**303,941,332**	**-6,756,697**

(thousands of Kwanzas)

30.06.2022	Central government		Wholesale trade		Construction		Manufacturing		Private		Others		Total	
	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment
Imparidade individual	46,678,506	-694,909	54,204,279	-438,960	3	-3	36,837,208	-163,255	517,882	-517,822	42,581,128	-1,879,743	180,818,946	-3,694,692
Imparidade colectiva	-	-	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**	**15,529,765**	**-1,223,786**	**43,561,649**	**-1,886,631**	**238,958,872**	**-4,784,719**

In terms of geography, the total credit granted is in Angola.

The tables below present, with reference to December 31, 2022 and December 31, 2021, 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	31.12.2022 Impairment Stages			Total
	Stage 1	Stage 2	Stage 3	
With assigned impairment based on individual analysis	180,105,802	23,349,073	2,559,470	206,014,345
Credit and interest accrued	15,004	1	1,128,576	1,143,581
Impairment	-1,635,978	-726,452	-2,760,465	-5,122,895
With assigned impairment based on collective analysis	85,428,820	3,857,281	-	89,286,101
Credit and interest accrued	1,657,219	-	-	1,657,219
Impairment	-216,560	-1,417,242	-	-1,633,802
Accruals and deferrals	5,776,113	51,942	12,031	5,840,086
Total	**271,130,420**	**25,114,603**	**939,612**	**297,184,635**

(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**

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 2022 and 31 December 2021, is as follows:

1. By class of default

(thousands of Kwanzas)

Credit to Clients	Outstanding Credit	31.12.2022 Class of non-compliance				Total
		Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years	
With assigned impairment based on individual analysis	**206,014,345**	-	-	-	-	206,014,345
Credit and interest accrued	-	6,675	629,940	386,939	120,027	1,143,581
Impairment	-3,989,552	-6,679	-624,669	-382,833	-119,162	-5,122,895
With assigned impairment based on collective analysis	89,286,101	-	-	-	-	89,286,101
Credit and interest accrued	-	1,480,559	176,660	-	-	1,657,219
Impairment	-1,040,479	-593,323	-	-	-	-1,633,802
Accruals and deferrals	5,874,742	-29,386	-299	-4,106	-865	5,840,086
Total	**296,145,157**	**857,846**	**181,632**	**-**	**-**	**297,184,635**

(thousands of Kwanzas)

Credit to Clients	Outstanding Credit	31.12.2022 Class of non-compliance				Total
		Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year 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**

The detail of the restructured credit portfolio by restructuring measure applied is as follows:

(thousand of Kwanzas)

Applied measure	31.12.2022 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	-	-	-	-	-	-	3	32,172	-32,277	3	32,172	-32,277
Product conversion	-	-	-	-	-	-	2	3,160,370	-2,220,758	2	3,160,370	-2,220,758
Total	**-**	**-**	**-**	**-**	**-**	**-**	**5**	**3,192,542**	**-2,253,035**	**5**	**3,192,542**	**-2,253,035**

(thousand 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**

The table below presents with reference to December 31, 2022 and December 31, 2021, the credit restructured with the detail of the value due, overdue and impairment for companies (corporate) and individuals (private).

(thousands of Kwanzas)

Restructured Credit	31.12.2022			
	Outstanding	Credit Overdue	Total	Impairment
Coporate	3,160,370	-	3,160,370	-2,220,758
Private	22,766	9,406	32,172	-32,277
Consumption	22,766	9,406	32,172	-32,277
Total	**3,183,136**	**9,406**	**3,192,542**	**-2,253,035**

(thousands of Kwanzas)

Restructured Credit	31.12.2021			
	Outstanding	Credit Overdue	Total	Impairment
Coporate	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**

The movements of inflows and outflows in the restructured credit portfolio are as follows:

(thousands of Kwanzas)

	31.12.2022	31.12.2021
Initial balance of the restructured credit portfolio (gross impairment)	**22,277,987**	**7,732,809**
Restructured credits in the period	632,594	22,270,748
Accrued interest from the restructured credit portfolio	17,691	134,178
Settlement of restructured credit (partial or total)	-64,537	-7,851,292
Credits reclassified from "restructured" to "normal"	-19,671,193	-10,750
Others	-	2,294
Final balance of the restructured credit portfolio (gross impairment)	**3,192,542**	**22,277,987**

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)

	31.12.2022											
	Business				Construction and real estate promotion				Housing			
	Properties		Other guarantees		Properties		Other guarantees		Properties		Other guarantees	
Fair value	Number of properties	Amount	Number	Amount	Number of properties	Amount	Number	Amount	Number of properties	Amount	Number	Amount
< 50 MAOA	31	152,575	24	114,172	-	-	-	-	24	126,402	-	-
>= 50 MAOA e < 100 MAOA	4	333,610	1	57,530	-	-	-	-	12	886,886	-	-
>= 100 MAOA e < 500 MAOA	10	2,845,846	3	1,081,804	1	206,500	-	-	14	2,846,821	8	1,444,168
>= 500 MAOA e < 1.000 MAOA	16	13,655,197	3	2,095,120	-	-	-	-	-	-	-	-
>= 1.000 MAOA e < 2.000 MAO	13	17,796,005	2	2,314,112	-	-	-	-	-	-	-	-
>= 2.000 MAOA e < 5.000 MAO	11	39,554,069	9	24,858,109	-	-	-	-	-	-	-	-
>= 5.000 MAOA	11	136,521,781	6	67,161,306	-	-	-	-	-	-	-	-
Total	**96**	**210,859,083**	**48**	**97,682,153**	**1**	**206,500**	**-**	**-**	**50**	**3,860,109**	**8**	**1,444,168**

(thousands of Kwanzas)

	31.12.2021											
	Business				Construction and real estate promotion				Housing			
	Properties		Other guarantees		Properties		Other guarantees		Properties		Other guarantees	
Fair value	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 MAO	5	6,235,413	1	1,244,771	-	-	1	1,683,500	-	-	-	-
>= 2.000 MAOA e < 5.000 MAO	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**

The evaluations of properties across all segments, are as follows:

(Milhares de Kwanzas)

Evaluating Entity	31.12.2022											
	Evaluation method								Total			
	Yield		Comparative		Cost		Residual					
	Number of properties	Property amount	Number of properties	Property amount	Number of properties	Property amount	Number of properties	Property amount	Number of properties	Property amount	% of the Number of Properties	% of the Property amount
Abacus Angola	-	-	30	(42 144 510)	1	(30 000)			31	(42 174 510)	41%	25%
ALTYS Rral Estate	-	-	2	(271 368)	-	-			2	(271 368)	3%	0%
Colliers International	1	(25 674 421)	4	(8 083 370)	-	-			5	(33 757 791)	7%	20%
CPU Consultores	-	-	5	(575 580)	-	-			5	(575 580)	7%	0%
Prime Yield	-	-	16	(40 800 406)	1	(54 031)			17	(40 854 437)	23%	25%
Property Investment	1	(24 601 250)	1	(3 525 750)	-	-			2	(28 127 000)	3%	17%
PROPRIME	-	-	6	(809 557)	4	(996 457)			10	(1 806 014)	13%	1%
UON Consulting	-	-	2	(15 578 000)	-	-			2	(15 578 000)	3%	9%
Zenki Real Estate	-	-	1	(2 902 500)	-	-			1	(2 902 500)	1%	2%
Total	**2**	**(50 275 671)**	**67**	**(114 691 041)**	**6**	**(1 080 488)**	**-**	**-**	**75**	**(166 047 200)**	**100%**	**100%**

(thousands of Kwanzas)

Evaluating Entity	31.12.2021											
	Evaluation method								Total			
	Yield		Comparative		Cost		Residual					
	Number of properties	Property amount	Number of properties	Property amount	Number of properties	Property amount	Number of properties	Property amount	Number of properties	Property amount	% of the Number of Properties	% 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%**

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The financing-guarantee ratio of the business segments, construction and real estate promotion and housing is as follows

(thousands of Kwanzas)

Segment / Ratio	31.12.2022					
	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.	79,798,610	8,676,618	14,841	-993,196
< 50%	25	21	7,410,114	1,408,496	-	-434,413
>= 75% e <100%	14	2	8,470,789	658,038	-	-65,653
>= 100%	57	25	159,283,138	15,240,412	3,160,370	-3,744,988
Construction and real estate promotion						
Without associated guarantee	n.a.	n.a.	-	-	-	-
>= 100%	1	-	-	97,254	-	-7,930
Housing						
Without associated guarantee	n.a.	n.a.	-	-	-	-
< 50%	21	-	752,932	-	-	-667
>= 100%	29	8	1,046,304	109,521	-	-88,663
Total	**147**	**56**	**256,761,887**	**26,190,339**	**3,175,211**	**-5,335,510**

(thousands of Kwanzas)

Segment / Ratio	31.12.2021					
	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
>= 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
>= 100%	1	1	28,170	1,466,472	-	-3,839
Housing						
Without associated guarantee	n.a.	n.a.	-	-	-	-
< 50%	-	-	770,292	-	-	-803
>= 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**

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The distribution of the credit portfolio measured by internal risk degrees is as follows:

(thousands of Kwanzas)

	31.12.2022						
	Low risk level			Medium risk level		High risk level	
Segment	A	B	C	D	E	F	G
Corporate and Investment Banking	-	16,867,627	-	19,376,519	168,402,243	4,700,201	2,550,542
Business and Commercial Clients	-	-	71,612,056	25,635	160,243	-	602,617
Consumer and High Net Worth Clients	-	-	18,123,487	115,013	167,642	87,314	1,150,193
Total	**-**	**16,867,627**	**89,735,543**	**19,517,167**	**168,730,128**	**4,787,515**	**4,303,352**

(thousands of Kwanzas)

	31.12.2021						
	Low risk level			Medium risk level		High risk level	
Segment	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**

As of 31 December 2022 and 31 December 2021, 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 31.12.2022				Impairment 31.12.2021			
	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	1.00%	12.00%	62.00%	54.00%	1.03%	14.62%	N/A	35.80%
Government	3.00%	N/A	N/A	35.00%	2.47%	N/A	N/A	60.00%
Financial Institutions	0.00%	N/A	N/A	20.00%	0.95%	N/A	N/A	22.60%
Business and Commercial Clients	3.62%	10.10%	100.00%	24.75%	0.36%	12.49%	100.00%	24.37%
Consumer and High Net Worth Clients	6.46%	12.50%	100.00%	67.72%	1.32%	23.33%	100.00%	67.61%

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, 2022, and they do not consider the effect of the Ukraine/Russia conflict:

a) Incorporation of forward-looking information – Scenarios considered

		2022	2023	2024	2025	2026
GDP Growth Rate	Base scenario	3.30%	2.10%	3.10%	2.90%	2.40%
	Favorable scenario	3.90%	3.70%	4.20%	4.60%	4.30%
	Adverse scenario	3.10%	0.90%	1.10%	0.70%	1.20%
Inflation Rate	Base scenario	16.80%	16.20%	14.70%	14.40%	13.40%
	Favorable scenario	14.90%	14.80%	13.20%	12.80%	12.50%
	Adverse scenario	18.20%	19.40%	17.50%	17.10%	15.30%
USD/AOA Exchange Rate	Base scenario	505	569	633	697	758
	Favorable scenario	475	499	536	569	611
	Adverse scenario	524	620	715	805	886
Oil Price (Angolan branch)	Base scenario	85.90				
Reference Interest Rate - Luibor 3 months	Base scenario	12,58%				

b) Incorporation of forward-looking information – credits analysed on a collective basis

2022	PD (average)	LGD (average)	Expected credit losses
Base scenario	1.21%	58.7%	1,891,482
Favorable scenario	0.65%	41.1%	515,859
Adverse scenario	1.09%	62.0%	1,031,717

The tables below shows the forward-looking information considered in the Bank's impairment model as at 31 December 2022, and 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 – credit analysed on a collective basis

2021	PD (average)	LGD (average)	Expected credit losses
Base scenario	4.89%	36%	1,010,089
Favorable scenario	3.07%	36%	634,506
Adverse scenario	7.14%	36%	1,473,997

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, 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)				
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
Transfer to stage 2	-14,341,118		364,506	-13,976,612
Transfer to stage 3	19,045	-364,506		-345,461
Changes due to modifications that did not result in derecognition				-
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 December 31, 2020	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
Cash and cash equivalents in other credit institutions (Note 5)				
New financial assets acquired or originated	7,370,149			7,370,149
Financial assets that have been derecognised	-8,757,205			-8,757,205
Créditos abatidos ao activo	-50,421,548			-50,421,548
Investments in central banks and other credit institutions (Note 6)				
New financial assets acquired or originated	106,235,207	-		106,235,207
Other changes	-144,459,542	-16,649,582		-161,109,124
Financial assets at fair value through results (Note 7)				
New financial assets acquired or originated	6,385,669			6,385,669
Other changes	-173,119			-173,119
Financial assets at fair value through other comprehensive income (Note 8)				
New financial assets acquired or originated	96,954,647			96,954,647
Other changes	-91,307,534			-91,307,534
Investments at amortised cost (Note 9)				
New financial assets acquired or originated	65,606,765	-		65,606,765
Other changes	-28,658,956	-35,204,931		-63,863,887
Client credit (Note 10)				
Transfer to stage 1		-149,985	2,976,495	2,826,510
Transfer to stage 2	149,985		-54,778	95,207
Transfer to stage 3	-2,976,495	54,778		-2,921,717
Changes due to modifications that did not result in derecognition				-
New financial assets acquired or originated	109,703,049	777,461	696,365	111,176,875
Financial assets that have been derecognised	-2,141,979	-529,267	-14,119	-2,685,365
Credits written off from assets	-	-	-286,803	-286,803
Other changes	-34,546,994	-8,143,106	-532,146	-43,222,246

	Stage 1	Stage 2	Stage 3
Gross Book Value at December 31, 2022	715,208,812	27,258,298	3,700,077
Cash and cash equivalents in other credit institutions (Note 5)	40,771,144	-	-
Investments in central banks and other credit institutions (Note 6)	132,120,422	-	-
Financial assets at fair value through results (Note 7)	6,394,206	-	-
Financial assets at fair value through other comprehensive income (Note 8)	168,436,476	-	-
Investments at amortised cost (Note 9)	94,503,605	1	-
Client credit (Note 10)	272,982,958	27,258,297	3,700,077

The table below shows the movement in expected loss by asset class and stage:

	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			-455
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
Financial assets at fair value through results (Note 7)				
Financial assets at fair value through other comprehensive income (Note 8)				
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
Changes due to modifications that did not result in disrecognition				-
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
Changes in risk models/parameters				-
Exchange rate and other movements	17,195	175		17,370

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	Stage 1	Stage 2	Stage 3	Total
Expected loss at December 31, 2021	-1,882,040	-3,054,317	-915,063	-5,851,420
Cash and cash equivalents in other credit institutions (Note 5)	-2,185	-	-	-2,185
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
Cash and cash equivalents in other credit institutions (Note 5)				
New financial assets acquired or originated	-32			-32
Financial assets that have been derecognised	2,174			2,174
Changes in risk models/ parameters	-22			-22
Investments in central banks and other credit institutions (Note 6)				
New financial assets acquired or originated	-	-	-	-
Changes in risk models/ parameters	1,162	9,123		10,285
Financial assets at fair value through results (Note 7)				
Financial assets at fair value through other comprehensive income (Note 8)				
Investments at amortized cost (Note 9)				
New financial assets acquired or originated	-903,925	-	-	-903,925
Changes in risk models/ parameters	321,522	481,906		803,428
Client credit (Note 10)				
Transfer to stage 1		-48,329	-2,464	-50,793
Transfer to stage 2	48,329		-452,263	-403,934
Transfer to stage 3	2,464	452,263		454,727
Increases due to changes in credit risk	-733,488		-1,197,794	-1,931,282
Decreases due to changes in credit risk	507,213	45,951	-	553,164
Credits written off from assets			504,864	504,864
New financial assets acquired or originated	-748,622	-80,223	-697,745	-1,526,590
Financial assets that have been derecognised	382,098	34,718		416,816
Exchange rate and other movements	-4,162	15,211		11,049

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	Stage 1	Stage 2	Stage 3	Total
Expected loss at December 31, 2022	-3,088,491	-2,152,820	-2,760,465	-7,911,491
Cash and cash equivalents in other credit institutions (Note 5)	-66	0	0	-66
Investments in central banks and other credit institutions (Note 6)	0	0	0	0
Investments at amortized cost (Note 9)	-1,154,725	-3	0	-1,154,728
Client credit (Note 10)	-1,852,538	-2,143,694	-2,760,465	-6,756,697

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Note 11 – Other tangible assets

On 31 December 2022 and 31 December 2021, this heading presented the following movement:

(thousands of Kwanzas)

	31.12.2021	Acquisition/ Appropriations	Disposals/ Slaughters	Transfers	31.12.2022
Costs					
Real estate					
Self-service	31,878,775	27,557	-33,514	766,348	32,639,166
Works in rented properties	1,665,386	253	-139,726	-	1,525,913
	33,544,161	**27,810**	**-173,240**	**766,348**	**34,165,079**
Equipment					
~IT equipment	5,504,151	205,395	-447,284	502,780	5,765,042
Furniture and material	2,230,960	263,952	-36,782	41,973	2,500,103
Machines and tools	3,707,898	769,626	-24,819	162,922	4,615,627
Transport material	1,154,373	117,107	-85,427	-	1,186,053
Others	391,137	1,370	-	-281,188	111,319
	12,988,519	**1,357,450**	**-594,312**	**426,487**	**14,178,144**
Assets in progress					
Works in real estate	258,244	29,737	-	-255,922	32,059
Equipment	212,495	12,428	-	-208,371	16,552
Others	773,152	-	-	-728,542	44,610
	1,243,891	**42,165**	**-**	**-1,192,835**	**93,221**
Right of Use					
Real estate	3,877,204	448,817	-	-	4,326,021
	3,877,204	**448,817**	**-**	**-**	**4,326,021**
	51,653,775	**1,876,242**	**-767,552**	**-**	**52,762,465**
Accumulated amortisations					
Real estate					
Self service	-517,781	-608,642	-	-	-1,126,423
Works in rented properties	-1,090,060	-117,166	130,870	-	-1,076,356
	-1,607,841	**-725,808**	**130,870**	**-**	**-2,202,779**
Equipment					
IT equipment	-2,264,208	-1,161,889	447,283	-	-2,978,814
Furniture and material	-517,335	-298,409	35,051	-	-780,693
Machines and tools	-905,057	-750,531	23,903	-	-1,631,685
Transport material	-581,651	-227,748	75,310	-	-734,089
Others	-1,976	-472	-	-	-2,448
	-4,270,227	**-2,439,049**	**581,547**	**-**	**-6,127,729**
Right of Use					
Real estate	-2,575,954	-706,034	-	-	-3,281,988
	-2,575,954	**-706,034**	**-**	**-**	**-3,281,988**
	-8,454,022	**-3,870,891**	**712,417**	**-**	**-11,612,496**
	43,199,753	**-1,994,649**	**-55,135**	**-**	**41,149,969**

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(thousands of Kwanzas)

	31.12.2020	Acquisition/ Appropriations	Disposals/ Slaughters	Transfers	31.12.2022
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
	-1,392,898	**-464,737**	**249,794**	**-**	**-1,607,841**
Equipment					
IT equipment	-1,473,667	-797,444	6,903	-	-2,264,208
Furniture and material	-467,166	-223,762	173,593	-	-517,335
Machines 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**

As of 31 December 2022, 74% of tangible assets comprise the headquarters of Standard Bank of Angola, S.A.

At of 31 December 2022, fixed assets in progress include 82,052 thousand kwanzas related to ATM's to be installed during 2023.

As of 31 December 2022 the Machinery and Tools line includes 744,433 thousand kwanzas related to the electronic security system installed at the new head office and the new branch head office of Standard Bank of Angola, S.A and 513,804 thousand kwanzas related to the acquisition of generators for the premises.

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Note 12 – Intangible assets

On 31 December 2022 and 31 December 2021, this heading presented the following movement:

(thousands of Kwanzas)

	31.12.2021	Acquisitions/ Appropriations	Disposals/ Slaughters	Transfers	31.12.2022
Intangible assets					
Purchased from third parties					
Automatic data processing system	9,349,856	2,142,808	-	1,436,360	12,929,024
School certificates	80,083	-	-	-	80,083
Real estate	192,280	-	-	-192,280	-
Intangible assets in progress	1,501,510	1,020,549	-	-1,244,080	1,277,979
	11,123,729	**3,163,357**	**-**	**-**	**14,287,086**
Accumulated amortization					
Automatic data processing system	-2,448,981	-2,378,013	-	-	-4,826,994
	-986,762	**-2,378,013**	**-**	**-**	**-4,826,994**
	8,674,748	**785,344**	**-**	**-**	**9,460,092**

(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**

As of December 31, 2022 and December 31, 2021, 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 2022 we highlight the update of the SB24 for corporate customers with the main objective of improving our Clients' 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 2022 and 31 December 2021 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]

[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.

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 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 balance of the heading Current tax assets and Deferred tax assets corresponds to the provisional assessments and withholdings of industrial tax suffered in previous years, as well as deferred taxes constituted on provisions, impairments of loans with covered guarantees and tax losses, respectively.

The composition of tax assets and liabilities has the following composition:

(thousands of Kwanzas)

	31.12.2022	31.12.2021
Current tax assets	1,512,463	892,277
Deferred tax assets	8,777,497	5,588,505
Total	**10,289,960**	**6,480,782**

(thousands of Kwanzas)

	31.12.2022	31.12.2021
Current tax liabilities	**1,734,317**	**17,518,310**
Capital Investment Tax	1,498,203	1,628,255
Industrial Tax payable	-	15,653,941
Tax contingency (IFRIC23)	236,114	236,114
Deferred tax liabilities	**9,723,558**	**524,756**
Other Liabilities (Note 20)	**419,855**	**505,821**
VAT	419,855	505,821
Total	**11,877,730**	**18,548,887**

A liability has been recorded in accordance with IFRIC 23 regarding tax contingencies (236,114 thousand kwanzas) relating to income tax (namely IAC and Industrial Tax), as well as IAC on income from securities in the amount of 1,498,203 thousand kwanzas.

Under the heading of deferred tax liabilities, the amount of 8,336,503 thousand kwanzas has been recorded, relating to potential favourable exchange rate variations in accordance with Law no. 26/20, of 20 July - Law amending the Industrial Tax Code - and 1,387,055 thousand kwanzas on fair value reserves.

The deferred tax assets and liabilities recognised in the balance sheet at 31 December 2022 and 31 December 2021 can be analysed as follows:

(thousands of Kwanzas)

	Assets		Liabilities	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Reportable tax losses	7,818,544	1,665,644	-	-
Potential favorable exchange variations	-	3,220,221	8,336,503	-
Tax-accepted expense provisions	541,695	222,112	-	-
Credit impairments with collateral	417,258	480,528	-	-
Others	-	-	1,387,055	524,756
Deferred tax asset/(liability)	**8,777,497**	**5,588,505**	**9,723,558**	**524,756**

The movements in the deferred balance sheet tax heading had the following considerations:

(thousands of Kwanzas)

	31.12.2022	31.12.2021
Initial Balance	5,063,749	1,150,917
Recognised as profit or loss	-3,481,868	5,588,505
Recognised as fair value reserves	-862,299	-524,756
Use	-1,665,643	-1,150,917
Final Balance /Assets/(Liabilities))	**-946,061**	**5,063,749**

The tax recognised in results and reserves as at 31 December 2022 and 31 December 2021 had the following origins:

(thousands of Kwanzas)

	31.12.2022		31.12.2021	
	Recognised as reserves	Recognised as profit or loss	Recognised as reserves	Recognised as profit or loss
Reportable tax losses	0	7,818,544	0	1,665,644
Potential favorable exchange variations	0	-11,556,725	0	3,220,221
Tax-accepted expense provisions	0	319,583	0	222,112
Credit impairment with collateral	0	-63,270	0	480,528
Fair value reserves	-862,299	0	-524,756	0
Deferred Taxes	**-862,299**	**-3,481,868**	**-524,756**	**5,588,505**
Current Taxes	**0**	**-6,334,961**	**0**	**-21,476,516**
Industrial Tax	0	749,500	0	-15,653,941
Capital Investment Tax	0	-7,084,461	0	-5,822,575
Total tax recognised	**-862,299**	**-9,816,829**	**-524,756**	**-15,888,010**

Reconciliation of the tax rate, in the part relating to the amount recognised in results, may be analysed as follows:

(thousands of Kwanzas)

	31.12.2022		31.12.2021	
	%	Value	%	Value
Earnings before taxes		**75,473,785**		**91,624,322**
Tax calculated based on tax rate	35.0%	26,415,825	35.0%	32,068,513
Income subject to IAC (deductible under II)	-32.2%	-24,324,341	-23.8%	-21,783,626
Non-deductible (Income)/ Costs	2.3%	1,709,967	6.0%	5,490,487
Constitution of Deferred Tax Assets/Liabilities	15.0%	11,300,412	-6.1%	-5,588,505
Capital Investment Tax	9.4%	7,084,461	6.4%	5,822,575
Others	-16.4%	-12,369,494	-0.1%	-121,434
Fiscal year tax	**13.0%**	**9,816,829**	**17.3%**	**15,888,010**

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 2022 and 31 December 2021, 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 (2017 to 2021), and may result, due to different interpretations of tax legislation, possible corrections to taxable profit.

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)

	31.12.2022	31.12.2021
Provisional settlements	1 491 410	871 224
Witholding tax	21 053	21 053
Balance	**1 512 463**	**892 277**

On 31 December 2022 and 31 December 2021, 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 2.9.2).

On 31 December 2022, under the heading of tax on results in the amount of 7,084,461 thousand kwanzas, refers to the value of the increase in costs with Tax on the Application of Capital to be liquidated by the Bank from the Treasury Bonds and Treasury Bills in the portfolio and from contingent liabilities.

On 31 December 2022, the bank is in a tax loss situation of 22,338,696 thousand kwanzas. In this sense, the bank will not pay industrial tax and will be able to deduct the value of the tax loss from the taxable income of the 5 (five) subsequent years in accordance with nº 1 of Article 48 of Law No. 26/20 of 20 July amending the Law approving the Industrial Tax Code.

Note 14 – Other assets

The other assets heading as at 31 December 2022 and 31 December 2021 are analysed as follows:

(thousands of Kwanzas)

	31.12.2022	31.12.2021
Purchase and sale of foreign currency	10,150,357	15,947,012
Other assets	7,199,429	1,935,758
Other debtors	1,594,650	979,253
Deferred cost expenses	1,479,856	2,744,285
Income receivable	1,107,890	689,867
Other operations to be regularised	31,970	544,242
Investments in subsidiaries	5,000	-
	21,569,152	**22,840,417**
Impairment losses	**-1,025,093**	**-963,569**
	20,544,059	**21,876,848**

As of 31 December 2022, the purchases and sales of foreign currency to be settled within two days includes 10,159,549 thousand kwanzas recorded in the balance sheet under Other assets (Note 14) and Other liabilities (Note 19), in accordance with the criteria described in Note 2.16.

As at 31 December 2022 and 31 December 2021, the heading Other assets includes, respectively, 2,140,795 thousand kwanzas and 1,340,470 thousand kwanzas relating to the fair value adjustment of loans granted to Employees (Note 10).

As at 31 December 2022, the heading Other debtors includes 230,765 thousand kwanzas relating to advances to suppliers awaiting service (2021: 367 799 thousand kwanzas) and 883,590 thousand kwanzas relating to the amount receivable from dividends overpaid to Standard Bank South Africa and 146,611 thousand kwanzas relating to tax on interest on subordinated debt outstanding from Standard Bank South Africa.

The heading Deferred expenses includes, at 31 December 2022, 602,985 thousand kwanzas referring to the Bank's various insurance policies (2021: 897,673 thousand kwanzas).

The heading Income receivable includes, at 31 December 2022, the amount of 134,024 thousand kwanzas referring to insurance commissions and 870,281 thousand kwanzas referring to the tax on interbank commissions to be recovered.

At 31 December 2022 and 31 December 2021, the heading Other operations pending settlement includes currency purchase and sale operations awaiting financial settlement, which were settled in the first days of January 2023 and January 2022, respectively.

The movements incurred in impairment losses in other assets are presented as follows:

(thousands of Kwanzas)

	31.12.2021	Appropriations	Rollbacks	Other transactions	Exchange variation	31.12.2022
Impairment losses (Assets)						
Impairment losses on other assets	**963,569**	198,451	-123,950	-12,945	-32	**1,025,093**

(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**	0	**963,569**

At 31 December 2022, the impairment losses on Other assets include a multi-risk provision for possible losses related to property and equipment amounting to 190,900 thousand kwanzas (2021: 180,900 thousand kwanzas).

Note 15 – Resources of central banks and other credit institutions

The Resources of central banks and other credit institutions heading is presented as follows:

(Milhares de Kwanzas)

	31.12.2022	31.12.2021
Own or third-party resources in transit		
Outstanding counting amounts	510,781	570,796
Other outstanding settlement transactions	41,878,770	25,519,494
Other resources	149,821	433,879
	42,539,372	**26,524,169**

At 31 December 2022 and 31 December 2021, the item Amounts pending to be counted records the bags of banknotes that have entered the branches but have not yet been counted and reclassified to customer deposit accounts. At 31 December 2022 and 31 December 2021, the item Other transactions pending settlement includes customer debit card uses to be settled the following day and POS balances not closed.

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:

(Milhares de Kwanzas)

	31.12.2022	31.12.2021
Demand deposits		506,917,663
Term deposits		152,977,388
Deposits received as collateral		17,282,655
Other deposits		1,079,827
		678,257,533

On 31 December 2022 and 31 December 2021, the amount under deposits received as collateral heading refers in full to captive amounts for credit granted guarantee and letters of credit.

The escalation of Client resources and other loans by maturity, as of December 31, 2022 and December 31, 2021, is as follows:

(Milhares de Kwanzas)

	31.12.2022	31.12.2021
Due in the short term	**553,820,571**	**525,280,145**
Due in the long term		
Up to 3 months	127,088,926	135,874,337
From 3 months to one year	62,478,217	17,103,051
	189,567,143	**152,977,388**
	743,387,714	**678,257,533**

On 31 December 2022, term deposits in Kwanza and USD are remunerated at an average rate of 10.93% and 2.09%, respectively (2021: 13.07% and 0.25%, respectively).

Note 17 – Provisions

As at 31 December 2022 and 31 December 2021, the provisions heading shows the following movements:

(thousands of Kwanzas)

	31.12.2021	Appropriations	Rollbacks	Uses	Exchange variation	Transfers	31.12.2022
Provisions (Liabilities)							
Other provisions for risks and charges	**3,068,345**	1,926,153	-1,836,532	-89,136	-2,832	836,600	**3,902,598**
Provisions for guarantees and commitments made (Note 23)	**219,404**	486,831	-461,292	-	838	-	**245,781**
	3,287,749	**2,412,984**	**-2,297,824**	**-89,136**	**-1,994**	**836,600**	**4,148,379**

(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**

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 2022, the Other provisions for risks and charges include 1,418,680 thousand kwanzas (2021: 1,187,656 thousand kwanzas) of provisions for contingent retirement liabilities, in accordance with Law no. 2/2000 and articles 218 and 262 of the General Labour Law (Note 2.11). In 2015, Law No. 7/2015 (General Labour Law) was published, which revoked Law No. 2/2000 and which no longer provides for the need to make provisions for contingent retirement liabilities. The Bank is analysing how it will reverse this amount in Employee benefits.

As at 31 December 2022, the Other provisions for risks and charges also include a provision for sundry contingencies amounting to 521,938 thousand kwanzas (2021: 381,053 thousand kwanzas) and 320,050 thousand kwanzas (2021: 318,858 thousand kwanzas) relating to judicial contingencies. It also includes a provision for untaken holidays in the amount of 1,038,709 thousand kwanzas (2021: 781,984 thousand kwanzas).

As at 31 December 2022, the Provisions for guarantees and off-balance sheet commitments, namely, bank guarantees, bank overdraft limits and letters of credit amount to 245,781 thousand kwanzas (2021: 219,404 thousand kwanzas).

Note 18 – Subordinated liabilities

This heading is analysed as follows:

(Milhares de kwanzas)

Issuing +D4:U7company	Designation	Currency	Emission date	Issue Amount (in USD)	Book Value in thousands of Kwanzas		Interest rate	Maturity
					31.12.2022	31.12.2021		
Standard Bank South Africa, SA	Dívida subordinada	USD	03/12/2018	30,000,000	**15,386,552**	**16,704,348**	Libor +3,92% (4,92% desde 03/12/2023)	03/12/2028 (possibilidade de reembolso antecipado a partir do 5º ano)

Note 19 – Other liabilities

The other liabilities as at 31 December 2022 and 31 December 2021 are analysed as follows:

(thousands of Kwanzas)

	31.12.2022	31.12.2021
Dividends payable	30,956,376	12,400,828
Purchase and sale of foreign currency	10,159,549	16,050,264
Balances with related parties	6,625,054	4,850,151
Letters of credit (Note 10)	6,257,227	9,310,401
Personnel obligations (Note 2.10)	4,381,838	3,873,378
Administrative and marketing costs payable	3,123,077	3,570,421
Leases	1,250,142	1,580,534
Taxes payable - withheld from third parties	960,748	1,812,094
Suppliers	475,318	584,280
Value added tax (VAT)	419,855	505,821
Social Security Contribution	310,973	115,820
Other	103,121	1,344,696
Other operations to be regularised	148	3,870
Other deferred commissions	-	-31,185
	65,023,426	**55,971,373**

On 31 December 2022 and 31 December 2021, 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 2022 and 31 December 2021, 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, 2022, the dividends payable includes the approved accumulated dividends for distribution by the Bank to their Shareholders (Note 22).

As at 31 December 2022 and 31 December 2021, the balance of personnel obligations includes the costs payable for staff holidays and holiday pay.

On 31 December 2022 and 31 December 2021, 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, 2022, the costs per purchase and sale of foreign currency to be settled up to two days includes 10,159,549 thousand of kwanzas recorded in the items of Other assets (Note 14) and Other liabilities (Note 20), according to the criteria described in Note 2.16 (2021: 15,947,011 thousand of kwanzas).

Note 20 – Share capital

COMMON SHARES

As at 31 December 2022 and 31 December 2021, the Bank's share capital, in the amount of 9,530,007 thousand of kwanzas was represented by 1,000,000 common shares, fully subscribed and paid up by different Shareholders, namely:

	ımber of Shar	Book value in thousand of Kwanzas	% Share Capital	
			31.12.2022	31.12.2021
Standard Bank Group Limited	509,996	4,860,265	50.9996%	50.9996%
AAA Activos, Lda.	490,000	4,669,703	49.0000%	49.0000%
Other shareholders	4	39	0.0004%	0.0004%
	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 21 – 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, 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 fair value changes	-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 December 31, 2021	**974,547**	**9,530,007**	**73,713,582**	**1,209**	**83,244,796**
Other comprehensive income:					
Fair value changes	2,782,845	-	-	-	-
Transfer to uneven results recognized in the year	-319,135	-	-	-	-
Deferred taxes on changes in fair value	-862,299	-	-	-	-
Total comprehensive income for the year	**1,601,411**	**-**	**-**	**-**	**-**
Constitution of reserves	-	-	75 736 312	-	75,736,312
Distribution of dividends	-	-	(37 868 156)	-	-37,868,156
Other movements	-	-	-	-	-
Balance at December 31, 2022	**2,575,958**	**9,530,007**	**111,581,736**	**1,209**	**121,112,952**

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.

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 2022, the distribution of dividends to Shareholders in the amount of 37,868,156 thousand kwanzas was approved, of which 30,956,376 thousand kwanzas are pending settlement (Note 19) (2021: 12,400,828 thousand kwanzas are pending settlement).

As at 31 December 2022 and 31 December 2021, the value of the share options is 1,209 thousand kwanzas.

Note 22 – Off-balance sheet items

This heading is presented as follows:

(thousands of Kwanzas)

	31.12.2022	31.12.2021
Third-party responsibilities		
Guarantees received	**400,706,743**	**296,571,880**
Liabilities to third parties		
Guarantees provided	32,762,676	21,474,004
Letters of credit	8,224,263	5,437,928
Unused credit limits	40,511,588	48,495,977
	81,498,527	**75,407,909**
Liabilities for provision of services		
Deposit and custody of securities	**296,865,194**	**276,070,763**
Current value of credits		
Credits held in assets	306,548,464	241,224,972
Credits slaughtered (Note 10)	3,694,029	3,519,676
	310,242,493	**244,744,648**

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 2022 and 31 December 2021, the provisions for guarantees and commitments amounted to 245,781 thousand of kwanzas and 219,404 thousand of kwanzas, respectively (Note 17).

Note 23 – Financial Margin

The value of this heading consists of:

(thousands of Kwanzas)

	31.12.2022			31.12.2021		
	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	34,671,256	-	34,671,256	26 109 323	-	26 109 323
Interest from financial assets at fair value through profit or loss	-	533 592	533 592	-	210 084	210 084
Interest from deposits in credit institutions	1,519,831	-	1,519,831	517 443	-	517 443
Interest from financial assets at fair value through other comprehe	34,613,426	-	34,613,426	27 121 664	-	27 121 664
Interest from investments at amortised cost	16,270,345	-	16,270,345	27 906 628	-	27 906 628
Other interest and similar income	17,646,961	-	17,646,961	7 776 983	-	7 776 983
	-			-		
	104,721,819	**533 592**	**105,255,411**	**89 432 041**	**210 084**	**89 642 125**
Interest and similar charges						
Interest on resources of central banks and credit institutions	429,996	-	429,996	285,596	-	285,596
nterest on liabilities represented by securities	-	-	-	753 030	-	753 030
Interest on Clients resources	23,809,453	-	23,809,453	11 230 142	-	11 230 142
Interest on subordinated liabilities	842,145	-	842,145	775 209	-	775 209
Interest on leases	220,290	-	220,290	208 731	-	208 731
	25,301,884	**-**	**25,301,884**	**13,252,708**	**-**	**13,252,708**
Financial Margin	**79,419,935**	**533 592**	**79,953,527**	**76,179,333**	**210 084**	**76,389,417**

On 31 December 2022, the heading of interest on loans and advances to Clients includes the amount of 526,756 thousand kwanzas relating to commissions accounted for according to the effective interest rate method (2021: 191,185 thousand kwanzas).

The table below shows net gains or net losses on financial instruments:

(thousands of Kwanzas)

	31.12.2022					
	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	1,519,831	-	1,519,831	-	-	-
Interest on financial assets at fair value through results	533,605	-13	533,592	-	-	-
Interest on financial assets at fair value through other comprehensive income	-	-	-	34,613,426	-	34,613,426
Interest on investments at amortised cost	16,270,345	-	16,270,345	-	-	-
Credit interest to Clients	34,697,402	-26,146	34,671,256	-	-	-
Other interest and similar income	17,646,961	-	17,646,961	-	-	-
	70,668,144	**-26,159**	**70,641,985**	**34,613,426**	**-**	**34,613,426**
Liabilities						
Interest on Clients resources	-	-23,809,453	-23,809,453	-	-	-
Interest on resources of central banks and credit institutions	-	-429,996	-429,996	-	-	-
Interest on Funding of Credit Institutions	-	-	-	-	-	-
Interest on subordinated liabilities	-	-842,145	-842,145	-	-	-
Interest on Leases	-	-220,290	-220,290	-	-	-
Interest on liabilities represented by securities	-	-	-	-	-	-
	-	**-25,301,884**	**-25,301,884**	**-**	**-**	**-**
Financial Margin	**70,668,144**	**-25,328,043**	**45,340,101**	**34,613,426**	**-**	**34,613,426**

(thousands of Kwanzas)

	31.12.2021					
	In return for results			Por contrapartida do outro rendimento integral		
	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**

The table below shows the income and interest expenses of financial instruments measured at amortised cost:

(thousands of Kwanzas

	31.12.2022			31.12.2021		
	Income	Expenses	Net	Income	Expenses	Net
Assets						
Interest on cash and applications in credit institutions	1,519,831	-	1,519,831	517,443	-	517,443
Interest on investments at amortised cost	16,270,345	-	16,270,345	27,906,628	-	27,906,628
Credit interest to Clients	34,697,401	-26,146	34,671,255	26,109,323	-	26,109,323
Other interest and similar income	17,646,961	-	17,646,961	7,776,983	-	7,776,983
	70,134,538	**-26,146**	**70,108,392**	**62,310,377**	**-**	**62,310,377**
Liabilities						
Interest on Clients resources	-	-23,809,453	-23,809,453	337,333	-11,567,475	-11,230,142
Interest on resources of central banks and credit institutions	-	-429,996	-429,996	-	-285,596	-285,596
Interest on subordinated liabilities	-	-842,145	-842,145	-	-775,209	-775,209
Interest on Leases	-	-220,290	-220,290	-	-208,731	-208,731
Interest on liabilities represented by securities	-	-	-	-	-753,030	-753,030
	-	**-25,301,884**	**-25,301,884**	**337,333**	**-13,590,041**	**-13,252,708**
Financial margin for instruments at amortised cost	**70,134,538**	**-25,328,030**	**44,806,508**	**62,647,710**	**-13,590,041**	**49,057,669**

The table below shows the income and interest expenses of financial instruments measured at fair value through other comprehensive income:

(thousands of Kwanzas)

	31.12.2022			31.12.2021		
	Income	Expenses	Net	Income	Expenses	Net
Assets						
Interest on financial assets at fair value through other comprehensive income	34,613,426	-	34,613,426	27,121,664	-	27,121,664
Financial margin for fair value instruments through other comprehensive income	**34,613,426**	**-**	**34,613,426**	**27,121,664**	**-**	**27,121,664**

The table below shows the income and interest expenses of financial instruments measured at fair value through profit or loss:

(thousands of Kwanzas)

	31.12.2022			31.12.2021		
	Income	Expenses	Net	Income	Expenses	Net
Assets						
Interest on financial assets at fair value through other comprehensive income	533,606	-13	533,593	233,280	-23,196	210,084
Financial margin for fair value instruments through other comprehensive income	**533,606**	**-13**	**533,593**	**233,280**	**-23,196**	**210,084**

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Note 24 – Income and charges for services and commissions

The value of this heading consists of:

(thousands of Kwanzas)

Description	31.12.2022	31.12.2021
Income from services and commissions		
From transfers	6,239,491	6,151,429
From credit operations	2,980,425	3,220,084
From electronic compensation	2,421,464	1,904,254
Other income	2,003,958	2,411,558
From withdrawals	822,090	924,671
From mediation	644,941	561,185
From documentary credits	578,214	818,995
From account maintenance	568,791	465,739
From guarantees provided	434,922	299,383
From financial advice	411,883	706,124
From other banking services provided	119,824	665,698
From transporting received amounts	55,259	86,461
From cheque issuing	3,244	976
	17,284,506	**18,216,557**
Charges for services and commissions		
From banking services provided by third parties	4,526,202	3,402,480
From transporting values	1,272,083	874,198
	5,798,285	**4,276,678**
	11,486,221	**13,939,879**

With reference to 31 December 2022, the banking services provided by third parties heading includes an amount of 1,222,244 thousand kwanzas related to the custody rate applicable to excess reserves, according to Instructive No. 14/2020 of August 4.

01 02 03 04 05 06

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)

	31.12.2022			31.12.2021		
	Income	Expenses	Net	Income	Expenses	Net
Assets						
From credit operations	2,980,425	-	2,980,425	3,220,084	-	3,220,084
From transporting received amounts	55,259	-	55,259	86,461	-	86,461
From mediation	644,941	-	644,941	561,185	-	561,185
From financial advice	84,396	-	84,396	233,750	-	233,750
Other income	2,003,958	-	2,003,958	2,411,558	-	2,411,558
From banking services provided by third parties	-	-1,222,244	-1,222,244	-	-754,795	-754,795
	5,768,979	**-1,222,244**	**4,546,735**	**6,513,038**	**-754,795**	**5,758,243**
Liabilities						
From other banking services provided	-14,653	-	-14,653	502,496	-	502,496
From transfers	6,239,491	-	6,239,491	6,151,430	-	6,151,430
From account maintenance	568,791	-	568,791	465,739	-	465,739
From cheque issuing	3,244	-	3,244	975	-	975
From withdrawals	822,090	-	822,090	924,671	-	924,671
From transporting values	-	-1,272,083	-1,272,083	-	-874,198	-874,198
From electronic compensation	2,421,464	-	2,421,464	1,904,254	-	1,904,254
From banking services provided by third parties	-	-3,303,958	-3,303,958	-	-2,647,685	-2,647,685
	10,040,427	**-4,576,041**	**5,464,386**	**9,949,565**	**-3,521,883**	**6,427,682**
Off-balance sheet items						
From documentary credits	578,214	-	578,214	818,995	-	818,995
From guarantees provided	434,922	-	434,922	299,383	-	299,383
From other banking services	134,477	-	134,477	163,202	-	163,202
From financial advice	327,487	-	327,487	472,374	-	472,374
	1,475,100	**-**	**1,475,100**	**1,753,954**	**-**	**1,753,954**
	17,284,506	**-5,798,285**	**11,486,221**	**18,216,557**	**-4,276,678**	**13,939,879**

Note 25 – Results of financial assets at fair value through results

The value of this heading consists of:

	31.12.2022			31.12.2021		
	Income	Costs	Total	Income	Costs	Total
Income of assets at fair value through profit or loss						
From Public issuers	663,695	-178,180	485,515	46,333	-7,571	38,762
Derivative financial instruments	23,415	-3,674	19,741	70,691	-113,322	-42,631
From Clients deposits in AOA indexed to USD	-	-3,211	-3,211	-	-5,370	-5,370
	687,110	**-185,065**	**502,045**	**117,024**	**-126,263**	**-9,239**

Note 26 – Results of financial assets at fair value through other comprehensive income

The value of this heading consists of:

	31.12.2022			31.12.2021		
	Income	Costs	Total	Income	Costs	Total
Income of financial assets at fair value through other comprehensive income						
From public issuers	1,090,515	-	1,090,515	26,186	-	26,186
	1,090,515	**-**	**1,090,515**	**26,186**	**-**	**26,186**

Note 27 – Exchange results

The value of this heading consists of:

(thousands of Kwanzas)

Description	31.12.2022	31.12.2021
Results of currency purchase and sale transactions	36,064,497	34,707,490
Results of revaluation of assets and liabilities	-119,714	1,152,717
	35,944,783	**35,860,207**

Note 28 – Other operating results

The value of this heading consists of:

(thousands of Kwanzas)

Description	31.12.2022	31.12.2021
Other operating income / (costs)		
Direct and indirect taxes	-2,509,624	-2,723,317
Membership fees and donations	-337,354	-624,920
Operating losses	-383,870	-284,187
Other operating income	-4,589	-297,944
Other gains and losses on other tangible assets	37,018	-92,862
	-3,198,419	**-4,023,230**

As at 31 December 2022 and 2021, the heading Direct and indirect taxes includes 2,509,624 thousand kwanzas and 2,712,887 thousand kwanzas, respectively, of costs with Value Added Tax (VAT).

Note 29 – Personal cost

The value of this heading consists of:

(thousands of Kwanzas)

	31.12.2022	31.12.2021
Direct costs		
Salaries and subsidies	19,986,908	15,821,657
Performance bonus	3,452,816	2,877,140
Mandatory social charges	1,383,465	1,057,273
Others	547,046	579,836
	25,370,235	20,335,906
Indirect costs	1,317,391	1,364,838
	26,687,626	**21,700,744**

On 31 December 2022 and 2021, the heading Salaries and allowances includes various allowances allocated to Employees, namely, accommodation allowance, transport allowance, holiday allowance and holiday month, amounting to 1,468,751 thousand kwanzas and 1,296,859 thousand kwanzas, respectively.

As at 31 December 2022 and 2021, the number of Employees of the Bank was 679 and 652, respectively.

As at 31 December 2022 and 2021, Employees were divided into the following professional categories:

	31.12.2022	31.12.2021
Executive Directors	3	3
Director	35	37
Coordinator	241	318
Technician	389	284
Governing bodies	0	0
Administrative	11	10
	679	**652**

As of December 31, 2022 and 2021, the remuneration and other benefits associated with the Bank's Corporate Bodies are detailed as follows:

(thousands of Kwanzas)

	Board of Directors			Supervisory Board	Executive Board	Total
	Executive Directors	Non-Executive Members	Total			
31 December 2022						
Remunerations and other short-term benefits	920,819	209,801	1,130,620	18,655	0	1,149,275
Variable remunerations	40,932	35,474	76,406	9,848	1,069	87,323
Subtotal	**961,751**	**245,275**	**1,207,026**	**28,503**	**1,069**	**1,236,598**
Benefícios e outros encargos sociais	132,231	0	132,231	0	0	132,231
Total	**1,093,982**	**245,275**	**1,339,257**	**28,503**	**1,069**	**1,368,829**
31 December 2021						
Remunerations and other short-term benefits	943,984	101,023	1,045,007	16,174	0	1,061,181
Variable remunerations	56,063	13,610	69,673	8,979	3,351	82,003
Sub total	**1,000,047**	**114,633**	**1,114,680**	**25,153**	**3,351**	**1,143,184**

Note 30 – Third-party supplies and services

The value of this heading consists of:

(thousands of Kwanzas)

Descrição	31.12.2022	31.12.2021
Franchising Commission and other costs with the Group	6,405,310	4,660,434
Audits, Consultancies and Other Services	2,366,369	2,785,965
Security, Conservation and Repairs	988,999	971,409
Transportation, Travel and Accomodation	480,327	89,579
Communications	859,018	874,642
Publications, Advertising and Publicity	707,777	409,561
Other Third Party Supplies	2,187,690	1,162,607
Insurance	797,597	818,156
Miscellaneous materials	361,031	294,337
Water and Energy	108,766	134,741
	15,262,884	**12,201,431**

Note 31 – 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)

	31.12.2022	31.12.2021
Net Income	65,656,956	75,736,312
Average number of common shares outstanding	1,000,000	1,000,000
	65,657	**75,736**

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 32 – Transaction with related parties

The value of the Bank's transactions with related parties as at 31 December 2022 and 31 December 2021, as well as the respective costs and income recognised in the period under review, is as follows

	31.12.2022			31.12.2021		
BALANCE SHEET	Shareholders	Subsidiaries and affiliates of Shareholders	Corporate Bodies	Shareholders	Subsidiaries and affiliates of Shareholders	Corporate Bodies
Assets						
Cash and cash equivalents in other credit institutions						
Standard Bank South Africa	-	18,601,552	-	-	78,874,108	-
Standard Bank Mauricias	-	304	-	-	331	-
Stanbic Ibtc Bank Plc	-	3,626	-	-	4,302	-
Standard Bank Namibia	-	-	-	-	-	-
Investments in central banks and other credit institutions						
Standard Bank South Africa	-	45,268,919	-	-	49,948,887	-
Credit to Clients						
Housing credit	66,668	-	-	11,221	-	-
Credit cards	405	-	318	827	-	109
Investment credit	-	435	-	-	-	-
Other Assets						
Standard Bank South Africa	-	2,867	-	-	39,701	-
Total	**67,073**	**63,877,703**	**318**	**12,048**	**128,867,329**	**109**
Liabilities						
Investments in central banks and other credit institutions						
Standard Bank South Africa						
Customer resources and other loans						
AAA Activos, Lda	1,268,235	-	-	1,273,017	-	-
AAA Seguros, SA	-	1	-	-	2	-
Other	128,709	5,232,128	166,238	195,252	4,110,564	202,650
Subordinated liabilities						
Standard Bank South Africa	-	14,356,351	-	-	16,599,711	-
Other liabilities						
Standard Bank South Africa	-	9,198,748	-	-	5,146,388	-
AAA Activos, Lda	30,956,078	-	-		-	
Standard Bank London	-	27,564	-	-	8,564,817	-
Others	298	0	-	-	-	-
Total	**32,353,320**	**28,814,792**	**166,238**	**1,468,269**	**34,456,613**	**202,650**

RESULTS	31.12.2022 Shareholder	31.12.2022 Subsidiaries and affiliates of Shareholder	31.12.2022 Corporate Bodies	31.12.2021 Shareholder	31.12.2021 Subsidiaries and affiliates of Shareholder	31.12.2021 Corporate Bodies
Interest and similar income						
Standard Bank Isle of Man	-	-	-	-	-	-
Standard Bank South Africa	-	675,845	-	-	88,130	-
Interest and similar charges						
Standard Bank South Africa	-	-794,918	-	-	-775,209	-
Income and charges of services and commissions						
Standard Bank South Africa	-	-	-	-	-	-
Standard Bank Isle of Man	-	-	-	-	-	-
Exchange rate results						
Standard Bank South Africa	-	-46	-	-	55	-
Personnel costs						
Standard Bank South Africa	-	-117,318	-	-	-111,768	-
Third party supplies and services						
Standard Bank South Africa	-	-5,532,564	-	-	-5,559,970	-
Total	-	**-5,769,001**	-	-	**-6,358,762**	-

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 33 – 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: Market prices (Level 1)	Valued at Fair Value: Valuation models with observable market parameters (Level 2)	Valued at Fair Value: Valuation models with non-observable market parameters (Level 3)	Total Balance Sheet Value	Fair Value
December 31, 2022						
Cash and cash equivalents in central banks	261,119,428	-	-	-	261,119,428	261,119,428
Cash and cash equivalents in other credit institutions	40,771,077	-	-	-	40,771,077	40,771,077
Investments in central banks and in other credit institutions	132,120,422	-	-	-	132,120,422	132,120,422
Financial assets at fair value through profit or loss	-	-	6,204,479	189,727	6,394,206	6,394,206
Financial assets at fair value through other comprehensive income	-	-	168,436,476	-	168,436,476	168,436,476
Investments at amortised cost	93,348,877	-	-	-	93,348,877	93,347,393
Credit to Clients	297,184,635	-	-	-	297,184,635	298,781,286
Financial assets	**824,544,439**	**-**	**174,640,955**	**189,727**	**999,375,121**	**1,000,970,288**
Resources of central banks and other credit institutions	42,539,372	-	-	-	42,539,372	42,539,372
Clients resources and other loans	743,387,714	-	-	-	743,387,714	744,444,108
Subordinated liabilities	15,386,552	-	-	-	15,386,552	15,386,552
Financial liabilities	**801,313,638**	**-**	**-**	**-**	**801,313,638**	**802,370,032**

(thousands of Kwanzas)

	Amortised cost	Valued at Fair Value: Market prices (Level 1)	Valued at Fair Value: Valuation models with observable market parameters (Level 2)	Valued at Fair Value: Valuation models with non-observable market parameters (Level 3)	Total Balance Sheet Value	Fair Value
June 30, 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		-	-	-	0	0
Subordinated liabilities	16,704,348	-	-	-	16,704,348	16,704,348
Financial liabilities	**721,486,050**	**-**	**-**	**-**	**721,486,050**	**721,600,161**

The table below shows the book value of financial instruments with reference to 31 December 2022 and 31 December 2021:

(thousands of Kwanzas)

	31-12-2022				
	Valued at Fair Value	Valued at amortised cost	Valued at historical cost	Impairment	Net Value
Assets					
Cash and cash equivalents in central banks	-	261,119,428	-	-	261,119,428
Cash and cash equivalents in other credit institutions	-	40,771,143	-	-66	40,771,077
Investments in central banks and in other credit institutions	-	132,120,422	-	-	132,120,422
Financial assets at fair value through profit or loss	6,394,206		-	-	6,394,206
Financial assets at fair value through other comprehensive income	168,436,476		-	-	168,436,476
Investments at amortised cost	-	94,503,605	-	-1,154,728	93,348,877
Credit to Clients	-	303,941,332	-	-6,756,697	297,184,635
Financial assets	**174,830,682**	**832,455,931**	**-**	**-7,911,492**	**999,375,121**
Resources of central banks and other credit institutions	-	42,539,372	-	-	42,539,372
Clients resources and other loans	-	743,387,714	-	-	743,387,714
Debt securities issued	-	-	-	-	-
Subordinated liabilities	-	15,386,552	-	-	15,386,552
Financial liabilities	**-**	**801,313,638**	**-**	**-**	**801,313,638**
Total	**174,830,682**	**31,142,293**	**-**	**-7,911,492**	**198,061,483**

(thousands of Kwanzas)

	31-12-2022				
	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	-	0	-	-	-
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**

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 2022 and 31 December 2021 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.

Passivos subordinados e responsabilidades representadas por títulos: 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 34 – Balance sheet and income statement by segment

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 2022 and 31 December 2021, the balance sheet by segment is presented as follows:

(thousands of Kwanzas)

	31.12.2022			
BALANCE SHEET	Consumer and High Net Worth Clients	Business and Commercial Clients	Corporate and Investment Banking	Total
Assets				
Credit to Clients				
Loans	14,925,913	60,934,502	191,619,173	267,479,588
Overdrafts	3,664	9,546,632	10,153,804	19,704,100
Leasing	698,824	536,837	-	1,235,661
Letters of credit	-	88,580	6,150,795	6,239,375
Credit cards	706,484	-	-	706,484
Housing	1,819,427	-	-	1,819,427
Total allocated assets	18,154,312	71,106,551	207,923,772	297,184,635
Non-allocated assets				783,634,566
Total assets				**1,080,819,201**
Liabilities				
Client resources and other loans	89,374,675	95,977,933	558,035,106	743,387,714
Liabilities represented by securities	-	-	-	-
Total allocated liabilities	89,374,675	95,977,933	558,035,106	743,387,714
Non-allocated liabilities				138,555,614
Total liabilities				**881,943,328**

(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)

INCOME STATEMENT	31.12.2022 Consumer and High Net Worth Clients	Business and Commercial Clients	Corporate and Investment Banking	Total
Interest and similar income	8,928,223	14,122,048	82,205,140	105,255,411
Interest and similar charges	-1,489,501	-1,106,128	-22,706,255	-25,301,884
Financial Margin	**7,438,722**	**13,015,920**	**59,498,885**	**79,953,527**
Income from services and commissions	7,718,224	5,076,651	4,489,631	17,284,506
Charges for services and commissions	-1,849,646	-1,417,356	-2,531,283	-5,798,285
Income from financial assets and liabilities valued at fair value through profit or loss	-	-	502,045	502,045
Income from financial assets at fair value through other comprehensive income	-	-	-	-
Income from financial assets through other comprehensive income	-	-	1,090,515	1,090,515
Exchange rate income	9,304,911	9,418,418	17,221,454	35,944,783
Other operating income	-638,613	-489,237	-2,070,569	-3,198,419
Net income from banking activity	**21,973,598**	**25,604,396**	**78,200,678**	**125,778,672**
Personnel costs	-9,535,847	-8,135,661	-9,016,118	-26,687,626
Third party supplies and services	-4,303,853	-4,040,627	-6,918,404	-15,262,884
Depreciation and amortisation for the year	-2,447,270	-1,972,101	-1,829,531	-6,248,902
Provisions net of reversals	-116,389	-99,310	100,539	-115,160
Impairment for credit to Clients net of reversals and recoveries	-447,698	-502,116	-1,153,978	-2,103,792
Impairment for other assets net of reversals and recoveries	-42,414	2,714	153,177	113,477
Earnings before tax	**5,080,127**	**10,857,295**	**59,536,363**	**75,473,785**
Income taxes	-756,338	-942,163	-8,118,328	-9,816,829
Net income	**4,323,789**	**9,915,132**	**51,418,035**	**65,656,956**

(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**

Note 35 – 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

Crédit: 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

Risco de Crédito

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:

(thousands of Kwanzas)

	31.12.2022		
	Gross book value	Impairment	Net book value
Equity			
Cash and cash equivalents in central banks (Note 4)	261,119,428	-	261,119,428
Cash and cash equivalents in other credit institutions (Note 5)	40,771,143	-66	40,771,077
Investments in central banks and in other credit institutions (Note 6)	132,120,422	-	132,120,422
Financial assets at fair value through profit or loss (Note 7)	6,394,206	-	6,394,206
Financial assets at fair value through other comprehensive income (Note 8)	168,436,476	-	168,436,476
Investments at amortised cost (Note 9)	94,503,605	-1,154,728	93,348,877
Credit to Clients (Note 10)	303,941,332	-6,756,697	297,184,635
	1,007,286,612	**-7,911,491**	**999,375,121**
Off balance sheet			
Guarantees provided (Note 22)	32,762,676	-94,107	32,668,569
Letters of credit (Note 22)	8,224,263	-7,217	8,217,046
Unused limits (Note 22)	40,511,588	-144,455	40,367,133
	81,498,527	**-245,780**	**81,252,747**
Total	**1,088,785,139**	**-8,157,271**	**1,080,627,868**

(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 22)	21,474,004	-31,780	21,442,224
Letters of credit (Note 22)	5,437,928	-1,816	5,436,112
Unused limits (Note 22)	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**

Regarding the level of financial assets' credit risk quality, at 31 December 2022 and 31 December 2021 is as follows:

(thousands of Kwanzas)

	Rating origin	Rating level	31.12.2022 Gross exposure	Impairment	Net exposure
Equity	External rating	B+ a B-	541,154,693	-1,934,753	539,219,940
	External rating	AAA a AA-	16,869,416	-4,090	16,865,326
		A+ a A-	22,348,243	-66	22,348,177
		BBB+ a BBB-	17,814,134	-40,034	17,774,100
		BB+ a BB-	106,750,300	-5,360	106,744,940
		B+ a B-	203,082,007	-1,444,638	201,637,369
		< B-	4,700,201	-88,467	4,611,734
		Caa-C	2,550,542	-1,610,930	939,612
		Baixo	87,047,997	-216,428	86,831,569
		Médio	3,827,490	-1,417,190	2,410,300
		Elevado	1,141,589	-1,149,535	-7,946
Total			**1,007,286,612**	**-7,911,491**	**999,375,121**

(thousands of Kwanzas)

	Rating origin	Rating level	31.12.2021 Gross exposure	Impairment	Net exposure
Equity	External rating	B+ a B-	208,871,584	-1,053,509	207,818,075
	External 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
		Baixo	56,084,706	-166,670	55,918,036
		Médio	2,061,668	-923,357	1,138,311
		Elevado	901,291	-915,063	-13,772
Total			**893,893,190**	**-5,851,421**	**888,041,769**

The tables below show with reference to 31 December 2022 and 31 December 2021 the exposure to credit risk by financial asset class, rating level and stage.

(thousands of Kwanzas)

Financial asset class	Rating	31.12.2022 Stage 1	Stage 2	Stage 3	Total
Equity					
Cash and cash equivalents in central banks (Note 4)	*B+ a B-*	261,119,428	-	-	261,119,428
Cash and cash equivalents in other credit institutions (Note 5)	*AAA a AA-*	1,788	-	-	1,788
	A+ a A-	22,158,515	-	-	22,158,515
	BBB+ a BBB-	304	-	-	304
	BB+ a BB-	18,610,535			18,610,535
Investments in central banks and in other credit institutions (Note 6)	*B+ a B-*	132,120,422	-	-	132,120,422
Financial assets at fair value through profit or loss (Note 7)	*A+ a A-*	189,728			189,728
	B+ a B-	6,204,479	-	-	6,204,479
Financial assets at fair value through other comprehensive income (Note 8)	*B+ a B-*	168,436,476	-	-	168,436,476
Investments at amortised cost (Note 9)	*B+ a B-*	94,503,605	-	-	94,503,605
Credit to Clients (Note 10)	*AAA a AA-*	10,837,727	6,029,901	-	16,867,628
	A+ a A-	-	-	-	0
	BBB+ a BBB-	17,813,830	-	-	17,813,830
	BB+ a BB-	85,605,675	2,534,090	-	88,139,765
	B+ a B-	71,677,735	10,174,556	-	81,852,291
	< B-	-	4,700,201	-	4,700,201
	Caa-C	-	-	2,550,542	2,550,542
	Baixo	87,047,997	-	-	87,047,997
	Médio	-	3,827,490	-	3,827,490
	Elevado	-	-	1,141,589	1,141,589
Total Gross Book Value		**976,328,243**	**27,266,238**	**3,692,131**	**1,007,286,612**
Provision for losses		-3,007,332	-2,143,694	-2,760,465	**-7,911,491**
Net Book Value		**973,320,911**	**25,122,544**	**931,666**	**999,375,121**

(thousands of Kwanzas)

Classe de activo financeiro	Rating	31.12.2021 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	-	-	-	-
	Baixo	56,084,706	-	-	56,084,706
	Médio	-	2,047,896	-	2,061,668
	Elevado	-	-	915,063	901,291
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**	**84,048,615**	**0**	**888,041,769**

The breakdown by sectors of activity of exposure to credit risk, as of 31 December 2022 and 31 December 2021, is presented as follows:

(thousands of Kwanzas)

	31.12.2022 Exposure Outstanding	Exposure Overdue	Guarantees provided	Total exposure	Relative weight	Impairment Value	Impairment/ Total exposure
Corporate							
Central government	622,438,121	-	-	622,438,121	57%	1,154,794	0%
Financial Activities	134,317,787	-	10,790,219	145,108,006	13%	780,255	-1%
Wholesale and Retail Trade	67,404,643	-	15,183,139	82,587,782	8%	525,681	-1%
Education	32,111,461	609,828	4,077,419	36,798,708	3%	2,856,334	-8%
Other collective, social and personal service activities	22,756,825	-	11,110,728	33,867,553	3%	97,389	0%
Construction	763,309	-	14,792,178	15,555,487	1%	73,893	0%
Manufacturing	50,262,306	14,841	3,051,980	53,329,127	5%	823,730	-2%
Extractive industries	-	-	74,361	74,361	0%	7,276	-10%
Food, beverages and tobacco industries	38,087,439	-	17,499,793	55,587,232	5%	252,211	0%
Transport, Storage and Communication	8,954,545	-	2,702,955	11,657,500	1%	33,103	0%
Agriculture, animal production, hunting and forestry	9,921,856	-	271,633	10,193,489	1%	63,269	-1%
Private							
Consumption	16,504,543	490,161	1,944,122	18,938,826	2%	1,358,641	-7%
Housing	1,908,757	-	-	1,908,757	0%	89,330	-5%
Other	736,197	3,993	-	740,190	0%	41,365	-6%
Total	**1,006,167,789**	**1,118,823**	**81,498,527**	**1,088,785,139**	**100%**	**8,157,271**	**-1%**

(thousands of Kwanzas)

	31.12.2021						
	Exposure					Impairment	
	Outstanding	Overdue	Guarantees provided	Total exposure	Relative weight	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%
Alojamento e restauração	-	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%
Saúde e Acção Social	3,511,714	-	500,392	4,012,106	0%	2,816	0%
Produção e distribuição de electricidade, de gás e de água	-	-	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%**

The geographical concentration of credit risk as at 31 December 2022 and 31 December 2021 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 2022 and 31 December 2021 is presented as follows:

(thousands of Kwanzas)

	31.12.2022					
	-20%	-10%	-5%	+5%	+10%	+20%
Currency						
United States of America Dollars	-694,624	-347,312	-173,656	173,656	347,312	694,624
Euros	1,278,252	639,126	319,563	-319,563	-639,126	-1,278,252
Other currencies	160,650	80,325	40,163	-40,163	-80,325	-160,650
Total	**744,279**	**372,140**	**186,070**	**-186,070**	**-372,140**	**-744,279**

(thousands of Kwanzas)

	31.12.2021					
	-20%	-10%	-5%	+5%	+10%	+20%
Currency						
United States of America 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**

The result of the stress test presented corresponds to the expected impact (before tax) on equity.

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 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 2022 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	5,384,442	27,903,429			-22,518,987	0%	-18,015
1 - 3 months	216,251,007	16,609,718			199,641,289	0%	638,852
3 - 6 months	38,875,955	15,786,993			23,088,962	1%	166,241
6 - 12 months	37,683,316	18,409,918			19,273,398	1%	275,610
1 - 2 years	89,931,879	-			89,931,879	3%	2,491,113
2 - 3 years	1,440,418	-			1,440,418	4%	64,675
3 - 4 years	44,423,568	-			44,423,568	6%	2,727,607
4 - 5 years	-	-			-	8%	-
5 - 7 years	9,338,748	-			9,338,748	10%	947,883
7 - 10 years	21,262,621	-			21,262,621	13%	2,819,423
10 - 15 years	-	-			-	19%	-
15 - 20 years	-	-			-	22%	-
> 20 years	-	-			-	26%	-
						TOTAL (C) :	**10,113,389**
	298,194,720	78,710,059			385,881,896		
						Cumulative impact of interest rate-sensitive instruments:	**10,113,389**
						Regulatory Equity:	**194,399,338**
						Impact on Economic Value / Regulatory Equity:	**5.20%**

(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	128,699,554	64,741,427			63,958,127	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%**

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	-	66,473			-66,473	0%	-53
1 - 3 months	30,726,135	15,923,614			14,802,521	0%	47,368
3 - 6 months	-	1,076,448			-1,076,448	1%	-7,750
6 - 12 months	43,776,058	1,015,757			42,760,301	1%	611,472
1 - 2 years	-	-			-	3%	-
2 - 3 years	2,866,113	-			2,866,113	4%	128,688
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) :	**779,725**
	77,368,306	18,082,292			59,286,014		
						Cumulative impact of interest rate-sensitive instruments:	**779,725**
						Regulatory Equity:	**194,399,338**
						Impact on Economic Value / Regulatory Equity:	**0.40%**

(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 Position (G)
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**
	119,057,136	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%**

According to the above tables, it can be seen that in the two periods, namely 31 December 2022 and 31 December 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 2022 and 31 December 2021:

(thousands of Kwanzas)

December 2022	Refixing dates / Maturity dates								
	Up to 1 month	Between 1 and 3 months	Between 3 and 6 months	Between 6 motnhs and 1 year	Between 1 year and 3 years	Between 3 and 5 years	More than 5 years	Indeterminate	Total
Assets									
	318,299,379	46,412,841	83,229,118	52,711,276	109,280,043	88,681,309	55,675,313	326,529,922	1,080,819,201
Liabilities and Equity									
	113,269,092	116,390,517	86,545,225	6,819,413	-	-	257,616	757,537,338	1,080,819,201
Net exposure	**205,030,287**	**-69,977,676**	**-3,316,107**	**45,891,863**	**109,280,043**	**88,681,309**	**55,417,697**	**-431,007,416**	**-**

(thousands of Kwanzas)

December 2021	Refixing dates / Maturity dates								
	Up to 1 month	Between 1 and 3 months	Between 3 and 6 months	Between 6 motnhs and 1 year	Between 1 year 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**	**-**

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 2022 and 2021, as well as their average balances and income and costs for the year:

(thousands of Kwanzas)

	31.12.2022			31.12.2021		
	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	265,679,394	34,671,256	13.05%	178,361,539	26,109,323	14.64%
Cash and cash equivalents	257,048,276	675,845	0.26%	250,901,058	88,130	0.04%
Securities portfolio	261,428,538	52,234,413	19.98%	226,023,912	55,280,044	24.46%
Interbank applications	159,552,238	17,673,897	11.08%	113,605,531	8,164,628	7.19%
Total Applications	**943,708,446**	**105,255,411**		**768,892,040**	**89,642,125**	
Resources						
Client deposits	710,822,624	23,719,455	3.34%	602,278,957	11,219,681	1.86%
Other resources	16,045,450	1,582,429	9.86%	19,444,594	2,033,027	10.46%
Total Resources	**726,868,074**	**25,301,884**		**621,723,551**	**13,252,708**	
Financial Margin		**79,953,527**			**76,389,417**	

The breakdown of assets and liabilities as at 31 December 2022 and 31 December 2021 by currency is analysed as follows:

	31.12.2022					31.12.2021				
	Kwanzas	USD	EUR	Other	Total	Kwanzas	USD	EUR	Other	Total
Assets										
Cash and cash equivalents in central banks	120,331,727	139,849,326	849,013	89,362	261,119,428	40,748,618	78,396,421	405,551	77,894	119,628,484
Cash and cash equivalents in other credit institutions	0	23,218,076	14,390,134	3,162,867	40,771,077	72,373	66,398,165	22,137,626	3,969,398	92,577,562
Investments in central banks and in other credit institutions	86,851,502	44,067,766	-	1,201,154	132,120,422	120,395,870	66,588,184	-	-	186,984,054
Financial assets at fair value through profit or loss	6,380,717	13,489	-	-	6,394,206	181,656	-	-	-	181,656
Financial assets at fair value through other income	168,436,476	-	-	-	168,436,476	162,789,363	-	-	-	162,789,363
Investments at amortised cost	90,524,787	2,824,090	-	-	93,348,877	56,983,473	34,723,024	-	-	91,706,497
Credit to Clients	260,602,246	32,563,734	4,018,655	-	297,184,635	208,421,022	17,129,222	8,605,576	18,333	234,174,153
Other tangible assets	41,149,969	-	-	-	41,149,969	43,199,753	-	-	-	43,199,753
Intagible assets	9,460,092	-	-	-	9,460,092	8,674,748	-	-	-	8,674,748
Current tax assets	1,512,463	-	-	-	1,512,463	892,277	-	-	-	892,277
Deferred tax assets	8,777,497	-	-	-	8,777,497	5,588,505	-	-	-	5,588,505
Other assets	9,409,261	9,272,651	1,503,139	359,008	20,544,059	21,501,812	2,899,181	-2,550,699	26,554	21,876,848
Total assets	**803,436,737**	**251,809,132**	**20,760,941**	**4,812,391**	**1,080,819,201**	**669,449,470**	**266,134,197**	**28,598,054**	**4,092,179**	**968,273,900**

	31.12.2022					31.12.2021				
	Kwanzas	USD	EUR	Other	Total	Kwanzas	USD	EUR	Other	Total
Liabilities										
Resources of central banks and other credit institutions	-42,539,072	-	-	-300	-42,539,372	-1,262,083	-21,196,604	-4,048,717	-16,765	-26,524,169
Client resources and other loans	-499,988,859	-222,357,605	-20,596,810	-444,440	-743,387,714	-433,808,094	-221,967,501	-21,834,851	-647,087	-678,257,533
Financial liabilities at fair value through profit or loss	-10	-	-	-	-10	-	-	-	-	-
Provisions	-4,088,490	-52,783	-7,106	-	-4,148,379	-3,273,212	-13,125	-1,408	-4	-3,287,749
Current tax liabilities	-1,700,760	-33,557	-	-	-1,734,317	-17,474,432	-43,878	-	-	-17,518,310
Deferred tax liabilities	-9,723,558	-	-	-	-9,723,558	-524,756	-	-	-	-524,756
Subordinated liabilities	-	-15,386,552	-	-	-15,386,552	-	-16,704,348	-	-	-16,704,348
Other liabilities	-42,798,720	-10,505,517	-6,548,287	-5,170,902	-65,023,426	-32,554,387	-9,392,460	-10,417,303	-3,607,223	-55,971,373
Total liabilities	**-600,839,469**	**-248,336,014**	**-27,152,203**	**-5,615,642**	**-881,943,328**	**-488,896,964**	**-269,317,916**	**-36,302,279**	**-4,271,079**	**-798,788,238**
Net assets/ (liabilities)	**202,597,268**	**3,473,118**	**-6,391,262**	**-803,251**	**198,875,873**	**180,552,506**	**-3,183,719**	**-7,704,225**	**-178,900**	**169,485,662**

Liquidity Risk

The Bank reports liquidity risk to the National Bank of Angola in accordance with Instruction No. 14/2021 published on 27 September 2021. According to the statement, financial institutions should send to National Bank of Angola individual information on the distribution of their balance sheet and offbalance 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 liabilities denominated in that currency exceed 5% of the institution's total liabilities.

According to the referred instructive, financial institutions should maintain liquidity and observation ratios in all currencies and in domestic currency not less than 110% and, liquidity and observation ratio in significant foreign currency not less than 160%.

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 2022 to National Bank of Angola as follows:

All currencies

December 2022

Liquidity and Observation Ratio (BNA)	*31 Days*	*1-3 months*
Total net assets	**301,677,235**	
Amounts in treasury	13,243,259	
Cash and cash equivalents in central banks	247,859,680	
Assets eligible as collateral in BNA credit operations	5,125,784	
Cash and cash equivalents in financial institutions	35,448,512	
Total cash outflow	**211,791,134**	**47,947,907**
Demand deposits	184,424,735	-
Term deposits	13,046,926	46,477,214
Other deposits	6,897,567	-
Irrevocable commitments to third parties	778,254	1,470,693
Interbank money market operations - with banking financial institutions	6,643,652	-
Total cash inflows	**44,193,332**	**46,326,700**
Credits	4,491,442	9,736,439
Securities	-	20,328,702
Securities purchased from third parties with resale agreement	39,701,890	16,261,559
Mismatch	**134,079,433**	**132,458,226**
Accumulated mismatch	**134,079,433**	**132,458,226**
Liquidity ratio	**180%**	
Observation ratios		**376%**

National Currency

December 2022

Liquidity and Observation Ratio (BNA)	31 Days	1-3 months
Total net assets	**125,457,511**	
Amounts in treasury	9,527,929	
Cash and cash equivalents in central banks	110,803,798	
Assets eligible as collateral in BNA credit operations	5,125,784	
Cash and cash equivalents in financial institutions	-	
Total cash outflow	**132,956,953**	**37,103,569**
Demand deposits	113,771,475	-
Term deposits	6,053,819	35,670,634
Other deposits	5,709,754	-
Irrevocable commitments to third parties	778,254	1,432,935
Interbank money market operations - with banking financial institutions	6,643,652	-
Total cash inflows	**44,193,332**	**45,371,043**
Credits	4,491,442	8,780,782
Securities	-	20,328,702
Securities purchased from third parties with resale agreement	39,701,890	16,261,559
Mismatch	**36,693,889**	**44,961,362**
Accumulated mismatch	**36,693,889**	**44,961,362**
Liquidity ratio	**141%**	
Observation ratios		**221%**

Foreign Currency (USD)

December 2022

Liquidity and Observation Ratio (BNA)	31 Days	1-3 months
Total net assets	**157,741,392**	
Amounts in treasury	2,785,801	
Cash and cash equivalents in central banks	137,055,882	
Assets eligible as collateral in BNA credit operations	-	
Cash and cash equivalents in financial institutions	17,899,708	
Securities	-	
Total cash outflow	**70,879,331**	**10,835,596**
Demand deposits	62,772,769	-
Term deposits	6,993,107	10,806,580
Other deposits	1,113,455	-
Irrevocable commitments to third parties	-	29,016
Interbank money market operations - with banking financial institutions	-	
Total cash inflows	**-**	**955,657**
Credits	-	955,657
Securities	-	-
Securities purchased from third parties with resale agreement		
Mismatch	**86,862,061**	**76,982,122**
Accumulated mismatch	**86,862,061**	**76,982,122**
Liquidity ratio	**223%**	
Observation ratios		**810%**

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%**

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 2022 and 31 December 2021, 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							
	214,009,709	61,032,852	18,318,634	24,246,894	704,393,717	58,817,395	1,080,819,201
Liabilities and Equity							
	539,296,252	104,316,940	66,512,677	59,826,038	94,565,273	216,302,021	1,080,819,201
Liquidity gao	**-325,286,543**	**-43,284,088**	**-48,194,043**	**-35,579,144**	**609,828,444**	**-157,484,626**	**-**
Accumulated liquidity gap	-325,286,543	-368,570,631	-416,764,674	-452,343,818	157,484,626		-

(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 gao	**-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	-	-

In turn, the behavioural liquidity gaps in accordance with the rules of the South African regulator (SARB) on 31 December 2022 and 31 December 2021 had the following structure:

(thousands of Kwanzas)

	Behavioural liquidity gaps						December 2022
	At sight	Up to 1 month	Between 1 and 2 months	Between 2 and 3 months	More than 3 months	Non-contractual	Total
Assets							
	399,512,865	97,387,684	45,949,374	30,466,234	448,685,649	58,817,395	**1,080,819,201**
Liabilities and Equity							
	27,019,579	173,747,596	98,636,239	87,272,075	477,841,691	216,302,021	**1,080,819,201**
Liquidity gao	**372,493,286**	**-76,359,912**	**-52,686,865**	**-56,805,841**	**-29,156,042**	**-157,484,626**	**-**
Accumulated liquidity gap	**372,493,286**	**296,133,374**	**243,446,509**	**186,640,668**	**157,484,626**	**-**	**-**

(thousands of Kwanzas)

	Behavioural liquidity gaps						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							
	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 gao	**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**	**-**	**-**

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.

(thousands of Kwanzas)

December 2022

	Exposure to		Not Subject to Interest Rate Risk	Derivatives	Total
	Fixed rate	Variable rate			
Assets					
Cash and cash equivalents in Central Banks			261,119,428		**261,119,428**
Cash and cash equivalents in Financial Institutions	86,851,527	45,268,769	40,771,203		**172,891,499**
Credit to Clients	150,039,595	147,145,040			**297,184,635**
Securities	268,179,559				**268,179,559**
Other assets	-	-	81,444,080		**81,444,080**
Total	505,070,681	192,413,809	383,334,711	-	**1,080,819,201**
Liabilities					
Demand Deposits			-532,859,003		**-532,859,003**
Term Deposits		-210,528,711			**-210,528,711**
Subordinated Debt		-15,386,552			**-15,386,552**
Other Liabilities			-123,169,062		**-123,169,062**
Equity	-	-	-198,875,873		**-198,875,873**
Total	-	-225,915,263	-854,903,938	-	**-1,080,819,201**

(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**
Responsabilidade representada por titulos	-				**-**
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**

(thousands of Kwanzas)

	December 2022									
	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	**209,597,093**	**60,962,650**	**42,516,566**	**85,462,839**	**124,193,225**	**324,076,426**	**103,653,241**	**72,791,109**	**57,566,052**	**1,080,819,201**
Cash and cash equivalents in Central Banks	113,468,319	-	-	-	-	147,651,109	-	-	-	261,119,428
Cash and cash equivalents in Financial Institutions	35,448,419	41,922,683	12,945,436	31,914,047	50,660,914	-	-	-	-	172,891,499
Credit to Clients	60,480,893	13,866,121	10,227,475	17,076,863	34,375,626	81,614,634	58,371,873	27,242,092	-6,070,942	297,184,635
Securities	189,727	5,150,421	19,343,655	36,471,929	39,156,685	94,810,683	45,281,368	30,381,588	-2,606,497	268,179,559
Other assets	9,735	23,425	-	-	-	-	-	15,167,429	66,243,491	81,444,080
Liabilities and Equity	**-540,699,083**	**-104,196,828**	**-126,193,314**	**-34,430,276**	**-53,101,633**	**-16,751,704**	**-1,802,659**	**11,886,975**	**-215,530,679**	**-1,080,819,201**
										-
Demand Deposits	-532,859,003	-	-	-	-	-	-	-	-	-532,859,003
Term Deposits	-292,337	-3,553,428	-31,307,286	-65,905,124	-56,721,062	-32,208,262	-20,541,212	-	-	-210,528,711
Subordinated Debt	-	-	-	-	-	-	-	-15,386,552	-	-15,386,552
Other Liabilities	-7,547,743	-100,643,400	-94,886,028	31,474,848	3,619,429	15,456,558	18,738,553	27,273,527	-16,654,806	-123,169,062
Equity	-	-	-	-	-	-	-	-	-198,875,873	-198,875,873
Liquidity gap	**-331,101,990**	**-43,234,178**	**-83,676,748**	**51,032,563**	**71,091,592**	**307,324,722**	**101,850,582**	**84,678,084**	**-157,964,627**	**-**
Accumulated liquidity gap	**-331,101,990**	**-374,336,168**	**-458,012,916**	**-406,980,353**	**-335,888,761**	**-28,564,039**	**73,286,543**	**157,964,627**	**-**	

(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 2022									
	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	**96,119,039**	**60,939,225**	**42,516,566**	**85,462,839**	**124,193,225**	**176,425,317**	**103,653,241**	**57,623,680**	**-8,677,439**	**738,255,693**
Credit to Banks	35,448,419	41,922,683	12,945,436	31,914,047	50,660,914	-	-	-	-	172,891,499
Credit to Clients	60,480,893	13,866,121	10,227,475	17,076,863	34,375,626	81,614,634	58,371,873	27,242,092	-6,070,942	297,184,635
Securities	189,727	5,150,421	19,343,655	36,471,929	39,156,685	94,810,683	45,281,368	30,381,588	-2,606,497	268,179,559
Liabilities	**-292,337**	**-3,553,428**	**-31,307,286**	**-65,905,124**	**-56,721,062**	**-32,208,262**	**-20,541,212**	**-15,386,552**	**-**	**-225,915,263**
Demans Deposits										
Term Deposits	-292,337	-3,553,428	-31,307,286	-65,905,124	-56,721,062	-32,208,262	-20,541,212	-	-	-210,528,711
Subordinated Debt	-	-	-	-	-	-	-	-15,386,552	-	-15,386,552
Debt securities issued	-	-	-	-	-	-	-	-	-	-
Net exposure	**95,826,702**	**57,385,797**	**11,209,280**	**19,557,715**	**67,472,163**	**144,217,055**	**83,112,029**	**42,237,128**	**-8,677,439**	**512,340,430**

(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	**24,299,442**	**104,693,688**	**131,900,853**	**69,877,725**	**85,484,540**	**213,810,399**	**31,325,565**	**13,134,274**	**-5,754,016**	**668,772,470**
Credit to Banks		90,647,247	94,957,570	-	-	-	-	-	-	185,604,817
Credit to Clients	24,299,442	5,811,704	22,136,412	36,767,020	26,218,349	78,137,293	27,739,659	13,134,274	-5,754,016	228,490,137
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**
Demans 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	**24,221,846**	**79,922,916**	**5,159,193**	**68,490,365**	**85,484,540**	**213,810,399**	**31,325,565**	**-3,570,074**	**-5,754,016**	**499,090,734**

GESTÃO DE CAPITAL E RÁCIO DE SOLVABILIDADE

The year 2022 was marked by the entry into force of the new regulatory package on Prudential Requirements, defined by Notice No. 8/2021 of 18 June, changing the methodology for calculating the Own Funds Ratio. Angolan financial institutions must maintain a level of own funds compatible with the nature and scale of operations duly weighted by the risks inherent in the operations, with a minimum regulatory own funds ratio of 8%, a minimum Tier 1 capital ratio of 6% and a minimum core Tier 1 capital ratio of 4.5%.

Regulatory Own Funds, as per Instruction No. 19/2021, include:

1. Level 1 Main Own Funds - including, among others, (i) paid-up Share Capital; (ii) results carried forward from previous years; (iii) legal, statutory and other reserves arising from non-distributed profits, or those set up to increase capital, (iv) net profit for the current year; (v) intangible fixed assets net of amortisations; (vi) deferred tax assets depending on future profitability.
2. Level 1 Additional Own Funds - including (i) Preference shares; (ii) Hybrid and/or convertible instruments; (iii) Other Level 1 Additional Own Funds instruments approved by BNA.
3. Level 2 Own Funds - including, among others: (i) Redeemable preferred shares; (iii) Other Level 2 Own Funds instruments whose issuing conditions were previously approved by the National Bank of Angola, Reserves from the revaluation of properties for own use.

For the calculation of Own Funds Requirements, in the first instance, Credit Risk and Counterparty Credit Risk is shown (Instruction no. 03/2021); then Market Risk (Instruction no. 16/21); Operational Risk (Instruction no. 13/21); Credit Valuation Adjustment Risk (Instruction no. 18/21); and finally Settlement Risk and Non-Completed Transactions (Instruction no. 17/21). Risk Weighted Assets (RWAs) are the weighting of the results of each requirement by 12.5.

If there are excesses in the Prudential Limits to Large Risks (Instruction no. 19/2021), they will be added to the Minimum Own Funds Requirements.

The Leverage Ratio (Instruction No. 20/2021), provides an alternative interpretation of Own Funds, in turn relating Level 1 Own Funds and total Exposure.

A summary of the Bank's solvency ratio for 31 December 2022, 30 June 2022 and 31 December 2021 is presented as follows:

(thousands of Kwanzas)

		31.12.2022	30.06.2022	31.12.2021*
Credit risk and counterparty	A	30,596,162	27,512,109	31,674,442
Credit risk, Market risk and trading book counterparty credit risk	B	788,738	10,817	445,132
Operational risk	C	13,704,348	13,704,348	10,252,746
Liquidity/Delivery Risk	D	-	-	-
Credit Valuation Adjustment (CVA) Risk	E	-	-	-
Excess of prudential limits for large exposures	F	-	-	-
Total Equity Requirements	G = A + B + C + D + E + F	45,089,248	41,227,274	42,372,319
Equity				
Core Equity Tier 1	H	179,012,786	147,360,350	173,623,947
Additional Equity Tier 1	I	-	-	-
Equity Tier 2	J	15,386,552	12,901,519	15,740,276
Total Regulatory Equity	K = H + I + J	194,399,338	160,261,869	189,364,223
Total exposure	L	1,100,393,989	1,072,824,844	N/A
Minimum Equity Requirements				
FPR	M = K/ (G*12.5)	34.5%	31.1%	44.7%
Tier 1	N = (H + I) / (G*12.5)	31.8%	28.6%	41.0%
CET 1	O = H / (G*12.5)	31.8%	28.6%	41.0%
Leverage Ratio	P = (H + I)/ L	16.3%	13.7%	N/A

Annual Report 2022 6.2. Notes to the financial statements

Note 36 – Reformo f 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 the financial instruments that have not yet made the transition to an alternative risk-free interest rate, as at 31 December 2022 and 31 December 2021, is presented as follows:

(thousands of kwanzas)

31.12.2022								
IBOR Reform	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	30,575,631	-	-	30,575,631	30,575,631	-	-	30,575,631
Subordinated Debt (Note 18)	-	-15,279,651	-	-15,279,651	-	-15,279,651	-	-15,279,651
Total	**30,575,631**	**-15,279,651**	**-**	**15,295,980**	**30,575,631**	**-15,279,651**	**-**	**15,295,980**

(thousands of kwanzas)

31.12.2021								
IBOR Reform	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 18)	-	-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 37 – Recently issued accounting standards and interpretations

1. IMPACT OF THE ADOPTION OF NEW STANDARDS, AMENDMENTS TO THE STANDARDS THAT BECAME EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON JANUARY 1, 2022:

a) IAS 16 (amendment)

'Income earned before entry into service' (effective for annual periods beginning on or after 1 January 2022). Amendment to the accounting treatment given to the consideration obtained from the sale of products resulting from the production in test phase of tangible fixed assets, prohibiting its deduction from the acquisition cost of the assets. This amendment is of retrospective application, without restatement of comparatives.

b) IAS 37 (amendment)

'Onerous contracts - costs of fulfilling a contract' (effective for annual periods beginning on or after 1 January 2022). This amendment specifies that in assessing if a contract is onerous, only expenses directly related to the performance of the contract can be considered, such as incremental costs related to direct labour and materials and the allocation of other directly related expenses such as the allocation of depreciation costs of tangible assets used to perform the contract. This amendment should be applied to contracts that, at the beginning of the first annual reporting period to which the amendment is applied, still include unfulfilled contractual obligations, without giving rise to the restatement of the comparative.

c) IFRS 3 (amendment)

'References to the Framework' (effective for annual periods beginning on or after 1 January 2022). This amendment updates the references to the Conceptual Framework in the text of IFRS 3, and no changes have been made to the accounting requirements for business combinations. This amendment also clarifies the accounting treatment to be adopted for contingent liabilities and liabilities under IAS 37 and IFRIC 21 and prohibits the recording of contingent assets of the acquiree in a business combination. This amendment is of prospective application.

d) IFRS 17 (new)

'Insurance contracts' (effective for annual periods beginning on or after 1 January 2023). This new standard replaces IFRS 4 and is applicable to all entities that issue insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. IFRS 17 is based on the current measurement of technical liabilities, which are reassessed at each reporting date. The current measurement can be performed by applying the full model ("building block approach") or the simplified model ("premium allocation approach"). The full model is based on probability-weighted, risk-adjusted discounted cash flow scenarios and a contractual service margin, which represents the estimated future profit on the contract. Subsequent changes in estimated cash flows are adjusted against the contractual service margin unless it becomes negative. IFRS 17 is retrospective in application with some exemptions at the transition date.

e) IFRS 17 (alteração)

'Insurance contracts' (effective for annual periods beginning on or after 1 January 2023. This amendment includes 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 streamline its implementation.

f) Improvements to the 2018 - 2020 standards

(effective for annual periods beginning on or after 1 January 2022). This cycle of improvements amends the following standards: IFRS 1, IFRS 9, IFRS 16 and IAS 41.

d) IFRS 1, 'Subsidiary as a first-time adopter of IFRS'. This improvement clarifies that, when the subsidiary opts to measure its assets and liabilities at the amounts included in the parent company's consolidated financial statements, the measurement of the cumulative translation differences of all foreign operations can be made at the amounts that would be recorded in the consolidated financial statements, based on the parent company's date of transition to IFRSs.

e) IFRS 9, 'Derecognition of liabilities - costs incurred to be included in the 10% variance test'. This improvement clarifies that in the scope of the derecognition tests performed on renegotiated liabilities, the borrower should determine the net amount between fees paid and fees received by considering only the fees paid or received between the borrower and the lender, including fees paid or received, by either entity on behalf of the other.

f) IFRS 16, 'Lease Incentives'. This improvement relates to the amendment to Illustrative Example 13 accompanying IFRS 16 to remove inconsistencies in the accounting treatment of lease incentives provided by the lessor.

g) IAS 41, 'Fair Value Measurement and Taxation'. This improvement eliminates the requirement to exclude tax cash flows when measuring the fair value of biological assets, ensuring consistency with the principles in IFRS 13 - 'Fair Value'.

The Bank has not verified any significant settlement arising from the application of these amendments in its financial statements.

2. STANDARDS (NEW AND AMENDMENTS) PUBLISHED, WHOSE APPLICATION IS MANDATORY FOR ANNUAL PERIODS BEGINNING ON OR AFTER 1 JANUARY 2023, AND WHICH THE EUROPEAN UNION HAS ALREADY ENDORSED:

a) IAS 1 (amendment)

''Presentation of financial statements - classification of liabilities' (effective for annual periods beginning on or after 1 January 2023). This amendment aims to clarify the classification of liabilities as current or non-current balances depending on 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 should determine whether a right exists, but should not consider whether the entity will or will not exercise that right), or by events that occur after the reporting date, such as non-compliance with a covenant. This amendment also includes a new definition of "settlement" of a liability. This amendment has retrospective application.

b) IAS 1 (amendment)

'Disclosure of accounting policies' (effective for annual periods beginning on or after 1 January 2023). Amendment to the disclosure requirements for accounting policies based on the definition of 'material' rather than 'significant'. Information about an accounting policy is considered material if, in its absence, users of the financial statements would not be able to understand other financial information included in those financial statements. Immaterial information about accounting policies need not be disclosed. IFRS Practice Statement 2, was also amended to clarify how the concept of "material" applies to the disclosure of accounting policies.

c) IAS 8 (amendment)

'Disclosure of Accounting Estimates' (effective for annual periods beginning on or after 1 January 2023). Introduction of the definition of accounting estimate and how it is distinguished from changes in accounting policies. Accounting estimates are now defined as monetary amounts subject to measurement uncertainty that are used to meet the objective(s) of an accounting policy.

d) IAS 12 (amendment)

'Deferred tax related to assets and liabilities associated with a single transaction' (effective for annual periods beginning on or after 1 January 2023). 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 subject transactions refer to the recording of: i) assets under right of use 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 at the date of initial recognition they are not relevant for tax purposes. These taxable differences are no longer subject to the exemption of initial recognition of deferred taxes. The cumulative effect of the initial application of this amendment is recognised as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) of the earliest comparative period presented.

e) IFRS 17 (amendment)

'Initial application of IFRS 17 and IFRS 9 - Comparative Information' (effective for annual periods beginning on or after 1 January 2023). This amendment applies only to insurers on transition to IFRS 17 and permits 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 mismatches between financial assets and liabilities of insurance contracts, in the comparative information presented in the initial application of IFRS 17, providing: (i) the application financial asset to financial asset; (ii) the presentation of the 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 impairment requirements of IFRS 9; and (iii) the obligation to use reasonable and supportable information available at the transition date, to determine how the entity expects that financial asset to be classified in accordance with IFRS 9.

The Bank does not anticipate any significant settlement resulting from the application of these amendments to its financial statements.

3. STANDARDS (NEW AND AMENDMENTS) PUBLISHED, WHOSE APPLICATION IS MANDATORY FOR ANNUAL PERIODS BEGINNING ON OR AFTER 1 JANUARY 2023, AND WHICH THE EUROPEAN UNION HAS NOT YET ENDORSED:

a) IAS 1 (amendment)

'Clarification of the requirements for classifying liabilities as current or non-current - Presentation of Financial Statements' (effective for annual periods beginning after 1 January 2024). This amendment is still subject to endorsement by the European Union. The amendments clarify a criterion of IAS 1 to classify a liability as non-current: the requirement that an entity has the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments aim to: a) specify that an entity's right to defer settlement must exist at the end of the reporting period and must be substantive; b) clarify that ratios that the company must meet after the balance sheet date (i.e. future ratios) do not affect the classification of a liability at the balance sheet date. However, where non-current liabilities are subject to future ratios, companies need to disclose information that enables users to understand the risk that these liabilities may be repaid within 12 months after the balance sheet date; and (c) clarify the requirements for classifying liabilities that an entity will, or may, settle by issuing its own equity instruments (eg convertible debt).

b) IFRS 16 (amendment)

'Lease liabilities in a sale and leaseback transaction - Leases' (effective for annual periods beginning on or after 1 January 2024). This amendment is still subject to endorsement by the European Union. The amendments confirm that: a) On initial recognition, the seller- lessee includes variable lease payments when measuring a lease liability arising from a sale and leaseback transaction; b) After initial recognition, the seller- lessee applies the general requirements for subsequent accounting for the lease liability so that it recognises no gain or loss related to the right-of-use it retains. The lessee may adopt different approaches that meet the new requirements for subsequent measurement. Under IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, a lessee will need to apply the amendments retrospectively to sale and leaseback transactions entered into on or after the date of initial application of IFRS 16. This means that it will need to identify and restate sale and leaseback transactions entered into since the implementation of IFRS 16 in 2019 and potentially restate those that included variable lease payments.

Note 38 – Subsequent events

We are not aware of any additional facts or events after 31 December 2022 justifying adjustments or further disclosure in the Notes to the financial statements.

6.3 External Auditor's and Supervisory Board's report

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KPMG

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RELATÓRIO DO AUDITOR INDEPENDENTE

Aos Accionistas do
Standard Bank de Angola, S.A.

Introdução

1. Auditámos as demonstrações financeiras anexas do **Standard Bank de Angola, S.A.** ("Banco"), as quais compreendem o Balanço em 31 de Dezembro de 2022 que evidencia um total de 1 080 819 201 milhares de kwanzas e um capital próprio de 198 875 873 milhares de kwanzas, incluindo um resultado líquido de 65 656 956 milhares de kwanzas, a Demonstração de Resultados, a Demonstração do 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 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.

KPMG Angola – Audit, Tax, Advisory, S.A., sociedade anónima angolana e membro da rede global KPMG, composta por firmas membro independentes associadas com a KPMG International Limited, uma sociedade inglesa de responsabilidade limitada por garantia.

KPMG Angola– Audit, Tax, Advisory, S.A.
Capital Social: 1.350.000 USD / 135.000.000 AKZ
Pessoa Colectiva Nº 5401178077

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KPMG

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 dos riscos, 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.

Opinião

6. Em nossa opinião, as demonstrações financeiras referidas no parágrafo 1 acima apresentam de forma apropriada, em todos os aspectos materialmente relevantes, a posição financeira do **Standard Bank de Angola, S.A.** em 31 de Dezembro de 2022 e o seu desempenho financeiro e fluxos de caixa relativos ao exercício findo naquela data, em conformidade com as Normas Internacionais de Relato Financeiro.

Outras matérias

7. As demonstrações financeiras relativas ao exercício findo em 31 de Dezembro de 2021, apresentadas para fins comparativos, foram auditadas por outro Perito Contabilista, que sobre elas emitiu um Relatório do Auditor Independente sem reservas e sem ênfases, datado de 30 Março de 2022. Fomos contratados para efectuar a auditoria às contas do exercício findo em 31 de Dezembro de 2022.

Luanda, 28 de Março de 2023

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

Representada por
Maria Inês Rebelo Filipe
(Perito Contabilista com cédula n.º 20140081)

Standard Bank de Angola, SA.

Angola – Conselho Fiscal

Relatório e Parecer do Conselho Fiscal
Relativo ao Exercício Findo em 31 de Dezembro de 2022

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 2022.

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 2022, 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 normais 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 KPMG Angola 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 2022, sejam aprovados;

2. A proposta de aplicação de resultados apresentada de 65.656.956.380 de AOA é a seguinte:

   Reserva Legal:
   Distribuição de Dividendos 42.677.021.634 de AOA
   Resultados Transitados: 22.979.934.746 de AOA

3. O Conselho Fiscal reconhece que independentemente desta distribuição de dividendos o SBA reúne todas as condições financeiras para o efeito.

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 2023

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 2022 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 28 de Março de 2023

Octávio Castelo Paulo
Administrador Não Executivo e
Presidente do Conselho de Administração

Luis Teles
Administrador Executivo e
Presidente da Comissão Executiva

Yonne de Castro
Administradora Executiva

Eduardo Clemente
Administrador Executivo

Ricardo Ferreira
Administrador Executivo

Aronildo Neto
Administrador Executivo

Djamila Pinto de Andrade
Administradora Não Executiva Independente

Ana Simas Fortunato
Administradora Não Executiva Independente

Raquel Sole
Administradora Não Executiva Independente

António Coutinho
Administrador Não Executivo

Manuel dos Passos
Administrador não Executivo

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Standard Bank *É POSSÍVEL*

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