Annual Report
2023

It is in Angola, in the heart of Africa, that a land soaked with the unbreakable spirit of its people pulsates. A testimony to the unlimited strength of the human soul that, even in challenging times, makes from the celebration of Angolan life and culture its hope for a more prosperous future.

Their culture, a tapestry woven with threads of perseverance and resilience, displays a vibrant beauty that defies adversity. In the harmonious rhythms of their music, in the warmth of their traditions, in the Zungueiras and Sobas, in the intense flavors of their gastronomy, and in the vibrant colors of their urban and natural landscapes, we find people who build the steps to their destiny of success over the overcoming of adversity.

Inspired by Angola and the strength of Angolans, Standard Bank Angola's 2023 Annual Report is a tribute to this unique way of living, full of hope and belief that it is in life that the brightest future is forged.

More than being the Bank in Angola, it is having Angola in the Bank.

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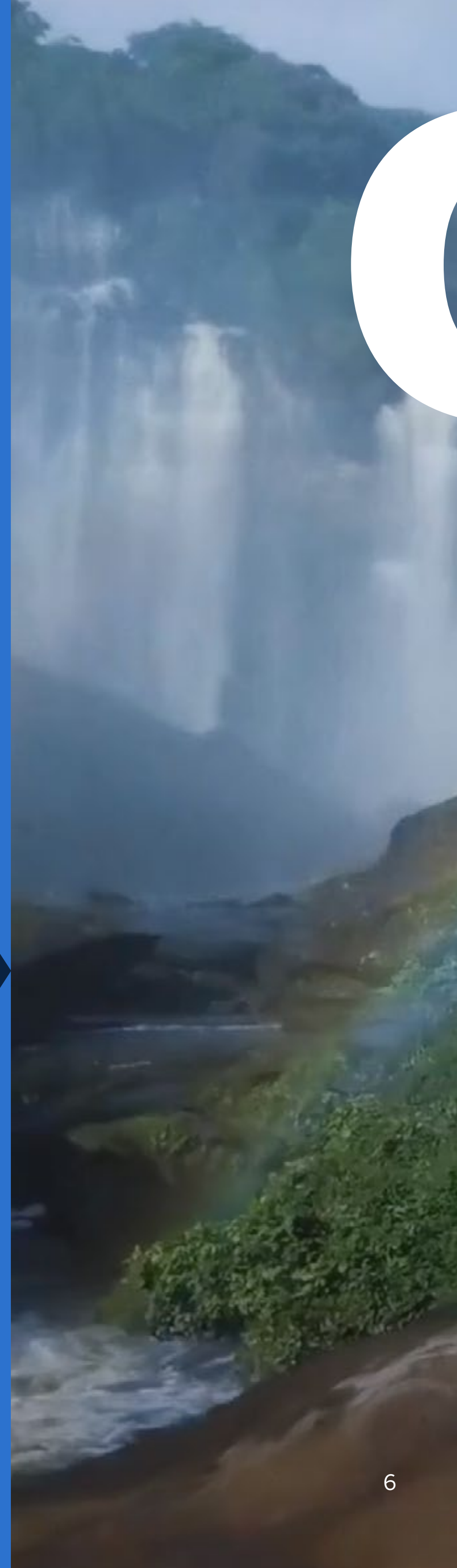
Introduction



ocepepi

Ocepepi means Proximity in Umbumdu, the Bantu language of the Umbumdu/Ovimbundos and the most widely spoken in Angola. The Umbundu people, predominantly originating from the central region of Angola, boast a rich cultural tapestry deeply rooted in tradition. Known for their intricate artistry, storytelling, and vibrant music, the Umbundo celebrate a heritage that has stood the test of time, embracing resilience and unity in their way of life.

1.1

Our Reporting

The purpose of this document is to present the financial evolution, responding to the regulatory and legal requirements (National Bank of Angola, Capital Markets Commission and Commercial Companies Law) but, above all, it aims to make SBA known to all Stakeholders and share their vision for the future.

With this in mind, we shall present the Group of which it is a part, as well as a retrospective of the main events of the 2023 financial year, highlighting the devaluation of the Kwanza against foreign currencies.

This report was developed taking into consideration Strategic, Governance, Business, Financial, Operational and Social information prepared by multiple areas of the Bank, creating an aggregated view and reflecting the importance of all 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 action in society through several social, economic and environmental initiatives.

SBA's Annual Report for the 2023 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 2024 financial year.

The operationalization of 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 Banking (BCB), Personal and Private Banking (BPP).

People as key assets
Addressing the most relevant facts of People and Culture, as well as the actions developed in the context of this pandemic;

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

Operational Excellence
Offering Customers services and products that meet their expectations;

Strength in financial results
Demonstrating performance and financial strength, by disclosing the numbers and main indicators of SBA's activity;

Social Responsibility
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.

1.2

SBA's Mission, Vision and Values

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

Corporate Culture
SBA's culture is determined by mission, vision, values and purpose. The African genesis of the Bank and international integration culture have guided Standard Bank of Angola's strategy 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 and Africa, capable of serving the whole country, offering a differentiated experience to Clients, while creating value for the society.

Vision
To be the leader in financial services in Angola and Africa, through service excellence and innovation, 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

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 the offer, 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 to grant loans, make deposits at the BNA, invest in Credit Institutions, purchase securities and other assets. Additionally, the Bank provides other banking services and performs various types of foreign currency operations.

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

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

- diversification of products offering
- diversification of investment
- modernisation of processes and systems

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 Africa 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.

The 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

709
Employees

101
ATM's

176 450
Clients

01
02
03
04
05
06

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
- *Global Trade Review*
  Best Renminbi Deal in Angola 2011

2012

- 62 billion kwanzas net assets
- Expansion to other provinces
- Capital increase 50 million US dollars

Capital Finance
- Best Universal Bank in Angola 2012

Emeafinance
- Best Investment Bank in Angola 2012

Global Banking & Finance Review
- Best Bank in Angola 2012

Cmmerzbank
- STP Award 2012 for excellent quality in commercial payments and transfers between financial institutions

2013

- 143 billion kwanzas net assets
- 32 points of contact with the Client
- Deposit portfolio of 135 billion kwanzas

Global Banking & Finance Review
- Most Innovative Bank in Angola 2013

Global Finance
- Best Investment Bank in Angola 2013

Emeafinance
- Best Investment Bank in Angola 2013

International Finance Magazine
- Most Innovative Bank in Angola 2013

2014

- 200 billion kwanzas net assets
- Clients’ boom
- Governance Model Strengthening

Global Banking & Finance Review
- Most Innovative Bank in Angola 2014

Global Finance
- Best Bank in Angola 2014

International Finance Magazine
- Best Management Bank in Angola 2014

Emeafinance
- Best Investment Bank in Angola 2014
- Best Water Deal in Africa Rehabilitation of Luachimo Hydroelectric Power Project 2014

2015

- 299 billion kwanzas net assets
- Employee Expansion
- Best Investment Bank in Angola for the 4th consecutive year

Global Finance
- Best Overseas Operations Provider in Angola 2015
- Best Trade Finance Bank in Angola 2015
- Best Investment Bank in Angola 2015

Emeafinance
- Best Investment Bank in Angola 2015

2016

- 368 billion kwanzas net assets
- Bank's sector consolidation in Angola
- +50% Net Income

Global Finance
- Best Foreign Exchange Provider in Angola 2016
Best Investment Bank in Angola 2016
- Best Treasury and Cash Management Provider in Angola 2016

EMEA Finance
- Best Investment Bank in Angola 2016

EUROMONEY
- Best Debt Capital Markets Bank in Angola 2016

Global Banking & Finance Review
- Best Corporate Governance Bank in Angola 2016
- Best Investment Bank in Angola 2016
- Best PCE in Angola 2016

2017

- 317 billion kwanzas net assets
- Best Investment Bank in Angola for the 6th consecutive year

Global Finance
- Best Treasury and Cash Management Provider in Angola 2017
- Best Trade Finance Provider in Angola 2017
- Best Investment Bank in Angola 2017

Emeafinance
- Best Investment Bank in Angola 2017

The Banker
- Bank of the Year in Angola 2017

Prémio Sirius
- Best Management and Annual Report 2017 Financial Sector

2018

- +90% Net Income
- 443 billion kwanzas of net assets
- Issuance of treasury bonds listed on BODIVA in the amount of 4,7 billion kwanzas

Global Finance
- Best Treasury and Cash Management Provider in Angola 2018
- Best Trade Finance Provider in Angola 2018
- Best Investment Bank in Angola 2018

Euromoney
- Best Investment Bank in Angola 2018

Emeafinance
- Best Investment Bank in Angola 2018

Prémio Sirius
- Best Company in the Financial Sector 2018

2019

- 606 billion kwanzas of net assets
- Considered the best Investment Bank and Cash Management provider in Angola

Global Finance
- Best Treasury and Cash Management Provider in Angola 2019
- Best Investment Bank in Angola 2019

International Finance Magazine
- Best Banking Transaction for Cash Management - Angola 2019

Euromoney
- Best Investment Bank in Angola 2019

The Banker
- Bank of the Year in Angola 2019

2020

The Banker
- Bank of the Year in Angola 2020
- Recognized by ASSERTYS as the Bank with the best service quality in Angola
- 880 billion kwanzas of net assets
- 1st Bank in Angola to obtain certification from SWIFT Global Payments Innovation (GPI) and to be a GPI Member
- 10 year anniversary of Standard Bank of Angola

Global Finance
- Best Investment Bank in Angola 2020
- Best Foreign Exchange Operations Bank 2020

International Banker
- Best Investment Bank in Angola 2020

2021

- 28th 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

Assertys
- Angolan Bank with the best Client service in 2021

EMEA Finance
- Best Investment Bank in Angola 2021

World Economic Magazine Awards
- Best Investment Bank in Angola 2021

2022

- 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
- *Hackaton*

Euromoney
- Best Investment Bank in Angola 2022

World Economic Magazine
- Best Investment Bank in Angola 2022

World Economic Magazine
- Best Foreign Exchange Operations Bank in Angola 2022

2023

- Launch of Standard Invest SDVM – Standard Group's Distributor in Angola

Global Finance
- Best Foreign Exchange Operations Bank 2023

The Banker
- Bank of the Year in Angola 2023

Emeafinance
- Best Bank in Angola 2023
- Best Investment Bank in Angola 2023

FILDA
- Best Banking & Financial Services Participation 2023

FIB
- Best Banking & Financial Services Participation 2023

2

The Leadership's Vision

naka-pemba

Nakapemba is an expression of deep gratitude in Vambunda, the language of the Mbunda people of southern Angola. Farmers, fishermen and herders have a rich history and a strong connection to the land, having contributed to Angola's independence. They preserve their identity through language and expressive traditional dances and music, thus honoring their ancestral roots.

2.1

Chairman and CEO's Statement

Octávio Manuel de Castro Castelo Paulo

CHAIRMAN

Luís Teles

CEO

It is with pride and responsibility that we state: Angola is our home and it is our purpose to promote its growth. Our vision goes beyond than being just a financial banking institution, we want to be #Morethanabank, an inseparable partner in the growth trajectory of each of our Clients.

Aligned with this vision, Standard Bank Angola's strategy remains firmly focused on the Client, underpinned by the purpose of providing simple and relevant solutions. This commitment has made it possible to overcome challenges and make SBA a benchmark in the Angolan banking sector.

Geopolitical instability caused by the conflict in the Middle East and persistent tension between Russia and Ukraine intensified throughout 2023. This led the BCE and the Fed to implement restrictive monetary policies to cope with an escalation in inflation. The resultant economic slowdown seems to be starting to result in the reduction of inflation in the major economies. The Angolan economy was also characterized by a restrictive monetary policy aimed at combating the increase in inflation, driven in part by the depreciation of the exchange rate due to imbalances in the demand and supply of foreign currency. Even in this complex and still developing scenario, SBA had a year of significant accomplishments, achieving its best net result since its foundation.

This result reiterates SBA's position as one of the leaders in profitability, with an ROE of 30%. The bank's assets increased by 47% year-on-year, with special emphasis on the 74% increase in client loans, highlighting SBA's strong commitment to the development of the national economy.

In the second semester of 2023, SBA decided to carry out a capital increase to 21 billion kwanzas, an amount higher than the new minimum capital required by the regulator, positioning the Bank well in the market to continue to support the financing of the Angolan economy.

Throughout 2023, we continued to invest in our people, incorporating new talents into the bank, which now totals 709 employees, representing a growth of 4% compared to the previous year. We have made significant investments in training, always seeking to provide our human capital with more skills and tools, as well as offering opportunities for personal and professional growth. The promotion of activities and events aimed at our employees, focused on integration, continuous learning, the exchange of ideas, and innovation, underscores the importance we place on our People. We believe that by supporting our employees in building long and meaningful careers, we are not only improving individual performance but also contributing to the collective success of our institution.

In our commitment to actively contribute to Angola's growth, we highlight the granting of credit under BNA's Notice 10, focused on increasing local production across various sectors, including industrial production, fisheries, agriculture, and service provision. Encouraging projects through Notice 10 has helped diversify the Angolan economy, reducing dependence on the oil sector, creating more jobs, and boosting the incomes of Angolan families.

Alongside this strategy, it's worth noting that SBA has upheld its legal and regulatory requirements, maintaining a solvency ratio of 30%, well above the minimum required for the sector. This demonstrates sound and prudent risk management and internal control, aligning with the bank's objectives.

In 2024, Standard Bank Angola will continue its diligent work, remaining committed not only to developing the financial sector but also contributing to Angola's overall progress. We extend our deepest gratitude to all Clients, Employees, Shareholders, Regulators, and other Stakeholders. Everyone's contribution to our organization is invaluable, laying the foundation for us to confidently and determinedly pursue an increasingly promising future.

3
How to create value

kibálu

Kibálu means courage in Kimbundo. It is a Bantu language spoken by the Ambundu people and the second most spoken Bantu language in Angola. Known for their crafts, music, and agricultural traditions, they have played a significant role in shaping the country's history and contribute to its cultural diversity, unity, and resilience.

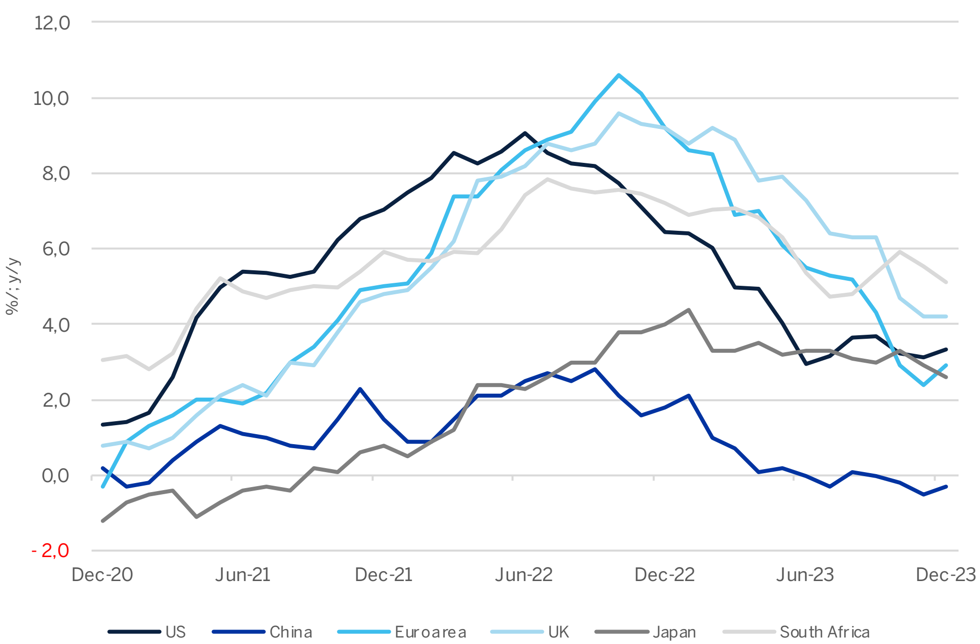
3.1

Operating Context

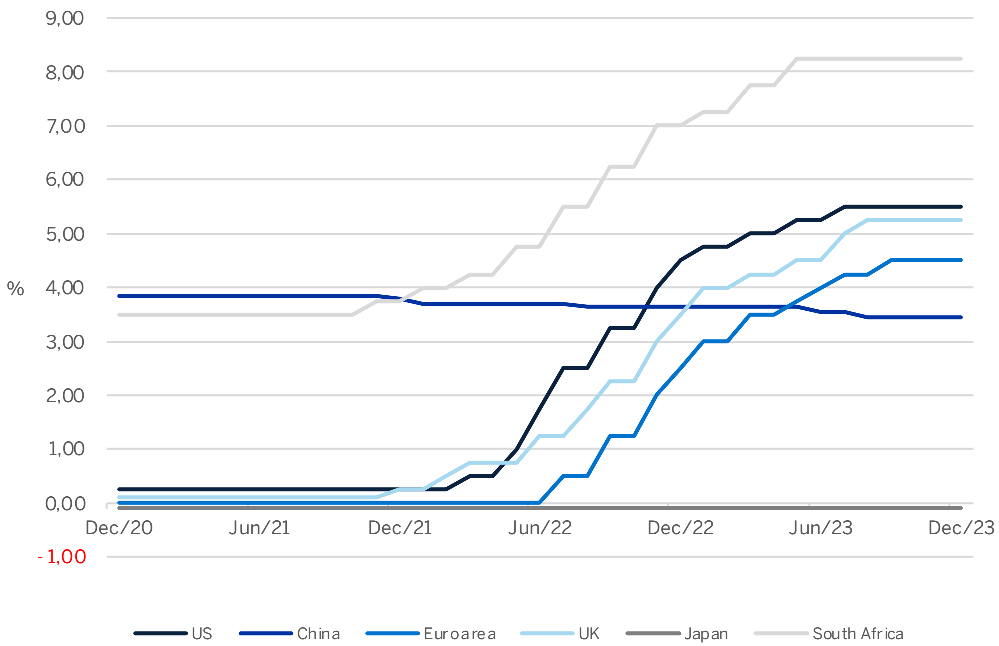
Global Economy

In 2023, the world economy witnessed a drop in oil prices and a reduction in the inflation rate, even though financing conditions have become even tighter. Major economies maintained restrictive monetary policies initiated in 2022, raising key interest rates.

Inflation



Policy Interest Rates (%)



Geopolitical tensions increased during the year, especially with Israel's incursion into Gaza in response to a Hamas attack in October 2023. In addition, Yemen's Houthi movement has initiated attacks on ships in the Red Sea, disrupting trade routes and increasing the costs of raw materials. Tensions between Russia and Ukraine have also remained high, with no signs of peaceful resolution since the invasion in 2022.

Despite these tensions, global financing conditions are expected to improve in 2024, with a slight growth in the global economy. The IMF, in its update of the World Economic Outlook (WEO), revised its global growth forecasts for 2024, forecasting a growth rate of 3.1%, i.e. 0.2 percentage points above the October 2023 WEO. This increase in forecasts is attributed to the resilience of the U.S. economy and other emerging and developing economies, as well as fiscal support in China. The forecast for 2025 remains unchanged at 3.2%.

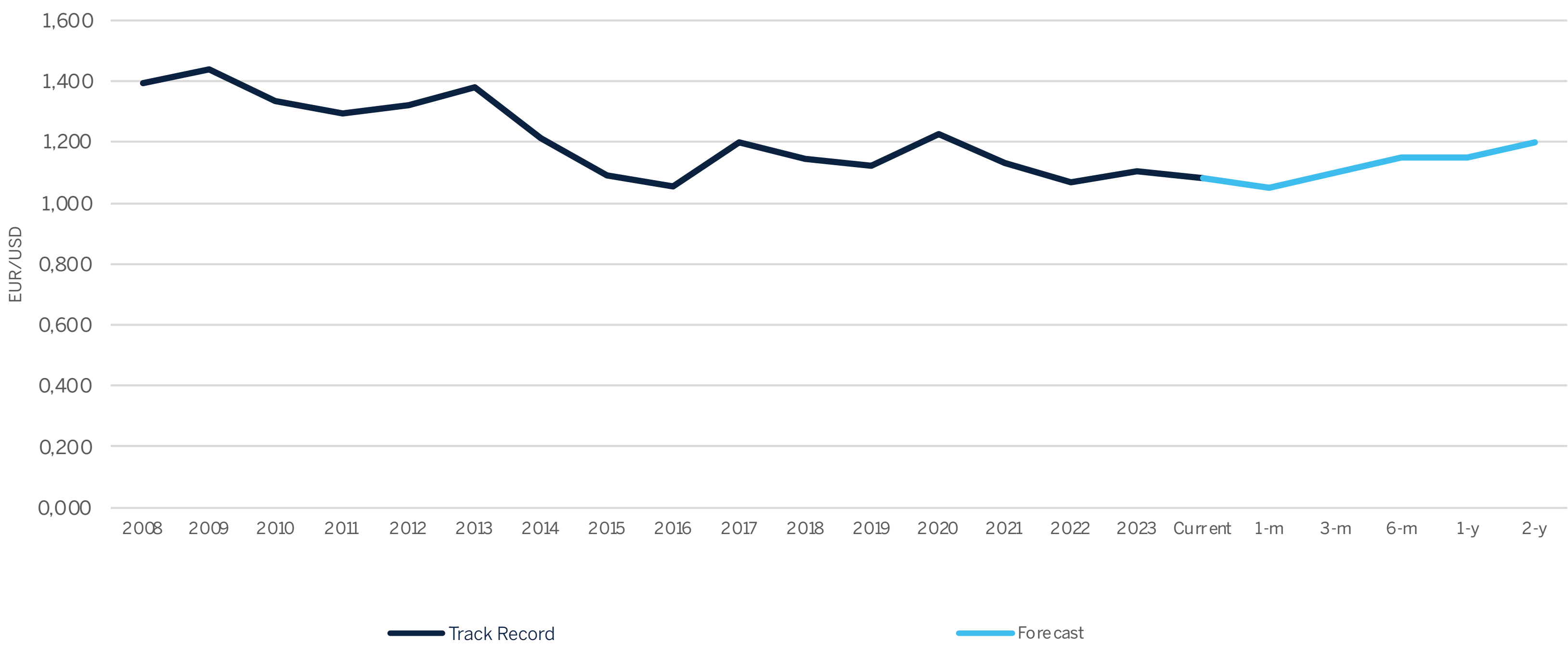
	GDP Growth (variation %; y/y)					Average Inflation Rate (%; y/y)				
	2021	2022	2023e	2024f	2025f	2021	2022	2023e	2024f	2025f
World	6,3	3,5	3,1	3,1	3,2	4,7	8,7	6,8	5,8	4,4
Advanced Economies	5,6	2,6	1,6	1,5	1,8	3,1	7,3	4,6	2,6	2,0
USA	5,9	1,9	2,5	2,1	1,7	4,7	8,0	4,1	2,8	2,4
Eurozone	5,6	3,4	0,5	0,9	1,7	2,6	8,4	5,5	3,3	2,2
Japan	2,2	1,0	1,9	0,9	0,8	-0,2	2,5	3,2	2,9	1,9
Emerging and Developing Economies	6,9	4,1	4,1	4,1	4,2	5,9	9,8	8,4	8,1	6,0
India	7,2	6,7	6,5	6,5	6,3	5,5	6,7	5,5	4,6	4,1
China	8,5	3,0	5,2	4,6	4,1	0,9	1,9	0,2	1,7	2,2
Sub-Saharan Africa	4,7	4,0	3,3	3,8	4,1	11,0	14,5	15,8	13,1	9,4
Nigeria	3,6	3,3	2,8	3,0	3,1	17,0	18,8	25,1	23,0	14,7
South Africa	4,7	1,9	0,6	1,0	1,3	4,6	6,9	5,8	4,8	4,5

Source: IMF - World Economic Outlook (WEO); Standard Bank Research

The IMF believes that risks to global growth are under control and anticipates a decline in global inflation to 5.8% in 2024 and to 4.4% in 2025.

The U.S. showed strong resilience in 2023, growing more than initially expected. Sectors such as real estate were less impacted than expected by changes in benchmark interest rates, which led to greater inflation control.

FX Rates



Source: IMF - World Economic Outlook (WEO); Standard Bank Research

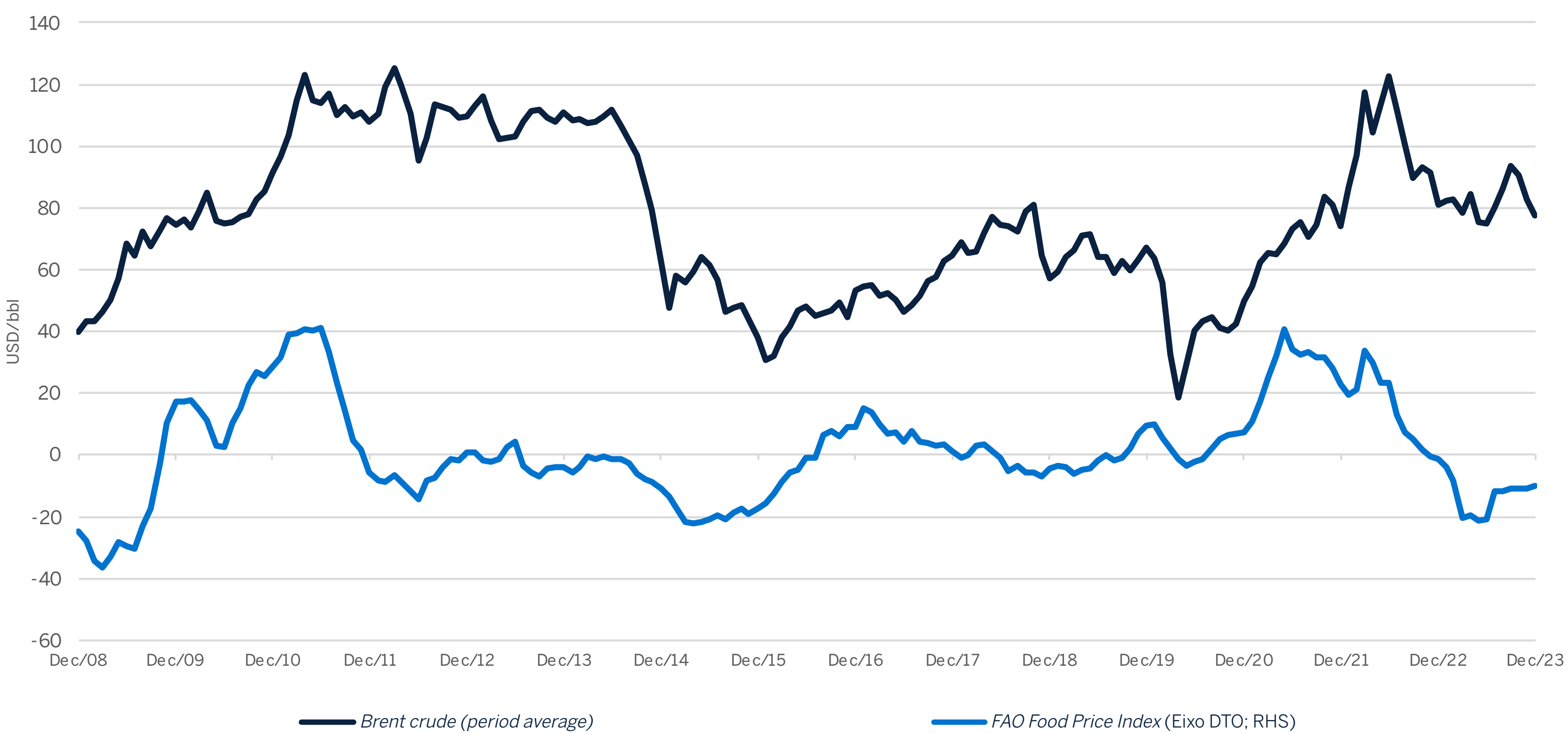
Easing monetary policies in 2024 may limit currency volatility, especially in the case of the euro/dollar, with central banks adopting a joint monetary policy. The dollar is expected to weaken in the medium term, but monetary policy synchronization may maintain USD/EUR stability in the short term.

For Sub-Saharan African economies, lower oil prices and lower food inflation in 2023 have aided and limited currency pressures and inflation.

According to the January 2024 edition of Standard Bank's African Markets Revealed (AMR) for Sub-Saharan Africa, geopolitical tensions and high debt burdens are the main risks to slowing growth in 2024, although there is a conviction that there could be growth in most African economies.

Nigeria, as the largest economy in Sub-Saharan Africa, is expected to see growth pick up to 3.4% in 2024 from 2.6% in 2023, mainly due to the expected increase in oil production. South Africa (SA), the second-largest economy in sub-Saharan Africa, could also grow by 1.2% in 2024, compared to an estimated 0.6% in 2023.

Oil price *versus* Food price



Source: African Markets Revealed (AMR)

Angolan Economy

According to the January edition of African Markets Revealed (AMR), Gross Domestic Product (GDP) growth in Angola slowed to 1.2% per year in 2023, compared to a recent peak of 3% per year in 2022, due to a subdued performance in the oil and non-oil sectors. Forecasts point to a further decrease, with rates expected to be 1.1% in 2024 and 0.7% in 2025.

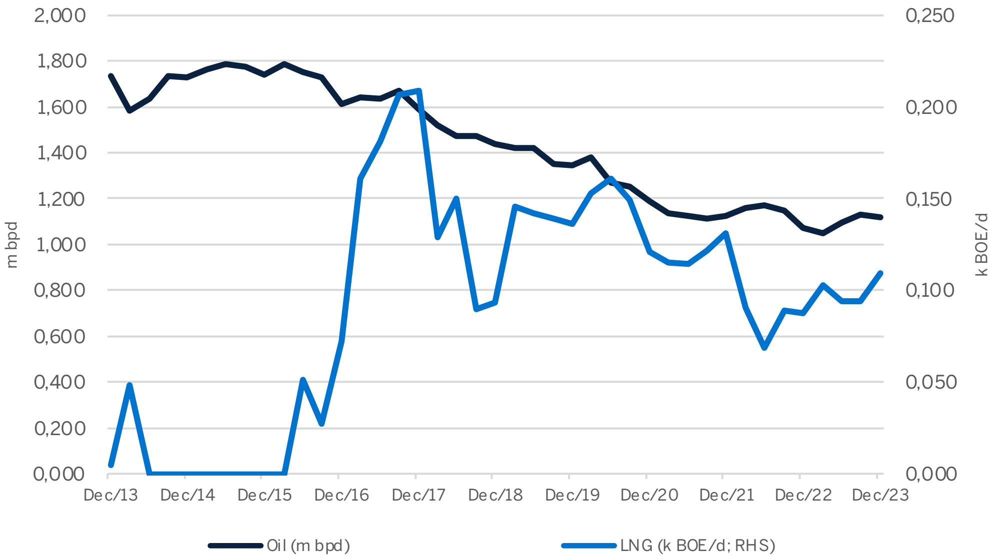
The Angolan economy continues to rely heavily on the oil sector, despite diversification efforts. This sector accounts for more than 95% of exports, more than 50% of tax revenues and more than 25% of GDP. This dependence exposes Angola's GDP growth to fluctuations in oil prices and production.

The decline in oil production in recent years means that GDP growth has been mainly driven by the non-oil economy. In the first quarter of 2023, GDP growth averaged 0.6% (down from 3.3% in the same period of 2022). Among the factors contributing to this contraction is the reduction in annual oil production by 5.9% to an average of 1.091m bpd, compared to 1.159 million bpd in the same period of 2022, due to operational challenges and moderate investments. In addition, there was a drop in the annual growth of the non-oil economy, to 2.2% in the first half of 2023, from 3.6% in the same period of 2022, as this economy requires adequate levels of foreign currency supply to operate.

While Angola's exit from OPEC may encourage oil production, attracting the investment needed to increase that production is a difficult task. Thus, oil production is forecast to stabilize at current levels of 1.1 million bpd this year.

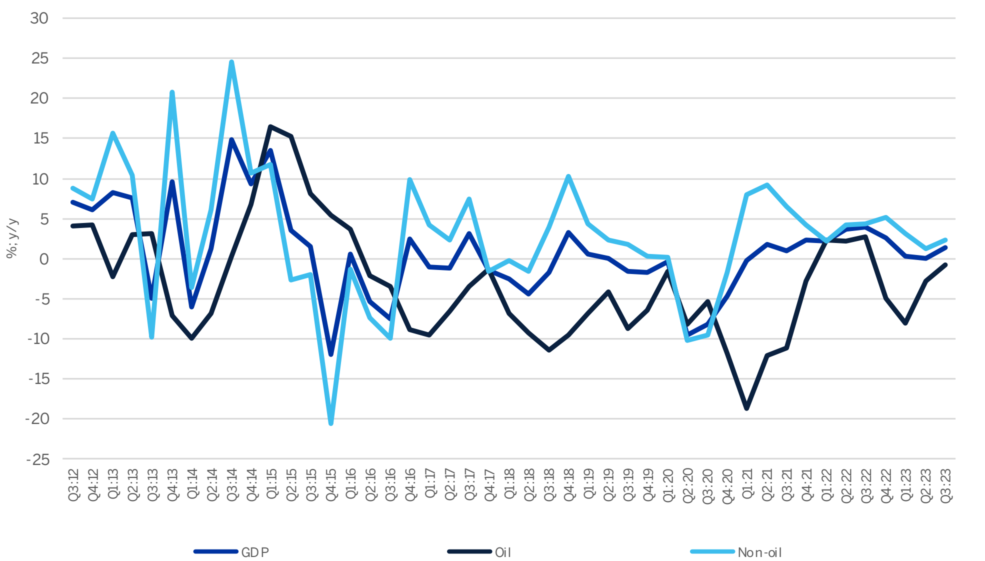
Currency liquidity pressures will continue to hurt the consumer sector, but government roadshows to attract investors to the mining sector, especially diamonds, have started to produce results. Progress in privatisation could also support the economy, but growth prospects for the oil sector, which accounts for 95 percent of exports and more than 50 percent of tax revenues, are uncertain.

Average daily production



Source: African Markets Revealed (AMR)

Average daily production



Source: African Markets Revealed (AMR)

Fiscal Policy

The devaluation of the Kwanza in 2023, which resulted in a sharp depreciation throughout the first semester, can be attributed to a sharp drop in the supply of foreign exchange by the Treasury. This situation arose from the need to use most of the dollars obtained, from the taxation of the oil sector, to cover the increasing payments of external debts. Consequently, the Treasury reduced foreign exchange sales from the second quarter of 2023, further aggravating the devaluation of the Kwanza.

Despite some stability in the second half of the year, resulting in the accumulation of foreign exchange reserves by the BNA, the foreign exchange market continued to suffer liquidity pressures. This is evident as the current account surplus in 2023 is estimated to have fallen to USD 4.2 billion, or 4.7% of GDP, from a peak of USD 11.8 billion, or 10.4% of GDP, in 2022.

The oil price also played a crucial role, decreasing by 18% in 2023 to an average of USD82/bbl, after a 42% increase in 2022 to USD101/bbl. That decline contributed to a 28% reduction in Angolan exports, from USD 50 billion in 2022 to USD 36 billion in 2023, due to lower prices and a decline in oil production.

Although the Kwanza depreciated 40% against the U.S. dollar in 2023, mainly in the first semester and after an appreciation trend in 2022 of around 10%, expectations for 2024 are for a less significant depreciation, such as that observed in the second semester of 2023.

Inflation and Monetary Policy

In 2023, the annual inflation rate stood at 20% and currently remains at high levels. The forecast for 2025 is that the annual inflation rate will remain around this value. The Central Bank is expected to continue to maintain its restrictive monetary policy.

Public expenses are under pressure, despite some margin in the 2024 budget that foresees an oil price of 65 USD/bbl, to try to eliminate the budget deficit. However, increasing spending for the development of the economy will be quite difficult, as public debt will consume 97% of revenues in 2024, up from 85% in 2023. In November 2023, the Monetary Policy Committee of the BNA (National Bank of Angola) adopted a more restrictive monetary policy, raising the BNA rate by 100 basis points, to 18%.

Subsequently, on January 24th, the Monetary Policy Committee implemented a further increase of 2 percentage points in the reserve requirement ratio in domestic currency to 20%, while the reserve requirement ratio in foreign currency was kept unchanged at 22%.

Medium-term economic growth forecasts

	Q1:24	Q2:24	Q3:24	Q4:24	Q1:25	Q2:25	Q3:25	Q4:25	Q1:26	Q2:26	Q3:26	Q4:26	Q1:27	Q2:27	Q3:27	Q4:27
Base scenario																
GDP (% y/y) pa	1,8	*1,5*	0,1	1,1	1	0,8	0,5	0,7	0,4	0,7	1,5	0,9	2,4	2,1	2,5	2,4
CPI (% y/y) pe	24,1	*27,3*	27	25,4	24,1	22,9	22	21,2	20	19	18,5	18,2	17,5	17,1	16,6	16,8
Policy rate (%) pe	23	25,5	25,5	25,5	25,5	24,5	22,5	21,5	20,5	20	19	19	18,5	17,5	17,5	17,5
3-m rate (%) pe	22,6	25	25	25	24,9	24	22	21,1	20,1	19,6	18,6	18,6	18,1	17,1	17,1	17,1
6-m rate (%) pe	22,8	25,3	25,3	25,2	25,2	24,2	22,3	21,3	20,3	19,8	18,8	18,8	18,3	17,3	17,3	17,3
USD/AOA pe	849,1	854,2	859,3	864,5	885,4	906,8	928,7	951,2	971,3	991,9	1012,8	1034,3	1053	1072	1091,5	1111,2

Source: African Markets Revealed (AMR)

3.2

SBA Figures

Activity Indicators (Million Kwanzas)	December 2023	December 2022	Variation
Net Interest Margin	85 397	79 954	5 443
Net Income	67 038	65 657	1 381
Cost-to-income Ratio	37%	38%	1p.p.
Credit to Clients	1 592 745	1 080 819	511 925
Credit Granted	529 385	303 941	225 444
Credit Quality			
Impairment coverage for credit over credit granted	2%	2%	0p.p.
Non-performing credit (+90 days) over credit granted	0,11%	0,37%	-0,26p.p.
Deposits	1 240 346	743 388	496 958
Transformation Ratio	42%	40%	2p.p.
Equity	223 300	198 876	24 424
Return On Equity	32%	36%	-4p.p.
Solvency Ratio	30%	35%	-5p.p.
Active Clients	176 450	151 830	24 620
Employees	709	679	30
Points of Representation	146	59	87
ATM's	101	99	2

3.3

Delivery Model

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

The Bank's Culture is based on "how to do it", highlighting that this is as important as "what to 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 implementing 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 prioritized, 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

176 450
Clients

Slight growth of the clients base

30%
Solvency ratio

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

20 722
Hours of online 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.

529 385
Million Kwanzas

Supporting the diversifaction and growth of the Angolan economy

Financing clients, with the aim of encouraging the diversification and growth of the angolan economy.

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3.4

SBA's Strategy

SBA's Strategy is focused on the Client, sustained by the purpose of providing simple and relevant 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 and we drive its growth. We want to improve people's lives and be #MoreThanABank."**

SBA's Values

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

Transforming the Client's Experience

Client Focus

- Add value to Clients by creating a great experience

People and Culture

- To be the best company to work for in Angola, with a digital DNA and to train the leaders of the future

Deliver with excellence

Risk and Conduct

- Promote a robust internal control environment with a proactive risk culture

Operational Excellence

- Use technology and data to better serve Clients, reduce costs, and scale our platforms

Create value and sustainable growth

Financial Results

- Deliver continuous growth, effective management and sustainable returns

ESG Impact

- Improve the lives of Angolans and help to build a better future

*Priorities and Value Drivers

SBA's Vision

Bank's expected achievements

Leading financial services in Angola, by delivering exceptional value-added Client experiences. Generating sustainable and lasting impact through innovative and digital solutions.

SBA's Culture

The purpose, vision, values and approach are aligned with SBA's culture

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

Strategic Objectives for 2024

Be a leader in Client experience

To be the best company to work for in Angola

Have a robust internal control environment

SBA's New Journey

Incorporate continuous improvement into everything we do

SECURING THE BASICS...

Manage the Bank efficiently by establishing the capabilities and internal conditions necessary to create a solid foundation in the short term.

Incorporate sustainability into everything we do

...TO BUILD THE FUTURE

Supported by continuous growth, the goal is to transform the Bank by focusing on business diversification and innovation.

Execution Structure

HORIZON 1 | SHORT TERM | MANAGING THE PRESENT 2024

• Delivering a consistent and excellent Client experience;

• Accelerating digitalisation to meet Client's needs;

• Supporting the growth of Employees and prepare them for the required future skills;

• Continuing to generate Shareholder returns.

HORIZON 2 | MEDIUM-TERM | BEING READY FOR THE FUTURE 2025 - 2026

• 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.

HORIZON 3 | LONG-TERM | CREATING THE FUTURE > 2027

• 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 Clients.

4

The Operationalisation of a Strategy

kintwa-di

Kintwadi means “Together” in Kikongo, a Bantu language spoken mainly in northern Angola. The Kikongo people are known for their artistic expression, dance, and agricultural practices. Their traditions and resilience embody the enduring spirit that binds them to the nation’s diverse ethnic groups.

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 and digitally.

4.1.1

Corporate and Investment Banking (CIB)

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

This segment includes Clients with revenues equal to or greater than 100 million dollars.

Corporate and Investment Banking Offer

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 deposits
- Indexed deposits

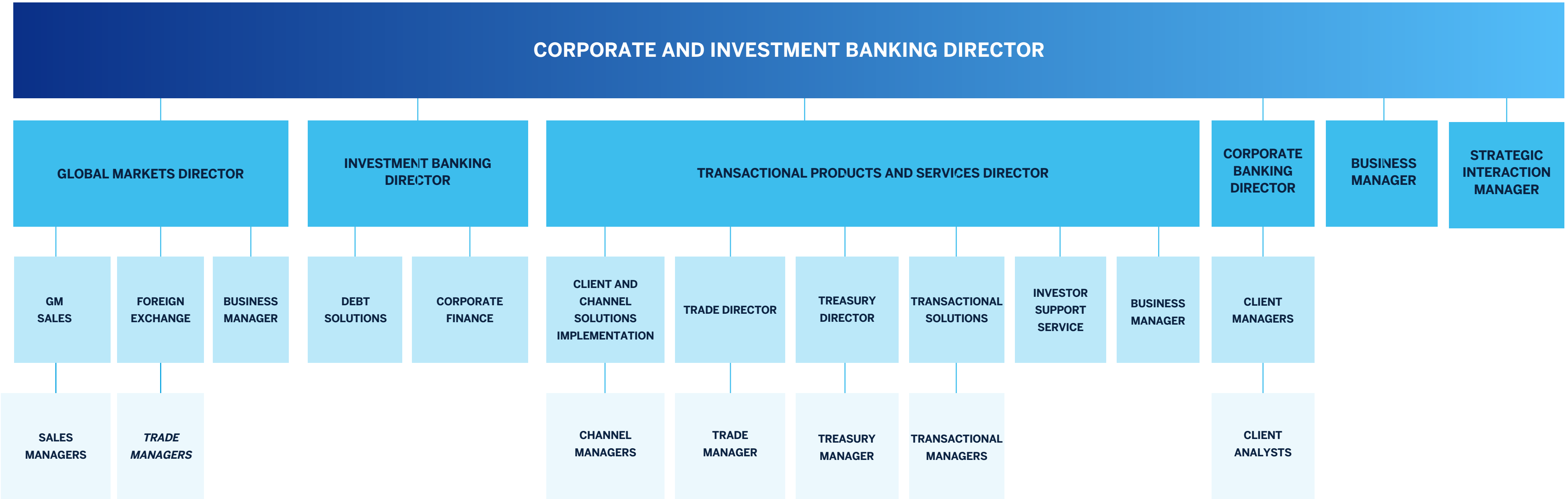
Transactional Products and Services

- 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

Corporate and Investment Banking Organisational Structure



Corporate and Investment Banking Performance

2023 was a challenging year for Angola's macroeconomic environment and, consequently, for the corporate environment. However, Investment Banking and Large Companies business registered a total of 505 Clients, a growth in the active Client base of around 3%, compared to the same period of 2022.

The Complementary Margin reached a total of 55 billion Kwanzas, 36% above the previous year. However, the revenue trend continues to be positive, having started the first semester, 62% higher than in the same period of 2022.

The banking product reached a total of 109 billion Kwanzas, an increase of 9% when compared to the same period of 2022. This result was mainly achieved by the 32% increase in Trading revenues, resulting from the devaluation of the Kwanza against the USD in the face of a long foreign exchange position held by SBA, as well as the execution of Clients' foreign exchange operations.

Clients' deposits reached a total of 920 billion Kwanzas, an increase of 65% compared to the same period in 2022, driven by the devaluation of the Kwanza against foreign currencies.

Term deposits reached a total of 218 billion Kwanzas, an increase of 22% compared to the same period of 2022. These represent 24% of the deposit portfolio, with demand deposits representing 74% of total deposits. Deposits in Kwanzas totalled 491 billion Kwanzas, representing 53% of total deposits. The volume of foreign currency deposits totalled 429 billion Kwanzas, representing 47% of total deposits.

Credit granted to Investment Banking Clients and Large Companies reached 255 billion Kwanzas, an increase of 22% compared to the same period of 2022. This increase was mainly supported by the growth of credit to support and develop the Angolan economy.

Of the credit granted to Investment Banking and Large Corporate Clients, 27% of the amount was in foreign currency.

Corporate and Investment Banking (CIB) achieved a transformation ratio (Credit/Deposit) of 28%, a decrease of 10 p.p. when compared to the ratio recorded in the same period of 2022, resulting from the increase in foreign currency deposits driven by the devaluation of the Kwanza against the USD.

Distribution Channels

The strategy implemented in Standard Bank of Angola's distribution channels has allowed an acceleration in the digital transformation that takes place at the Bank, as well as the modernization and security of its cash transportation services, giving its Clients an unique and innovative experience in the Angolan market, reinforcing the commitment and focus of SBA to the Client.

Internet Banking

The number of transactions carried out through Internet Banking (Business Online - BOL) registered an increase of 104%, compared to 2022, and in monetary terms, there was a 16% increase compared to 2022.

Strategy for 2023

Client Focus

The relentless search for the growth of the African continent and the sustainability of the business continues to be evident in the defined strategy.

Continuing to focus on providing Clients and partners with updated macroeconomic information through various publications and events held throughout the year, with a special focus on the Economic Briefings that are organized every quarter and that over time have served as a guiding compass for Clients in times of instability and uncertainty.

As a bank focused on Africa, SBA remains committed to helping clients in their regional expansion, thus seeking to unite synergies between countries, increase transaction flows in the region and at the same time foster the development of economies.

People and Culture

Humanised management focused on people's wellbeing, 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.

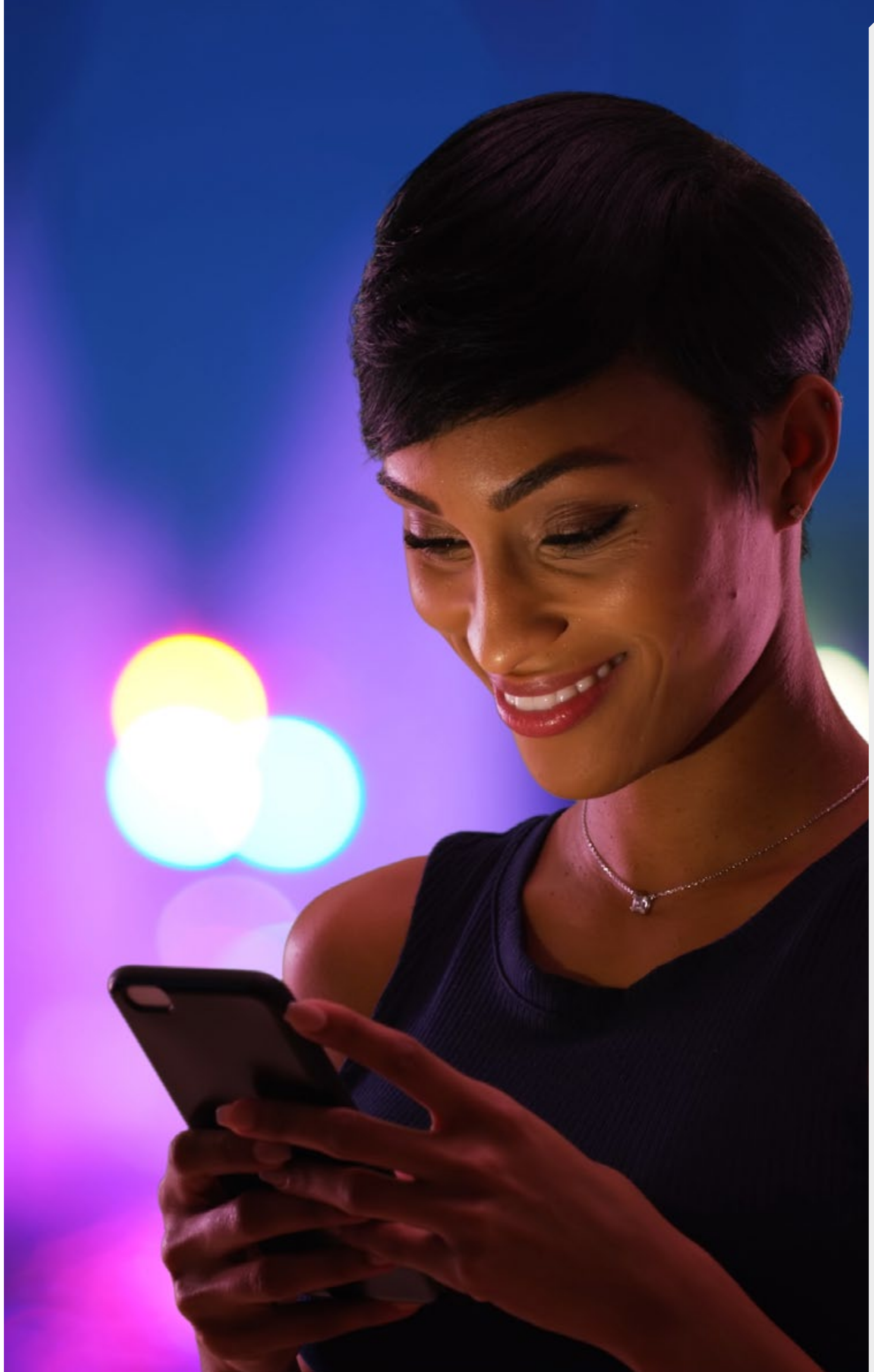
SBA will continue to reward the result of performance for the execution of the business strategy, with the objective of ensuring that resources are fit for purpose, empowering them and driving their growth.

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, steadies 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.



Main Achievements of 2023

- Standard Bank Angola has continuously won several awards thanks to the products and services it offers. SBA recently received the award for the best Investment Bank in Angola 2023 by EMEA Finance. It also received the award for the best Foreign Exchange Operations Bank 2023 by Global Finance.

- Organization of the “Energias Renováveis em Angola: Enquadramentos e Desafios” conference carried out by Standard Bank Angola in partnership with PLMJ Colab Angola – RVA Advogados.

- The Supplementary Margin (NIR) increased by 36% compared to 2022, while the Net Interest Margin (NII) decreased by 10% compared to 2022.

Main Challenges of 2023

01 Devaluation of the Kwanza in 2023.

02 Reduction of foreign currency availability.

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

04 Prudent Monetary Policy in the face of short-term macroeconomic challenges with long-term benefits.

05 The challenging credit Environment due to the effects of effective interest rates to implement the "crowding-out" of the diversification of the Angolan economy.

06 Diversification of Clients' business model impacted by the decrease in purchasing power

SBA's Ambition for 2024

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.

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4.1.2

Business and Commercial Banking

General Vision

Business and Commercial Banking, or BCB, of Standard Bank of Angola is based on strong relationships, supported by a deep knowledge of its Clients' businesses and their respective growth opportunities.

BCB offers a broad range of solutions for a wide spectrum of small and medium-sized enterprises, so Client support extends to a range of industries, sectors and solutions that provide the advice, ecosystem work and sustainability support needed to enable the growth and development of its Clients' businesses. This very specific organizational model exists to meet all the needs of Clients and to create solutions aligned with their requirements.

BCB provides a strategic vision within the priorities of its Clients, as it supports their financial services needs, becoming fundamental for the construction of a sustainable and lasting relationship.

The operational model of this Department is focused on the Client, which allows it to provide integrated financial services, simplicity in financial services and solutions (e.g. credit, bancassurance, collection of values, trade finance, financial advice) that meet the specific needs of its Clients, in order to reduce the time, the cost to serve, innovating faster and more efficiently with the fundamental purpose of being the Partner and the Bank of trust.

Organisational Structure

BUSINESS AND COMMERCIAL BANKING

- MEDIUM-SIZED ENTERPRISES
- SMALL-SIZED ENTERPRISES
- PUBLIC SECTOR
- ECOSYSTEM
- BUSINESS SOLUTIONS
- DIGITAL & E-COMMERCE

BCB is divided into 6 areas in order to segment Clients, guaranteeing greater attention and monitoring their needs.

Thus, the Bank has:

01

Small-sized Enterprises Banking

This segment includes Clients with a turnover of 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 the Clients receive a consistent and high quality service.

To offer a more personalised service to the SMEs segment, SBA launched *PME Online*, a single point of contact, accessible by telephone and e-mail. The banking professionals involved in this service support the account opening process, advise on investment solutions, assist transactions, provide payment and receipt options, advise on insurance solutions and handle different requests.

This service is characterised by its:

CONVENIENCE

- Banking professionals accessible by telephone and e-mail
- Support in 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 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	Support in diverse requests

02

Medium-sized Entreprises 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 tailored to their needs provided by dedicated managers. They provide quality financial services tailored to the Clients' specific needs.

This segment provides holistic end-to-end offers and solutions through a deep understanding of the Clients' businesses, underpinned by a strong relationship team and specialised product and service support, respectively.

03

Public Sector

This area implements a personalised value proposition for public sector clients, managed with a great deal of experience, and develops partnerships for the delivery of various integrated products and services.

04

Digital & Ecommerce

This area leads and is responsible for identifying mechanisms that facilitate the implementation of the strategy defined by the Business and Commercial Banking with digital solutions and automation of manual processes. This strategy focuses on attracting new Clients, digital transformation, personalization and improvements in internal efficiency.

05

Ecosystem

The area is responsible for building long-lasting relationships with strategic Clients and acquiring new Clients for the Bank, which translates into the exploration of a network of participants from various sectors who work together to define, build and execute the creation of a client acquisition environment and better solutions for them. The ecosystem approach is a strategic lever for the growth of the Standard Bank brand in all chosen sectors and market segments.

06

Business Solutions

This area is focused on the creation, maintenance and customization of banking products, tailored to the Clients of the various segments of Business and Commercial Banking. Triggering the management of pricing and creation of value propositions tailored to the Client, while monitoring their experience.

Performance 2023

2023 was marked by the deterioration of the macroeconomic environment in the Angolan market, which resulted in an increase in inflation levels to 20% in December 2023, compared to 13.5% in the same period of the previous year, as well as a sharp devaluation of the local currency against the US dollar in the order of 64.5%, mainly caused by the shortage of foreign currency as a consequence of the withdrawal of the Ministry of Finance, one of the largest providers of foreign exchange in the auctions of the FXGO platform. A tight monetary policy stimulated by rising interest rates and reserve requirements, as well as required capital requirements, contributed negatively to the performance of the SMEs segment.

Small and medium-sized enterprises are at the heart of the government's strategy for job creation. Supporting this effort is, therefore, one of the top priorities of SBA's small and medium-sized enterprise banking, in line with the Bank's purpose – Angola is our home, we enhance its growth.

In 2023, the BCB Board of Standard Bank of Angola recorded a decline in banking product of 8.1% compared to the same period of the previous year, mainly driven by the 22.4% drop in the supplementary margin as a significant result of the reduction in the volume of foreign exchange margins and a consequence of the shortage of foreign exchange in the national macroeconomic panorama.

Regarding to the increase in the capillarity of Clients, there was a 20% increase in the active Client base compared to the same period of the previous year, from 2,714 to 3,276 in December 2023.

-9.2%

Decrease in banking product

65 762 Million Kwanzas

20%

Increase of Active Clients

3 276 active Clients

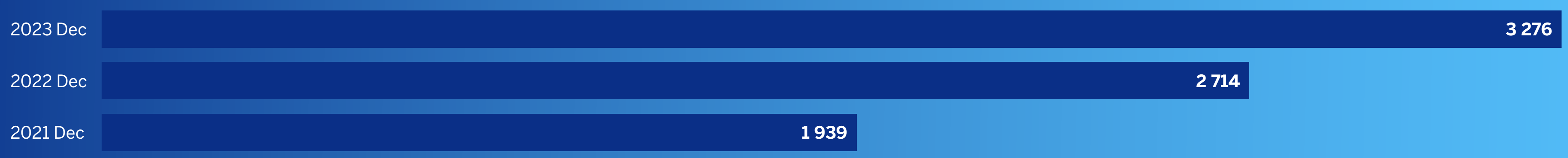
+100%

Growth in Client Resources

193 627 Billion Kwanzas

The trust placed by SBA's Clients has translated into the strengthening and refinement of relationships, resulting in the increase of the Client base through a Banking Ecosystems strategy, generating a positive impact on the 100% growth of the Client resource base.

Number of BCB Clients



Credit

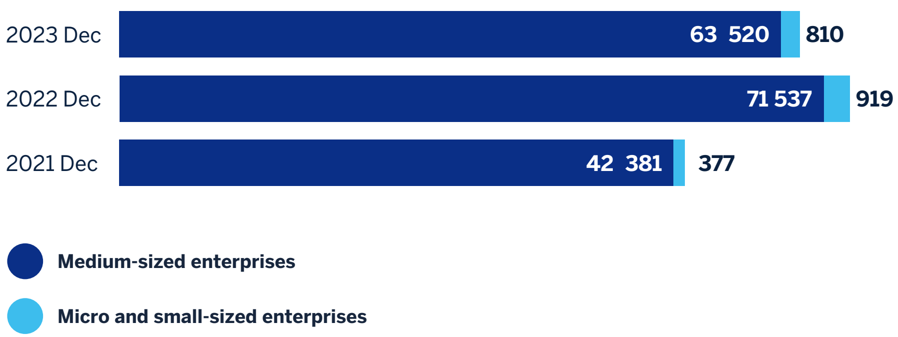
BCB supports the promotion of the national economy, aiming to grant credit to SMEs. This support has been applied across all sectors and all companies, with special focus on SMEs in the agriculture, livestock, fisheries and production of essencial goods sectors.

Compared to the same period of the previous year, credit to Clients contracted by around 9.5% because of large maturities of loans granted, to the detriment of new disbursements. Following the continued commitment to the promotion of the national economy ,"Angola is our home and we enhance its growth", BCB continues with the commitment to help its Clients, businesses, partners and the communities where they operate, being more than a Bank - changing people's lives.

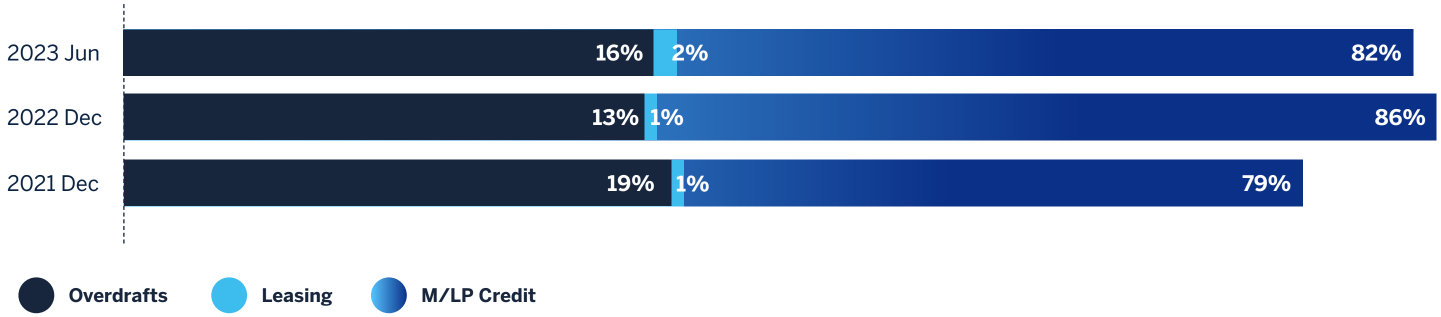
The Transformation Ratio decreased by 43pp, mainly due to the reduction in the loan portfolio and the significant increase in the Client resource base, bringing this ratio to 33.2% in December 2023, compared to 76% in the same period of the previous year.

The levels of overdue credit (+90 days) remained constant, with a rate of around 0.9%, well below the average level of the market, which is at average levels above 14%, showing, once again, the rigor and selectivity regarding the granting of credit.

Credit by Client Segment (million kwanzas)

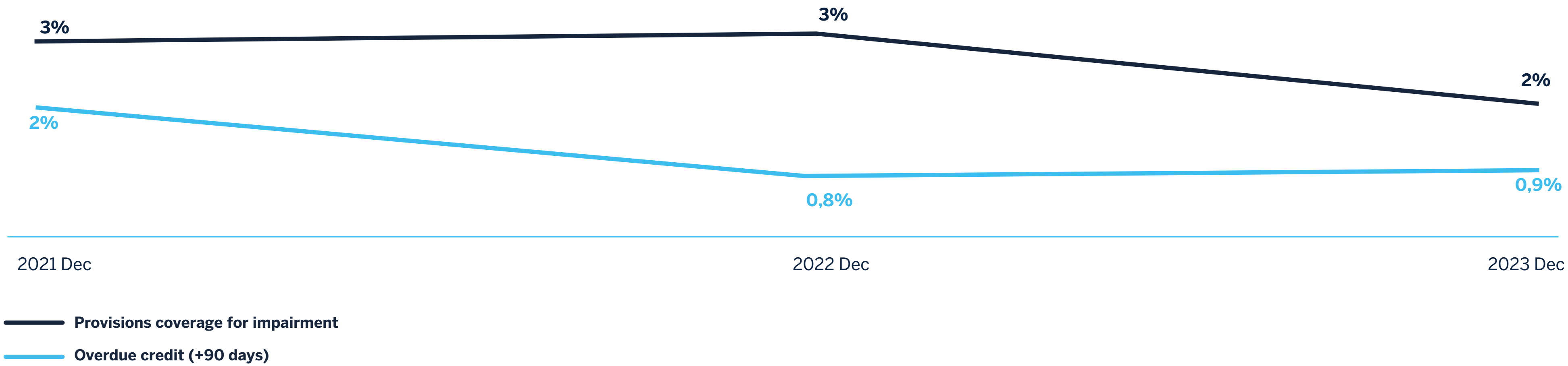


Evolution of Credit Products (in %)



Although medium-long-term loan proposals contracted by 4pp compared to the same period of the previous year, they continue to be the predominant product in the BCB's loan portfolio.

Quality of the Credit Portfolio (in %)



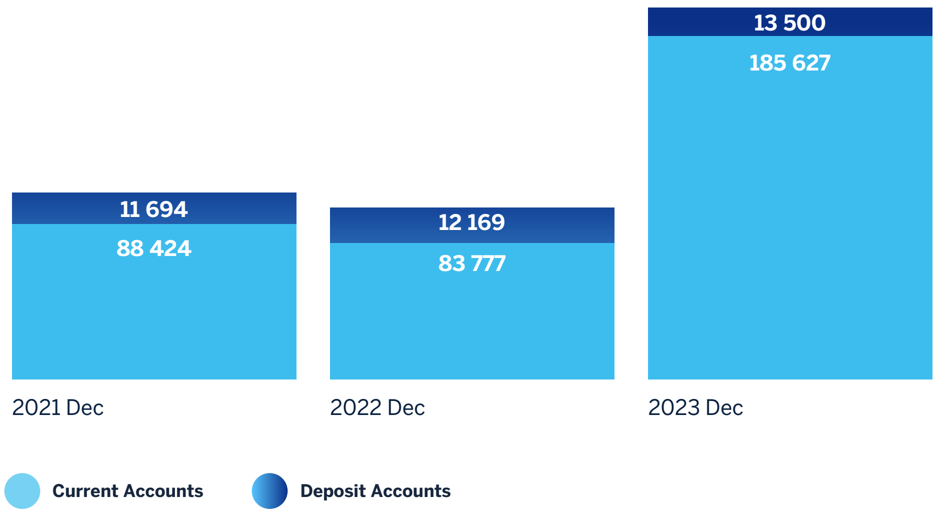
01
02
03
04
05
06

Clients Resources

As a result of the increased engagement with Clients and the increase in the active Client base, Clients resources amounted to 193.627 billion Kwanzas, which represented a growth of 100% compared to the same period of the previous year.

Regarding the dispersion of deposits raised according to the contracted currency, there was an increase in the concentration of deposits made in the national currency, representing 70% of the total portfolio, which translates into a contraction of 2pp compared to the same period of the previous year. Foreign currency deposits amounted to 58 758 million Kwanzas, an increase of 117% compared to December 2022, justified by the increase in Clients Deposits in ME and also by the effect of the devaluation of the Kwanza. It is important to emphasize that Standard Bank Angola maintains its commitment to operate its Clients' foreign currency (ME) accounts, without any restriction, as long as compliance with the laws and regulations in force is verified.

Deposits by Product (million Kwanzas)



BCB's Strategy

BCB considers that, to win in the Angolan market, it is essential to create value for Clients, building lasting relationships that make us partners, thus contributing to Angola's growth. This translates into valuing the Bank's Employees, providing them with a constant environment of equity, diversity, updating skills and recognition, as they play a crucial role in the implementation of the strategy.

Being "Client Focus" its primary purpose, Standard Bank of Angola aims to establish long-term relationships and offer innovative solutions that meet the needs of Clients from the beginning to the growth of their businesses. The goal is to be the leader in Client Experience in Angola.

The strategy also involves acquiring new ecosystems, thereby maximising commercial banking, and allowing Clients to have a broader experience. BCB will continue to develop the relationship with the Bank's Clients, contemplating the horizon of its ecosystems to have a greater understanding of the Clients' entire value chain and thereby be able to offer effective solutions and appropriate financial advice to meet Clients' needs.

BCB intends to stand out for the quality of the services provided, 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.

4.1.3

Personal and Private Banking

Personal and Private Banking (PPB) primary mission is to inspire confidence in people, enabling them to achieve a superior quality of life. Committed to building and safeguarding a high-value Client base, Standard Bank of Angola (SBA) has set itself the goal of establishing and protecting the highest value Client base. To this end, the segments served were redefined, including Private and High Equity, Prestige and Individuals. This approach allowed us to adjust the value proposition for Clients.

The team focuses on offering a wide range of excellent services, ensuring diligent and superior Client service. This service is delivered by a team of qualified professionals dedicated to offering the best service. The team is committed to find solutions that meet the specific requirements of each Client, aiming to ensure their long-term loyalty and retention.

In addition, the Personal and Private Banking continuously invests in innovation and technology to enhance the Client experience while sustaining a personalized approach.

SBA's vision is to be recognized not only as a financial services provider but as a trusted partner, guiding Clients towards a safer and more prosperous financial future. By acting with integrity, transparency and dedication to the Client, they will build solid and sustainable relationships that will last over time.

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General Vision

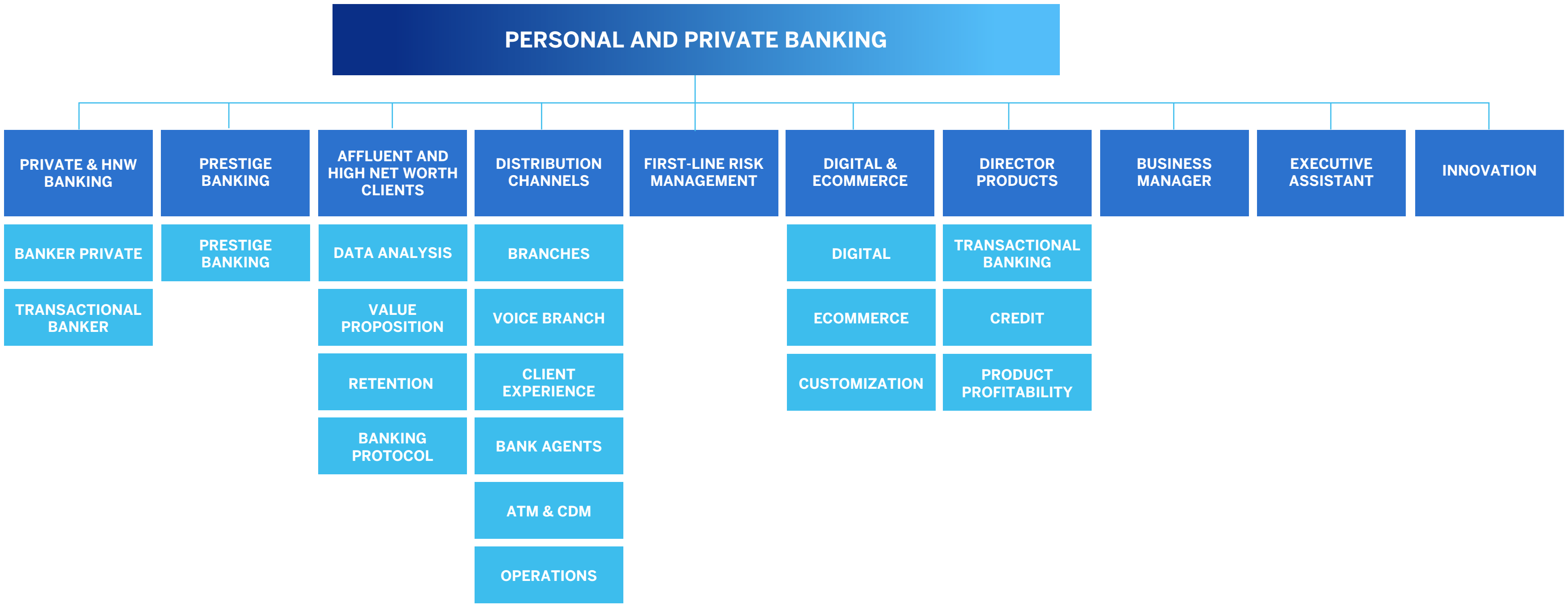
The results of commercial activity in the Personal and Private Banking were in line with the objectives for the year, with emphasis on the increase in the Bank's Client base from 145 267 (2022) to 168 363 (2023).

To achieve this growth, the Board has implemented several initiatives, focusing on the Client experience. The launch of the new value proposition for Private and Prestige Clients is one of them. Through protocols with strategic partners, it aims to improve Protocol Banking.

Apart from that, improvements were implemented to sustain the Bank's growth, through the "Brilliant Basics" program, the revision of the SBA's distribution plan and representative points, continuous improvements in the stability of the SB24 digital platform, and the alteration of the banking agent platform.

In the context of the expansion of the banking network and in accordance with notice 18/2022, the business unit has implemented a series of initiatives aimed at increasing the number of "Ponto Azul" representation points in several municipalities, with the aim of providing banking services in municipalities without bank representation. More than 40 new bank branches were established across the country, with the purpose of serving Private Clients, including the increase of ATM terminals and the inauguration of the first digital kiosk to facilitate the daily lives of Clients.

Organisational Structure



Performance December 2023

Client Base

During 2023, PPB recorded a decrease in banking income of 14% compared to the same period of the previous year, substantially driven by the reduction recorded in foreign exchange results of 5,938 million Kwanzas in December 2023 compared to December 2022.

PPB registered a 15% increase in the Client base, representing 168 363 Clients (of which 73 236 active) in comparison to December 2022, from 145 267 to 168 363 total Clients and 73 596 to 73 236 active Clients, respectively.

The stability of the Client base is the true translation of the Clients' trust in the Standard Bank of Angola brand, as well as the excellence of the services provided by the employees.

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

-14%

Decrease in banking product

2 746 Million Kzs

-0,49%

Decrease in active Clients

73 236 active Clients

+45%

Growth in Client resources

40 069 Million Kzs

Client Base

SB24

Considering the Client's experience and the data shared with PPB, SBA found that most of the concerns were related to the availability of the platform. Thus, during the year, PPB embarked on a journey focused mainly on ensuring the stability of SB24, introducing improvements in both the application and infrastructure. It was possible to observe that low availability had an immediate impact on the reduction of performance for digital Clients, compared to the previous period.

In view of the actions taken, an improvement regarding the availability of the platform is evident, from 92% to 99.7%. This had a direct impact on the adoption process of digital Clients, which stands at 47%, and on the end-user experience.

Banking Agents

During 2023, the Board of Directors defined as its main goals the proximity to Clients and the flexibility of service hours. To achieve these objectives and in compliance with notice 18/2022, PPB expanded its representation network to the province of Uíge, inaugurating three new bank agents in the municipalities of Bembe, Mucaba and Uíge. It is noteworthy that, previously, neither Bembe nor Mucaba had representation from other banks. In addition, we highlight the presence of SBA in the municipality of Bengo.

These initiatives reflect the Bank's commitment to increase the accessibility of financial services to its Clients, promoting greater inclusion and convenience in its banking operations. The opening of new banking agents in strategic regions aims to meet the specific needs of these communities and strengthen SBA's presence in the market.

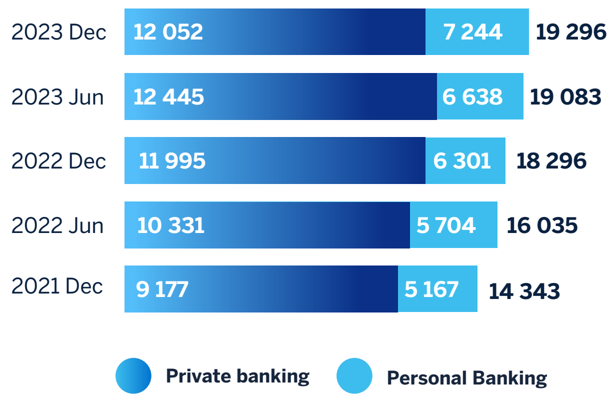
Throughout the year, these measures proved to be positive, resulting in a significant increase in the number of Clients served and greater flexibility in schedules for financial transactions. With the continuity of these expansion and service strategies, SBA expects to achieve even more expressive results in the coming periods.

Credit

PPB seeks to support and improve people's lives by granting credit. PPB substantially increased net credit, in the order of 6%. Regarding the credit products offering, there was a decrease of -1% in consumer credit and an increase of 45% in home loans compared to December 2022. There was a reduction of 6 p.p. in the transformation ratio between deposits and credits compared to the same period of the previous year.

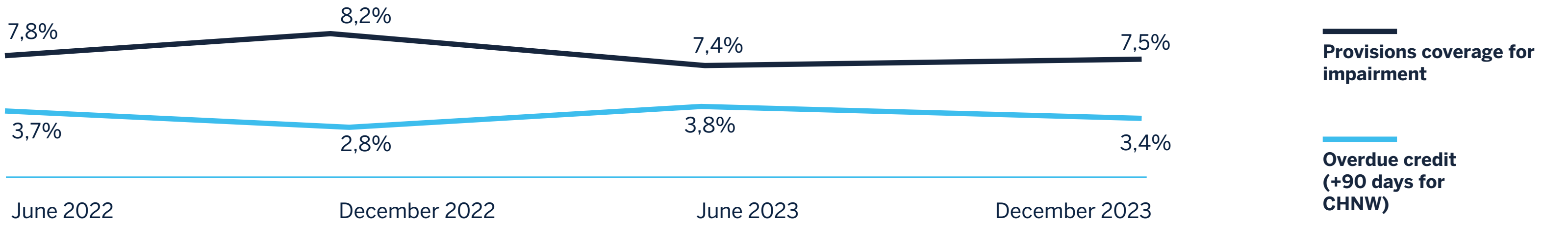
The levels of credit default (+90 days) remain stable, with a rate of around 3.4%, well below the market benchmark, which is over 14% and 0.4 percentage points above December 2022. This demonstrates the rigor and selectivity in what concerns the granting of credit.

Credit by Client Segment (Million Kwanzas)



Evolution of Credit Products (in %)

Quality of the credit portfolio (in %)

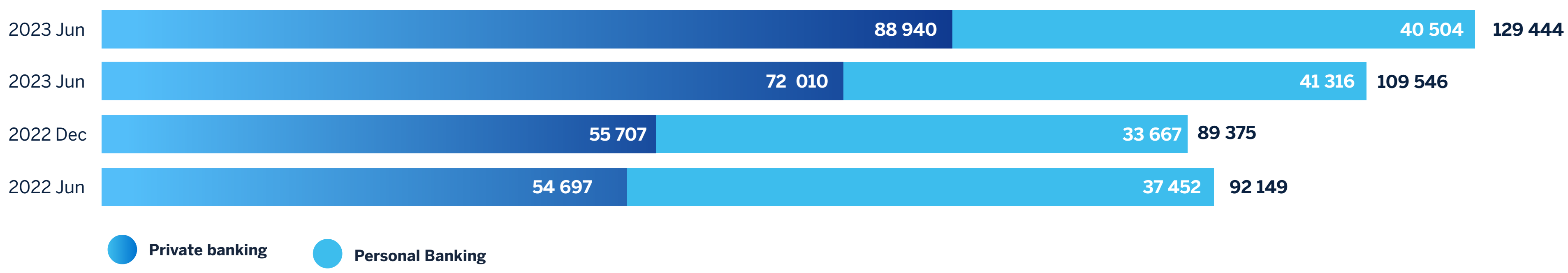


Deposits

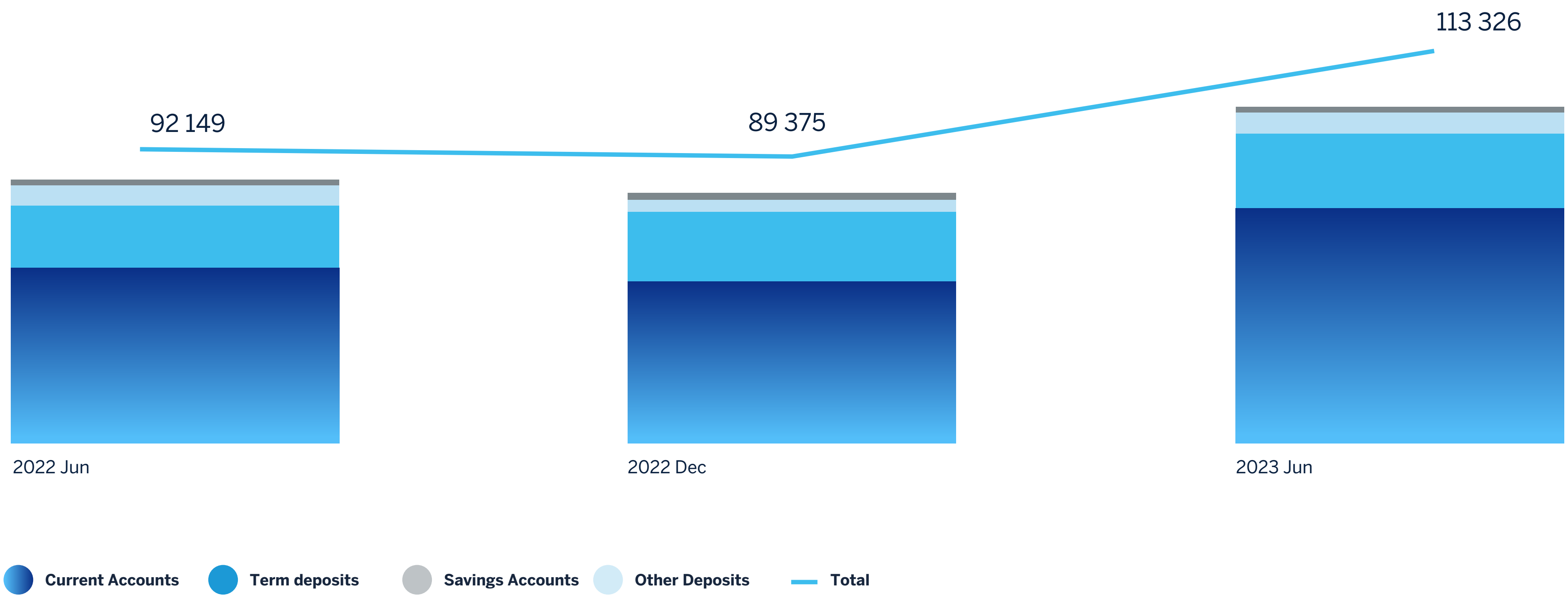
PPB maintained its policy of diversifying its product offering and presenting an increasingly competitive pricing. Clients' deposits reached 129,444 million Kwanzas, an increase of 45% compared to December 2022.

This is a result of the strong commitment to digitalisation, qualified service (available across all service points), product offering aligned with the Clients' needs, as well as the growing commitment to financial inclusion. The concentration of deposits in local currency remained, representing 80% of the total portfolio, which translates into an increase of 24p.p. in relation to the same period in the previous year. Deposits in foreign currency amounted to 25 468 million kwanzas, an impressive increase of 105% above the December 2022 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 type of Clients (Million Kwanzas)



Deposits by Product (Million Kwanzas)



Distribution Channels

Standard Bank of Angola is currently operating in 9 provinces (Luanda, Bengo, Cabinda, Namibe, Huíla, Uíge, Benguela, Huambo and Lunda Sul), with a commercial network of 247 physical channels and one voice branch.

16
Branches

3
Corporate centres (serves BCC segment Clients)

1
Client service point

1
Digital Kiosk

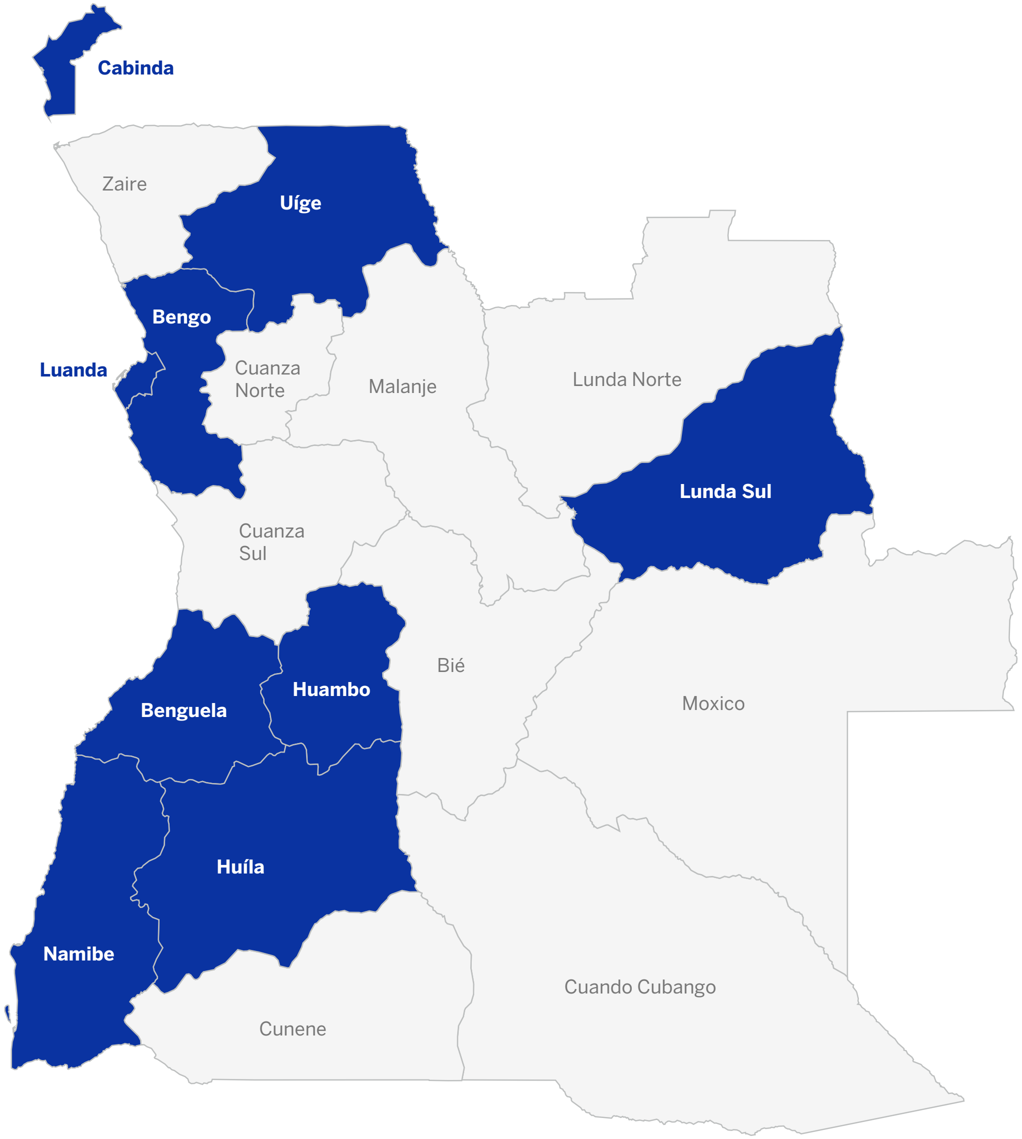
3
suite private

111
"Ponto Azul" Bank Agents

107
ATM's

1
voice branch

	Branches	AGB	ATM
Cabinda	1	4	3
Luanda	11	79	90
Huambo	1	5	2
Benguela	1	2	3
Huíla	1	10	3
Namibe	1	6	4
Bengo	0	1	1
Uíge	0	3	1
Lunda-sul	0	1	0
	16	**111**	**107**



4.1.4

What has been done for SBA Clients

Standard Bank celebrates protocol with Azule Energy

On December 11th, 2023, Standard Bank of Angola and Azule Energy signed a protocol for the attribution of a set of benefits to Azule Energy's staff, ranging from credit products to tailor-made services, at a special price and conditions.

The signing ceremony of the protocol took place at the headquarters of Azule Energy, an international energy company based in Angola, with more than 800 employees and whose mission is to develop Angola's energy sector and help the country in its transition to cleaner sources.

The purpose of this agreement is to add value and improve the lives of Angolan families, enhance the Client experience and meet their most pressing needs.

Also noteworthy as benefits of the agreement are Client satisfaction, the increase in direct business volume (Private Clients), the greater flow of marginal business and capacity in the value chain, the potential increase in revenue via the credit portfolio and the improvement of the Client experience.

This agreement was signed by the CEO of Standard Bank and the CEO of Azule Energy.

CIB Clients Dinner

On November 30th, CIB held another dinner for its Clients. This is an annual event that aims to strengthen relationships and obtain feedback from partners, to continue meeting their expectations.

Standard Bank partners with ENSA for Banking and Insurance

The Bank entered into a partnership agreement with ENSA Seguros of Angola as part of its business strategy, with the purpose of improving and diversifying the offer of products and services made available by SBA to Clients and employees.

Bancassurance agreements involve the integration of banking and insurance products, to the advantage of both the Bank and the Clients in a single point of contact.

For the Bank, an additional source of revenue will be added through the sale of insurance products, Client loyalty and control of the Client's business. For the Clients, they now have the convenience of accessing banking and insurance services in one place, with personalized, competitive offers and professionals with extensive experience. Clients have long been asking for greater diversification of the insurance offer.

Launch of Standard Invest SDVM – Standard Group's Distributor in Angola

Standard Invest (SI) was launched on November 15th. It aims to promote the democratization of access to financial markets for Angolans, as well as to be the reference partner in the Angolan capital market, delivering financial solutions that allow us to sustainably achieve the purposes and ambitions of our Clients.

SI thus intends to develop its activities, guided by a corporate culture shaped by three fundamental values: **Excellence, Innovation and Partnership**.

Through a strategy essentially focused on digital channels, it will seek to develop innovative solutions that allow Clients and Partners to trade securities in the financial markets, focusing on speed, security and resilience.

It aims to be a reference in the Angolan capital market, providing a service of excellence, reliability and creation of value sustained over time.

Complementary to the services of investors, Standard Invest positions itself as a strategic partner of companies, with the ambition to enter the Angolan capital market through consultancy of Corporate Finance, Financial Intermediation, Strategic Consulting solutions for access to the capital market both bonds and in the stock market, with due attention to the various options for the different moments of the organizations' lives.

Standard Invest is thus the newest Securities Distribution Company in Angola and is able to open Client Custody Accounts.

3rd Edition of the Economic Briefing 2023

On November 8th, Standard Bank of Angola (SBA) held the 3rd edition of the Economic Briefing, a periodic event, aimed at SBA's Clients, regulators and public institutions, which presents an overview of the macroeconomic situation and prospects for the future of the economy, revealing not only a set of positive and favorable developments for the national economy, but also some of the challenges that remain. The theme of this Edition was: "the paths to economic recovery".

Master Sponsor of the Official Launch of the Angola-Mozambique Chamber of Commerce and Industry (CCIAM)

Standard Bank of Angola was the Master Sponsor of the Official Launch of CCIAM - Angola-Mozambique Chamber of Commerce and Industry, which took place on November 15th, 2023. CCIAM aims to promote economic development and trade relations between Angola and Mozambique.

The Bank will be one of CCIAM's strategic partners, considering SBA's interest in supporting economic development between the Republic of Angola and the Republic of Mozambique.

This support will be provided through the promotion of bilateral trade and investment between Angolan and Mozambican companies as well as Standard Bank Clients in facilitating access to financial services, including project financing and trade support programmes, holding joint events, seminars, and workshops to promote financial education and awareness of business opportunities.

Standard Bank of Angola and PLMJ Colab Angola – RVA Advogados promote Conference on Renewable Energy

On November 7th 2023, Standard Bank of Angola and PLMJ Colab Angola – RVA Advogados held a conference on "Renewable Energy in Angola", with the goal of framing and analysing the challenges of the country's energy sector.

The session, focused essentially at public institutions, also aimed at consolidating the concepts of Sustainable Financing, how to raise capital in the format of Green and Social Bonds and/or Loans, Legal and Regulatory Framework and Unlocking Factors for the achievement of this type of Financing.

Standard Bank of Angola sponsors the 4th Edition of the Lusophone Leadership Summit

The Bank sponsored the 4th Edition of the Lusophone Leadership Summit. It is one of the largest Leadership events in Lusophony and aims to contribute to the sharing of ideas, experiences and case-studies.

The event took place on October 5th 2023 and had, on the panel of speakers, the Executive Directors of SBA, Yonne de Castro and Eduardo Clemente, who addressed the themes: Women's Leadership and how Technology can facilitate Change Leadership.

Standard Bank Group launches Asset Management Company (SGA) in Angola

On September 27th, the Standard Bank Group launched Standard Asset Management (SGA), a non-banking financial institution, whose corporate purpose is the structuring, marketing and professional management of Collective Investment Undertakings (CIUs) and the provision of investment advisory services. SGA is owned by the Standard Bank Group, through its holding company in Angola - Standard Holdings Angola, and was presented at the Marina Baía Yacht Club, Luanda Island.

Standard Asset Management offers investment advisory services and marketing of investment fund units managed by it.

The first service targets institutional investors and provides advice on securities investment portfolios. The commercialization of investment fund units, on the other hand, is aimed at most investors who wish to invest in the capital market through a specialized entity, which makes available to them one or more investment funds that allow the investor to make their selection according to their risk profile.

SGA aims to be the access partner for all Angolans to the opportunities of the capital market, regardless of where they have their bank accounts domiciled, through its own marketing channels or the establishment of partnerships with other entities.

E-Market Trader reactivation in the Branches

To improve the Client experience and speed up the process of Buying and Selling Banknotes over the counter, the Bank restored access to the e-Market Trader Platform to the Individual and Private Banking Team for USD operations.

Standard Bank of Angola sponsors the XIII Banking Forum - "The Impact of Privatizations and the Stock Exchange of Commercial Banks"

The Bank sponsored the XIII Banking Forum, which had as its theme: "The Impact of Privatizations and the Stock Exchange of Commercial Banks".

The Forum was held on July 21st 2023 and aimed to project possible changes in the share capital of some banking institutions, privatizations, mergers or the entry of external partners. The opportunities that the capital market can bring to commercial banking were also addressed, as it becomes more mature and more efficient.

2nd Edition of the Economic Briefing 2023

Standard Bank of Angola (SBA) held the 2nd edition of the Economic Briefing 2023, on July 12th, which had as its theme: **Economic diversification strategies**. Angola has recently issued signals that it intends to accelerate economic reforms to reduce dependence on oil and increase the resilience of the economy, with the presence of the Bank's Clients, regulators and public institutions.

Standard Bank establishes a partnership with AutoSueco and Automaquinaria

As part of SBA’s business strategy, with the purpose of improving and diversifying the offer of products and services made available by the Bank to Clients and employees, a partnership agreement was signed with AutoSueco and Automaquinaria.

Angola Ecosystem Dashboard

The Ecosystem Strategy is a differentiating strategy. It translates into the way Standard Bank positions itself in the market to attract Clients, it involves developing a solid relationship with Clients, with the goal of creating value for its entire chain (Suppliers, Clients, Distributors, Partners, Employees, etc...) as well as the communities where they operate.

Standard Bank is in an increasingly V.U.C.A. (Volatile, Uncertain, Complex and Ambiguous) universe where the understanding of the Client is crucial to be able to respond to their needs and add value.

Standard Bank of Angola participates in the International Fair of Embassies and Cooperation 2023

The Bank participated in the International Fair of Embassies and Cooperation 2023. The event took place on the 21^{st}, 22^{nd} and 23^{rd} of June 2023. This initiative, promoted by the Ministry of Foreign Affairs of Angola, is part of the economic diplomacy of the Government of Angola. During the three days of the Fair, the following topics were addressed:

- Economic Diplomacy focused on attracting Foreign Investment;
- General Tax Administration;
- ARSEG - Angolan Agency for Insurance Regulation and Supervision;
- INFOTUR – Angolan Tourism Development Institute;
- AIPEX - Angolan Private Investment and Export Promotion Agency.

Standard Bank of Angola promotes Padel Open

The Bank organized its first Padel Tournament - Standard Bank Padel Open, the fastest growing sport in the world and also in Angola. This sporting event took place between June 10th and 18th, 2023, at Playtime at Belas Shopping.

During the tournament period, there were actions to activate SBA's brand and also the presence of Standard Bank Managers, who interacted with the participants of the event and spectators, presenting the Bank's products and services.

Standard Bank of Angola sponsors the 3rd Industry Forum

The Bank sponsored the 3rd Industry Forum, which had as its theme: "The Industrial Development Triangle – Infrastructure, Investment and Business Environment".

The Forum was held on May 12th 2023 and aimed to promote a broad debate on issues related to the business environment, infrastructure of industrial hubs, quality of technical labor, attracting national and foreign investment, incentives for investments outside large cities and accessibility.

The event was attended by the main players in the sector, namely the Minister of Industry and Commerce, AIPEX and representatives of the most important companies in the market.

Innovation & Engineering – LinkedPay

One of SBA's strategic objectives is to create innovative solutions that aim to improve the Client experience. In this sense, the Bank worked with the entity LinkedPay SA, owner of the LinkedPay application to boost digital transformation, increasing the level of digitalization of small businesses.

The purpose is to establish an integration that allows users to make real-time deposits and withdrawals to the LinkedPay digital wallet through their Standard Bank account.

1st Edition of the Economic Briefing 2023

On April 19th, Standard Bank of Angola (SBA) held the 1st edition of the Economic Briefing 2023, on the theme: "Angola, sustainability of economic development" considering the challenges to accelerate public and private investment.

Standard Bank of Angola sponsors the 5th Conference on Agriculture

This event brought together agribusiness specialists, producers, public and private managers, particularly from the financial sector, to evaluate the results of financing the productive sector, agricultural credit and programs to promote family farming and strengthen distribution and marketing chains. The event took place on February 15th.

Inauguration of Shoprite Belas Digital Kiosk

On December 4th, the first SBA Digital Kiosk was inaugurated at Belas Shopping, Talatona, Luanda Province. One of the main goals is Client Focus. Therefore, the Bank is investing in technology to simplify the day-to-day life of Clients.

Luanda International Fair 2023

The Bank participated in the 38th Edition of FILDA – Luanda International Fair, having been awarded the Best Participation in Banking and Financial Services. During the period of the event, some products and services were made available, namely, "Ponto Azul", Account Opening, Risk and Savings, SB24 and Leasing Companies.

Benguela International Fair

For the first time, Standard Bank was at FIB – Benguela International Fair, which culminated in the award of the Best Banking Participation Award at the event, marking a turning point in the Bank's positioning, as an institution of great relevance in Angola.

SB24

Throughout the year, there were improvements in the operation and usability of transfers to the same Bank, other Banks and international transfers. As of this version, it is now possible to make transfers to other banks with an urgent option (availability of the amount to be credited to the recipient's account in real time). Two new features are also available on the Web, namely account statement consultation for Clients with Lasernet active in T24 and availability of the Chatbot.

Transfers

• Transfers to the same Bank;

• Transfers to another Bank;

• International Transfers;

• Urgent transfers: option available for transfers to another Bank. The transfer is credited at the time.

Bug corrections

• App crashes (iOS and Android));

• Performance: Improvements in response time and jitter.

New features

• Account Statement - consultation available only in the web version for Clients with subscribed Lasernet service;

• Chatbot – Available only on the web for consultation of pre-configured information;

• Simplified Account Registration – Clients with Simplified Accounts can now register with restrictions for international transfers.

4.2

People and Culture

4.2.1

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 2023 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 having a digital DNA.

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.

People and Culture Department

The PCD 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 PCD has a strategy aligned with that of the Standard Bank Group, and throughout 2023, continued to support the business units in the pursuit of their objectives.

Main Responsibilities

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;

05 **Definition and implementation of a well-being strategy** that benefits all Employees.

Pillars of Action 2023

The strategy for 2023 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.

To maintain its mission on supporting the Bank's growth through the training and development of their Employees, the People and Culture Department is 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

- Ensure focus on the "Future Ready Transformation" pillars, through the alignment of the structure and the respective Business Units;

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;
- 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;
- Execution and follow-up of the Leadership Effectiveness Program.

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 the first semester;

• 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.

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.

• Continued investment in the Culture and Leadership programs, reinforcing the integration of Employees into Standard Bank's Culture as well as supporting the reinforcement of the leadership skills of SBA's leaders.

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.

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 2023, with the following framework:

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

- Within the scope of the new learning conditions, the investment in the gamification of the Learning Hub has changed the traditional way of educating Employees on the basics of brilliant banking, having had a very positive impact on the learning process.

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

- The Continuous Coaching program for 67 Leaders and executive members emerged as an opportunity for leaders to hone their skills to inspire and mentor their team members.

- Promotion of a holistic vision of the future organisational trends, the preparation of Employees for this transformation, and the training in technological / innovative / digital skills of the Group.

- The "Performance to Potential" training improved the ability of Leaders to recognize and develop the potential of their team members, which had an impact on internal recruitment numbers.

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 2023 SBA highlights:

01

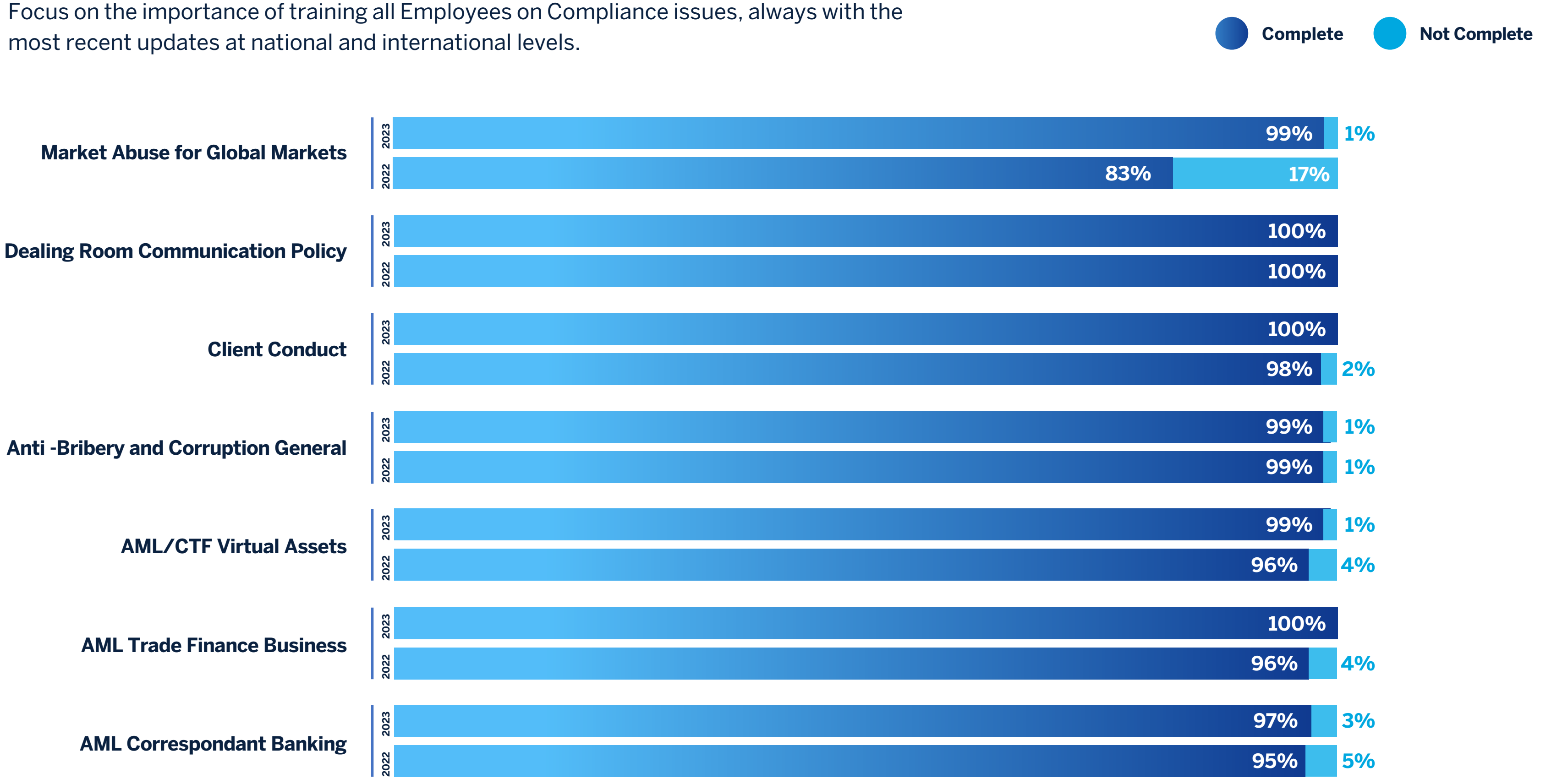
Top 10 most attended training courses (except Compliance)

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.

	Number of trainings completed by SBA Employees
Origin and Destination of Funds and Supporting Documents	206
Human Centricity vc Client Centricity	238
Personal Development Plan (PDP) Workshop and Career Conversations	242
Information Risk Apetite Statement Awareness	248
Information Security Classifications and Confident Information	253
Rules and Procedures Applicable to Foreign Exchange Operations for the Import and Export of Goods Module 1 Angola	274
Culture Webinar Angola	302
Information Security Awareness	307
KnowBe4 Privacy Edition Once More Unto the Breach Retention and Dispos	536
KnowBe4 Privacy Edition Nobody Reads That Stuff Privacy by Design	544

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.

Number of hours of training completed by SBA Employees on each platform

Annual Summary

1 689
Classroom Training Actions

16 739
Hours of Online Training

20 722
Online training actions

729
Trained Employees

531 550
Thousands of Kwanzas
Investment in Training

Wellbeing Strategy

In line with the Bank's strategy, the People and Culture Department is oriented towards the development and implementation of initiatives aimed at Well-Being, Training and adaptation to the Bank's three strategic pillars: Client Focus, People and Culture and Internal Control.

To achieve their People Promise and be the best place to work, SBA's strategy is based on 4 wellbeing pillars: **emotional and mental, social, financial and physical**.

In 2023, 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

- **During 2022, the importance of emotional wellbeing 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;
- **During the year, we carried out periodic examinations of Occupational Medicine** for Employees of the headquarters and some branches, and to date examinations have been carried out for about 96% of eligible Employees;
- **A breastfeeding room was inaugurated**, a space where Standard Bank Mothers can comfortably and safely express and store breast milk in order to ensure the continuity of breastfeeding after the end of Maternity Leave;
- **The socialization of Employees continued to be promoted in the recreational areas** of the Bank's facilities, promoting greater interaction between colleagues and moments of relaxation during the daily break periods;
- **International Children's Day was celebrated** with a Sunday of fun for Employees' children at Kandengolé Park, and Employees' children from outside Luanda received tickets for a movie session;
- **The Remote Work Policy has been published**, aimed at assisting area managers in implementing remote work arrangements, highlighting areas to consider and providing practical advice and information, enabling Employees to make use of remote work opportunities in a safe and effective manner while maintaining the highest standards of work;
- **The Employee Credit Policy was updated** with the intention of defining, aligning and regulating the principles of granting loans to Employees in order to ensure consistency with other elements of the Human Resources strategy, such as reward, benefits, leadership, career development and talent management, to ensure consistency and fairness;
- **To provide the foundation on policies, standards and controls**, ensuring that values and ethics are reflected in the way we make decisions and deal with stakeholders, and that we hold each other accountable for complying with the ethical and conduct requirements we set for the Bank, the Code of Conduct and Ethics has also been updated;
- **The "Among Us" sessions began**, which consist of monthly breakfasts with various Employees of the Bank, organized by the People and Culture Department and the department administrator, with the goal of bringing people together, collecting concerns and sharing suggestions for improvement;
- **Supermarket vouchers were distributed** as a symbolic way to mark the end of the year, so that Employees could purchase products of their convenience.

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, and Digitalisation and Innovation.

People and Culture in 2023

Total Employees

660 in 2021

679 in 2022

709 in 2023

41% Women (2023: 40%)

59% Men (2023: 60%)

Executive Commitee

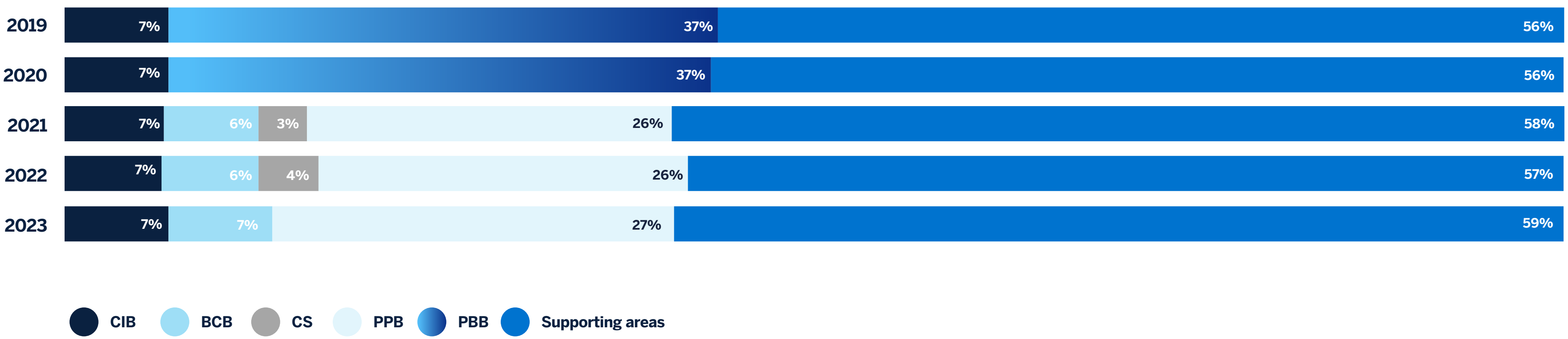
54% Women

46% Men

At the level of ALC (Angolan Leadership Council) members, within the scope of the gender equality initiative, as of June 31st the Bank has a representation of 46% male and 54% female.

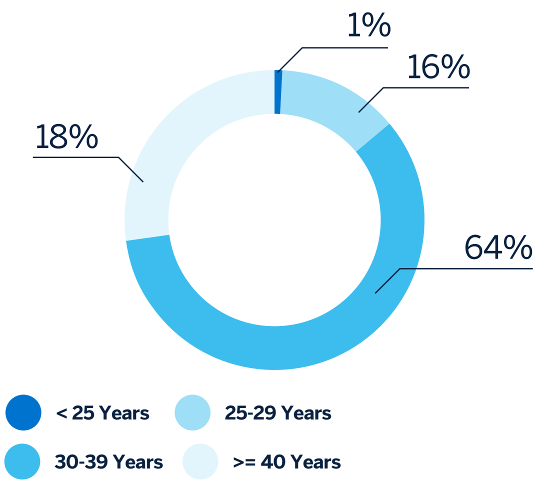
Evolution of the Number of Employees by Business Unit

As part of the restructuring process, the PBB Business Area is subdivided into the independent areas of Business and Commercial Banking (BCB) and Personal and Private Banking (PPB).

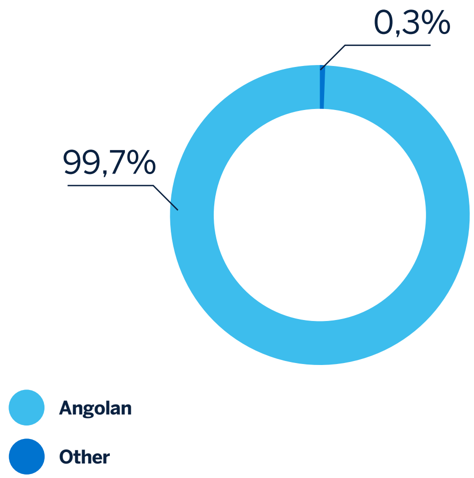


01
02
03
04
05
06

Age Groups

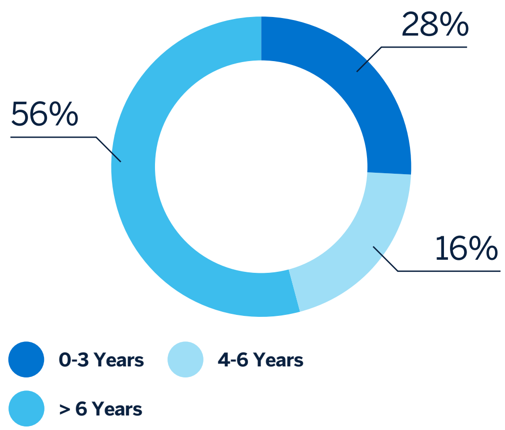


Nationality

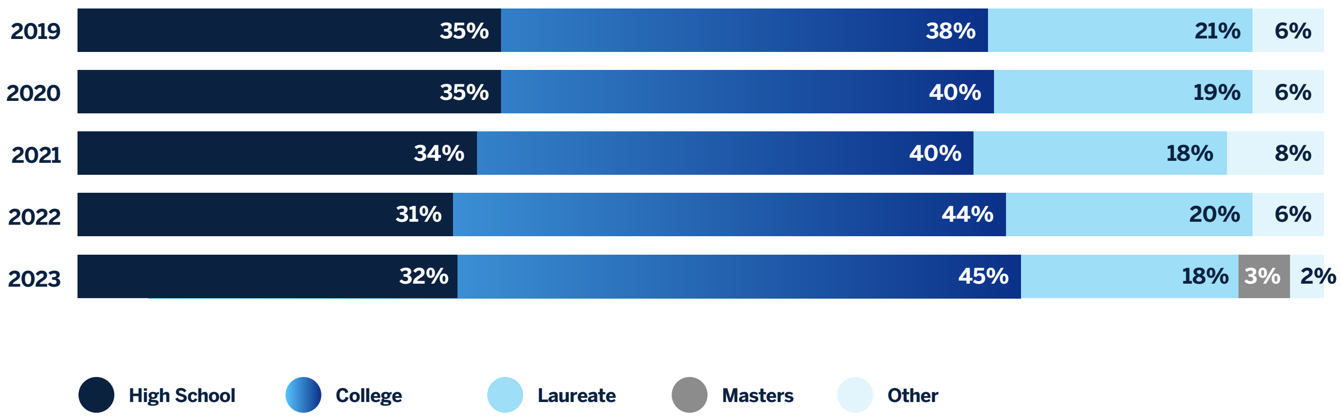


Of the admissions made during 2023, 99.7% have Angolan nationality and 0.3% have other nationalities.

Tenure



Education Level of Employees



4.2.2

What has been done for SBA's Employees

Pink Walk

• Date - October 28th

The month of October has been internationally defined as **Breast Cancer** Prevention and Awareness Month. According to the American Cancer Association, this is the 2nd deadliest type of cancer (surpassed only by lung cancer) for women worldwide, and according to statistics published by the European Union, at least 1 in 8 women may develop this cancer in their lifetime.

"Are You a Fan" – Your voice matters!

It is repeated every year, and represents the moment to listen to the voice of SBA Employees in the "Are You a Fan" survey. This survey aims to collect everyone's honest opinions, completely anonymously.

This is a unique and important moment for everyone to give their authentic and honest opinion about what they think of SBA, the Group, the work environment, culture and benefits. The participation of all Employees is indispensable, because without it there is no global opinion nor is it possible to know what is good and what can be improved.

In summary, this survey is extremely important, firstly because everyone values having a voice and making it heard. Secondly, so that the Bank's management can focus on continuously improving everyone's opinion, which is the most valuable source of information there can be.

Creation of the Corporate Citizenship Department

Today there are global, regional and local Environmental and Social challenges that are unequivocal priorities of Standard Bank of Angola – such as Climate Change and Sustainable Finance, Education and Financial Inclusion. These are inexorably linked to other emerging challenges – such as job creation and business growth, infrastructure construction, local and regional trade and investment – which are also absolute challenges to Sustainability.

SBA will have a special focus on initiatives and programs with environmental and social impact:

- **Financial Inclusion** - Striving to provide resources to improve financial literacy and literacy in underserved communities, individuals and businesses to achieve economic stability.
- **Employee Volunteer Program** - Encourage and incentivize Employees to give back to their communities through volunteer time and skills-based volunteer opportunities.
- **Social Responsibility** - Divulgation of initiatives that address pressing social issues such as education, health and poverty reduction and promotion of a support program among Clients and partners to fund local non-profit organizations and projects that address critical social and environmental issues.
- **Environmental Management** – Join efforts to reduce the Bank's environmental footprint by promoting green initiatives and supporting green projects, companies and programs.
- **Sustainable Banking Services and Products** - Supporting the business to develop and deliver social, inclusive, green financial services and banking products.

Lines of Defense and Risk Culture Workshop

• Date - September 21st

The workshop on "The Lines of Defense and Risk Culture 2023" was held and aimed to present and clarify the roles and responsibilities of the Bank's 3 lines of defense, as well as to give better visibility of the main points of the risk culture needed by the Bank, and how each Employee can contribute to a proactive risk culture.

Team Building - Finance, Marketing and Legal

• Date - September 14th

As a usual practice and with the purpose of increasing and consolidating interpersonal relationships between the Areas, SBA promoted a Team Building with the Finance, Marketing and Legal teams.

First Place in the Applied Technical Sports Competition held by the Civil Protection and Fire Services

Standard Bank's Emergency Brigade was ranked first in the category of Applied Technical Knowledge (Prevention, Extinction and PHC – Pre-Hospital Care) of the 5 categories disputed.

This was the first Applied Technical Sports (DTA) competition held by the Civil Protection and Fire Services and took place on the 16^{th}, 17^{th} and 18^{th} of August 2023.

Applied Technical Sports is the practice of technical and tactical skills in prevention, firefighting and rescue, in order to assess the physical fitness of Private Fire Brigade teams and Emergency Brigades of Institutions registered by the Civil Protection and Fire Services (SPCB).

DTA's main objective is to ensure the organization and operational readiness of the forces (Emergency Brigades and Volunteer Firefighters), as well as to evaluate the levels of emergency responses and performances existing in the companies.

This practice was carried out between the Private Firefighters and the Fire Emergency Brigades, in the performance of maneuvers applied in different technical and tactical disciplines related to rescue missions.

Workshop - Compliance Training: Personal Data Protection

On August 23^{rd} 2023, another Workshop was held with the aim of explaining the Regulatory Requirements for Personal Data Protection, Marketing Compliance and Data Management.

Operations Department Satisfaction Survey

To evaluate the performance of the Operations Department and also to measure some KPIs – Key Performance Indicators, a survey was carried out to improve the quality of the Bank's services and thus more easily meet the needs, expectations and interests of Clients.

Evacuation Procedures at Headquarters and Branches - Emergency Preparedness and Response

The Evacuation Procedure is a document with the guidelines that make it possible to develop preparedness and prevention actions, considering a possible emergency situation.

The main objective is to provide evacuation instructions to the occupants of the Headquarters building and the other Branches to do so without panic and in an orderly manner, following safe itineraries previously defined and disclosed, taking people to a predetermined safe place (meeting point), where all evacuees must remain together until the end of the emergency is declared.

Photography Contest – Winners

The Corporate Citizenship Department promoted an internal photography contest proposing that Employees submit a photograph that represents "What is Corporate Citizenship?". It was a way of trying to capture the attention and sensitivity of Employees to this theme.

Bright Ideas 3rd Edition - Implementation of the winning idea

The 3rd Edition of Bright Ideas was held, where all Employees had the opportunity to contribute to the improvement of the Bank. The winning idea was: "PS2 Validator: Mass Payment Validation" and was submitted by Félix Garcia from the Operations Department.

Take care Empathy

Internal campaign with the purpose of fostering diversity of opinions, perspectives, solidarity, active listening and concern for colleagues.

XIII Anniversary - The Moments at the Backyard Party

Another year of activity, another anniversary always celebrated with great joy and good mood. This time, the anniversary was held on Luanda Island.

DP Kitadi Internal Contest

In the constant search to optimize and create value for Internal and External Clients, SBA invested in several initiatives, namely in the promotion of contests/ sweepstakes. Recently, another Internal Contest was held regarding the Kitadi Term Deposit Campaign, thus seeking to distinguish and reward Client loyalty.

01
02
03
04
05
06

Townhall

Description

- Realization of Townhalls
- Dates:
  - April 18th
  - July 24th
  - November 23rd

Objective

To share and project the results achieved, the Executive Committee presented 3 Townhalls throughout the year so that it is possible to walk together towards SBA's goals and speak with one voice.

Breastfeeding room

Description

- Inauguration of SBA´s breastfeeding room;
- Date – May 5th.

Objective

Ensuring that mothers have all the conditions to breastfeed their children of breastfeeding age with breast milk.

Blue Star Awards

Description

Organization of the 2023 edition of the Blue Star Awards.

Objective

Blue Star Awards, the annual event aimed at recognizing the most outstanding people and projects of 2022. An awards gala was held, where it was possible to elect the colleagues who stood out the most in the award categories.

Team Building Initiatives

Description

• Team Building for all the Bank's Departments

Objective

Bring teams together to analyze new initiatives, strengthen interpersonal bonds and create strategies to improve teamwork.

African Women's Day
July 31st 2023

Multi-Risk Insurance
Your Insurance next to you!

Eye Health Day
July 10th 2023

African Children's Day
June 16th 2023

Car Insurance
Your Insurance next to you!

International Children's Day
June 1st 2023

Africa Day
May 25th 2023

Mother's Day
May 12th 2023

Safety and Health at Work's World Day
April 28th 2023

We wish you all a Happy Easter!
March 31st 2023

Oral Health Day
March 20th 2023

Father's Day
March 19th 2023

International Women's Day
March 8th 2023

Angolan Women's Day
March 2nd 2023

Valentine's Day
February 14th 2023

4.3

Risk and Conduct

4.3.1

The Internal Control System

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.

SBA views Risk Management as a central element of the Institution's vision and strategy. Thus, the Risk Management model is independent of the areas generating the risk and presents decision-making and control mechanisms directly dependent on the Board of Directors. Risk Management is the responsibility of the Board of Directors and its Committees. The Board of Directors is the body responsible for the risk strategy of the Institution, supported by Committees whose main functions are to advise the Board of Directors regarding the Risk Management strategy and to supervise the performance of the Risk Management function as provided for by the BNA.

Thus, and following the best international practices, the Risk Management model obeys the principle of the **"Three Lines of Defense"**, underlying the attribution of responsibilities to the various actors in Risk Management, clearly defines the delegation of powers and the communication channels that are formalized in the Bank's policies. These lines of defense ensure segregation of duties and independence from the model.

The three lines of defense are described below:

01 Business Unit and Legal Entity Management

The first line of defense is made up of the risk-taking areas, which must ensure effective risk management within the scope of their direct organisational responsibilities. Risk assessment, evaluation and measurement is an ongoing process that is integrated into the day-to-day activities of the business. This process includes implementing a Risk Management framework, identifying problems, and taking corrective action where necessary.

02 Risk Management

The Bank's Risk Management functions are primarily responsible for defining the Risk Management structure and policies, providing independent oversight, and reporting to 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 the risk acceptance limits within specific mandates, and provide an overview of the effectiveness of Risk Management by the first line of defense.

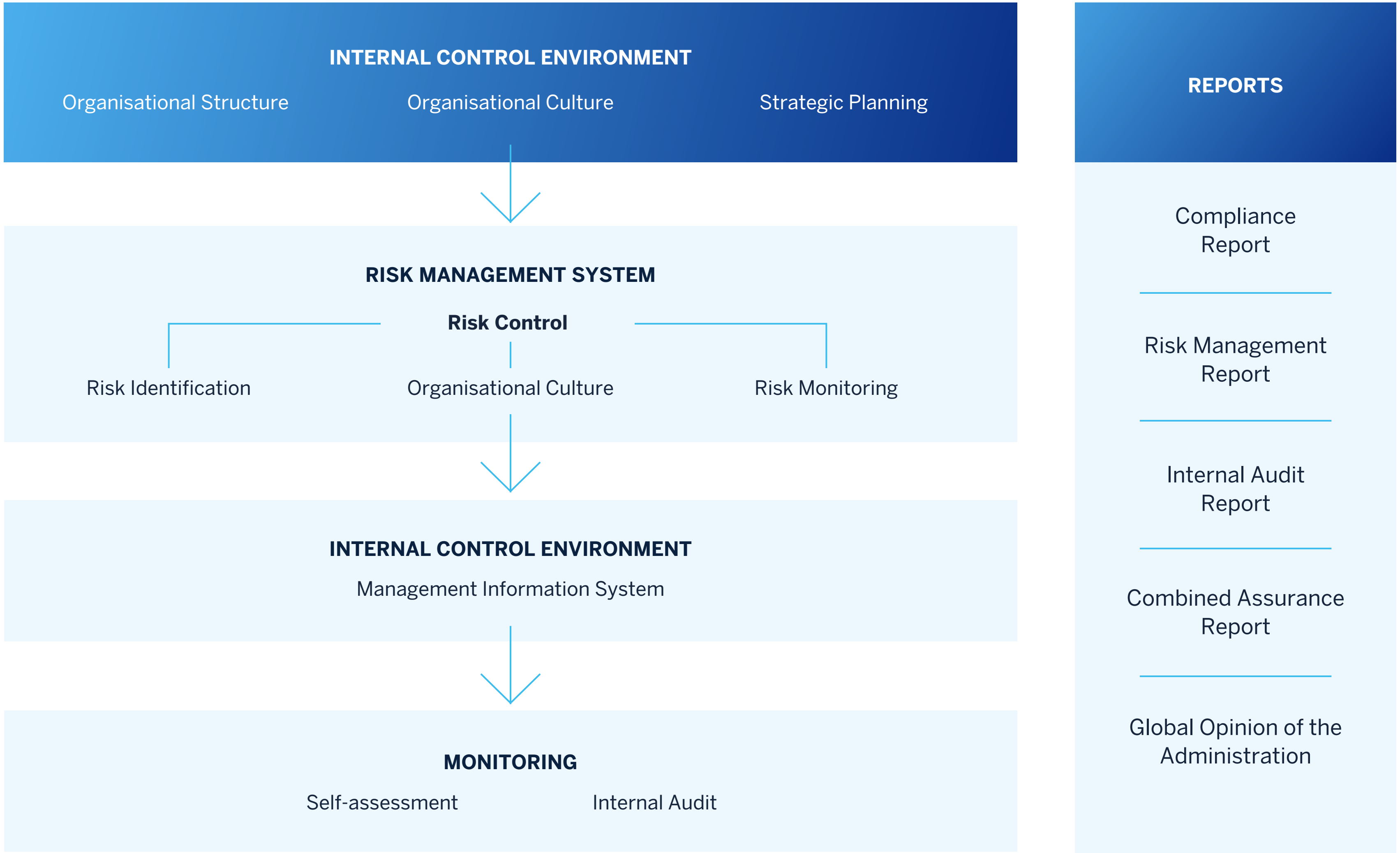
03 Internal Audit

Provides an independent assessment of the adequacy and effectiveness of SBA's Internal Control System, the overall Risk Management framework, through the approval of an Audit Plan and consequent reporting to the Board of Directors and its Committees.

01 02 03 04 05 06

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.



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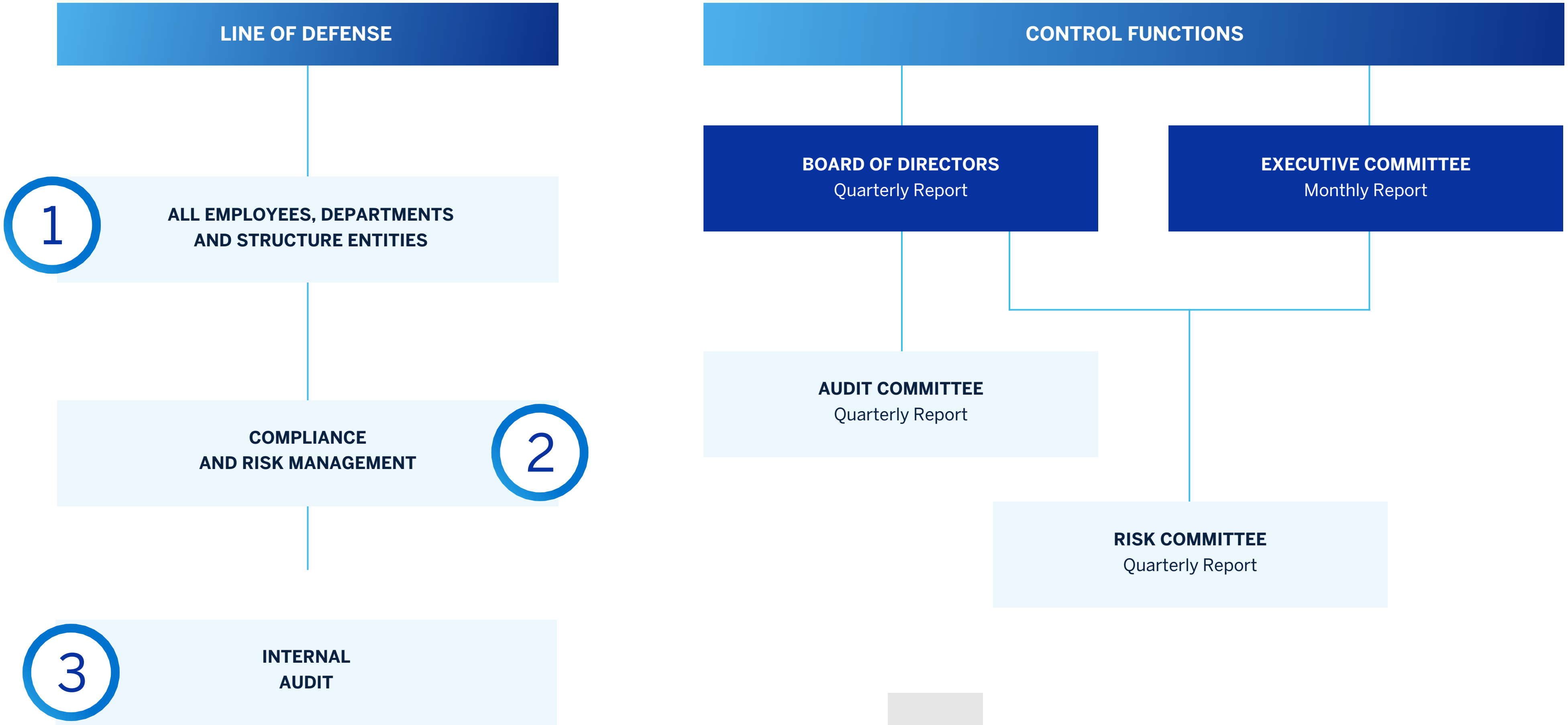
During 2023, SBA continued the implementation and improvement of its processes, policies and procedures, within the scope of its Internal Control System, to accompany the growth of the activity and ensure compliance with the strategic and operational objectives, safeguarding the security of its operations.

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.

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 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 technical and administrative issues.

Internal Audit Objective

To assess the Bank's governance processes, including the current principles of ethics and conduct, 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.

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 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 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 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 Act as a source of information, where appropriate, regarding situations of fraud, corruption, unethical behaviour and wrongdoing;

07 Check for opportunities for improvement in the risk governance process.

Regarding the execution of planned audits, there was an increase in the proportion of unsatisfactory audits, as in the year 2022, 33% of audits had an unsatisfactory classification and reactive risk culture, while currently the percentage of unsatisfactory audits has increased to 86% and the reactive risk culture has increased to 67% in 2023. It should be noted that in 2023 the Bank closed 112 agreed improvement actions, compared to 176 actions that were closed by December 2022.

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Coordination of the Internal Control Areas (Combined Assurance)

Combined Assurance Working Group (risk management areas) is a monthly forum, with the chairmanship being held on a rotating basis.

The aim of the forum is to encourage collaboration of control functions, promoting excellence in risk management through the proactive identification of emerging risks and the execution of risk management programs, sharing industry best practices, applying lessons learned, and providing integrated risk coordination and recommendations.

The main topics discussed at the meetings are the following:

- Preparation of the Combined Assurance report to RMC;
- Sharing of annual business plans;
- BNA's annual report on internal control and corporate governance;
- Open findings of internal and external audit;
- Results of monitoring and management of material incidents;
- Submission of requests for extension of findings/actions in the areas of Compliance Monitoring, Risk, Internal Control and Exchange Control;
- Review of key audit/control/risk monitoring issues;
- Regulatory issues, operating losses;
- Fraud trend report;
- Share best practices (best ways of working);
- Share resources, training and feedback on interaction with Stakeholders.

Significant results were obtained during 2023, namely, the consolidation of findings from all risk areas (Dashboard), eliminating duplicate actions, sending alerts for all actions that are open, holding awareness sessions on risk culture for the various areas of the Bank and updating the Combined Assurance Dashboard daily.

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, to improve efficiency and effectiveness of communication delivery and the Bank's Risk Management. Together with the Group's Data Services team, an unique robotic engine has been developed, and it is expected to push the boundaries of traditional auditing and transform from hindsight to vision and, ultimately, prediction.

In addition, the robotic engine has been successfully implemented by GIA to automate audits and report monitoring. Automated audit approaches will be adopted for audit reviews.

As part of the automation project, the current auditing platform located on the group's servers will be replaced by a fully digital one that will be located in the cloud (Team Mate).

The benefits of the digitalisation 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 defense;

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

05 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;

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

07 Facilitates retraining of staff in new and emerging technologies.

Follow-Up actions

14%
of audits conducted in 2023 were satisfactory, compared to 67% of satisfactory audits conducted in the previous year.

8
Audits conducted in 2023, the same number of audits conducted in 2022.

112
Process improvement actions implemented.

2
Risk Culture Sessions held until December 31st 2023.

2024 Challenges:

• 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 (Team Mate);

• 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.

Compliance Function

Responsibilities

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;

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.

To meet the requirements of the BNA and other regulatory bodies regarding the implementation of a compliance culture, SBA continues to focus on a zero tolerance approach. On one hand, to non-adherence to mandatory compliance training, and on another hand, 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.

01 02 03 04 05 06

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:

• Support the Board in maintaining a Compliance Culture so that business is done the right way;

• Support the Management Body in fulfilling its responsibilities on applicable legal and regulatory requirements;

• Support the implementation of a risk matrix and operational controls;

• 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;

• Support the effective relationship between the Bank and the Regulatory Entities.

Protecting the Bank's Reputation

Avoid legal proceedings against the Bank

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:

• Follow up on responses and processes with regulatory authorities, namely, the National Bank of Angola, the Capital Markets Commission, the Angolan Insurance Regulation and Supervision Agency and the Competition Regulatory Authority;

• 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 Client protection rights for banking products and services;

• 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.

• Coordination of requests made by ABANC based on proposals, approval or amendment of diplomas issued by regulators.

Legislative Alert

The Legislative Alert consists of the internal disclosure of the publication of a new regulation with relevance to SBA's activity. Its purpose is to disclose the rules resulting from new regulation, since it allows Employees to know the respective contents and the impacts that it may have on their areas and to create control mechanisms to ensure compliance with obligations. It usually contains a summary of the main provisions of the regulation.

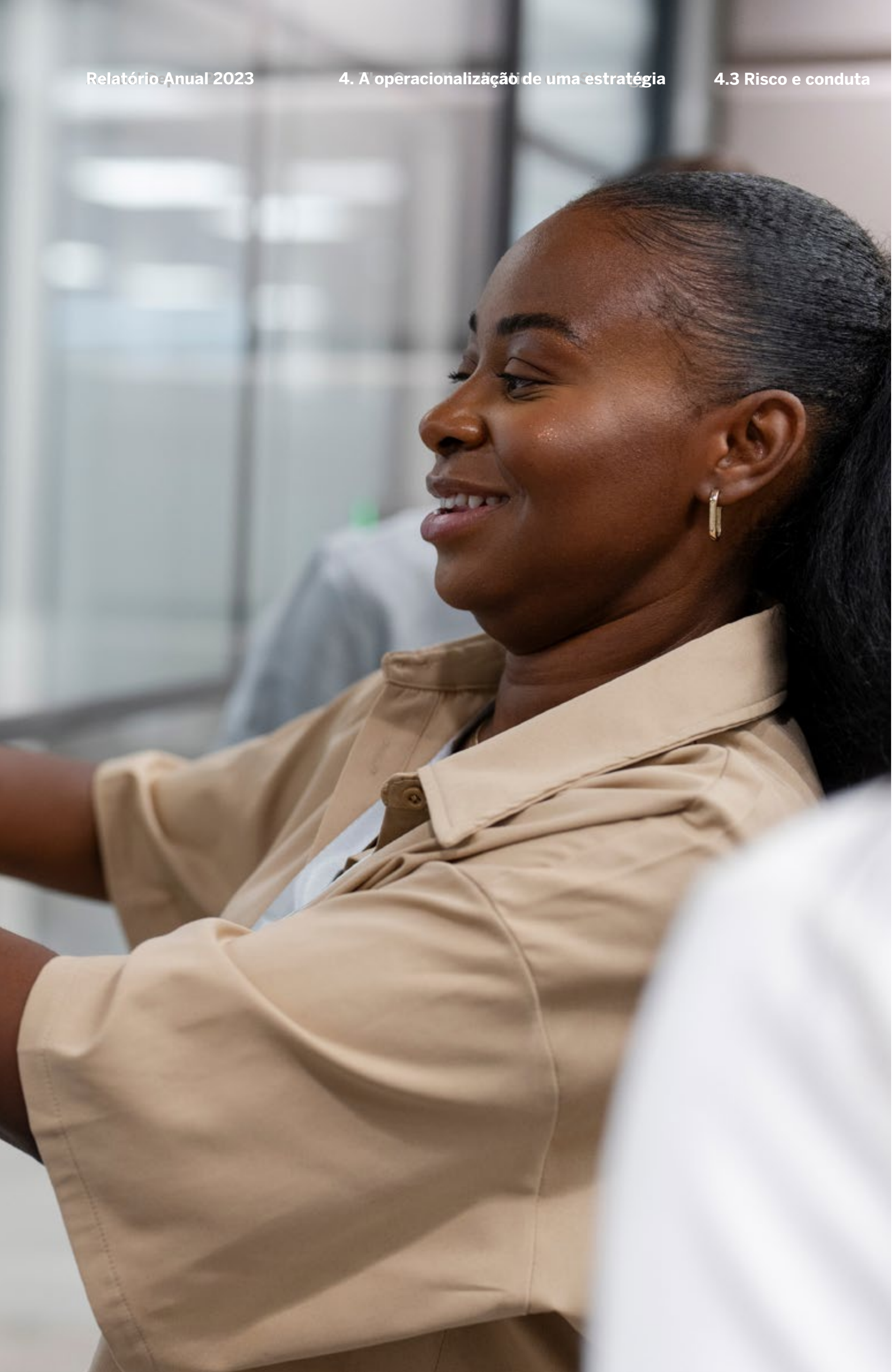
The table below provides information on the number of regulations issued by Regulatory Bodies during the first semester of 2023 that have an impact on the Bank:

BNA (Notices/ Instructions/ Directives/ Circulars)	CMC (Instructions and regulations)	Other entities (Rules/ Circulars/ Information Notes/ Instructions)
31	5	16

Advisory support: new products and services

RAF ensured, during 2023, 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 2023, 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.



Regulatory Universe and Compliance Risk Management

SBA's Compliance Department has implemented the "Compliance Risk Universe Methodology Manual" procedure, whose objective is to assist the Department in the management of regulatory risk and Compliance risk management plans.

According to the respective manual, the Regulatory Compliance Risk Universe (phase 1) must be conducted through a workshop with the business units, and during the workshop, Compliance agrees and confirms with the relevant units the applicability of the requirements determined for the business unit, as well as the category and the risk classification of each of the Compliance requirements.

At a later stage, another workshop is held to complete the Compliance Risk Management Plan (phase 2) on the requirements that have a high risk classification, with the aim of documenting the temporary or interim control measures (e.g. manual procedures) that will mitigate the risks until the implementation of the final controls, as automated systems.

Several workshops were held to conclude 11 diplomas issued by regulatory entities to fill the Regulatory Compliance Risk Universe and 12 diplomas planned to be the target of the Compliance Risk Management Plan "CRMP", as provided for in the 2023 annual plan, which are represented below:

Regulatory Universe

11 =100%

Completed

PGRC

12 =100%

Completed

01
02
03
04
05
06

Privacy and Data Protection

In the current digital age, it has never been more important to ensure the confidentiality, integrity and availability of the information to which the Bank has access and that which it produces.

Regarding the information to which the Bank has access, in particular that provided by Clients, it must comply with certain criteria, namely that it must be collected for a purpose that is clear, expressly informed and consented to by its holder; be treated within appropriate control and security mechanisms; and, except when there is an obligation to retain it for a certain period, it must be immediately destroyed at the end of the fulfillment of what was its initial purpose.

These are privacy and data protection principles defended by the Standard Bank Group and reinforced locally by the Data Protection Agency, as well as by the National Bank of Angola.

The regulation requires all controllers of personal data to incorporate data protection by design and by default into their processes, from the design phase and throughout its life cycle.

The concept of privacy by design has operationalized the requirements of the international regulation on data protection, whose standard is "data protection by design and by default". This standard requires the integration of privacy rules into the design and architecture of systems and business practices.

Privacy by design shall incorporate appropriate technical and organisational measures for the processing of personal data that is carried out, depending on the technology, the circumstances of the processing, the costs and the risk assessment.

SBA has adopted this standard and, as a banking financial institution that offers products and services to its Clients, complies with the pillars that are revealed as privacy and data protection requirements.

This ongoing strategy of the Bank, as well as the need to ensure scrupulous compliance with all guidelines issued by regulators, an area dedicated to ensuring privacy and data protection compliance was created within the Compliance Function, which will also serve as an advisor in this type of matters, from a regulatory perspective.

The privacy and data protection function has the following responsibilities:

- Ensure compliance on data privacy;
- Assess data privacy impact;
- Establish and implement SBA´s privacy and data protection risk control plans;
- Boost privacy and data protection culture, awareness and training for the Bank;
- Raise awareness, update and monitor the development of new legislation related to data privacy with an impact on the Bank's activities;
- Ensure compliance with privacy and data protection risk management in accordance with relevant legislations worldwide;
- Manage the regulatory universe and ensure the compliance of the risk management plan for the Bank's areas and confirm the implementation of controls and compliance with internal standards and all legislation related to data privacy, essential and high risk;
- Take on the role of expert privacy and data protection compliance advisor;
- Oversee all elements related to data privacy monitoring (assess, remediate, govern) for positive assurance in the control environment;
- Proactively develop a strong partnership with SBA´s areas, enabling enhanced cooperation for privacy and data protection;
- Mediate and interact with regulatory authorities on all privacy and data protection issues (Data Protection Agency and National Bank of Angola).

Main activities carried out in the field of privacy and data protection

During 2023, the Data Privacy area developed several activities with a greater focus on actions related to the assessment of the data privacy risk environment and, in general, supported from a regulatory perspective, all data privacy issues raised by the various areas of the Bank and the Standard Bank Group.

To ensure compliance with the requirements of the Personal Data Protection Law, whenever necessary, the area interacted with the Data Protection Agency for notifications, authorizations and requests for clarification.

Data Privacy Impact Assessment

Privacy and data protection impact assessments serve as a path for the Bank to obtain information relevant to the identification and assessment of potential privacy and data protection risks that may result from the implementation of policies, programmes and projects. The aim is to ensure that privacy and data protection risks are managed. Therefore, the privacy and data protection area, during 2023, triggered data privacy impact assessments across the Bank's key areas and systems, in order to ensure that the risk of non-compliance with data protection requirements is properly mitigated;

Advisory for other areas of the Bank

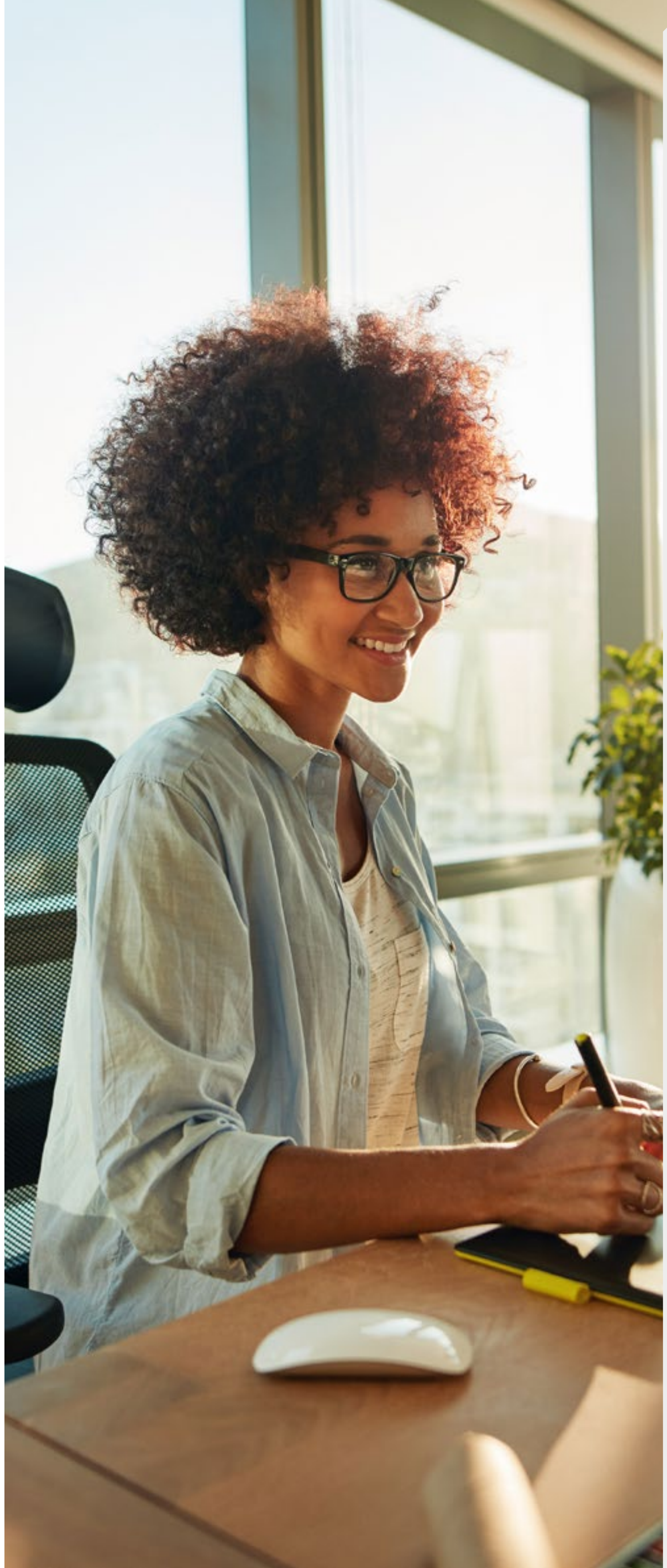
Several opinions were issued on the requests made by the business units and Standard Bank Group, as well as whenever any issue was verified that required the identification of the risks to which the Bank was exposed in the event of non-compliance with legal requirements;

Interaction with APD

11 processes were submitted for analysis, evaluation and approval of the APD and 25 notifications were sent to the BNA on the use or migration of systems to the cloud;

Awareness

Awareness was sent to the Bank with the identification of the requirements of the Data Protection Law and minimum data protection requirements, as well as the identification of the most important rules to consider, through "Frequently Asked Questions".



Training and Awareness

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 is detailed the state of completion of these training courses on December 31st 2023.

Title of Training	No. of Eligible Employees	No. of Training Courses Completed	% Completed	% Not Completed
CBC Wire Transfers	53	53	100%	0%
Strategic Compliance Thinking for Customer Coverage Interactions (CST)	31	31	100%	0%
Trading Room Communication Policy	8	8	100%	0%
Financial Sanctions and Anti-Terrorist Financing	23	23	100%	0%
Combating Money Laundering	718	713	99%	1%
General Awareness on Anti-Bribery and Corruption	716	709	99%	1%
Business Conduct	715	707	99%	1%
Personal Conduct	718	713	99%	1%
Conduct with Clients	709	695	98%	2%
CBC Correspondent Banks	62	60	97%	3%
CBC Non-Profit Organizations	104	101	97%	3%
CBC Trade Finance	132	127	96%	4%
CBC Virtual Assets	50	48	96%	4%
Market Abuse for the Global Markets Department	10	8	82%	18%

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, which 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.

Thus, during the year 2023, the following monitoring reports were issued, which resulted in the definition of improvement plans for the identified deficiencies:

• Anti-Bribery and Corruption;

• Card Protection Service;

• Simplified Accounts;

• Know Your Customer (KYC) Q1;

• Data Privacy;

• Value Limits on Transactions Carried Out in Payment Systems;

• Know Your Customer (KYC) Q2 & Q3

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, 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.

Personal Trading Accounts

SBA has a policy, the Personal Trading Accounts Policy, which is part of the group of policies aimed at assisting in the proper management and prevention of conflicts of interest. Thus, the Policy includes a series of guidelines on how the Bank's Employees should proceed when they intend to trade a relevant asset in the capital markets. Relevant assets include, but are not limited to, any financial instrument listed or for which an application for listing or admission has been made, debt securities (private or public), derivative instruments, precious metals and other commodities, etc.

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. The Bank's Gifts and Entertainment Policy states that all gifts, regardless of value, must be refused. In fact, gifts that cannot be returned are intended for donation to charities with which SBA has a relationship as part of its social responsibility programme.

Below is a summary of the activity registered until December 31st 2023:

No. of Gifts and Entertainment	AOA Value	Destination
103	16 672 157	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 Destruction

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:

1. Control, compliance and adherence to policies and standards related to anti-money laundering and terrorist financing, as well as review of procedures and processes in the different areas;
2. *Surveillance – Alerts Management;*
3. Alerts on sanctions/preparation of reports to the FIU;
4. Alerts of suspicious operations/preparation of reports to the FIU;
5. PEP alerts/recording of PEPs;
6. Reporting of cash operations above USD 15,000 and control of origin and destination declarations;
7. Investigation of Client transactions;
8. Interaction with Correspondent Banks;
9. Provide continuous training to employees on anti-money laundering and terrorist financing and related matters;
10. Awareness raising on anti-money laundering and terrorist financing matters;
11. Monitor cross-border transactions and ensuring the control of Money Laundering related to them (i) Safewatch, (ii) Alerts sent from Correspondent Banks;
12. Management of the Compliance risk matrix;
13. Ensure compliance with legal and regulatory obligations aimed at mitigating the risk of Bribery and Corruption;
14. Management of the Suspicious Transaction Monitoring Tool (Nice Actimize);
15. Preparation and publication of legislative and information alerts with an impact on matters relating to anti-money laundering and financing of terrorism and proliferation of weapons of mass destruction;
16. Interaction with regulators on anti-money laundering and countering the financing of terrorism and proliferation of weapons of mass destruction;
17. Preparation and reporting of reports;
18. Management of the High Risk Committee Secretariat;
19. Organization of Regulatory Universes and Compliance Risk Management Plans in matters of anti-money laundering and financing of terrorism and proliferation of weapons of mass destruction.

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 2023

To manage the ML/TF/PWMD risk, the Board of Directors approved the composition of the High Risk Committee (RAC) which has the mandate to decide on the beginning, maintenance and termination of relationships with high-risk Clients "A and PPE category (P)" based on the risk analysis that their profile represents for the Bank.

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

Sector	New Client	Relationship Maintenance	Approved	Pending Additional Assessment
Personal and Private Banking	226	454	686	4
Business and Commercial Banking	73	220	290	3
Corporate and Investment Banking	16	207	201	7

Monitoring of Clients and Transactions

The Bank has operational systems to support the fight against money laundering, terrorist financing and proliferation of weapons of mass destruction, which ensures the filtering of all Clients and transactions.

Monitoring systems identify, based on pre-defined risk parameters and scenarios, potentially suspicious people, entities, transactions and behaviors, enabling timely and effective detection of activities and transactions that may shape the practice of money laundering and terrorist financing.

During 2023, the Financial Crimes Management Unit identified a total of 25 650 (twenty-five thousand, six hundred and fifty) suspicious transaction alerts through the Nice Actimize tool, including alerts carried over from 2022.

Due to the instability identified in the rules for monitoring cash operations, namely "Excessive Deposits, Excessive Withdrawals, Structured Daily Deposits and Structured Daily Withdrawals", 4 238 (four thousand two hundred and thirty-eight) alerts were closed in mass, leaving a total of 21 412 (twenty-one thousand, four hundred and twelve) alerts, of which 18 349 (eighteen thousand three hundred and forty-nine) alerts were closed as non-suspicious and 2 474 (two thousand, four hundred and seventy-four) were closed as suspicious, giving rise to 1 416 (one thousand four hundred and sixteen) reports of suspicious transactions submitted to the Financial Intelligence Unit (FIU).

In addition, 527 (five hundred and twenty-seven) alerts related to sanctions and 5 174 (five thousand, one hundred and seventy-four) alerts related to the identification of PEPs were analyzed.

The table below summarizes the alerts generated and analyzed up to December 31st 2023.

Type	Alerts generated 2023	Reviewed and Closed	Pending	Sent to the FIU
Suspicious Transactions	25 650	25 064	516	1 416
Sanctions Tracking	651	527	128	0
PEPs	5 437	5 174	6	0
Number of Confirmed PEPs	413			

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 exclude the inclusion and recognition of another list that the Angolan State may consider, nor the fact that SBA considers 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 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
- Compliance Risk Matrix for CBC/FT
- KYC Process and Client Due Diligence Analysis Procedure
- Procedure for the Management of Correspondent Bank Questionnaires and RMA
- Human Resource Committee or HRC Administrative Management Procedure
- Operational Standards on Anti-Money Laundering, Terrorist Financing and Proliferation of Weapons of Mass Destruction CBC/FT/PADM
- Rules on Financial Sanctions and Countering the Financing of Terrorism
- Anti-Bribery and Corruption Policy
- Minimum Standards for Establishing Relationships with Correspondent Banks
- Surveillance Processes and Procedures
- Procedure of Account Restrictions and Freezing of Funds
- Procedure for Submitting Information to the Data Protection Agency
- Policy on Combating Money Laundering and Terrorist Financing - CBC/FT
- High Risk Committee Procedure
- Mandate of the HRC
- Risk Based Approach Framework to Combat Money Laundering and Terrorist Financing
- Policy on Monitoring Suspicious Transactions
- Regulatory Compliance Risk Universe Methodology Manual and Compliance Risk Management Plan
- Regulatory Guide to Archive Conservation
- Watchlist and Shortlist Policy
- Operational Standards on Anti-Money Laundering, Terrorist Financing and Proliferation of Weapons of Mass Destruction CBC/FT/PADM
- Trading Room Communication Policy
- Conduct Risk Policy
- Anti-Competition Policy
- Competition Manual
- Compliance Risk Management Governance Standards
- Manual for Interaction with Supervisory Entities
- Guidelines for Interaction with Regulators
- Compliance Guidelines for Multidisciplinary Client Service Team
- Mandate of the Fraud Risk and Investigation Unit
- Whistleblowing Policy
- Anti-Fraud Policy
- Procedure for submitting information to the Data Protection Agency
- Related Party Transactions Policy
- Client Risk Assessment Methodology (CRA)

Forensic Services

General Vision

Previously designated as the Fraud Investigation and Risk unit (IFR), the Forensic Services unit has had its name changed since June 2023 with the aim of ensuring the commitment to provide comprehensive and specialized services in the area of fraud investigation, generating efficiency in the *Modus Operandis*, as well as reflecting the integration of two teams that were previously separated, but with similar functions: Intelligence Fusion team and Fraud Risk and Investigation team of the Standard Bank Group. Notwithstanding the above changes, the Forensic Services unit remains committed to providing resources to all business units that will enable SBA to minimize the overall impact of financial crime, ensure the safety of its Employees and assets, as well as earn trust and generate value for its Shareholders and Clients.

Awareness

During the period between January and December 2023, the Forensic Services unit established an agreement with the Marketing team to create impactful fraud awareness campaigns to be displayed daily in the media at Standard Bank of Angola's facilities. The aim of these campaigns has been to educate the Bank's internal and external Clients about the various types of fraud and the preventive measures that can be applied to protect themselves. The Forensic Services unit has also periodically sent awareness emails to all Employees to ensure that they are informed about the latest fraud trends as well as prevention techniques, as well as the correct channels for reporting fraud incidents.

Whistleblowing channel and FraudStop program

In 2023, a total of 7 complaints were received on the complaint line. These complaints were forwarded to the People and Culture team for proper handling, as defined in the mandate of the Forensic Services unit.

Regarding the FraudStop program, an initiative of Standard Bank de Angola with the aim of rewarding those Employees who proactively report situations of fraud or any other type of irregularities, in the period between January and December 2023, the Forensic Services unit received an appointment regarding an alleged bribery attempt triggered by a Client. In view of the low uptake of the programme, the Forensic Services unit, together with the Marketing Department, has developed a pathway that facilitates access to the programme for reporting fraudulent situations. This is a Link located in the work environment of all Employees of Standard Bank of Angola that was created with the aim of directing Employees more efficiently to the website designated for capturing fraud incidents. With this measure, it is intended to create a greater appetite among employees to report irregularities and, in this way, help improve the internal control environment.

Training

During 2023, the following training sessions were held in person and through Microsoft Teams, organized by the Compliance Department:

Date	Subject	Target Audience
January	Gifts and Entertainment Policy	Training for all Standard Bank of Angola Employees
	Workshop - UR Notice no. 18/2022, of October 11th - Expansion of the Banking Network	BPP; BCB, CIB-Coverage; Financial Directorate-Procurement; RES; Legal Department and Engineering-IT Department
February	High Risk Committee (HRC) Clarification Workshop	BCB; CIB; PPB.
	Request for Information from Correspondent Banks	BCB; CIB; PPB;OPS.
March	Workshop on Notice No. 10/2022 (Granting of Credit to the Real Sector of the Economy)	Employees assigned to the various areas where the diploma has an impact
	Reporting of Suspicious Transactions	BCB; CIB; PPB; OPS.
	Workshop on KYC Requirements (PEPs, UBO and EDD)	BCB; CIB; PPB; OPS.
	Source of Funds and Support Documents	BCB; CIB; PPB; OPS.
April	Workshop on Guidelines for Interaction with Regulators; and Manual for Interaction with Supervisory Entities	Training for all Standard Bank of Angola Employees

April	Workshop on Notice No. 1/2022 (Opening, Operation and Closure of Bank Accounts)	Employees assigned to the various areas where the diploma has an impact
May	Workshop – UR of Notice no. 02/2022, of 02 February - Provision of Payment Services	Employees assigned to the various areas where the diploma has an impact
	Masterclass on the Regulatory Universe Methodology Manual and Compliance Risk Management Plan	Training for all Standard Bank of Angola Employees
	In the second quarter of 2022, the Fraud Risk and Investigation team initiated fraud awareness sessions, in which approximately 200 employees were exposed to the investigation and Fraud Risk mandate and policies, as well as general fraud concepts	Training for all Standard Bank of Angola Employees
	UR Workshop – Instruction No. 24/16 (Duties of Enhanced Diligence)	Employees assigned to the various areas where the diploma has an impact
June	UR Workshop - Notice No. 04/2022 – Expansion of Financial Services	Employees assigned to the various areas where the diploma has an impact
	Reporting of Suspicious Transactions	BCB; CIB; PPB; OPS.
	Source of Funds and Support Documents	BCB; CIB; PPB; OPS.
	Workshop on KYC Requirements (PEPs, UBO and EDD)	BCB; CIB; PPB; OPS.
July	Anti-Money Laundering Training	Members of the Board of Directors
	Anti-Bribery and Corruption	Training for all Standard Bank of Angola Employees

4.3.2

Risk Management Model

General Vision

The Risk Management function, as a secondary line of defense, is responsible for independent and expert oversight of risks, including tools, policies, assistance, training for better and proactive risk management in the Bank. 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 management, always making sure the Bank does not present excessive exposures to certain risks of its activity.

The Bank's Internal Control System is in accordance with the principles set out in BNA Notice No. 01/2022, as well as being aligned with international best practices in Internal Control Systems and Corporate Governance.

According to its current structure, the Risk Department is directly responsible for Credit Risks, Market Risk, Liquidity Risk and Non-Financial Risk (including Reputational Risk); Business Continuity Management; Information Risk; Coverage Management (Warranties and Insurance).

The main responsibilities of the Risk Department are:

• Define the risk management framework and policies;

• Facilitate Risk Management activities through the risk management lifecycle;

• Facilitate the calculation of capital requirements for all applicable risk types;

• Challenging day-to-day risk management decisions;

• Monitor and provide expert advice on emerging threats;

• Monitor whether risk decisions are being made in accordance with risk culture and appetite and reporting of breaches;

• Manage the interface with regulators regarding industry policy, risk and compliance issues;

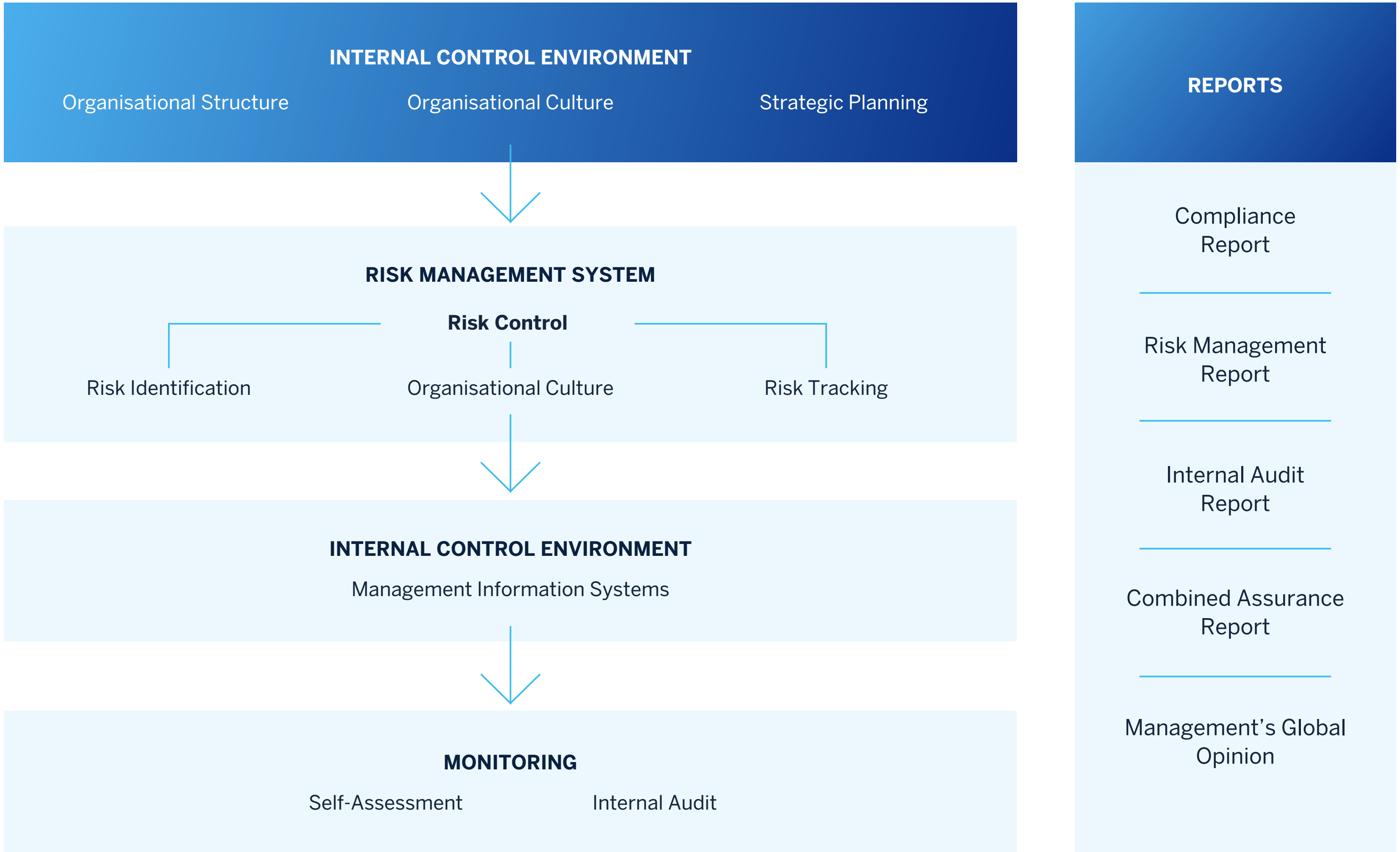
• Compile risk disclosures in accordance with regulatory requirements;

• Analyze compliance with risk standards;

• Conduct independent analysis in specific areas of risk and control.

Governance and Risk Management Structure

The Bank's Board of Directors has the ultimate responsibility to supervise the Risk. For the period under review, Risk Management, Compliance, Internal Audit, Foreign Exchange Control and Capital Management Functions have worked effectively and the Bank's business activities have been managed within the risk appetite approved by the Board of Directors. The Bank is functioning accordingly, adequately funded and capitalised to support the implementation of its strategy.



Risk Management Model and Organisation

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

In 2023, SBA continued to implement and improve its processes, policies and procedures, within the scope of its Internal Control System, in order to monitor the growth of the activity and ensure compliance with strategic and operational objectives, safeguarding the safety of its operations.

SBA has adopted three lines of action as a model, which we consider efficient in view of the existing risks in the business. Responsibility for risk management within each line of defense lies at the Functional and Committee level. The Reporting Lines ensure the segregation of duties and independence of the model. The three lines of action are described below:

	Description	Responsibilities
1st Line of Action	Management of Business and Support Units	• Be primarily responsible for the Bank's risk management. • Risk assessment, evaluation and measurement is an ongoing process that is integrated into the day-to-day activities of the business. This process includes implementing the risk management framework, identifying risk-generating situations, and taking corrective action where necessary.
2nd Line of Action	Group and business unit with risk management functions that are adequately independent of business management	• The Bank's Risk Management functions are primarily responsible for defining the risk management structure and policies, providing independent oversight and reporting to executive management through the Risk Committee of Standard Bank of Angola, and to the Board of Directors through the Credit Committees, the Risk Management Committee, the Risk Management Committee, the Credit Committee, of Assets and Liabilities. • The risk management functions of the business units aim to implement the risk management model as well as related policies in the business units, approve the risks within specific mandates, and provide an independent overview of the effectiveness of risk management by the first line of defense.
3rd Line of Action	Internal Audit	• Provide an independent assessment of the adequacy and effectiveness of the overall risk management framework and risk management frameworks and reports to the Board of Directors through the Audit Committee.

Main Risk Management Policies

Credit Management Policies

- Credit Policy
- Rating policy and credit support
- Delegated Authority Policy + Matrix
- LGD Facility Degree Replacement Policy
- LGD Replacement Policy
- Unfavorable/Adverse Correlation Risk Policy
- Securities Financing Policy
- Transaction Risk Carrier Policy
- Policy on intra-group transactions and loans to related parties
- Policy for the approval of the merger of counterparties
- Country risk policy
- IFRS9 Risk Credit Deterioration Policy
- Environmental and social standards and policy
- Environmental and social management system policy
- Liquidity Risk Policy
- Stress Testing Policy

Liquidity Management Policies

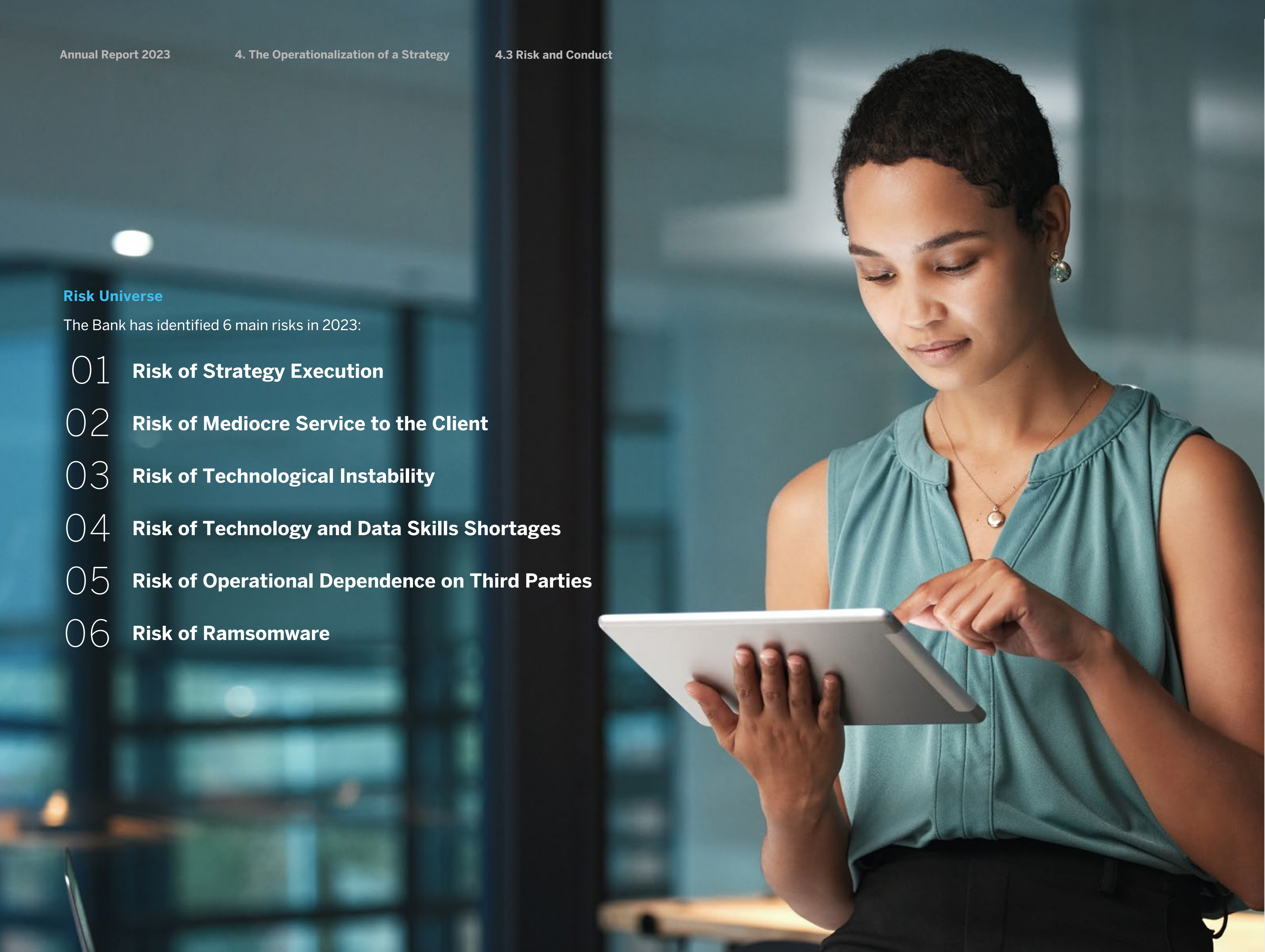
- Foreign Currency Convertibility and Transferability Policy
- Funds Transfer Pricing (FTP) Policy
- Liquidity Risk Policy
- Prudential Limit Management Policy (MPL)
- Eligibility policy for marketable assets
- Profiling Methods Policy
- Banking Interest Rate Risk Policy (IRRBB)
- Stress Testing Policy
- Self-Assessment Stress Testing Policy
- SBA's Banking Book Interest Rate Risk Policy (IRRBB)
- SBA's Funds Transfer Pricing Policy (FTP)

Non-Financial Risk Management Policies

- Business Resilience Policy
- Information Risk Management Policy by External Parties
- Information Risk Management Policy
- Risk Data Aggregation and Risk Reporting Policy (RDARR)
- Risk Assurance Policy
- Third-Party Risk Management Policy
- Non-Financial Risk Management Policy
- Data Risk Aggregation and Risk Reporting Policy (RDARR)
- Reconciliation Policy
- Business Resilience Policy
- Information Assets Acceptable Use Policy

Market Risk Management Policies

- Market Risk Policy



Risk Universe

The Bank has identified 6 main risks in 2023:

01 **Risk of Strategy Execution**

02 **Risk of Mediocre Service to the Client**

03 **Risk of Technological Instability**

04 **Risk of Technology and Data Skills Shortages**

05 **Risk of Operational Dependence on Third Parties**

06 **Risk of Ramsomware**

The following factors have been considered in the identification of the 6 main risks:

- Business risks prioritized by the group
- Internal operating environment
- External operating environment
- Banking and Business Strategy
- Budget – areas of growth, e.g. loans and advances
- Incidents of irrecoverable losses
- Current Capacity and Resources to focus on the most critical
- Internal systems and processes, including RCSAs and KRIs
- Opinions of the members of the Leadership Council (LAC)

The factors mentioned above were agreed with the Management Board (LAC), and action plans to address these vulnerable areas were presented to the Risk Management Committee and Risk Committee of the Board of Directors for the scope of 2023/24. The Bank is in the process of completing a further 50% of the agreed actions by the end of the year.

Risk Life Cycle

1

Identification

Risks are identified through a continuous analysis of the internal and external environment on an ongoing and ad hoc basis when changes occur. Risks should be identified for strategic focus areas, key processes, products, services, systems, Clients, markets, third parties, geographic regions, etc. This is not an exhaustive list as there may be other factors that trigger risk identification.

Risks shall be defined, expressed or stated as follows (in any order) as well as classified into a risk type:

- **Event** - The event that would occur
- **Cause** - The causes/sources of the event
- **Impact** - The impact/implications/effects of the event

2

Assessment

Risk assessment is necessary to prioritise often extensive lists of identified risks and effectively manage a reasonable number, at the relevant level of the Bank. Scenario analysis is also used to assess risks objectively or subjectively. Scenarios must be credible and plausible.

3

Measurement

Measurement involves determining financial exposures to key risks. Types of financial risks are better suited for measurement, while non-financial or strategic risks require the additional steps of scenario analysis.

Risk appetite:

Risk appetite is an expression of management's judgment of the maximum level of risk the Bank is willing to assume in pursuit of its financial and strategic objectives.

The Risk Appetite Statement (RAS) is defined by the Group's Board of Directors and approved by the Bank's Board of Directors. The delegation of this declaration to lower levels is carried out through the hierarchy of the Bank's different decision-making rights.

A breach of the agreed maximum risk appetite should be avoided, managed or reported to the appropriate risk committees.

A RAS is made up of risk appetite - defined at Group level and Risk Thresholds that are used to allocate risk appetite to the Bank's risk types.

4

Treatment

After risk appetite/risk threshold analysis, risk decisions should be made to look for the positive opportunity and/or minimize the negative one. Available treatment options are:

Avoid - Do not engage in business activities that expose SBA to a specific risk. This includes strategic choices not to conduct business in specific sectors or locations.

Transfer or share - Transfer the obligation to bear the impact of the risk to another party, in whole or in part. This is mainly achieved through the Bank's insurance program.

Mitigate or reduce - Invest in and implement process and management controls that can avoid or reduce the impact of risk should it occur. This includes credit and investment management policies, pricing and capital allocation strategies, business resilience and crisis management plans, liquidity management strategies and conduct management measures. A control library should be maintained to allow for effective implementation, evaluation and monitoring of key controls.

Accept - Accept the risk and do not address it when the potential impact is within an acceptable level of deviation from expectations, or the cost of additional controls outweighs the benefit.

5

Monitoring

Both the risk environment and the control environment should be monitored on an ongoing basis at all levels of the Bank, including business units and corporate functions, legal entities and risk types.

Independent Assurance - Independent assurance review services are provided by the risk function teams as well as the GIA, external auditors and other combined assurance to offer an integrated assurance opinion that includes verification of the results of the Management's self-assessment to cover all lines of defence.

Incident escalation - Certain material risk incidents should be immediately escalated to ensure that resources are appropriately applied to mitigate the impact and to ensure that regulatory obligations are met, when applicable.

Risk Concentrations - Risk concentrations must be regularly monitored for all material risks at the level of the Financial Conglomerate by the Risk Management Committee, as well as within the Financial Conglomerate, and the Business Units.

Those responsible for the types of risks shall monitor the exposures to the concentration of the relevant type of risk and allow the control of concentrations of risks by the Bank's Risk Management, adopting the guidelines provided to ensure a consistent approach between the types of risk, with reference to natural disasters or catastrophes in which the Credit, Insurance, business disruptions, people and other types of risk may be affected.

6

Stress Tests

The stress testing exercise carried out by Standard Bank, apart from being a crucial tool for the Bank's internal risk management, also responds to the guidelines provided for in Instruction No. 2/2017 issued by the National Bank of Angola, which aims at effective and efficient risk management, as well as safeguarding the solvency and liquidity of Financial Institutions operating in the Angolan Financial System.

The impact on Net interest Income is calculated considering the impact of the change in interest rates on the balance sheet in national currency and the impact resulting from the depreciation of the foreign currency, as well as changes in credits and exposures in correspondent banks.

The impact on MF is estimated by applying the change in average interest rates under the macroeconomic stress scenario to the current estimated sensitivity in MF (increase/decrease in MF as a percentage of current MF and to the MF basis for the budget and forecasts.

7

Reports

Risk communication is the flow of information about the state of the risk and material control environment from lower levels of the organization, including members of the financial conglomerate, through the Committee structure, to an aggregated view of material risks in the global leadership board and the Board of Directors.

Risk Appetite

Standard Bank of Angola accepts non-financial risks, including operational risks inherent in the conduct of its business strategy, provided that these risks are controlled through the following three fundamental pillars:

Limit impact on results	Aggregate net operating losses are expected to remain below a specified percentage of gross operating income (GOI) over a period of 12 consecutive months. Annual operational risk losses over a 10-year stress period shall not exceed a specified tolerance amount.
Limit the impact on solvency	Limit the GOI economic capital ratio to a specified maximum percentage. Limit economic capital requirements for the following year to no more than 120% of the budgeted amount. Limit the regulatory capital requirement for the following year to no more than 110% of the budgeted amount.
Limit the impact of unacceptable risk elements	Including violation of the law: unethical/ inappropriate behaviour that damages the reputation of SBA, disruption of services provided to Clients, inappropriate behaviour in the market or knowingly causing a breach of regulatory requirements, as well as damage to the environment.

The 2023 risk appetite statement was approved by the Risk Committee of the Board of Directors in January 2023. The risk appetite statement considered the following factors:

- Economic conditions;
- The Bank's strategic intent for 2023;
- Strategic Line-of-Business Initiatives and Ambition;
- Capital allocation and internal risk management processes.

Risk Management is responsible for monitoring SBA's current and future risk profile in relation to risk appetite factors and risk tolerance limits, both under normal and stressed conditions (before and after management measures). Management takes measures to contain the current and future risk profile of portfolios within the agreed limits of risk appetite and risk tolerance.

Stress Tests

Stress tests are a key management tool used to assess the sensitivity of the current and future risk profile to the various levels of risk appetite. Stress tests support a range of the Bank's processes, including: liquidity planning and management; information on the context of the risk appetite statement; proactive risk identification and mitigation, through actions such as reviewing and changing limits, limiting exposures and hedging; facilitating the development of risk mitigation or contingency plans, including recovery plans under various stress conditions. Stress Tests are carried out at the Bank as part of the regulatory requirement (ILAAP and ICAAP) and internally, as part of good risk management practices.

Standardized Stress Tests

SBA conducts standardized stress tests on the Banking System on an annual basis, in accordance with Directive No. 02/DSB/DRO/2022. The tests were submitted for the first time on April 30th 2023. The exercise was executed with reference to the year ended 31st December 2022 and the results indicated a sound capital and liquidity position. It should be noted that, within the scope of the legislation in force, the Regulator reserves the right to request ad hoc stress tests to be carried out, as well as to require institutions operating in the financial system to provide information of various kinds for the purpose of carrying out systemic stress tests.

Macroeconomic stress tests

These tests were carried out across various types of risk, in an integrated manner, for a range of economic scenarios based on severe but plausible macroeconomic shocks that may simultaneously affect several different risk factors and the resulting impact on the Bank's profit and loss statement, balance sheet and demand for regulatory capital, after consideration of mitigating actions.

Macroeconomic stress tests should be carried out at least annually and aligned with the presentation of the ICAAP and ILAAP, this includes the baseline scenario and migration scenarios. The results of the macroeconomic stress tests are presented as part of the annual ICAAP and ILAAP exercise and the Integrated Recovery Plan (IRP).

All stress tests conducted indicate a resilient balance sheet with a strong capital position and sufficient liquidity.

Types of Risks

Credit Risk Management

This area is divided into the CIB, BCB and BPP segments, and they are responsible for implementing the Bank's credit policies and monitoring compliance with limits in accordance with credit risk appetite, to **ensure sustainable growth in the portfolio, and reduce the risk of losses respecting the criteria defined by the Bank's regulations and standards in force**.

Credit risk management includes a set of integrated credit exposure monitoring processes, carried out daily by credit teams and on a regular basis through credit risk committees.

Market Risk Management

The Market Risk Department is responsible for **monitoring the integrity of the exposures assumed by the Capital Markets area and for ensuring that the exposure is in accordance with the principles defined in the Bank's internal policies and limits defined by the Regulator**. In this way, the defined risk/exposure limits are periodically reviewed, and exceeding them requires their immediate escalation for approval by a higher hierarchical level, as well as the taking of immediate corrective actions in the form of an extension of the limit or a reduction of the risk.

Within the scope of its activities, the Market Risk area registers the identification of risks in the Trading and Banking Books, performs VaR calculations, PV01, prepares scenarios, prepares stress tests, manages limits and violations, monitors the NOP – "net open position" (Group and Regulatory), price verification (BTI), performs Backtesting calculations, and keeps track of regulatory capital.

The report of its activity and recommendations is presented to the Assets and Liabilities Management Committee monthly.

Foreign Exchange Risk Management

At Standard Bank, the management of foreign exchange risk is the responsibility of the Capital Markets Department, to which all positions originated in the other business areas are transferred in real time.

The limits for open positions (NOP – "net open position") are defined and monitored daily.

Interest Rate Risk Management

Interest rate risk **refers to the impact that movements in interest rates have on the Bank's results and asset value**. This risk derives from the different maturities or revaluation of the entity's assets, liabilities and off-balance sheet positions (revaluation risk), due to changes in the slope of the interest rate curve (curve risk), due to variations in the relationship between market curves affecting different banking activities (basis risk).

Interest rate risk corresponds to the risk of the present value of the future cash flows of a financial instrument that may fluctuate due to changes in market interest rates. This risk is monitored monthly by the Assets and Liabilities Committee (ALCO).

Liquidity Risk Management

Liquidity risk is defined as **the risk that an entity, although solvent, will not be able to maintain or generate sufficient financial resources to meet its payment obligations in full when they fall due, or can only do so on materially disadvantageous terms**.

At Standard Bank, ALCO is responsible for establishing the guidelines for liquidity risk management, so that there is an adequate management of receipts and payments over time.

Liquidity risk management is the responsibility of the Treasury and Capital Management (TCM) area, which monitors and measures the liquidity risk to which the Bank is exposed. TCM reports the results of each liquidity risk measure to the Assets and Liabilities Committee (ALCO).

Regulatory liquidity requirements must be always complied with and the Bank must also comply with the requirements set out in the Liquidity Risk Policy. This applies to both the local currency component and the other currency component on the balance sheet. Limits, guidelines and additional requirements apply separately for each significant currency.

SBA also analyses liquidity risk exposures in conjunction with other risks, including credit, market, non-financial and legal risks.

The Bank's liquidity risk management is formally defined in the Liquidity Risk Standard and the Liquidity Risk Policy.

The Liquidity Risk Standard establishes and defines the principles for the Bank's exposure to Liquidity risk, as well as the general framework for a consistent and homogeneous governance of identifying, measuring, monitoring, and reporting this risk. The Liquidity Risk Standard is aligned with the requirements of the comprehensive Risk Governance Standard and further defines guidelines for liquidity risk management.

According to the Liquidity Risk Standard, the principles for liquidity risk management adopted by the Bank are as follows:

- Liquidity stress and scenario testing;
- Management of the structural liquidity mismatch;
- Long-term financing ratio;
- Maintenance of minimum levels of net assets;
- Restrictions on the concentration of deposits;
- Stress testing and scenario analysis;
- Liquidity contingency plans;
- Local currency deposit transformation ratio;
- Foreign currency deposit transformation ratio;
- Dependence on the interbank market;
- Intraday liquidity management;
- Collateral management;
- Daily Cash Flow Management;
- Funds Transfer Pricing (FTP);
- Financing Plans;
- Quantification of funding risk.

The document on methods for creating the behavioural profile (*vis-à-vis* liquidity risk) is a supplement annexed to the Liquidity Risk Policy, which defines the behavioural profile that should be applied to the main balance sheet and off-balance-sheet items in order to support the compilation of the liquidity mismatch under normal business conditions, SBA's structural liquidity mismatch, as well as dynamic funding mismatches and static liquidity mismatches based on liquidity stress tests and scenario analyses.

Standard Bank has also defined a Liquidity Contingency Plan (LCP), which aims to mitigate, as much as possible, the impact of a liquidity crisis by establishing a governance structure that:

- Indicates the Bank's response to a liquidity problem, including early identification, escalation and guidelines for the Bank's management during a liquidity crisis;
- Provides an understanding of the impact that a liquidity crisis can have on all stakeholders;
- Identifies critical management information;
- Provides a mechanism for monitoring warning signs;
- Records the types and potential sources of a liquidity crisis; and
- Incorporates the lender of last resort principle if the Bank fails in its efforts to deal effectively with a liquidity crisis, as the cause may be significant or because the Bank does not have sufficient capital.

The Liquidity Contingency Plan should be read in conjunction with the Liquidity Risk Standard and Policy. The underlying principle of liquidity risk management, as stipulated in the Liquidity Risk Standard, is that the Bank is an autonomous entity and must manage current and future liquidity requirements for domestic currency and foreign currencies accordingly.

It is not feasible to hold a sufficiently high amount of readily available liquidity to cover the least likely liquidity events. However, as such events can have devastating consequences, it is imperative to bridge the gap between the liquidity that the Bank chooses to hold and the maximum liquidity that the Bank may need.

Non-Financial Risk Management

Non-Financial Risk is defined as the risk of loss resulting from inadequacy/failure in internal processes, people, systems or external events which include legal risks, information risk, change risk, business interruption risk, fraud risk, compliance risk, cyber risk, conduct risk, environmental risk, social risk, governance risk, Financial Accounting Risk, Financial Crime Risk, Model Risk, People Risk, Tax Risk, Technology Risk, Third Party Risk, Transaction and Physical Asset Processing Risk, and Protection.

The Bank's Non-Financial Risks Department is responsible for identifying, analyzing, measuring, managing, monitoring and reporting operational risks through the application of quantitative and qualitative measures. This allows to assess the level of risk (probability vs. severity) and the cost of mitigation versus the benefit, as well as the type of controls necessary 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.

On the other hand, from a qualitative analysis perspective, the Department makes use of self-assessments of Risk Controls made by the business and support areas.

Through these analyses, the Department, through the Risk Management Committee, monitors and reports on a monthly basis the financial impact of operational risk on the monthly profits of each Business Unit, through the use of a Capital Model in accordance with guidelines established in Basel II.

Business Risk Management

Business risk corresponds to the risk of loss due to operating revenues insufficient to cover operating costs.

SBA seeks to mitigate this Risk through:

- Conducting in-depth due diligence in the pre-investment phases;
- Conducting a risk analysis of new products and services, or changes to them;
- Monitoring of ratios such as: cost-to-income, which allows you to intervene early and implement management actions to reduce costs; and provisions for impairment losses;
- Anticipation of changes in market conditions;
- Through a rigorous budgetary process, both at the level of budget definition and at the level of monitoring compliance with the budget.

Business risk includes strategic risk since the Business Plans and Strategies may be inadequate and generate financial losses or affect the competitive position and return for the Bank's shareholders and are therefore considered a risk.

To prevent or mitigate strategy risk, the Bank's Business Plans and Commercial Strategies are discussed and approved by the Management Body and, where appropriate, are subjected to stress tests.

The Risk Department also monitors this risk monthly through indicators such as the Result of the period, JAWS and Cost to Income.

Reputational Risk Management

Reputational risk is actual or potential damage to the Bank's image, which may impair the profitability and/or sustainability of its business. Such damage may result from a breach of trust, or in the business relationship on the part of Clients, counterparties, shareholders, investors or regulators, which may adversely affect the Group's ability to maintain the existing business or generate new business relationships and continued access to sources of financing.

There is a growing emphasis on reputational risks arising from compliance breaches, as well as from ethical considerations linked to countries, Clients and sectors, and environmental considerations.

SBA's crisis management processes are designed to minimize the reputational impact of the event.

The Bank's Code of Ethics is essential as a way of mitigating reputational risk and is a point of reference for all the Bank's Employees. The Executive Committee is ultimately responsible for compliance with the Code of Ethics, considering the implementation of a Conduct Committee.

01
02
03
04
05
06

4.4

Operational Excellence

4.4.1

Operations

Mission

The Operations Department strongly believes in putting the Client at the heart of everything. The mission is to provide exceptional service, consistently, listening carefully to Clients' needs and providing innovative solutions to meet and exceed their expectations.

Valuing the people who make up the team, recognizing their qualities, diversity of profiles and their unique talents. The vision is to help build a Bank that not only meets but exceeds the financial and investment needs of Clients, while also empowering the team to reach its full potential.

There is a commitment to creating an environment where integrity, excellence and professionalism are the pillars of daily work.

Main Focus Areas for 2024

Client Focus

01

Client Experience Excellence:
As a top priority, it is intended to establish SBA as an undisputed leader and consistent in the experience provided to Clients.

02

Operational Efficiency:
SBA is committed to improving operational effectiveness and efficiency in all areas that make up Corporate Direction.

03

Client Interaction:
There will be a continued emphasis on actively listening to Clients, identifying their expectations to develop innovative solutions in response.

04

Complaints Support:
The commitment is to proactively address and resolve the top five complaints received from Clients to consecutively improve their journey and satisfaction.

05

Performance Goals:
Establish concrete goals to achieve greater efficiency and effectiveness in all areas that make up our Corporate Direction. Metrics will be defined for regular monitoring, allowing to quickly and timely adjust the plan outlined, maximizing effort and customer satisfaction.

People and Culture

06

Ideal Work Environment
The goal is to recognize the Bank as the best employer in Angola, providing growth and development opportunities for its Employees.

07

Corporate Communication:
Ensure clear and transparent communication, ensuring that information pertinent to the Board is shared on a regular basis.

08

Valuing Employees:
Recognizing the performance and contribution of Employees will be a constant practice.

Internal Control

Make efforts to strengthen the internal control environment, minimizing risks and proactively improving processes and procedures and investing in regular reinforcement of team training, enhancing and cultivating an increasingly present risk culture.

09

Audits and Corrections:
Carry out frequent and proactive monitoring of previously identified incidents to prevent recurrence and ensure the efficiency of the defined controls.

10

Incident Management:
Be focused on reducing the number of reported incidents and reducing the resulting operational losses.

11

Resolution Deadlines:
Strictly control the deadlines for solving identified problems, ensuring effective and timely responses.

Key Highlights of 2023

Mission

The Operations Department achieved the following results in the main areas of intervention:

01

Client Experience Excellence:

As a top priority, it is intended to establish SBA as an undisputed and consistent leader in the experience provided to Clients.

02

Internal and External Client Experience:

During 2023, the focus continued to be the use of dashboards for the daily management of teams, as well as to support management decisions and the identification of patterns and trends that may be relevant to continuous improvement initiatives. Training sessions were held to be used by the entire Board.

A satisfaction survey was also carried out for the various teams of the Bank to listen to and assess the contributions of internal partners and, in this way, identify and define action plans to maximize their satisfaction.

Metrics for measuring service levels in various departments of the Directorate have been improved to have visibility of them in a timelier manner and to promote the automation of processes on a continuous and regular basis.

4.4.2

Technology

General Vision

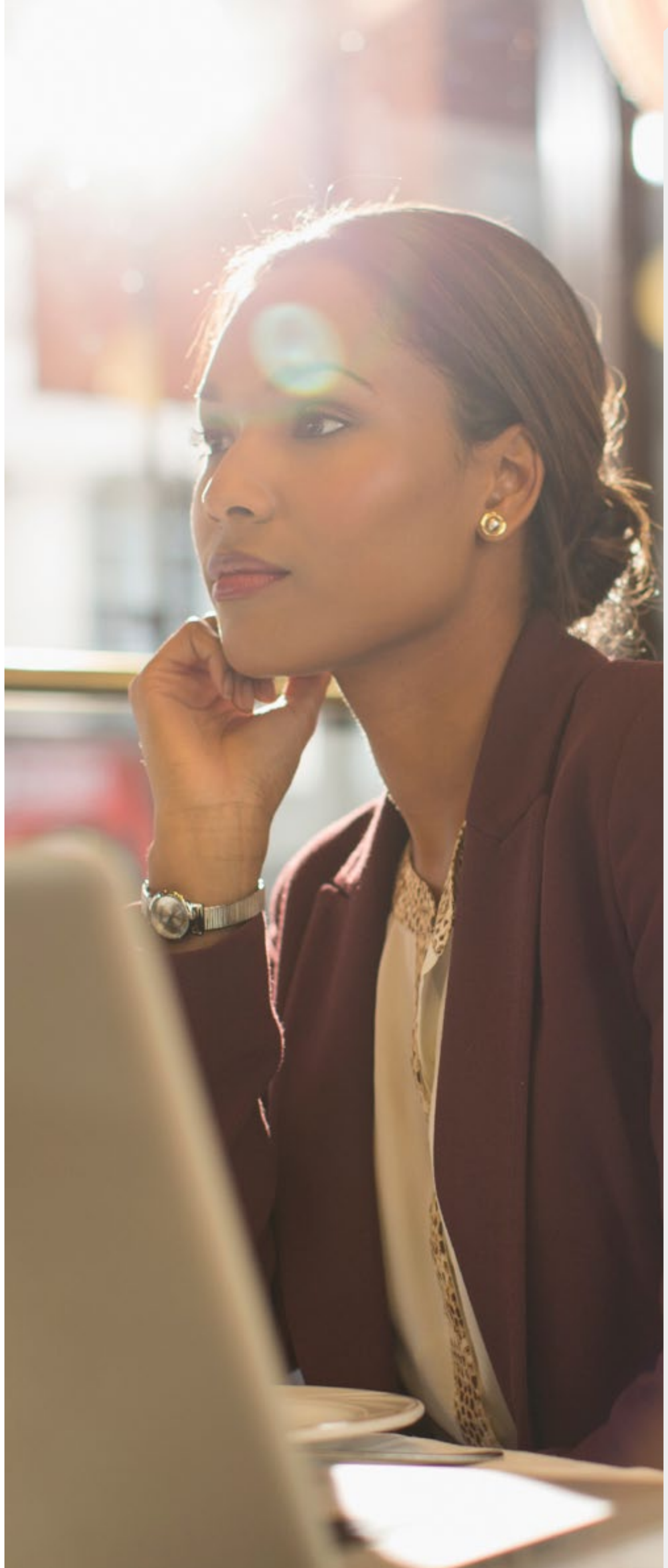
The Technology Department is responsible for supporting all business lines and support functions for the operationalization of the strategy, ensuring the operationalization in line with the priorities outlined by the Executive Committee. This multidisciplinary team with leadership skills is composed by the areas of Application Development, Maintenance and Support, Information Security, Data Centre & Recovery Service, Production Assurance & Customer Care, Programme Management Office, Infrastructure, Network Service & Architecture.

The technology and operations areas provide services to the business that must respond in a synchronized manner to the needs of the Client and the market. For this reason, the Technology Department is responsible for the implementation, optimisation and execution of a large part of the business processes.

The Technology team focuses a lot on ensuring the implementation and operation of all solutions as efficiently as possible in its most diverse capacities and skills, through the Always-On program, using methodologies used by BigTech, such as the Site Reliability Engineer (SRE) role, ensuring better performance, monitoring and recovery of services and increasing their SLA for Clients (Internal or External).

Customized integrations with companies are also the 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).



Application Development, Maintenance and Support

It plays a key role in ensuring the efficient and seamless flow of operations. This area is responsible for creating, maintaining, and improving the systems and applications that are used by both Clients and internal users.

Regarding application development, the team works closely with the Bank's business areas to understand their needs and develop customized solutions that meet those requirements.

Additionally, the support team is responsible for ensuring that the applications are available, working properly, and that any technical issues are resolved quickly and efficiently. The team monitors the performance of systems, responds to user support requests, and deploys updates and bug fixes whenever necessary.

Information Security

Angola and the financial sector 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 several 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 Center & Recovery Service

The Data Center and Recovery Service area within a Bank plays a crucial role in ensuring the availability and security of information technology (IT) systems. This area is responsible for managing and maintaining the Data Center, which is where all servers, data storage systems, and network infrastructure are hosted.

The Data Center is the heart of the Bank, where all information and transactions are processed and stored. The Data Center team ensures the continuous operation of the servers, monitoring the performance, capacity and security of the infrastructure.

The Recovery Service team is also responsible for ensuring the Bank has adequate recovery plans in place for technological disasters. This involves creating regular backups, implementing backup systems, and conducting recovery testing to ensure the ability to restore operations quickly in the event of failures or disasters.

Production Assurance & Customer Care

The Production Assurance & Customer Care area plays a crucial role within a Bank, ensuring the availability and quality of the services offered to Clients. This area is responsible for monitoring and maintaining the Bank's IT infrastructure, ensuring that all systems are working properly and that services are available to Clients.

The Production Assurance team is responsible for constantly monitoring the Bank's systems, identifying, and resolving performance or outage issues. This team is also responsible for carrying out regular tests and checks, to ensure the stability and capability of the systems.

Customer Care has the responsibility to deal with the needs and concerns of Clients in relation to the Bank's services. They are responsible for providing technical support, resolving issues, and ensuring Client satisfaction.

During an intervention in the Bank's system which has an impact on Client's availability, the Production Assurance & Customer Care area plays an important role in the formal communication of this event. They are in charge of notifying affected Clients of the planned intervention, as well as providing information on the anticipated downtime and any alternative support measures available during that period.

Programme Management Office

The Programme Management Office (PMO) plays a key role in ensuring the efficiency and success of ongoing projects and programmes. The PMO is responsible for providing support and guidance to project managers and the teams involved, as well as ensuring compliance with the standards and processes set by the organization.

The PMO is responsible for various activities, including:

01 **Portfolio Management**

02 **Project Management**

03 **Monitoring and Control**

04 **Risk Management**

05 **Standardization and Continuous Improvement**

06 **Communication and Alignment**

In summary, the PMO plays a vital role in providing support, guidance, and management for projects and programs. It promotes standardization, efficiency, and effectiveness of activities, ensuring that projects are delivered successfully, on time, and within budget.

Network Service & Architecture

The Network Service & Architecture area plays a key role within a Bank, as it ensures connectivity, security, and trust in the organization's network infrastructure. This area is responsible for designing, implementing, maintaining, and monitoring the Bank's communication network, ensuring that services are available to Employees and Customers.

The role of a Bank's Network Service & Architecture area includes:

01 **Network Design and Implementation**

02 **Network Maintenance and Monitoring**

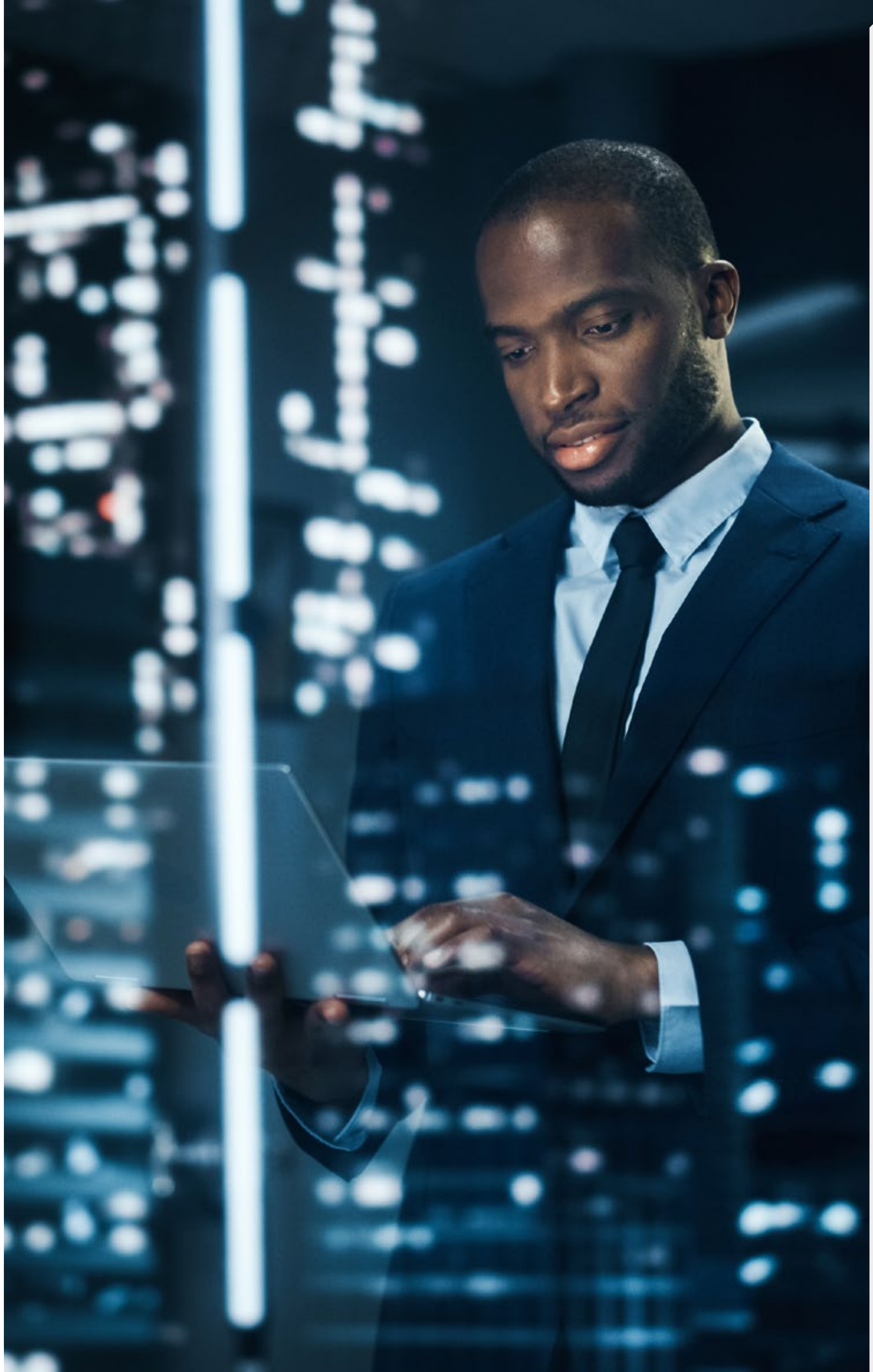
03 **Network Security**

04 **Connectivity and Availability**

05 **Technical Support**

06 **Planning and Strategy**

In summary, the Network Service & Architecture area is responsible for designing, implementing, maintaining, and monitoring network infrastructure. It plays a crucial role in network connectivity, security and reliability, ensuring that services are available to Employees and Clients, as well as providing technical support and strategic planning for the network infrastructure.



4.5

Financial Key Figures

4.5.1

SBA's Key figures

Balance Sheet Analysis

On December 31st 2023, Standard Bank of Angola registered a 47% increase in the value of its total assets, which was essentially supported by the retention of the value generated by its operating activity, the continuous reinvestment in low-risk and high-return assets, thus contributing to the sustainability of its long-term growth. The 2023 financial year is also marked by the capital increase carried out by the Bank.

Balance

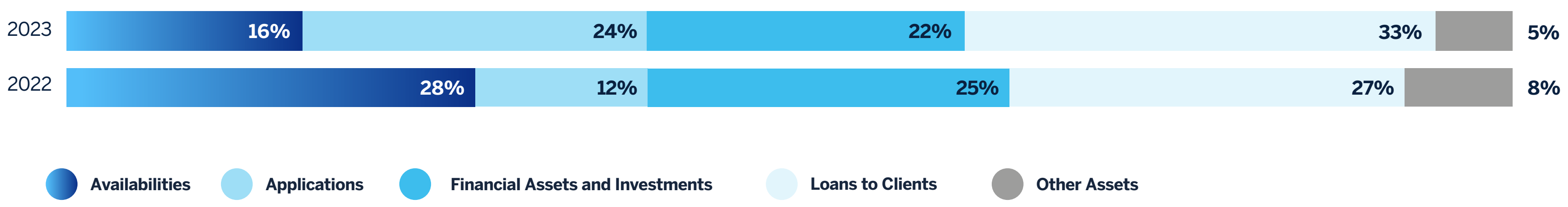
	Thousands of Kwanzas			Thousands of USD		
BALANCE SHEET	31.12.2023	31.12.2022	Variation	31.12.2023	31.12.2022	Variation
Assets						
Cash	259 516 316	301 890 505	-14%	310 023	592 730	-48%
Deposits in central banks and other credit institutions	379 531 040	132 120 422	187%	453 395	259 405	75%
Financial assets at fair value through profit or loss	29 042 145	6 394 206	354%	34 694	12 554	176%
Financial assets at fair value through other income	195 739 065	168 436 476	16%	233 834	330 707	-29%
Investments at amortised cost	126 451 796	93 348 877	35%	151 062	183 281	-18%
Loans to Clients	518 266 076	297 184 635	74%	619 130	583 491	6%
Fixed assets	48 657 698	50 610 061	-4%	58 127	99 368	-42%
Other assets	35 540 546	30 834 019	15%	42 457	60 539	-30%
Total Assets	**1 592 744 682**	**1 080 819 201**	**47%**	**1 902 723**	**2 122 076**	**-10%**
Liabilities and Equity						
Deposits from central banks and other credit institutions	9 098 000	42 539 372	-79%	10 869	83 522	-87%
Deposits from Clients and other loans	1240 346 130	743 387 714	67%	1 481 741	1 459 564	2%
Financial liabilities at fair value through profit or loss	1	10	-90%	0	0	0%
Provisions	4 935 717	4 148 379	19%	5 896	8 145	-28%
Current tax liabilities	88 029	1 734 317	-95%	105	3 405	-97%
Deferred tax liabilities	9 161 912	9 723 558	-6%	10 945	19 091	-43%
Subordinated debt	25 326 058	15 386 552	65%	30 255	30 210	0%
Other liabilities	80 489 013	65 023 426	24%	96 154	127 667	-25%
Total Liabilities	**1 369 444 860**	**881 943 328**	**55%**	**1 635 965**	**1 731 604**	**-6%**
Equity						
Share Capital	21 000 000	9 530 007	120%	25 087	18 711	34%
Reserves and retained earnings	135 261 745	123 688 910	9%	161 586	242 850	-33%
Net profit or loss	67 038 077	65 656 956	2%	80 085	128 911	-38%
Total Equity	**223 299 822**	**198 875 873**	**12%**	**266 758**	**390 472**	**-32%**
Liabilities and Equity	**1 592 744 682**	**1 080 819 201**	**47%**	**1 902 723**	**2 122 076**	**-10%**

Assets

In 2023, SBA recorded assets amounting to 1,592,745 million Kwanzas, representing an increase of 47% over the year 2022. This evolution was mainly the result of the increase in the items of securities, investments in central banks and other credit institutions and credit to Clients, which represents a positive change of (+405%), (+187%) and (+74%) respectively.

This increase in assets is the result of the investment policy followed by the Bank, favouring low-risk assets with high levels of profitability, namely securities, investments in central banks and other credit institutions and credit to Clients.

The strategy followed by SBA led to an increase in investments made in assets contracted with the National Bank of Angola, namely securities purchase agreements with repurchase agreements (REPOs), motivated by their growing profitability and liquidity. This increase justifies the increase in the number of investments in central banks and other credit institutions. The growth of securities of 83.053 billion Kwanzas (including financial assets at fair value through profit or loss and investments at amortised cost) continues to be mainly composed of sovereign debt of the Republic of Angola, which are distributed in bonds and treasury bills in national currency and Eurobonds.

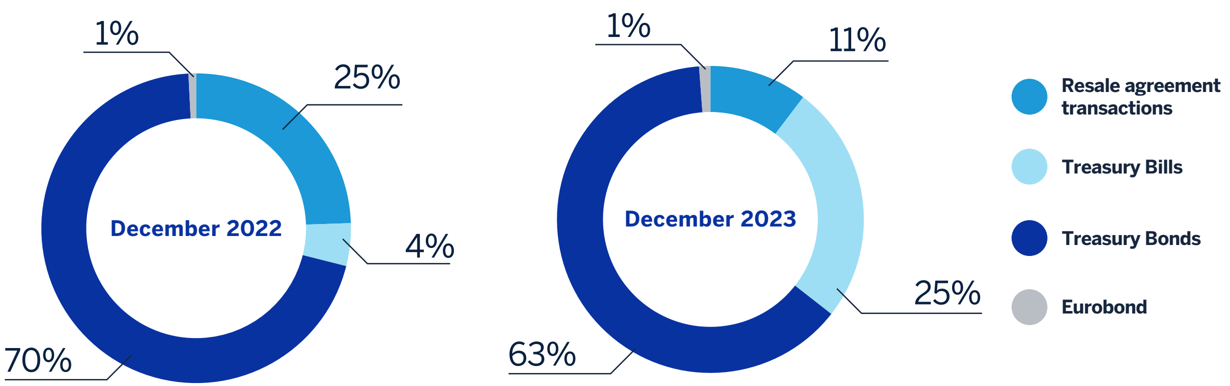


Securities Portfolio

	Yields		Thousands of Kwanzas			Thousands of USD		
Investments in central banks and other credit institutions	**31.12.2023**	**31.12.2022**	**31.12.2023**	**31.12.2022**	**Variation**	**31.12.2023**	**31.12.2022**	**Variation**
Resale agreement transactions	11,73%	8,85%	40 016 393	85 581 018	-53%	47 804	168 029	-72%
Accrued interest	n.a	n.a	445 550	1 270 484	-65%	532	2 494	-79%
Financial assets at fair value through profit or loss								
Treasury bonds	n.a	n.a	28 828 412	6 203 288	365%	34 439	12 180	1334%
Derivative financial instruments	n.a	n.a	24 005	1 181	1933%	29	2	-39%
EMIS shareholdings	n.a	n.a	189 727	189 727	0%	227	373	112%
Financial assets at fair value through other comprehensive income								
Treasury bills	n.a	n.a	55 032 808	15 819 731	248%	65 743	31 060	0%
Treasury bonds	17,25%	17,08%	140 706 257	152 616 745	-8%	168 090	299 647	-47%
Investments at amortised cost								
EUROBOND - USD	9,50%	9,50%	4 624 108	2 824 701	64%	5 524	5 546	-33%
Treasury bonds - AOA	10,81%	17,19%	78 111 357	90 524 176	-14%	93 313	177 735	-72%
Treasury bills - AOA	n.a	n.a	43 716 331	0	100%	52 224	0	100%
Total			**391 694 948**	**355 031 051**	**10%**	**467 926**	**697 066**	**-40%**
Resale agreement transactions	-	-	40 461 943	86 851 502	-53%	48 337	170 524	0%
Treasury bills	-	-	98 749 139	15 819 731	524%	117 968	31 060	1334%
Treasury bonds	-	-	247 646 026	249 344 209	-1%	295 843	489 561	-39%
EUROBOND	-	-	4 624 108	2 824 701	64%	5 524	5 546	0%
Derivative financial instruments	-	-	24 005	1181	1933%	29	2	1137%
EMIS shareholdings	-	-	189 727	189 727	0%	227	373	-39%

A relevant component of SBA's assets (46%) is represented by securities, because of the limited investment options available in the country. The Bank's securities portfolio is mainly characterized by Treasury Bonds in national currency, representing 63%. When analysing SBA's securities portfolio, the Bank increased its volume of treasury bills by 523% compared to the amount of the previous year, recording at the end of the 2023 financial year, the value invested by SBA in government debt securities amounts to 346,395 million Kwanzas, which represents an excess of liquidity due to the funds raised.

Bonds and Securities



Credit

The Bank's transformation ratio in 2023 stands at 42%, an increase of 2 p.p. compared to the previous year. Despite this investment in lending, the Bank maintained a strict risk management policy, with the same proportion of non-performing loans in total gross loans of 0.11% and maintaining impairment coverage levels at around 2% of total loans. The Bank has around 85% of its exposures classified in stage1 (with no signs of financial difficulties) (2022: 90%), which are mostly (82%) granted to large companies.

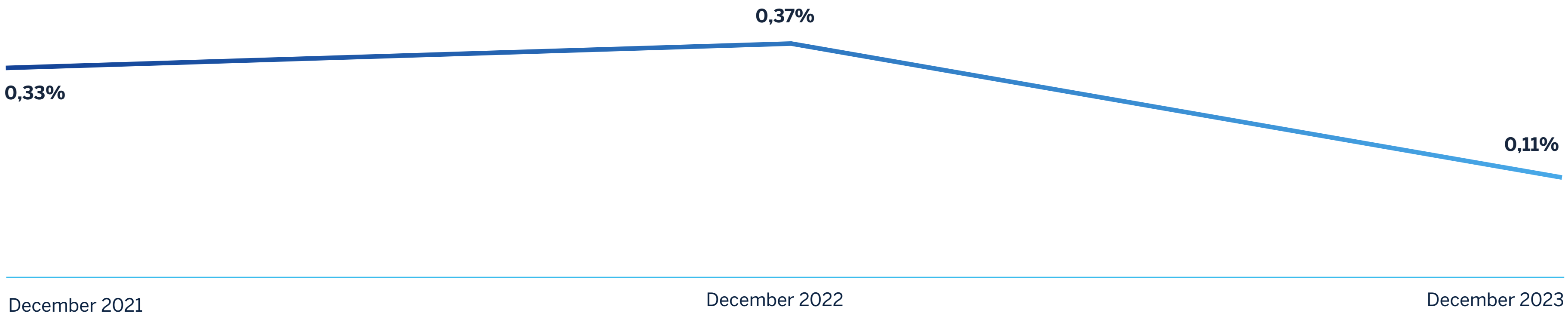
The balance sheet structure has undergone slight changes, however the Bank's business model remains unchanged, and it is based on a conservative risk management policy with a consistent focus on sustainable profitability.

01 02 03 04 05 06

	Thousands of Kwanzas			Thousands of USD		
Credit	31.12.2023	31.12.2022	Variation	31.12.2023	31.12.2022	Variation
Credit operations	528 779 760	302 822 509	75%	631 690	594 560	6%
Non-performing credit operations	605 328	1 118 823	-46%	723	2 197	-67%
Total Credit	**529 385 088**	**303 941 332**	**74%**	**632 413**	**596 757**	**6%**
Impairment losses	(11 119 012)	(6 756 697)	65%	(13 283)	(13 266)	0%
Net Credit	**518 266 076**	**297 184 635**	**74%**	**619 130**	**583 491**	**6%**
Guarantees provided	29 206 506	32 762 676	-11%	34 891	64 326	-46%
Credit letters	29 300 778	8 224 263	256%	35 003	16 147	117%
Unused credit limits	85 531 604	40 511 588	111%	102 178	79 540	28%
Third-Party Liabilities	**144 038 888**	**81 498 527**	**77%**	**172 072**	**160 014**	**8%**
PROVISIONS FOR GUARANTEES AND COMMITMENTS	(702 166)	(245 781)	186%	-839	-483	74%
Credit Quality						
NPL credit/ total credit	0,11%	0,37%	-61,51%	0,11%	0,37%	-68,94%
Coverage of overdue credit by credit impairment	5,44%	16,56%	-71,09%	5,44%	16,56%	-67,12%

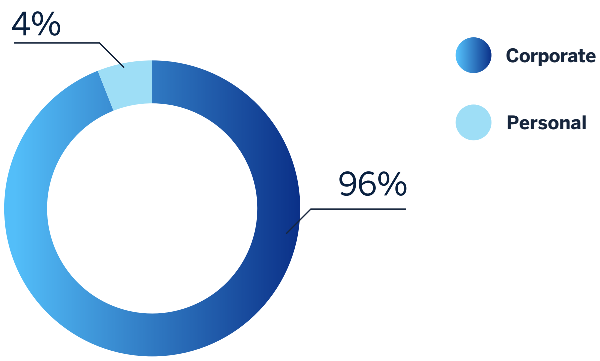
Credit Granted

NPL Evolution [1]



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

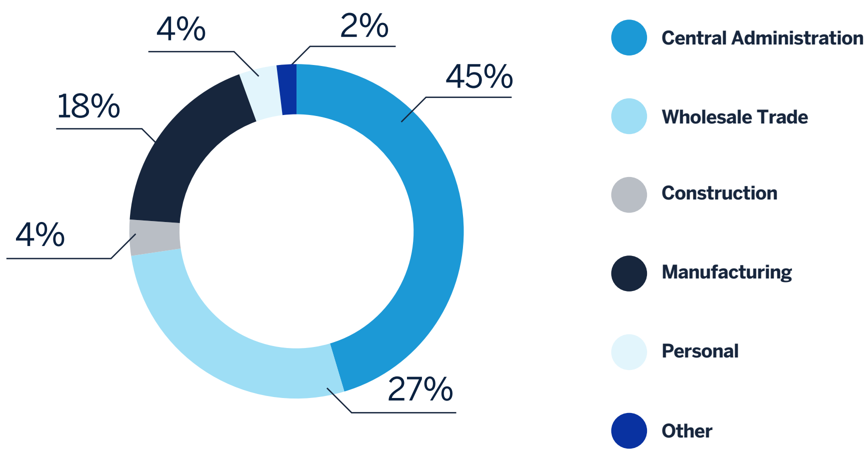
Credit Granted by Type of Client



Credit Granted by Sector of Activity

Thousands of Kwanzas

31.12.2023	Central Administration	Wholesale trade	Construction	Manufacturing Industry	Personal	Others	Total
	Total Exposure	Total Exposure	Total Exposure	Total Exposure	Total Exposure	Total Exposure	Total Exposure
Personal impairment	235 221 446	118 280 462	18 019 622	53 538 818	(7 816)	9 299 238	434 351 769
Collective impairment	-	23 018 968		41 352 390	18 914 779	628 169	83 914 307
Total	235 221 446	141 299 430	18 019 622	94 891 208	18 906 963	9 927 407	**518 266 076**



Liabilities

As mentioned previously, the Bank's assets increased mainly because of the reinvestment of earnings obtained from investments made, although the Bank increased its liabilities by around 47% to a total of 1,369,445 million Kwanzas. This increase essentially resulted from the rise in Client resources and other loans (+67%), subordinated liabilities (+65%) and Other Liabilities (+24%). The increase in subordinated liabilities is essentially justified by the depreciation of the Kwanza, and the subordinated debt is in foreign currency, namely in dollars.

Regardless of the macroeconomic outlook and current monetary policy, the Bank's deposit portfolio grew (+67%) because of continued Client confidence and efficient liquidity management. In terms of composition, demand deposits (956,733 million Kwanzas) represented the largest volume of the portfolio, a proportion of (+77%) of total Client deposits.

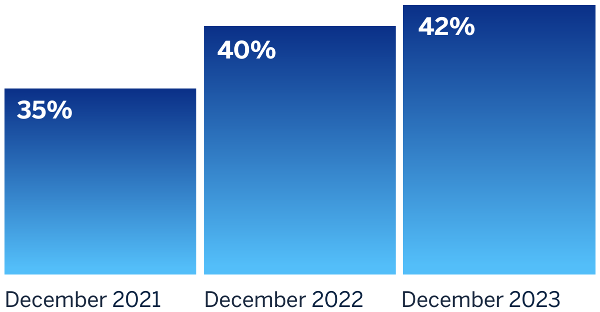
Regarding term deposits, it was also found that term deposits increased by around 49,783 million Kwanzas (21%) because of the review of the deposit capture strategy carried out during 2023. Deposits received as collateral also contributed to the increase in the Bank's deposits because of the increase in Client credit.

On the other hand, it should be noted that the current tax liabilities item decreased by 1,646 million Kwanzas (-95%) compared to December 31, 2022. This decrease is essentially justified by the favourable potential exchange rate variations in accordance with Law No. 26/20, of 20 July – Law amending the Industrial Tax Code.

Client Resources and Other Loans

Million Kwanzas

Transformation Ratio



Equity

Regulatory Equity

Total equity as of December 31st 2023, reached 224,440 million Kwanzas, representing an increase of 12% compared to the previous year. This record is mainly due to the robustness of reserves and retained earnings, which reinforce the Bank's solidity and position in the financial sector, and to the capital increase carried out in the second half of 2023. Equity increased from 39,654 million Kwanzas in December 2022 to 234,053 million Kwanzas in December 2023. The regulatory solvency ratio, calculated in accordance with Instruction No. 02/2016, corresponded to 30% in 2023. This amount remains significantly above the solvency limit required by the National Bank of Angola.

Although the Bank maintains its efforts to improve internal risk management processes and other relevant contributions to this assessment, SBA is complying with the new requirements by presenting Tier I Own Funds of 208,727 million Kwanzas and Tier II of 25,326 million Kwanzas, according to Notice No. 08/2021 of June 5th.

Income Statement Analysis

The net result of 68,178 million Kwanzas reflected the high standards of operational efficiency and effectiveness and the recognition of the Standard Bank Brand, reflecting the Bank's solidity, experience and innovation, even in an adverse macroeconomic context.

	Thousands of Kz			Thousands of USD		
CONSOLIDATED INCOME STATEMENT	31.12.2023	31.12.2022	Variation	31.12.2023	31.12.2022	Variation
Interest and similar income	109 461 735	105 255 411	4%	130 765	206 658	-37%
Interest and similar charges	(24 064 986)	(25 301 884)	-5%	(28 748)	(49 678)	-42%
Financial Margin	**85 396 749**	**79 953 527**	**7%**	**102 017**	**156 980**	**-35%**
Fees and Commissions	13 478 416	11 486 221	17%	16 102	22 552	-29%
Net gains and losses from financial assets and liabilities measured at fair value through profit	1 377 195	502 045	174%	1 645	986	67%
Net gains from financial assets at fair value through other comprehensive income	2 229 548	1 090 515	104%	2 663	2 141	24%
Foreign exchange gains and losses	46 071 511	35 944 783	28%	55 038	70 574	-22%
Other operating income	(5 683 191)	(3 198 419)	78%	(6 789)	(6 280)	8%
Net operating income from banking activity	**142 870 228**	**125 778 672**	**14%**	**170 675**	**246 953**	**-31%**
Net operating income from banking and insurance activity						
Staff Costs	(31 801 620)	(26 687 626)	19%	(37 991)	(52 398)	-27%
Third-party services and supplies	(20 708 471)	(15 262 884)	36%	(24 739)	(29 967)	-17%
Depreciation and amortisation for the year	(6 597 325)	(6 248 902)	6%	(7 881)	(12 269)	-36%
Provisions and impairment	(5 689 785)	(2 105 475)	170%	(6 797)	(4 134)	64%
Earnings before taxes	**78 073 027**	**75 473 785**	**3%**	**93 268**	**148 185**	**-37%**
Income tax	(11 034 950)	(9 816 829)	12%	(13 183)	(19 274)	-32%
Net Income	**67 038 077**	**65 656 956**	**2%**	**80 085**	**128 911**	**-38%**

*Exchange rates at the closing date

In December 2023, the Bank's net profit increased by 1,381 million Kwanzas, which represents an increase of 2% compared to the same period of the previous year, with Return-on-Equity remaining at 32% and Return-on-Assets at 4%. The following relevant factors contributed to the financial performance, i) evolution in exchange results of 28%, which totaled 46,071 million Kwanzas.

01 02 03 04 05 06

ROE Evolution

ROA Evolution

Financial Margin

	Thousands of Kwanzas			Thousands of USD		
	31.12.2023	31.12.2022	Variation	31.12.2023	31.12.2022	Variation
Interest Income from securities	53 146 292	52 937 194	0%	63 490	103 937	-39%
Interest Income from loans and advances	38 900 559	34 671 256	12%	46 471	68 073	-32%
Other interest and similar income	17 414 884	17 646 961	-1%	20 804	34 648	-40%
Income from financial assets	**109 461 735**	**105 255 411**	**4%**	**130 765**	**206 658**	**-37%**
Deposit costs	21 554 944	24 239 449	-11%	25 750	47 592	-46%
Other costs and similar charges	2 510 042	1 062 435	136%	2 999	2 086	44%
Costs of passive financial instruments	**24 064 986**	**25 301 885**	**-5%**	**28 748**	**49 679**	**-42%**
Financial Margin	**85 396 749**	**79 953 526**	**7%**	**102 017**	**156 979**	**-35%**

*Câmbios a data de fecho

During 2023, the financial margin grew 7% compared to the same period of the previous year, resulting from the increase in credit income (amounting to 4,229 million Kwanzas). On the other hand, deposit interest costs increased by around 11% to 2,508 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 in the complementary margin is also influenced by the positive evolution of the results of foreign exchange operations by 28%, representing a total increase of 46,071 million Kwanzas compared to the same period of the previous year.

This increase is because the Bank is one of the preferred banks for carrying out transfer operations, particularly abroad. This preference by the Bank to carry out transfers abroad also justifies the high exchange results obtained from the currency purchase and sale operations that precede the transfers, which total an increase of around 3% in 2022 compared to the same period of the previous year, amounting to a total of 37,226 million Kwanzas.

Complementary Margin

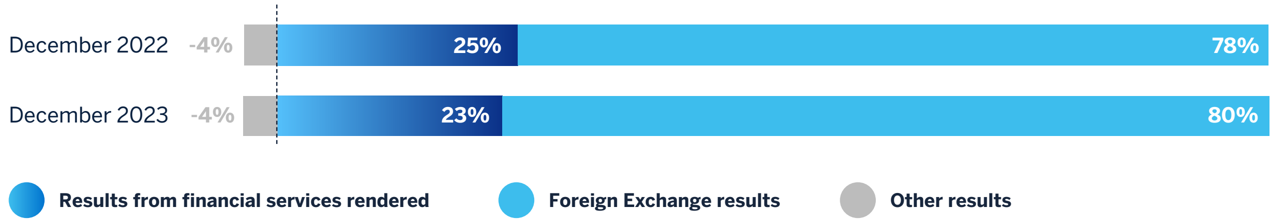
	Thousands of Kwanzas			Thousands of USD		
	31.12.2023	31.12.2022	Variation	31.12.2023	31.12.2022	Variation
Fees and Commisions	13 478 416	11 486 221	17%	16 102	22 552	-29%
Foreign exchange gains and losses	46 071 511	35 944 783	28%	55 038	70 574	-22%
Other results	(2 076 448)	(1 605 859)	29%	(2 481)	(3 153)	-21%
Complementary Margin	**57 473 479**	**45 825 145**	**25%**	**68 659**	**89 973**	**-24%**

*Exchange rates at the closing date

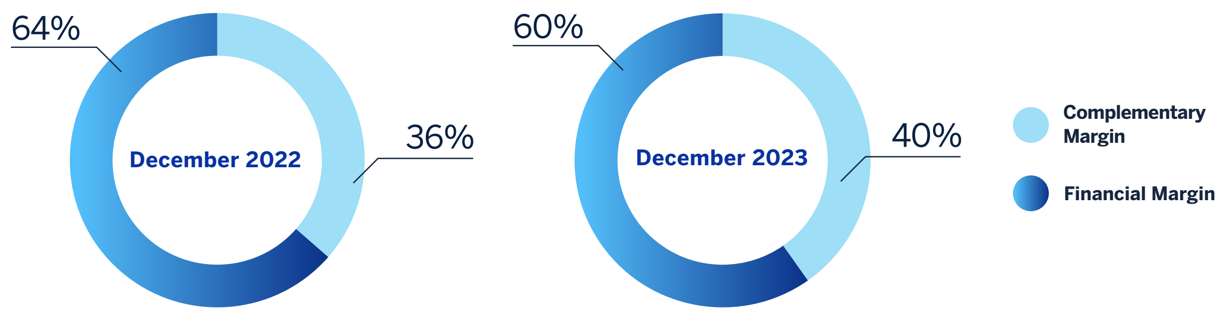
Mitigating the positive effects described above, there was an increase in structural costs, namely personnel costs and third-party supplies and services by 19% and 36%, respectively. This increase in personnel costs is explained by the increase in the number of staff to respond to the Bank's continuous evolution.

Finally, and in line with Standard Bank Group practices, the Bank has a prudent tax strategy, aimed at mitigating any unexpected financial consequences and, of course, protecting its reputation. In this context, it determined a tax on its profit of about 11.035 billion Kwanzas, justified by the pre-tax results of about 78.073 billion Kwanzas at the end of the 2023 financial year.

Regardless of the values recorded, 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 30%, puts SBA on track for growth and strength. The ability to remunerate its shareholders and the constant adoption of best risk management practices are also proof of trust and an adjusted governance model.



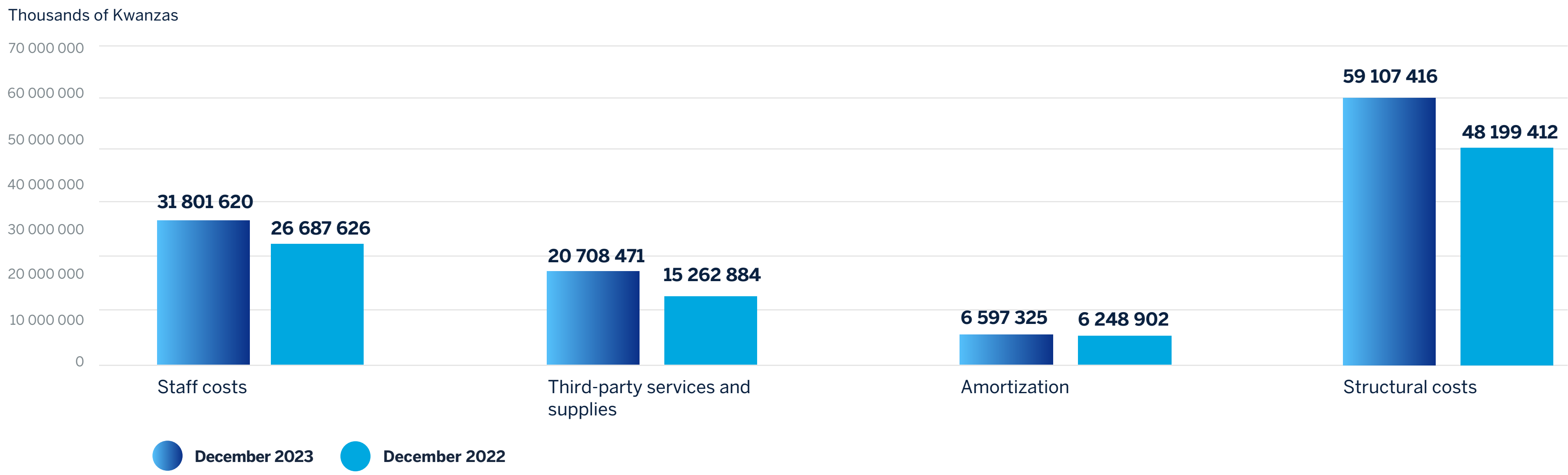
Complementary and Financial Margin Ratio



Structural Costs

	Thousands of Kwanzas			Thousands of USD		
	31.12.2023	31.12.2022	Variation	31.12.2023	31.12.2022	Variation
Staff costs	31 801 620	26 687 626	19%	37 991	52 398	-27%
Third-party services and supplies	20 708 471	15 262 884	36%	24 739	29 967	-17%
Amortization	6 597 325	6 248 902	6%	7 881	12 269	-36%
Structural costs	**59 107 416**	**48 199 412**	**23%**	**70 611**	**94 634**	**-25%**
Cost-to-income	**41%**	**38%**	**8%**	**41%**	**38%**	**8%**

*Exchange rates at the closing date



Off-Balance Sheet Items

	Thousands of Kz			Thousands of USD		
	31.12.2023	31.12.2022	Variation	31.12.2023	31.12.2022	Variation
Responsibilities of third parties						
Securities received	**659 962 953**	**400 706 743**	**65%**	**788 404**	**786 745**	**0%**
Responsibilities torwards third parties						
Securities provided	29 206 506	32 762 676	-11%	34 891	64 326	-46%
Credit letters	29 300 778	8 224 263	256%	35 003	16 147	117%
Unused credit limits	85 531 604	40 511 588	111%	102 178	79 540	28%
	144 038 888	**81 498 527**	**77%**	**172 072**	**160 014**	**8%**
Responsibilities for the provision of services						
Deposit and safe custody of valuables	**253 620 284**	**296 865 194**	**-15%**	**302 980**	**582 863**	**-48%**
Current value of credits and loans						
Loans and advances held as assets	345 112 837	306 548 464	13%	412 278	601 876	-32%
Deducted credits and loans	3 899 924	3 694 029	6%	4 659	7 253	-36%
	349 012 761	**310 242 493**	**12%**	**416 937**	**609 128**	**-32%**

As can be seen from the value of the guarantees received increased by 65%, it follows the growth of credit granted by SBA for the development of the national economy.

Letters of credit are irrevocable commitments on the part of the Bank, on behalf of its Clients, to pay a certain amount to the supplier of a given commodity or service, within a stipulated period, in return for the presentation of documents relating to the shipment of the goods or provision of the service. The increase in this item demonstrates once again SBA's commitment to Angola's development.

Subsequent Events

We are not aware of any additional facts or events subsequent to December 31st 2023 that warrant adjustments or additional disclosure that are materially relevant.

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 2023, in the amount of 67 038 075 968.590 kwanzas, to be applied as follows

a) 43 574 749 379.58 kwanzas for Shareholders distribution, in proportion to their respective shareholdings, in the form of dividends;

b) 6 703 807 596.86 kwanzas to strengthen the Legal Reserve;

c) The remaining for retained earnings.

Dividend Distribution

43 574 749 379.58

Legal Reserve

6 703 807 596.86

Transited Result

16 759 518 992.15

2023 Net Income

67 038 075 968.590

4.6

Corporate Citizenship

2023 marked the beginning of the Bank's transformation with the development and approval of its Sustainability Strategy for the period 2023-2027. The history of the institution in Angola requires SBA to be a reference not only in the sector but in the entire Angolan economy in ESG (Environmental, Social and Governance) matters, and therefore the development of this strategy required permanent and close contact with the Bank's stakeholders.

Sustainability Strategy

In 2023, the Bank approved its Sustainability Strategy 2023-2027 and set up its Corporate Citizenship unit, which is responsible for **promoting, leading and acting in the operationalization of its strategy through a wide range of initiatives**, in various areas of action, to comprehensively integrate sustainability into its culture, in the day-to-day of its operations, in its business and reinforce its commitment to the society in which it operates.

SBA's Strategic Vision for Sustainability is embodied in 5 ambitious goals:

01

Create long-term value

Create a sustainability strategy that delivers long-term value for shareholders and wider stakeholders, understand risks, and identify opportunities that confer competitive advantage to help organizations create and protect value.

02

Govern and operate

Embed governance and empower the Bank's structure for ESG management and SEE impact creation, contributing to profitable and sustainable business.

03

Create a culture of impact

Incorporate a culture of impact into the management of the Bank's business and operation, including its relationship with Clients, to measure the social and environmental value of its operations for Clients and society.

04

Leading by example

To be a leading institution in Sustainability in Angola and an example of good practices to inspire other Financial Institutions to go on this journey.

05

Being a partner for Sustainability

Advocate with Clients, suppliers, regulators and other stakeholders to leverage the Sustainability ecosystem.

SBA's Sustainability integration is supported by an approach which enables value creation from two perspectives: the effective management of the various ESG factors for the Bank's sustainable transformation and the creation of SEE (Social, Economic and Environment) impact with value to society.

ESG Management ensures an appropriate culture, ethics, and conduct, and allows you to guide the overall vision of the organization's processes and governance structures, to protect and enforce the organization's commitment and purpose. This management is reflected in the way it treats Clients, suppliers, partners and the impact on the society where it operates, and, in the case of SBA, with the particular need to integrate sustainable finance into the business model and support and develop the community.

On the other hand, SEE impact ensures business activities (and not only) generate positive net value in its three dimensions, for Clients, Employees and other stakeholders, in parallel with value for shareholders. The SEE impact will be reflected in a number of ways, such as job creation and business growth, in turn driven by infrastructure development, support for African trade and investment, through financial inclusion; intervention in health, education of society and climate change and sustainable finance.

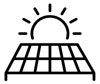
To create environmental impact, the implementation of SBA's initiatives is oriented towards reducing the ecological footprint, managing environmental impacts and risks related to SBA's and Clients' operations, while identifying sustainable business opportunities.

Environmental

Ecological footprint

ESG

Environmental risks
Social risks
Governance risks



E	Management of the pressure on natural resources from consumption	Management of environmental, social and governance impacts and risks	Identification of sustainable business opportunities

Social

The "Social" component is guided by the design and implementation of new solutions for the operationalization of SBA's sustainability initiatives, involving conceptual, process, product or organizational changes which ultimately aim to improve the well-being of individuals and communities.

S

Social change

Social Innovation
Powerful ideas for solving social problems

Social Enterprises
Business models for financial and social return

Social Entrepreneurship
Mindset for creative solutions to social problems

Corporate Social Responsibility
Corporate strategy to satisfy social responsibilities

Governance

The "Governance" component is translated into the development foundations proposed in the sustainability strategy and which represent the cross-cutting processes of SBA, necessary to ensure the intended initiatives achieve their goals.

G

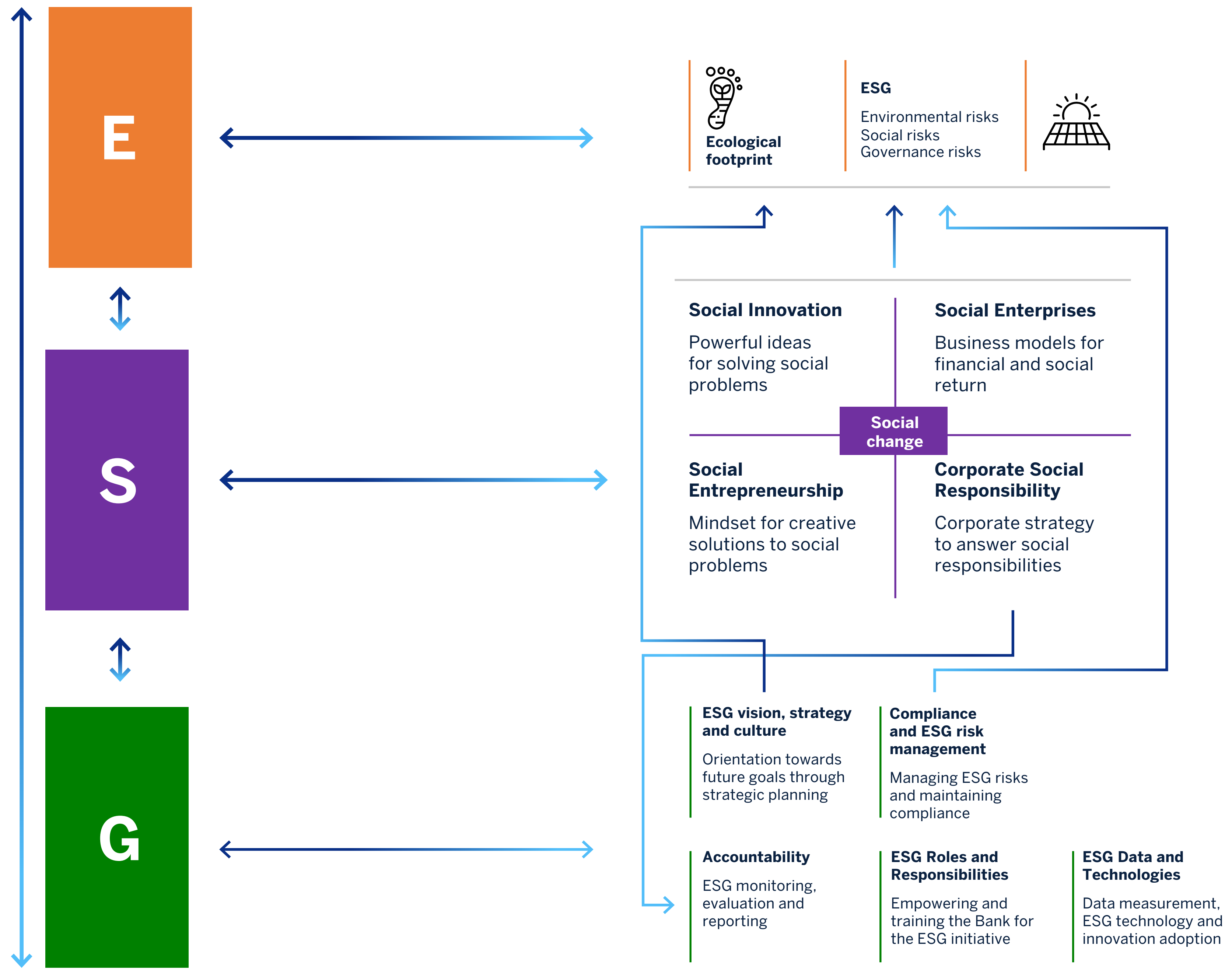
ESG vision, strategy and culture
Orientation towards future goals through strategic planning

Compliance and ESG risk management
Managing ESG risks and maintaining compliance

Accountability
ESG monitoring, evaluation and reporting

ESG Roles and Responsibilities
Empowering and training the Bank for the ESG initiative

ESG Data and Technologies
Data measurement, ESG technology and innovation adoption


E
S
G
Ecological footprint
ESG
Environmental risks
Social risks
Governance risks
Social Innovation
Powerful ideas for solving social problems
Social Enterprises
Business models for financial and social return
Social change
Social Entrepreneurship
Mindset for creative solutions to social problems
Corporate Social Responsibility
Corporate strategy to answer social responsibilities
ESG vision, strategy and culture
Orientation towards future goals through strategic planning
Compliance and ESG risk management
Managing ESG risks and maintaining compliance
Accountability
ESG monitoring, evaluation and reporting
ESG Roles and Responsibilities
Empowering and training the Bank for the ESG initiative
ESG Data and Technologies
Data measurement, ESG technology and innovation adoption

This process is aligned with the expectations of the Bank's stakeholders - namely, the Bank's Employees, shareholders and the Standard Bank Group, Clients, Suppliers and Business Partners, Supervisors and Regulators, the Community, among others - who will be monitored periodically to ensure the continuous alignment and relevance of the commitments made.

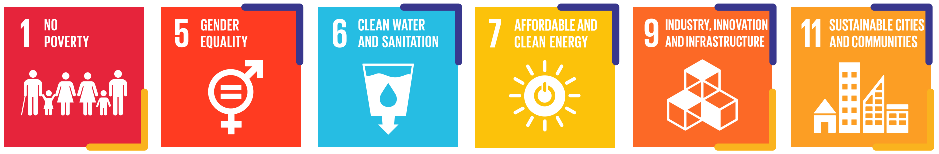
SBA, based on the purpose of boosting the growth of Africa and Angola, integrated into its strategy the 7 Strategic Pillars that incorporate the impact areas defined by the Standard Bank Group:

- **Financial Inclusion**
- **Job creation and business growth**
- **Infrastructures**
- **Trade and investment in Africa**
- **Climate change and sustainable finance**
- **Education**
- **Health**

Additionally, within the scope of its Sustainability Strategy and to contribute positively to Angolan society and ecosystem through the Sustainable Development Goals (SDGs) of the UN 2030 Agenda, Standard Bank of Angola identified, through an analysis of the socio-geographical context and aligned with the 7 Strategic Pillars, a set of SDGs to maximize its impact in Angola. Thus, 5 priority SDGs and another 6 relevant SDGs were defined for the Bank to maximize its impact in Angola.

Priority SDGs

Other relevant SDGs



Priority SDGs for SB Group

Critical SDGs for Angola

Stakeholder Relationship Model

SBA, in line with its Sustainability Strategy, emphasizes the importance of maintaining a continuous and close relationship with its stakeholders, recognizing them as central to sustainability and organizational success. With the growing social pressure for greater responsibility from organizations, especially Financial Institutions, it drives the transition from shareholder-centric value creation to one focused on stakeholders.

SBA's Commitments to Stakeholders:

01 Constructive engagement and active listening

02 Transparency in commitments

03 Appropriate response to legitimate concerns

04 Accessibility

05 Adherence to a code of ethics and corporate values

Stakeholder Engagement Principles

Transparency
Ensure transparency in financial and non-financial relationships and communication by sharing truthful, relevant, complete, clear and useful information;

Responsibility
Act responsibly and build relationships based on ethics, integrity, sustainable development and respect for human rights and the communities impacted by the Bank's different activities;

Active Listening
Practice active listening, promoting two-way and effective communication and direct, fluid, constructive, diverse, inclusive and intercultural dialogue;

Collaboration
Encourage collaboration with stakeholders, aiming to contribute to the fulfillment of corporate purpose and values, as well as the pursuit of sustainable development goals;

Participation and involvement
Encourage the participation and involvement of stakeholders in all of the Bank's activities;

Consent
Work with a consensus orientation with stakeholders, especially local communities, considering their views and expectations.

SBA establishes specific communication channels for each stakeholder group, ensuring the effectiveness of the relationship model. Integrating this involvement into governance, strategy, and operations is seen as essential for organizational improvement and risk management.

Corporate Social Responsibility

SBA considers corporate responsibility as a key pillar for sustainable success, recognizing the importance of taking responsibility not only for the bottom line, but also for social, environmental, and economic impacts.

Financial Inclusion

During 2023, SBA was especially focused on Financial Inclusion.

The financial inclusion of all Angolans is seen as a priority for SBA, as it supports economic and human development while contributing to the reduction of inequalities. As the Bank is committed to promoting a positive SEE impact, it is therefore essential to make all the necessary efforts in this area, namely through the development of products and services that contribute to the fulfilment of the defined priorities.

Thus, SBA tried to understand the needs and preferences of the communities where it operates and, consequently, solutions have been developed that allow individuals and small entrepreneurs to access relevant financial products and services at fair prices, of which products and services related to payments, savings, credit, among others, stand out.

In this context, the OneFarm platform, developed in collaboration with the Confederation of Agricultural Cooperatives of Angola (UNACA), which aims to grant micro-credit to small family farmers, deserves to be highlighted. This solution allows family farmers to apply for micro-credits instantly through a mobile phone for the immediate purchase of goods necessary for their activity, such as cultivation tools, machinery, among others.

Through this innovative solution, SBA carried out two pilots, one in Luanda at the Cacuaco cooperative and the other in Huambo, at the Cuima cooperative. With this initiative, the Bank was able to grant 58 micro-credits, supporting 51 smallholder farmers with the value of 10,800,000Kz that allowed the production of 60 tons of agricultural products.

Corporate Social Investment

As part of the development of its social mission to the community where it operates, and in compliance with the Group's SEE strategy and the Bank's purpose "Angola is our home and we drive its growth – we aspire to improve people's lives by being more than a Bank", SBA has a Policy that aims to establish the objectives, principles and strategies within the scope of Corporate Social Investment (ISC) and which is expressed in social responsibility, social entrepreneurship and social innovation initiatives, own and collaborative, through financing, donations and volunteering for the Bank's social impact.

To generate Sustainability Value for all stakeholders, SBA engages in **ISC's initiatives** that produce the following outcomes:

• **Create/drive positive impact and Sustainability Value** in the communities where the Bank operates;

• **Demonstrate** that the Bank is socially responsive and relevant;

• **Promote social innovation** and growth of new social businesses;

• **Foster positive relationships** with your relevant stakeholders and partners;

• **Build exceptional Employee experiences** resulting in more engaged and productive Employees;

• **Contribute to the enhancement of the Bank's brand and reputation**, while avoiding socialwashing and greenwashing

In compliance with its demanding transparency and anti-corruption rules that guides all its actions, SBA only uses ISC funds to finance non-profit activities. The use of the same funds to finance trade unions or political parties is prohibited.

Also within the ISC, the Bank developed the "Heróis de Azul" volunteer program, which encourages Employees to volunteer in Social and Environmental initiatives of their choice, making a difference in the communities where they operate.

The **"Heróis de Azul"** are, without a doubt, a powerful vehicle for connecting the Bank's employees and the SBA brand, as it is a clear example of the materialization of the Bank's purpose "To improve people's lives by being more than a Bank". This is a project that makes all Employees and SBA proud, as it is credible and recognized both by the community that the Bank supports and by the public and private organizations that rely on its support.

In this context, the Bank supports volunteering initiatives that are aligned with its Sustainability strategy, and, as with the rest of the ISC's policy, with a view to maintaining transparency in all activities carried out by SBA, volunteering initiatives can only be carried out with the following types of organizations:

• Non-Governmental Non-Profit Organizations;

• Public Benefit Organizations and Non-Profit Community Organizations;

• Non-Profit social enterprises;

• Public schools and public health facilities.

In 2023, the Bank also approved the implementation of **"Kwanza for Kwanza"** in 2024, a matching donation program, intended to encourage Employees to make donations to social support/development organizations of their choice, and the ISC will match, within the limits defined annually, each Kwanza donated by the Bank's Employees, thus doubling the impact caused by SBA Employees.

As with the other ISC initiatives, with a view to ensuring maximum transparency in their actions, as well as the fight against corruption, SBA donations will only be made to the following types of organizations:

• Non-Governmental Non-Profit Organizations;

• Public Benefit Organizations and Non-Profit Community Organizations;

• Non-Profit social enterprises.

4.7

Awards Won by SBA in 2023

Best Foreign Exchange Operations Bank 2023

Global Finance

Bank of the Year in Angola 2023

The Banker

Best Bank in Angola 2023

Emeafinance

Best Investment Bank in Angola 2023

Emeafinance

5
Corporate Governance

kutala-la

Kutalala means Hope in Cokwe, a language that is a vital part of Angola's cultural fabric. Spoken by the Chokwe people, it encloses their history and traditions. Its linguistic nuances and unique expressive qualities convey the rich heritage of the Chokwe, contributing to the linguistic diversity and cultural tapestry of the country.

5.1

The Governance Model

The Bank's internal structure considers 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, daily 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 powers to the Executive Board and to (internal) Committees of the Board of Directors, always 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 with the requirements of the Capital Markets Commission (CMC) and the General Tax Authority (AGT), and are also aligned with the Standard Bank Group's guiding principles to ensure best practices are maintained, including:

01 **Promoting transparency, responsibility and empathy** in the management of the Stakeholders' relationship, in order to ensure that Clients are treated fairly and consistently;

02 **Generating a positive impact** on society, economy and environment through their activity;

03 **Complying with high regulatory and governance standards**, including those of the Standard Bank Group;

04 **Fostering a culture of ethics and risk awareness.**

The Notice no. 1/2022 of 28 January 2022 allowed BNA to establish 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 allowing 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;

• **Tools 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 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, 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, following a healthy and prudent management;

• Promotion of an effective internal control environment to avoid financial losses or reputational damage;

• Consideration of the ethical principles that govern SBA and the Group, to achieve the best businesses by minimising reputational risks.

Organisation Chart

LUÍS MIGUEL FIALHO TELES
CEO

PERSONAL AND PRIVATE BANKING

- Private Banking and High Net Worth
- Prestige Banking
- Private Banking
- Distribution Channels
- Personalisation
- Firstline Risk Management
- Digital and Ecommerce
- Products
- Innovation

BUSINESS AND COMMERCIAL BANKING

- Commercial Banking
- Enterprise Direct
- Digital Commerce
- Agribusiness
- Africa-China
- Public Sector
- Ecosystems

CORPORATE AND INVESTMENT BANKING

- Investment Banking
- Client Coverage
- Transactional Banking
- Global Markets

SOCIETY SECRETARIAT

BUSINESS INTEGRATION

EDUARDO CLEMENTE
EXECUTIVE DIRECTOR

FINANCIAL DEPARTMENT

- Accounting, Control, Financial and Regulatory Reporting
- Management Control, Product Control
- Taxes
- Procurement
- Treasury and Capital Management

NET WORTH DEPARTMENT

LEGAL DEPARTMENT

PEOPLE AND CULTURE DEPARTMENT

- Support to Business and Support Areas
- Shared Services
- Labour Relations
- Training and Development
- Recruitment
- Wellbeing

MARKETING AND BRAND DEPARTMENT

RICARDO FERREIRA
EXECUTIVE DIRECTOR

BUSINESS DEVELOPMENT DEPARTMENT

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

CORPORATE CITIZENSHIP DEPARTMENT

ARONILDO NETO
EXECUTIVE DIRECTOR

TECHNOLOGY DEPARTMENT

OPERATIONS DEPARTMENT

DATA DEPARTMENT

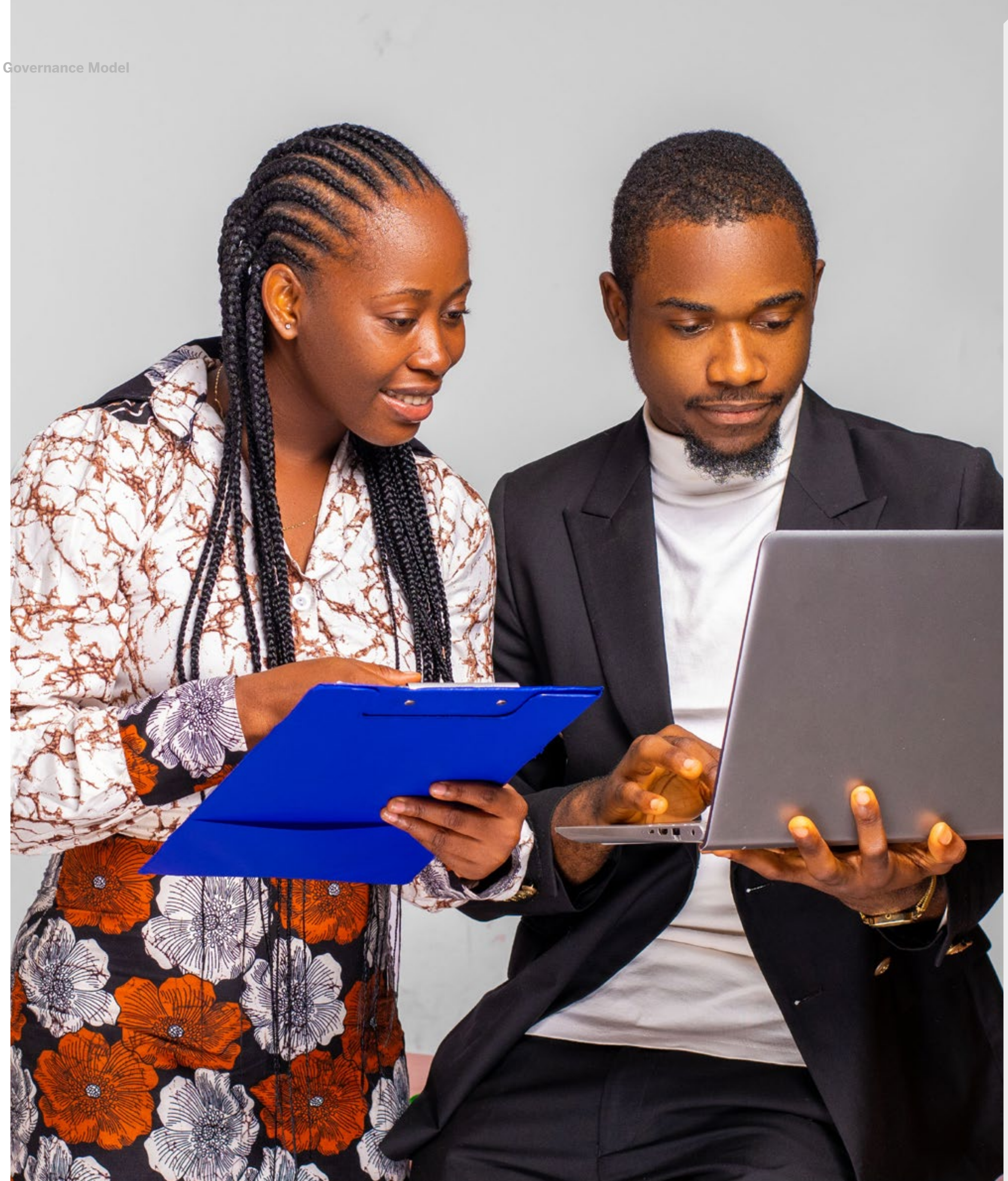
Corporate Governance

GENERAL MEETING	SUPERVISORY BOARD	BOARD OF DIRECTORS	EXECUTIVE COMMITTEE
		Audit Committee	Strategy Committee
		Risk Committee	Leadership Committee
		Credit Governance Committee	Assets and Liabilities Committee
		Human Capital Management Committee	Risk Management Committee
		Information Systems Committee	Credit Risk Committee
		Nomination and Remuneration Committee	Human Capital Committee
			Pricing Committee
			New Products Committee
			Projects Committee
			Procurement Committee
			High Risk Client Analysis Committee
			Financial Internal Control Committee
			Data and Information Governance Committee
			Conduct Risk Committee

SBA's operations were authorised by National Bank of Angola on March 9th 2010 and started on September 27th 2010.

The Bank's Share Capital of Kz 21,000,000,000.00 (twenty-one billion kwanzas), is divided into 2,203,566 (two million, two hundred and three thousand, five hundred and sixty-six) common registered shares, divided into three minority Shareholders (fiduciary individuals of the Standard Bank Group) and two majority shareholders, namely, Standard Bank Group, Lda. and the Angolan State represented by the Institute of Management of State Assets and Participations (IGAPE), with 50.1% and 49%, respectively.

- Standard Bank Group Lda – 50,1%
- Angolan State represented by IGAPE - 49%



Corporate Bodies

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 divides functions and responsibilities between the Bank's different Corporate Bodies, namely the General Meeting of Shareholders, the Board of Directors and the Supervisory Board.

General Meeting

The General Meeting is the Corporate Body that comprises all SBA Shareholders, being regulated by the Bank's statutes. The Board of the General Meeting consists of a chairman and a secretary, who are appointed for 4 years. The Board of the General Meeting is composed as follows:

• **Chairman of the Board of the General Meeting**
Sofia Vale

• **Secretary of the Board of the General Meeting**
Vanessa Pinto Rodrigues

The General Meeting has the following responsibilities:

• 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.

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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**
Djamila Sousa Pinto de Andrade
- **Non-executive Independent Director**
Ana Josina de Assis Sima Fortunato
- **Non-executive Independent Director**
Raquel Celeste da Conceição Kulivela Sole
- **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 responsibilities:

- Control and dailymanagement of SBA's activity, within the limits imposed by Law and by the Statutes of the Bank
- The Bank's highest decision-making body with ultimate responsibility in matters of governance.

Executive Committee

The Executive Committee 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 by the Bank's Statutes. It consists of the Chief Executive Officer and four Executive Directors. The meetings of the Executive Committee are attended by the invited members, appointed by the Executive Directors.

- **Chief Executive Officer**
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 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 are 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 BNA's Notice no. 4/14, and in accordance with the Standard Bank Group's guidelines, the Bank has safeguarded the independence and objectivity of its external auditors by selecting audit companies with international recognition, complying with internal independence and rotation requirements every 4 years.

Committees

	Composition	Meetings Frequency	Responsibility
Board of Directors Committees			
Human Capital Management Committee	• **President:** Non-Executive Independent Director • **Members:** One Non-Executive Director and One Non-Executive Independent Director	Quarterly	• Review and approve the Bank's remuneration policy and oversee the Employee's nomination, evaluation and remuneration; • Manage the human resources component, such as defining policies and procedures, nominating Directors, and monitoring the evaluation component; • Define the recruitment and hiring policies.
Audit Committee	• **President:** Non-Executive Independent Director • **Members:** Two Non-Executive Directors	Quarterly	• Assist in fulfilling the obligations relating to the safeguarding of assets and assessment of the Internal Control System and ensure that the risks inherent to the activity are adequately managed and monitored. • Analyse the Bank's financial situation and make recommendations to the Board of Directors on matters of financial, risk, internal control, fraud and IT relevant nature, ensure effective communication between the Board of Directors, management team, internal auditors, external auditors and regulatory authorities.

	Composition	Meetings Frequency	Responsibility
Risk Committee	• **President:** Non-Executive Director • **Members:** One Non-Executive Director and One Non-Executive Independent Director	Quarterly	• Ensure the quality, integrity and reliability of risk management, as well as the management and control of risk in the following aspects: – Advise the Board of Directors on the risk strategy. – Oversee the implementation of the risk strategy. – Oversee the risk management function.
Credit Governance Committee	• **President:** Non-Executive Director • **Members:** Two Non-Executive Directors	Quarterly	• Ensure that there is an effective governance of credit and that an adequate management of the credit portfolio is carried out. • Monitor the credits granted. • Effective control of credit risk, including country risk.
Information Systems Committee	• **President:** Non-Executive Director • **Members:** Two Non-Executive Independent Directors	Quarterly	• Ensure there is an effective governance and management of technological risk, with particular emphasis on SBA's strategy.
Nomination and Remuneration Committee	• **President:** Non-Executive Director • **Members:** Two Non-Executive Directors	Anually	• Identify, evaluate (including background), reference and conflict of interest checks, and recommend candidates for the Board of Directors and the Supervisory Board. • Recommend the remuneration of Non-Executive Directors as well as the Supervisory Board members to Shareholders for approval.

	Composition	Meetings Frequency	Responsibilities
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 Banking 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	Meetings Frequency	Responsibilities
Credit Risk Committee	• **President:** Risk Director • **Members:** CEO, Consumer & High Networth Clients Executive Director, Business & Commercial Banking 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:** Executive Director • **Membros:** Finance Executive Director, Compliance Executive Director, Consumer & High Networth Clients Executive Director, Business & Commercial Banking 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	Quarterly	• Define and review the Bank's pricing strategy, considering: – The products and segments in which the Bank intends to be positioned; – The competition; – The credit risk; – All market conditioning factors.

	Composition	Meetings Frequency	Responsibilities
New Products Committee	• **President:** CFO • **Membros:** Consumer & High Networth Clients Executive Director, Business & Commercial Banking 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	Monthly	• 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 Banking 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	Meetings Frequency	Responsibilities
Procurement Committee	• **President:** CFO • **Members:** Procurement Executive Director, Engineering Director, Legal Director, Consumer & High Networth Clients Executive Director, Business & Commercial Banking 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 Banking 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 Banking 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	Meetings Frequency	Responsibilities
Human Capital Executive Committee	• **President:** CEO • **Members:** Executive Directors, 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.
Data and Information Governance Committee	• **President:** CEO • **Members:** Executive Directors, Engineering Director, Consumer & High Networth Clients Executive Director, Business & Commercial Banking 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.
Leadership Committee	• **President**: CEO • **Members**: Senior Directors of the Bank, reporting directly to the Executive Directors	Monthly	• Monitor the management, implementation and execution of the Bank's strategy, including all important initiatives for the operational improvement and efficiency of the organization, contributing to the improvement of the Bank's performance.

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	Composition	Meetings Frequency	Responsibilities
Conduct Risk Committee	• **President:** CEO • **Members:** Executive Directors, Engineering Director, Consumer & High Networth Clients Executive Director, Business & Commercial Banking 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	Quarterly	• 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.
Strategy Committee	• **President:** CEO • **Members:** Executive Directors, Consumer & High Networth Clients Executive Director, Business & Commercial Banking Executive Director and Business Integration Executive Director	Monthly	• Ensure that Standard Bank of Angola's corporate strategy is coherent and that it reconciles the needs derived from the macroeconomic context, group strategy and business units; • Define, review and approve the corporate strategy, including the Bank's mission, values and purpose, as well as the metrics and objectives that will be used to monitor and control the execution of the strategy

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. 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 by the Code of Ethics, which is designed to facilitate greater decentralisation and consequent faster and more efficient decision-making at all levels of the Bank.

Related Party Transaction

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, and
- 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 Based on 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					
		Executive Directors	Non-Executive Members	Total	Supervisory Board	General Meeting Board	Total
31st December 2023							
	Remunerations and other short-term benefits	331 326	287 166	618 492	17 946	-	636 438
	Variable remunerations	519 723	40 341	560 064	10 688	1 293	572 045
	Sub total	**851 049**	**327 507**	**1 178 556**	**28 634**	**1 293**	**1 208 483**
	Benefits and other social costs	1 183 577	-	1 183 577	-	-	1 183 577
	Total	**2 034 626**	**327 507**	**2 362 133**	**28 634**	**1 293**	**2 392 060**
31st December 2022							
	Remunerations and other short-term benefits	920 819	209 801	1 130 620	18 655	-	1 149 275
	Variable remunerations	40 932	35 474	76 406	9 848	1 069	87 323
	Sub total	**961 751**	**245 275**	**1 207 026**	**28 503**	**1 069**	**1 236 598**
	Benefits and other social costs	132 231	-	132 231	-	-	132 231
	Total	**1 093 982**	**245 275**	**1 339 257**	**28 503**	**1 069**	**1 368 829**

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Financial Statements and Notes

otwa- mona fana

Otwamonafana is an expression that means "We see each other" in Cuanhama, a language spoken by about 420,000 people in Angola. Its speakers belong to the Kwanyama or Cuanhama ethnic group, a subgroup of the Ovambo people.

6.1

Financial Statements

Balance sheet on 31 December 2023 and 2022

Amounts expressed in thousands of Kwanzas, except when explicitly indicated

(thousands of Kwanzas)

BALANCE SHEET	Notes	31.12.2023	31.12.2022
Assets			
Cash and cash equivalents in central banks	4	259 516 316	261 119 428
Cash and cash equivalents in other credit institutions	5	264 093 786	40 771 077
Deposits at central banks and other credit institutions	6	115 437 254	132 120 422
Financial assets at fair value through profit or loss	7	29 042 145	6 394 206
Financial assets at fair value through other comprehensive income	8	195 739 065	168 436 476
Investments at amortised cost	9	126 451 796	93 348 877
Loans and advances to Clients	10	518 266 076	297 184 635
Investments in branches	11	900 000	5 000
Other tangible assets	12	40 882 148	41 149 969
Other intangible assets	13	7 775 550	9 460 092
Current tax assets	14	626 530	1 512 463
Deferred tax assets	14	4 158 045	8 777 497
Other assets	15	29 855 971	20 539 059
Total Assets		**1 592 744 682**	**1 080 819 201**
Liabilities and Equity			
Resources from central banks and other credit institutions	16	9 098 000	42 539 372
Resources from Clients and other loans	17	1 240 346 130	743 387 714
Financial liabilities at fair value through profit or loss	7	1	10
Provisions	18	4 935 717	4 148 379
Current tax liabilities	14	88 029	1 734 317
Deferred tax liabilities	14	9 161 912	9 723 558
Subordinated liabilities	19	25 326 058	15 386 552
Other liabilities	20	80 489 013	65 023 426
Total Liabilities		**1 369 444 860**	**881 943 328**
Equity			
Share Capital	21	21 000 000	9 530 007
Revaluation reserves	22	2 638 854	2 575 958
Other reserves and retained earnings	22	132 622 891	121 112 952
Net Income		67 038 077	65 656 956
Total Equity		**223 299 822**	**198 875 873**
Total Liabilities and Equity		**1 592 744 682**	**1 080 819 201**

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

Financial Statement for the years ended 31 December 2023 and 2022

Amounts expressed in thousands of Kwanzas, except when explicitly indicated

(thousands of Kwanzas)

FINANCIAL STATEMENT	Notes	31.12.2023	31.12.2022
Interest and similar income	24	109 461 735	105 255 411
Interest and similar charges	24	(24 064 986)	(25 301 884)
Financial Margin		**85 396 749**	**79 953 527**
Income from services and commissions	25	19 887 409	17 284 506
Fee and commission expenses	25	(6 408 993)	(5 798 285)
Net gains / (losses) from financial assets held at fair value through profit or loss	26	1 377 195	502 045
Net gains / (losses) from financial assets at fair value through other comprehensive income	27	2 229 548	1 090 515
Foreign exchange results	28	46 071 511	35 944 783
Other operating income	29	(5 683 191)	(3 198 419)
Net operating income from banking activities		**142 870 228**	**125 778 672**
Personnel costs	30	(31 801 620)	(26 687 626)
Third-party supplies and services	31	(20 708 471)	(15 262 884)
Depreciation and amortisation for the year	12 e 13	(6 597 325)	(6 248 902)
Provisions net of reversals	18	(839 593)	(115 160)
Impairment for loans and advances to customers net of reversals and recoveries	10	(4 064 626)	(2 103 792)
Impairment for other assets net of reversals and recoveries	4,5,6,9,15 e 23	(785 566)	113 477
Earnings before taxes		**78 073 027**	**75 473 785**
Income tax	14	(11 034 950)	(9 816 829)
Net Income		**67 038 077**	**65 656 956**
Average number of ordinary shares issued		2 203 566	1 000 000
Basic earnings per share (in kwanzas)	32	30,423	65,657
Diluted earnings per share (in kwanzas)	32	30,423	65,657

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

Statement of Comprehensive Income for the years ended 31 December 2023 and 2022

Amounts expressed in thousands of Kwanzas, except when explicitly indicated

(thousands of Kwanzas)

INCOME STATEMENT OF OTHER COMPREHENSIVE INCOME	Notes	31.12.2023	31.12.2022
Net income for the year		**67 038 077**	**65 656 956**
Other comprehensive income for the year			
Items that will not be reclassified to profit or loss			
Debt instruments at fair value through other comprehensive income	8 e 22		
Fair value variations		(732 513)	2 782 845
Transfer to income due to impairment recognised in the period		829 276	(319 135)
Deferred taxes on fair value changes		(33 867)	(862 299)
Total other comprehensive income for the year		**62 896**	**1 601 411**
Total comprehensive income for the year		**67 100 973**	**67 258 367**

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

Cash flow statement for the years ended 31 December 2023 and 2022

Amounts expressed in thousands of Kwanzas, except when explicitly indicated

(thousands of Kwanzas)

CASH FLOW STATEMENT	Notes	31.12.2023	31.12.2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest, commissions and other similar income received		132 293 719	116 430 646
Interest, commissions and other similar costs paid		(28 584 630)	(29 642 855)
Payments to employees and suppliers		(52 510 091)	(41 950 510)
Other results		40 388 923	32 746 364
Cash flows before changes in operating assets and liabilities		**91 587 921**	**77 583 645**
(Increases)/Decreases in operating assets:			
Investments in central banks and other credit institutions		18 096 512	54 744 442
Financial assets at fair value through profit or loss		(20 228 914)	(5 376 876)
Financial assets at fair value through other comprehensive income		(29 613 447)	1 822 457
Investments at amortized cost		(31 948 191)	(4 184 913)
Credit to Clients		(226 303 702)	(63 024 647)
Other assets		(3 806 527)	(2 471 389)
Net flow from operating assets		**(294 704 268)**	**(18 495 926)**
(Increases)/Decreases in operating liabilities:			
Resources of central banks and other credit institutions		(33 197 045)	15 765 741
Client resources and other loans		504 764 245	62 604 533
Other liabilities		16 273 918	14 878 485
Net flow from operating liabilities		**487 841 118**	**93 248 759**
Net cash from operating activities before income taxes		284 724 770	152 336 478
Income taxes paid		(7 737 499)	(20 211 198)
Net cash from operating activities		**276 987 271**	**132 125 280**
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Acquisitions of other tangible assets, net of disposals		(595 235)	(1 409 309)
Acquisitions of intangible assets, net of disposals es		(525 422)	(3 163 357)
Net cash from investment activities		**(1 120 657)**	**(4 572 666)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution of dividends		(54 147 017)	(37 868 156)
Net cash from financing activities		**(54 147 017)**	**(37 868 156)**
Change in cash and its equivalents		221 719 598	89 684 458
Cash and cash equivalents at the beginning of the period		301 890 504	212 206 046
Cash and cash equivalents at the end of the period		**523 610 102**	**301 890 504**
Cash and cash equivalents includes:			
Cash	4	16 312 149	13 259 745
Central Bank Cash Availability	4	63 804 582	100 208 811
Cash and cash equivalents in central banks of a mandatory nature	4	179 399 585	147 650 871
Cash and cash equivalents in other credit institutions	5	264 093 786	40 771 077
Total		**523 610 102**	**301 890 504**

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

Statement of changes in equity for the years ended 31 December 2023 and 2022

Amounts expressed in thousands of Kwanzas, except when explicitly indicated

(thousands 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, 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 results for impairment 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)
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**
Other comprehensive income:								
Fair value changes	-	(732 513)	-	-	-	-	-	(732 513)
Transfer to results for impairment recognised in the year	-	829 276	-	-	-	-	-	829 276
Deferred taxes on fair value changes	-	(33 867)	-	-	-	-	-	(33 867)
Net income for the year	-	-	-	-	-	-	67 038 077	67 038 077
Total comprehensive income for the year	**-**	**62 896**	**-**	**-**	**-**	**-**	**67 038 077**	**67 100 973**
Capital increase	11 469 993	-	-	(11 469 993)	-	(11 469 993)	-	-
Constitution of reserves	-	-	-	65 656 956	-	65 656 956	(65 656 956)	-
Distribution of dividends	-	-	-	(42 677 024)	-	(42 677 024)	-	(42 677 024)
Balance at December 31, 2023	**21 000 000**	**2 638 854**	**9 530 007**	**123 091 675**	**1 209**	**132 622 891**	**67 038 077**	**223 299 822**

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 2023, the Bank ended the year with 16 branches open (2022:19).

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, 2023.

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:

	2023	2022
USD	837.087	509.322
EUR	925.735	543.268

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, 2023 were approved by the Board of Directors on 22 March 2024.

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 2023. 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.

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 written off 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.

2.1.1.1 *Expected Credit Loss (ECL)*

ECL is an estimate of the probability of credit losses.

The key inputs for measuring ECL are predictably the following variables:

- Probability of Non-compliance (Probability of Default or PD)

- Loss given non-compliance (Loss Given Default or LGD); and

- Exposure in Non-Compliance (Exposure at Default or EAD).

These parameters derive from developed internal statistical models and other historical data that derive from regulatory models, being adjusted to reflect prospective information.

PD estimates are estimates at a given date, calculated based on a model of statistical 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 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

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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 Personal and Private Banking, the unused limits are considered by the impairment model as equity exposures.

2.2.1.2 Individual and collective analysis

For Personal and Private Banking, the Bank's impairment model for loans in Stage 3 is made on an individual basis. For loans in Stage 1 and 2 it is made on a collective basis, grouping the portfolio by segment (Personal & Private Banking, Business & Commercial Banking and Corporate & Investment Banking) 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 Temporal Structure of PD

Credit risk levels will be a primary input for determining the temporal structure of PD in exposures. The Bank collects indicators of performance and non compliance with their exposures taking into account the geographical identifier, the type of product and Client, and the level of credit risk. For certain portfolios, information obtained from external credit rating agencies may also be used.

The Bank uses statistical models to analyse the collected data and generate PD estimates for the remainder of the exposure period.

This analysis includes the identification and calibration of the relationships between variations in non-compliance rates and variations in key macroeconomic factors, as well as a more in depth analysis of the impact of certain factors (e.g. restructuring experience) on the risk of non-compliance. For most exposures, key macroeconomic indicators include GDP growth, interest rates and benchmark and unemployment levels.

For exhibitions of specific industries and regions, the analysis may be extended to the corresponding raw materials and/or prices of the real estate market.

2.2.1.6 Definition of default

Under IFRS 9, the Bank considers their financial assets to be in default when:

- The debtor will not be able to pay his credit obligations in full, without recourse by the Bank when triggering the guarantees held (in the case of their existence); or

- The debtor has been in default for at least 90 days of any material obligation of the contract to be performed with the Bank. In the case of bank overdrafts, there is a non-compliance when:

(i) the borrower has exceeded the recommended limit for more than 90 days, i.e. the borrower concerned has failed to reduce the outstanding amount within that period to an amount within the authorised limit; or

(ii) the borrower is recommended to limit less than the borrower's outstanding amount and the borrower concerned has failed to reduce the outstanding amount within 90 days to an amount within the new recommended limit; or

(iii) The Bank grants credit to a person without an authorised limit, whose credit is not prepaid within 90 days.

In the verification of non-compliance (default), the Bank considers the following indicators:.

- Qualitative: breaks in clauses or covenants contractual agreements;

- Quantitative: state of non-compliance and non payment of another obligation of the same debtor to the Bank;

- Other indicators based on data developed internally or obtained externally. The inputs assessment of when a financial instrument is in default, and their significance, may vary over time to reflect changes in circumstances.

Financial assets in a state of default are considered in Stage 3.

2.2.1.7 Forward-looking information

Under IFRS 9, the Bank incorporates forward-looking information both in the assessment of the significant increase in the credit risk of an instrument since its initial recognition, and in the measurement of ECL.

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 Personal and Private Banking Clients and Business and Commercial Clients, this forward-looking information is included in the ECL in Stage 2. For Corporate and Investment Banking, forward-looking information is included in the rating of each Client.

2.2.1.8 Cured financial assets

The Bank continuously examines whether triggers that have led contracts to the state of default (Stage 3) still exist. In Stage 3, contracts that have entered into default for at least 6 months, even if they no longer show evidence of impairment. If contracts have quarterly or higher-frequency instalments, it will be decided in the CRMC when these contracts can be transferred from Stage 3.

A financial asset will be transferred from Stage 2 to Stage 1 when it does not have criteria for significant increase in credit risk and is cured.

2.2.1.9 Modified financial assets

The contractual terms of a loan may be modified for a number of reasons, including changes in market conditions, Client retention, and other factors not directly related to a current or potential deterioration of Client credit. An existing loan in which the terms have been modified through trading should be assessed as to their possible derecognition. If the terms of the renegotiated loan are significantly different, it should be disrecognised, and the renegotiated loan, recognised as a new fair value loan, calculating its new effective interest rate.

If the terms of the contract are not significantly different, the renegotiation or modification is not eligible for derecognition and the Bank recalculates the gross book amount on the date of modification by discounting the contractual cash flows of the modified financial asset using the original effective interest rate of the asset. The difference between that carrying amount and the gross carrying amount of the original asset is recognised as a gain or loss of modification. Any costs or commissions incurred with the modification adjust the carrying amount of the modified financial asset and are amortised over the remainder of the modified financial asset.

Under IFRS 9, when the terms of a financial asset are modified, and the modification does not result in derecognition, the determination of the significant increase in credit risk reflects the comparison of the PD of the remaining life on the date of reporting on the basis of the modified terms, with the PD of the remaining life estimated on the basis of the data of the initial recognition and the original terms of the contract.

The Bank provides loans from Clients in financial difficulties (referred to as “restructuring activities”) to maximise collection opportunities and minimise the risk of default. Under the Bank’s Restructuring Policy, restructuring is eligible on a selective basis if the debtor is currently in default or if there is a high risk of default and there is evidence that the debtor has made every effort to make payments under the original contract and is expected to be able to comply with the revised terms.

The revised terms typically include an extension of maturity, a change in interest payment periods and changes to the terms of the contractual clauses (covenants) of the loan. Both retail and business loans are subject to the Restructuring Policy. The Bank’s Credit Committee regularly reviews the reports of restructuring activity.

For financial assets modified as a result of the implementation of the Bank’s Restructuring Policy, the PD estimate reflects how the change has improved the Bank’s ability to obtain capital and interest payments and past experience of restructuring activity in similar situations. As part of the process, the Bank assesses the performance debtor in accordance with changes to the contractual terms and considers various indicators of behaviour.

Restructuring is usually a qualitative indicator of default and credit failure, and restructuring expectations are relevant for the judgment of the existence of significant credit risk increase. After the restructuring, the Client needs to demonstrate to be a good fulfiller for a minimum period of time of 2 years in order to verify its demarcation of restructured by financial difficulties and the PD is considered to have decreased so that the credit adjustment created is reversed and measured in an amount equal to the ECL 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 acessment 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:

(i) Real estate

The valuation value that is considered as a guaranteed amount corresponds to the minimum value between the valuation value, obtained in accordance with the provisions of Note 2.2.2.2 above, and the maximum amount of mortgage, to which the amount of other mortgages not belonging to the Bank and with priority over the bank is previously subtracted, whenever such information is available.

The values and dates of evaluation of the guarantees are recorded in the collateral management system.

(ii) Pledge of Term Deposits

The value of the guarantee corresponds to the nominal value of the deposit and the interest (if they are also attachmentd).

(iii) Other guarantees received

For other guarantees received, in particular equipment pledges, the market value determined on the basis of an updated assessment, with an age of less than one year, to be carried out by an appropriate entity with specific competence taking into account the particular nature of each guarantee received, shall be considered. It is a necessary condition for the assessment of this type of guarantees, the validation of ownership, safeguarding and operating conditions of the underlying assets.

Any exceptions to this rule are subject to professional judgment, and discounts are applied adjusted to the specific nature of the assets.

In the event that there is no warranty assessment, or the ownership and safeguard of the assets is not guaranteed, the value of the security received is not considered for the purpose of clearance of impairment losses.

In view of the difficulties underlying a correct and judicious assessment of this type of guarantees received, the Bank has opted to follow a conservative approach and not to consider them as credit risk mitigators for the purpose of determining credit impairment.

2.2.3 Impairment reversal

If, in a subsequent period, the amount of the loss due to impairment decreases and the decrease may be objectively related to an event occurring after the recognition of the impairment, the previously recognised loss of pariness is reversed. The amount of the reversal is recognised in the results of the year.

2.2.4 Write-Off 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

The business model reflects the way in which the Bank manages generating cash flows, i.e. whether the assets are managed in order to (i) receive contractual cash flows or (ii) to receive contractual cash flows and cash flows resulting from the sale of those assets. For these two types of portfolios, the Bank shall assess and test whether the cash flows of the financial instrument correspond solely to capital payments and interest on outstanding capital (Test "solely payments of principal and interest" or SPPI), i.e. if contractual cash flows are consistent with a basic loan contract, where interest includes only considerations relating to the time value of money, credit risk and profit margin that is consistent with a basic credit contract or whether they present risk exposure or volatility inconsistent with a basic credit contract, situation that determines that the financial instrument should be classified and measured at fair value through profit or loss.

If none of these above situations are met, financial assets are recognised at fair value through profit or loss, such as securities held for trading, which are managed for the purpose of being sold in the short term.

The information to be considered in this assessment includes:

• The policies and objectives set for the portfolio and the practical operationality of these policies, including how the management strategy focuses on receiving contracted interest, maintaining a specific interest rate profile, match between the assets and liabilities that finance them or in the realisation of cash flows through the sale of assets;

• The way the performance of the portfolio is evaluated and reported to the Bank's management bodies;

• The assessment of the risks affecting the performance of the business model (and financial assets managed under that business model) and how these risks are managed;

• How the remuneration of business managers depends on the fair value of assets under management or contractual cash flows received; and

• The frequency, volume and timing of sales in previous periods, the reasons for such sales, and expectations about future sales. However, sales information should not be considered alone, but as part of an overall assessment of how the Bank sets financial asset management objectives and how cash flows are obtained.

Assessment of contractual cash flows with respect to the exclusive receipt of capital and interest (SPPI)

In this valuation, "capital" is defined as the fair value of the financial asset in the initial recognition. "Interest" is defined as the consideration for the temporal value of money, the credit risk associated with the outstanding amount, other risks and costs associated with the activity (e.g. liquidity risk and administrative costs), as well as a profit margin.

When assessing contractual cash flows with respect to the receipt of capital and interest, the Bank considers the contractual terms of the instrument, which includes the analysis of the existence of situations in which they may modify the timing and the amount of cash flows so that they do not meet this condition, in particular:

• Contingent events that can change the frequency and amount of cash flows;

• Characteristics that result in leverage;

• Prepayment clauses and maturity extension;

• Clauses that may limit the right to claim cash flows in relation to specific assets (e.g. contracts with clauses that prevent access to assets in the event of default); and

• Characteristics that can change the compensation by the time value of money (for example, periodic restart of interest rates).

Interest rates on certain retail loans made by the Bank are based on variable standard rates ("SVRs") established at the Bank's discretion. SVRs are usually based on a Central Bank rate of a specific jurisdiction, including a discretionary spread. In such cases, the Bank will assess how the discretionary characteristics are consistent with the SPPI criterion by considering a number of factors, including how:

• Debtors will be able to advance payments without significant penalties;

• Market competition ensures that the interest rate is consistent across banks; and

• Regulatory or consumer protection frameworks require the Bank to treat consumers fairly.

All Bank retail loans and certain fixed-rate corporate loans contain features that enable payment anticipation.

A contract with the possibility of prepayment is consistent with the SPPI criterion, if the prepayment amount represents unpaid amounts of capital and interest of the outstanding capital amount, which may include reasonable compensation for the advance payment.

Additionally, an advance payment is consistent with the SPPI criterion, if the financial asset is acquired or originated with a premium or discount in relation to its contractual value, the advance payment represents substantially the nominal amount of the contract added from the periodified interest (but not paid, which may include reasonable compensation for the advance payment), and the fair amount of the advance payment is negligible in the initial recognition.

The Bank classifies and values its 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.

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2.3.1.2 Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is classified in the category of financial assets at fair value through other comprehensive income if it meets the following conditions cumulatively:

- the financial asset is held under a business model in which the objective is the collection of its contractual cash flows and the sale of that financial asset, while the interest income remains affecting the results; and

- their cash flows give rise to receipts, on specified dates, relating only to the amount of capital and interest in force (SPPI).

Financial assets at fair value through other comprehensive income are 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.

Disposal of financial assets at fair value through other comprehensive income (debt securities), 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

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assets and liabilities at fair value through profit or loss" of the income statement.

Trading derivatives with a positive fair value are included under the heading "Financial assets held for trading", and trading derivatives with negative fair value are included in the heading "Financial liabilities held for trading".

Derivative transactions are subject to credit risk analysis, and their adjusted value is in return for the "Exchange income" item of the income statement.

2.3.2 Capital Instruments

Capital instruments are instruments that meet the definition of capital from the issuer's perspective, i.e. they are instruments that do not contain a contractual obligation to pay and which show a residual interest in the issuer's net asset, such as shares. Investments in capital instruments are generally classified as held for trading and accounted for at fair value through profit or loss. If the business model and consequently the purpose of acquiring the investment pool is to have in an indefinite portfolio for valuation, it should be recognised in the category of financial assets at fair value through other comprehensive income, and may not later be reclassified in the trading book (irrevocable condition). Changes in fair value and the result of the sale of these securities are recorded in other comprehensive income. Dividends are recognised in results when the right to recognition is granted. Impairment is not recognised for capital instruments at fair value through other comprehensive income, and the respective accumulated gains or losses recorded in changes in fair value transferred to results carried over at the time of their disrecognition.

2.3.3 Classification of financial liabilities

A financial instrument is classified as financial liability where there is a contractual obligation for a liquidation to be carried out by the delivery of money or other financial assets, regardless of its legal form.

At the time of their initial recognition, financial liabilities are classified into one of the following categories:

• Financial liabilities at amortised cost;

• Financial liabilities at fair value through profit or loss. Financial liabilities classified in the category of "Financial liabilities at fair value through profit or loss" include:

• Financial liabilities held for trading

Under this heading, liabilities issued for the purpose of short-term repurchase, those which are part of a portfolio of identified financial instruments and for which there is evidence of a recent pattern of short-term profit-making or which fall within the definition of derivatives (except in the case of a derivative classified as hedging).

• Financial liabilities designated at fair value through profit or loss (Fair Value Option)

The Bank may irrevocably designate a financial liability at fair value through profit or loss at the time of its initial recognition if at least one of the following conditions is met:

• financial liabilities are managed, assessed and reported internally at their fair value; or

• the designation significantly eliminates or reduces the mismatch accounting for transactions.

The Bank classifies their financial liabilities as measured at amortised cost, and the clearance of the fair value of these liabilities is disclosed in these notes attached to the financial statements.

Financial liabilities at amortised cost include resources from credit institutions and Clients, loans, liabilities represented by securities and other subordinated liabilities.

Financial liabilities at amortised cost are initially recognised at fair value and subsequently at amortised cost. Interest is periodified by the term of the transactions and recognised under the heading "Interest and similar income". Financial liabilities at fair value through profit or loss are recorded at fair value.

The gains and losses ascertained at the time of the repurchase of financial liabilities are recognised as "assets and liabilities valued at fair value through profit or loss" at the time they occur.

2.3.4 Initial recognition and subsequent measurement

At the time of their initial recognition all financial instruments will be recorded at their fair value. For financial instruments that are not recorded at fair value through profit or loss, fair value is adjusted by adding or subtracting transaction costs directly attributable to their acquisition or issue. In the case of fair value financial instruments through profit or loss, directly attributable transaction costs are recognised immediately in results. Transaction costs are defined as expenses directly attributable to the acquisition or disposal of a financial asset, or to the issue or assumption of a financial liability, which would not have been incurred if the Bank had not carried out the transaction. These include, for example, commissions paid to intermediaries (such as promoters) and mortgage formalisation expenses.

2.3.4.1 Recognition and measurement at amortised cost

The amortised cost of an asset or financial liability is the amount by which an asset or financial liability is initially recognised, deducted from capital receipts, plus or deducted from accumulated amortisations, arising from the difference between the amount initially recognised and the amount at maturity, minus the reductions arising from impairment losses.

2.3.4.2 Recognition and measurement at fair value

Fair value is the price that would be received when selling an asset or paid to transfer a liability in a current transaction between market participants at the time of measurement or, in its absence, the most advantageous market to which the Bank has access to carry out the transaction on that date. The fair value of a liability also reflects the Bank's own credit risk.

When available, the fair value of an investment is measured using its market quotation in an active market for that instrument. A market is considered active if there is sufficient frequency and volume of transactions so that there is a price quote on a constant basis.

If there is no quotation in an active market, the Bank uses recovery techniques that maximise the use of observable market data and minimise the use of unobservable data on the market. The chosen valuation technique incorporates all the factors that a market participant would take into account to calculate a price for the transaction.

2.3.4.3 Impairment identification and measurement

In addition to the analysis of the cost-effectiveness on credits to Clients, an assessment of the existence of objective evidence of impairment is carried out on each other financial assets which are not recorded at fair value through profit or loss.

In accordance with IFRS 9, the Bank regularly assesses whether there is objective evidence that a financial asset, or group of financial assets, shows signs of impairment.

A financial asset, or group of financial assets, is at an earlier risk where there is objective evidence of impairment resulting from one or more events that occurred after its initial recognition, such as: (i) for shares and other capital instruments, a continued devaluation or significant value at its market value below the acquisition cost, and (ii) for debt securities, where that event (or events) has an impact on the estimated value of future cash flows of the financial asset, or group of financial assets, which can be reasonably estimated.

For investments at amortised cost, impairment losses correspond to the difference between the book value of the asset and the current value of the estimated future cash flows (taking the recovery period) discounted at the original effective interest rate of the financial asset and are recorded in return for profit or loss. These assets are presented in the net balance of impairment. If there is an asset with a variable interest rate, the discount rate to be used for determining its impairment loss is the current effective interest rate, determined on the basis of the rules of each contract. Also in relation to investments at amortised cost, if in a subsequent period the amount of the impairment loss decreases, and this decrease may be objectively related to an event that occurred after the recognition of the impairment, this is reversed in return for the results of the year.

When there is evidence of impairment in financial assets at fair value through other comprehensive income, the accumulated potential loss on reserves is transferred to results. If in a subsequent period the amount of the impairment loss decreases, the previously recognized impairment loss is reversed in return for the results for the year until the acquisition cost is reset if the increase is objectively related to an event occurring after the recognition of the loss by impairment, except for shares or other capital instruments, subsequent capital gains are recognised in reserves.

2.3.5 Transfers between categories of financial instruments

The Bank will only transfer financial assets if there is a change in the entity's business model for the management of their financial assets.

These transfers are made prospectively from the date of reclassification, based on the fair value of the transferred assets determined on the date of the transfer. The difference between this fair value and its nominal value is recognised in results up to the maturity of the asset, based on the effective interest rate method. The amount in other comprehensive income existing at the date of the transfer is also recognised in results based on the effective interest rate method. According to IFRS 9, changes in the business model are not expected to occur frequently. Financial liabilities cannot be reclassified between categories.

During this year, the Bank did not transfer financial assets between categories.

2.3.6 Derecognition

The Bank derecognises their financial assets when all rights to future cash flows expire. In a transfer of assets, derecognition can only occur when substantially all the risks and benefits of financial assets have been transferred or in which the Bank neither substantially transfers nor retains all risks and benefits and does not maintain control of financial assets.

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

2.3.7 Derivative financial instruments

The Bank may carry out derivative financial instrument operations as part of their activity, managing their own positions based on expectations of market developments or to meet the needs of their Clients. All derivative instruments are recorded on the trade date at fair value and changes in fair value are recognised in the income statement, except if they qualify as cash flow hedges or net investment in hedge, understood as the part of the item hedged by the hedging instrument, must be the same as the coverage ratio that is used for management purposes.

When a derivative financial instrument is used to cover exchange variations in asset or liabilities monetary elements, no hedging accounting model is applied. Any gain or loss associated with the derivative is recognised in the results of the year, as well as the variations in the foreign exchange risk of the underlying monetary elements.

a) Fair value coverage

Changes in the fair value of derivatives that are designated and which qualify as fair value hedging are recorded in return for results, together with changes in fair value of the asset, liability or group of assets and liabilities to be covered with respect to the covered risk. If the coverage ratio no longer meets the requirements of hedging accounting, the derivative financial instrument is transferred to the trading category and the hedging accounting is discontinued at a later date (the adjustment made to the book value of a hedging instrument, in which the effective interest rate method is used, is amortised through profit or loss for the period up to maturity and recognised under the heading "Interest and similar income"). If the covered asset or liability corresponds to a fixed income instrument, gains or losses accumulated by changes in interest rate risk associated with the hedging item up to the date of discontinuation of the hedging are amortised by profit or loss for the remaining period of the covered item.

b) Cash flow coverage

Fair value variations of derivatives that qualify for cash flow hedging are recognised in equity - cash flow reserves - in the actual part of hedging relationships. The changes in fair value of the ineffective portion of the coverage relationships are recognised in return for results, at the time they occur. Accumulated values in equity are reclassified to fiscal year results in the periods in which the covered item affects results. When the hedging instrument is derecognised, or when the coverage relationship fails to meet the coverage accounting requirements or is revoked, the coverage relationship is prospectively discontinued.

Thus, the changes in fair value accumulated in equity up to the date of discontinuation of the coverage may be deferred for the remaining period of the covered instrument, and immediately recognised in the results of the year, in case the covered instrument has become extinct.

2.4 Other tangible assets

2.4.1 Recognition and measurement

Other tangible assets are recorded at acquisition cost, deducted from their accumulated depreciation and impairment losses. The cost includes expenses that are directly attributable to the acquisition of the goods (acquisition cost, equipment installation cost, customs clearance costs and import taxes on property, and other additional costs associated with the purchase of assets).

The works in leased buildings are capitalised as the Bank's own assets, being depreciated between the shorter of its useful life and the lease term of the respective contracts.

2.4.2 Subsequent costs

Subsequent costs are recognised as a separate asset only if it is likely that future economic benefits will result to the Bank. Maintenance and repair costs are recognised as a cost as they are incurred in accordance with the principle of exercise specialisation.

2.4.3 Depreciation

The land is not depreciated. Depreciation is calculated by the constant quota method according to the following expected useful life periods:

	Number of Years
Own-service properties	50
Works in rented properties	4 a 7
Equipment	
Furniture and material	4 a 8
Machines and tools	4 a 10
IT equipment/ATM	3 a 6
Transport material	3 a 4
Safety equipment	4 a 15

When there is an indication that an asset may be impaired, IAS 36 - Impairment of Assets requires that its recoverable amount is estimated and an impairment loss shall be recognised whenever the net book value of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement and are reversed when the facts giving rise to them no longer occur (reversals of impairment losses are made up to the value limit that the assets would have had if impairment losses had never been recognised).

The recoverable value is determined as the highest between its net selling price and its use value, which is calculated on the basis of the current value of the estimated future cash flows expected to be obtained from the continued use of the asset and its disposal at the end of its useful life.

2.4.4 Leases

FRS 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

• leases for which the underlying asset is of low value and less than USD 5 000 for non-de - pendent 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

• a rental agreement is amended but this change to the lease is not counted as a separate lease, in which case the lease liability is remeasured, discounting the revised lease payments using a revised discount rate.

Assets under right of use are depreciated/ amortised from the date of entry into force until the end of the life of the underlying asset, or until the end of the lease term, if earlier. If the lease transfers ownership of the underlying asset, or if the cost of the right-of-use asset reflects the fact that the Bank exercises a purchase option, the right-to-use asset shall be depreciated/amortised from the date of entry into force until the end of the useful life of the underlying asset. Depreciation/amortisation begins on the date of entry into force of the lease.

The main accounting records arising from IFRS 16 are detailed as follows:

- In the income statement:
  - registration in "Financial margin" of interest expense related to lease liabilities;
  - registration in "Other administrative expenses" of amounts relating to short term lease agreements and leasing contracts for low- -value assets; and
  - registration in "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
  - registration in "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.

The associated companies are entities in which the Bank has significant influence but does not exercise control over their financial and operational policy. The Bank is presumed to have significant influence when they hold the power to exercise more than 20% of the member's voting rights. If the Bank holds, directly or indirectly, less than 20% of the voting rights, it is presumed that the Bank has no significant influence, except where such influence can be clearly demonstrated.

The existence of significant influence on the part of the Bank is usually demonstrated in one or more of the following ways:

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

2.7.1 Impairment

The recoverable value of investments in subsidiaries and associates is assessed whenever there are signs of evidence of impairment. Impairment losses are calculated based on the difference between the recoverable value of investments in subsidiaries or associates and their book value. The impairment losses identified are recorded in return for results and subsequently reversed by results if there is a reduction in the amount of the estimated loss in a later period. The recoverable value is determined based on the greater between the value in use of the assets and the fair value deducted from the selling costs, being calculated using valuation methodologies, supported by cash flow techniques, considering market conditions, time value and business risks.

2.8 Non-current assets held for sale (IFRS 5)

The Bank classifies in non-current assets held for sale the properties held for credit recovery whose purpose is not the continued use in the Bank's activity but rather the realisation of their book value through a transaction of a sale that should be very likely to occur within one year.

These assets are initially measured by the lowest between their fair net value of selling costs and the book value of the credit existing on the date on which the damage or judicial settlement of the asset was made.

Fair value is based on market value, which is determined in national currency on the basis of periodic assessments by independent qualified experts, taking into account the above in Directive No 01/ DSB/2020 of 30 October 2020 and the disposal of the same taking into account the above in Directive No 01/DSB/DRO/2020 of 14 February 2020.

The subsequent measurement of these assets is carried out at the lowest of their book value and the corresponding fair value, net of sales costs and not subject to amortisation. If there are unrealised losses, these are recorded as impairment losses in return for the results of the year.

2.9 Income taxes (IAS 12)

Income taxes include the effect of current taxes and deferred taxes. The tax is recognised in the income statement, except when related to items that are moved in equity, which implies its recognition in equity. Deferred taxes recognised in equity arising from the revaluation of assets at fair value through other comprehensive income and cash flow hedging derivatives are subsequently recognised in profit or loss at the time when the gains and losses that gave rise to them are recognised in profit or loss.

2.9.1 Current tax

Current taxes correspond to the amount calculated in relation to the taxable income for the financial year, using the tax rate in force or substantially approved by the authorities at the balance sheet date and any adjustments to the taxes of previous years.

2.9.2 Industrial tax

On 31 December 2021, the Bank is subject to taxation in the field of Industrial Tax, being considered fiscally a taxpayer of Group A and currently subject to a tax rate of 35% under Law No. 26/20 of July 20, which amends the Industrial Tax Code, approved by Law No. 19/14, 22 October.

Under the above mentioned Law, an increase in the reporting period of tax losses to 5 years, as well as among others, changes were made as to the tax treatment of exchange variations and the tax deductibility of the provisions, in order to determine that impairment losses on secured claims are not deductible for tax purposes, except for the unsecured part.

Pursuant to Law 19/14, which approves the Industrial Tax Code in force on 1 January 2015, the Bank is subject to provisional liquidation in a single benefit to be made in August, determined by applying a 2% rate on the result derived from financial intermediation operations, calculated in the first six months of the previous tax year, income subject to Capital Investment Tax ("CIT"), regardless of the existence of a tax base in the year.

With the entry into force of Law No. 26/20, the Bank is no longer obliged to make the settlement and provisional payment of the Industrial Tax on sales in cases where they have determined tax losses in the previous year.

The Industrial Tax Code determines that the income subject to CIT is deducted for the purposes of determining taxable profit in the company of Industrial Tax, and the CIT does not constitute a tax deductible cost.

Income from Treasury Bonds and Treasury Bills issued by the Angolan State after January 1, 2013 is subject to Capital Investment Tax (CIT), at the rate of 10% (5% in the case of debt securities admitted to trading on a regulated market and with a maturity of three years or more) and industrial tax: (i) in the case of capital gains or losses obtained (including any exchange rate revaluations on the capital component); and (ii) the recognition of the discount in respect of securities purchased or issued at a discounted value. Income subject to CIT is excluded from Industrial Tax.

2.9.3 Deferred tax

Deferred taxes are calculated, according to the balance sheet-based liability method, on the temporary differences between the book values of assets and liabilities and their tax base, using the tax rates approved or substantially approved at the balance sheet date and which are expected to be applied when the temporary differences are reversed.

Deferred tax liabilities are recognised for all taxable temporary differences other than goodwill, not deductible for tax purposes, differences resulting from the initial recognition of assets and liabilities that do not affect both accounting and tax profit, and differences related to investments in subsidiaries to the extent that they are not likely to reverse in the future, and management can control the timing of its realisation.

Deferred tax assets are recognised when future taxable profits are likely to absorb temporary differences deductible for tax purposes (including reportable tax losses).

The Bank shall, as set out in IAS 12 – Income Tax, paragraph 74, offset deferred tax assets and liabilities whenever: (i) has the legally enforceable right to offset current tax assets and current tax liabilities; and (ii) deferred tax assets and liabilities relate to income taxes released by the same tax authority on the same taxable entity or different taxable entities wishing to settle current tax liabilities and assets on a net basis, or realise the assets and settle the liabilities simultaneously, in each future period in which deferred tax liabilities or assets are expected to be settled or recovered.

2.9.4 Capital Investment Tax (CIT)

Presidential Legislative Decree No. 2/14 of 20 October, in force since November 19, has been reviewing and introducing several legislative changes to the CIT Code, following the tax reform project.

The CIT generally focuses on income from the Bank's financial investments, is withheld at source by the BNA and the respective income is excluded from taxation in the field of Industrial Tax. For these reasons, the Bank considers that the conditions for considering, in the light of IAS 12, that CIT 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 liabilities (IAS 37)

Provisions are recognised when (i) the Bank has a present obligation (legal or arising from past practices or published policies involving the recognition of certain responsibilities), (ii) it is likely that its payment will be required and (iii) when a reliable estimate of the value of that obligation can be made.

The measurement of provisions takes into account the principles set out in IAS 37 with regard to the best estimate of the expected cost, the most likely outcome of the ongoing actions and taking into account the risks and uncertainties inherent in the process.

In cases where the effect of the discount is significant, the provisions correspond to the current value of the expected future payments, discounted at a rate that considers the risk associated with the obligation. Provisions are revised at the end of each reporting date and adjusted to reflect the best estimate and are reversed in return for results in proportion to non-probable payments.

The provisions are derecognised through their use for the obligations for which they were initially constituted or in cases where they are no longer observed.

If the future expenditure of resources is not likely, it is a contingent liability, and only its disclosure.

2.12 Interest recognition

The results of interest on financial instruments assets and liabilities measured at amortised cost are recognised under the similar interest and income items or interest and similar charges (Note 24), according to the terms of the underlying transactions, using the effective interest rate of the transaction on the gross book value of the transaction.

Interest recognised by the effective interest rate method of financial assets at fair value through other comprehensive income is also recognised in financial margin (Note 24) as well as from financial assets and liabilities to fair value through profit or loss.

The effective interest rate corresponds to the rate that devalues the estimated future payments or receipts during the expected life of the financial instrument (or, where appropriate, for a shorter period) to the current net balance sheet value of the asset or financial liability.

For the determination of the effective interest rate, the Bank shall include commissions paid or received considered as an integral part of the effective interest rate, transaction costs and all premiums or discounts directly related to the transaction, except for financial assets and liabilities at fair value through profit or loss.

Income from interest recognised in results associated with contracts classified in the stage 1 or 2 are calculated by applying the effective interest rate of each contract on its gross balance sheet value. The gross balance sheet value of a contract is its amortised cost, before deduction of the respective impairment. For the financial assets included in the stage 3, interest is recognised in results based on its net balance sheet value (deducted from impairment). Interest recognition is always carried out prospectively, i.e. for financial assets that enter into stage 3 interest is recognised on the amortised cost (net of impairment) in subsequent periods.

For financial assets arising from or acquired in credit impairment (POCIs) the effective interest rate reflects the expected credit losses in determining the expected future cash flows from the financial asset.

For derivative financial instruments, with the exception of those classified as interest rate risk hedging instruments, the interest component is not autonomous from changes in its fair value and is classified as Results of assets and liabilities valued at fair value through profit or loss. For interest rate risk hedging derivatives and associated with financial assets or financial liabilities recognised in the fair value category through profit or loss, the interest component is recognised in interest and similar income or in interest and similar charges (Note 24). With reference to 30 June 2023 and 31 December 2022, the Bank does not have these operations.

2.13 Recognition of income services and commissions

Income from services and commissions (Note 25) is recognised according to the following criteria:

i) when they are obtained as the services are provided, their recognition in results is carried out in the period to which they relate;

ii) when they result from the provision of services, their recognition shall be carried out when that service is completed.

When they are an integral part of the effective interest rate of a financial instrument, income from services and commissions is recorded in the financial margin (Note 24).

2.14 Results of financial assets valued at fair value through profit or loss and financial assets at fair value through other comprehensive income

The results of financial assets valued at fair value through profit or loss (Note 26) include gains and losses generated by assets and financial liabilities at fair value through profit or loss, including trading portfolios and other fair value assets and liabilities through profit or loss, including embedded derivatives and dividends associated with these portfolios. Fair value variations in hedge derivative financial instruments and covered instruments, when applicable to fair value hedging relationships, are also recognised here. The Bank doesn't have coverage accounting.

The results of financial assets at fair value through other comprehensive income include the losses in the sales of this category of financial assets.

2.15 Financial Guarantees and Commitments

Financial guarantees (Note 23) are contracts that require the Bank to make specific payments in order to reimburse the holder for a loss incarnatised by a debtor failing to comply with a payment. Commitments (Note 23) are firm commitments to provide credit under predetermined conditions.

Liabilities that arise from financial guarantees or commitments given to provide a loan at an interest rate below market value are initially recognised at fair value, and the initial fair value is amortised during the lifetime of the guarantee or commitment. Subsequently the liability is recorded at the highest between the amortised amount and the present value of any expected payment to settle.

2.16 Transactions in foreign currency

Transactions in foreign currency are converted to the functional currency (Kwanzas) at the exchange rate in force on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are converted to the functional currency at the exchange rate in force on the balance sheet date. The exchange rate differences resulting from the conversion are recognised in results. Non-monetary assets and liabilities denominated in foreign currency and recorded at historical cost are converted to the functional currency at the exchange rate in force on the date of the transaction. Non-monetary assets and liabilities recorded at fair value are converted to functional currency at the exchange rate in force on the date on which fair value is determined and recognised in return for results, with the exception of those recognised in fair value assets through other comprehensive income.

Purchases and sales of foreign currency to be settled for up to two days are recorded in balance sheet under other assets (Note 15) and Other liabilities (Note 20).

2.17 Results per share

Basic income per share (Note 32) is calculated by dividing the net income attributable to the Bank's Shareholders by the weighted average number of common shares outstanding, excluding the average number of own shares held by the Bank.

For diluted earnings per share, the average number of common shares outstanding is to reflect the effect of all potential common shares treated as dilutions. Contingent or potential emissions are treated as dilutives when their conversion to shares reduces the result per share.

If the result per share is changed as a result of a premium or discount issue or other event that alters the potential number of common shares or changes in accounting policies, the calculation of the result per share for all periods presented shall be adjusted retrospectively.

2.18 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and its equivalents include the amounts recorded in the balance sheet with maturity of less than three months from the balance sheet date, and with risk of change in the fair value of immaterial 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 33.

3.2 Classification of financial assets

The classification and measurement of financial assets depends on the results of the SPPI tests (analysis of the characteristics of contractual cash flows, to conclude whether they correspond solely to capital payments and interest on outstanding capital) and the business model test.

The Bank determines the business model taking into account how groups of financial assets are managed together to achieve a specific business objective. This assessment requires judgment, as the following aspects have to be considered, among others: how asset performance is assessed; risks affecting the performance of assets and how those risks are managed; and the way of remuneration of the asset managers.

The Bank monitors the financial assets measured at amortised cost and fair value through other comprehensive income that are derecognised before maturity, to understand the reasons behind its disposal and determine whether they are consistent with the purpose of the business model defined for those assets. This monitoring is part of the Bank's ongoing valuation process of the business model of financial assets remaining in the portfolio, to determine whether it is appropriate and, if not, whether there has been a change in the business model and consequently a prospective change in the classification of these financial assets (Notes 7, 8, 9 and 10).

3.3 Impairment losses of financial instruments at amortised cost or fair value through other comprehensive income (OCI)

The Bank carries out a periodic review of financial instruments in order to assess the existence of impairment losses, as referred to in the accounting policy described in Note 2.3.

The evaluation process in order to determine whether an impairment loss should be recognised is subject to several estimates and judgments. This process includes factors such as the probability of default (PD), the loss given default (LGD), the assessment of the existence of a significant increase in the credit risk of the financial asset since its initial recognition, the definition of groups of assets with common credit risk characteristics, the credit rating, the collateral value associated with each transaction and the estimates of both the future cash flows and the timing of their receipt.

During the 2020 and 2021 years, the models for calculating the degree of impairment were improved due to the COVID-19 pandemic, however, despite the considerable pressure exerted by the pandemic on the Angolan economy, there were no material changes in the premises. Monitoring and monitoring measures were taken by business teams to ensure that action plans to avoid reducing the quality of the credit portfolio would be proactively taken, with Clients who were not in default before COVID-19 were prioritised.

In June 2021, National Bank of Angola instructed commercial banks to grant a moratorium of no more than 6 months, and this period could be extended by National Bank of Angola, if circumstances so determine, to Clients to so request and present the appropriate evidence of the impact of the COVID-19 pandemic, in order to ensure the financial stability of the economy. However, no moratoriums were requested by Clients under this initiative.

Alternative methodologies and the use of other assumptions and estimates could result in different levels of impairment losses recognised for financial instruments at amortised cost and fair value through other comprehensive income presented in Notes 4, 5, 6, 8, 9 and 10, with the consequent impact on the Bank's results.

3.4 Income tax and Deferred 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 14.

The General Tax Administration has the possibility to review the calculation of the tax base made by the Bank over a period of five years. Thus, it is possible that there will be corrections to the tax base, resulting mainly from differences in the interpretation of tax legislation, which by its probability, the Board of Directors considers that they will not have materially relevant effect at the level of the financial statements.

Note 4 – Cash and cash equivalents in central banks

The heading of cash and cash equivalents in central banks consists of:

(thousands of Kwanzas)

	31.12.2023	31.12.2022
Cash	**16 312 149**	**13 259 745**
Cash and cash equivalents in central banks	**243 204 167**	**247 859 683**
National Bank of Angola (BNA)	243 204 167	247 859 683
Accumulated impairment	-	-
	259 516 316	**261 119 428**

As of 31 December 2023, the heading "Cash and cash equivalents" at the National Bank of Angola includes mandatory deposits in the amount of 179,399,585 thousand kwanzas (2022: 147,650,871 thousand kwanzas), which aim to meet the legal requirements for the constitution of minimum reserve requirements. In accordance with Instruction No. 04/2023 of the National Bank of Angola, of March 30, 2023, and in accordance with Directive No. 06/DME/2023 of the National Bank of Angola, of March 30, 2023, the minimum reserve requirements in demand deposits with the BNA on December 31, 2023, are calculated according to the following table:

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

[1] 80% of this balance must be in the form of USD government bonds (Note 9)

Compliance with the minimum reserve requirements for a given weekly observation period (Other Sectors) is achieved by taking into account the average value of deposit balances with the Bank during that period. As of December 31, 2023, the amount of total liabilities (Central Government, Local Governments, Local Administrations and Other Sectors) amounts to 2,450,340 thousand kwanzas (2022: 136,511,352 thousand kwanzas).

On December 31, 2023 and December 31, 2022, with the entry into force of Directive 13/2019 of December 27, 2019, which states that an LGD of 0% should be considered for the portfolio of cash and investments constituted with the National Bank of Angola, no impairment was registered.

Note 5 – Cash and cash equivalents in other credit institutions

The balance of the item availables in other credit institutions is composed, as to its nature, as follows:

(thousands of Kwanzas)

	31.12.2023	31.12.2022
Cash and cash equivalents in other credit institutions in the country		
Other cash and deposits	780 664	5 322 631
Cash and cash equivalents in other credit foreign institutions		
Demand deposits	263 313 122	35 448 446
Applied value	263 314 316	35 448 512
Accumulated impairment	(1 194)	(66)
	264 093 786	**40 771 077**

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

As of 31 December 2023, the Bank calculated impairments in accordance with IFRS 9 for cash and cash equivalents in other credit institutions in the amount of 1,194 thousand kwanzas (2022: 66 thousand kwanzas). On 31 December 2023 and 31 December 2022 the exposures were classified in stage 1.

Note 6 – Investments in central banks and other credit institutions

This heading as of 31 December 2023 and 31 December 2022 is analysed as follows:

(thousands of Kwanzas)

	31.12.2023	31.12.2022
Applications in credit institutions in the country		
Operations with resale agreement	40 016 393	85 581 018
Accrued interest	445 550	1 270 484
Applications in credit institutions		
Very short-term applications	74 975 311	45 268 920
Applied value	74 978 022	45 268 920
Accumulated impairment	(2 711)	-
	115 437 254	**132 120 422**

As of December 31, 2023, transactions with a resale agreement correspond to repos signed with the National Bank of Angola, with a weighted average interest rate of 11,726% and investments in very short-term credit institutions in foreign currency of 5,813%.

As of December 31, 2022, transactions with a resale agreement correspond to repos concluded with the 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 of 31 December 2023 and 31 December 2022 the exhibitions were classified in stage 1.

Note 7 – Financial assets and liabilities at fair value through profit or loss

As of 31 December 2023 and 31 December 2022, the heading financial assets at fair value through profit or loss shows the following values:

(thousands of Kwanzas)

31.12.2023	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.	16,39%	26 924 948	27 378 531	1 545 049	(168 987)	73 819	**28 828 412**
- 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.	-	-	-	-	-	24 006	**24 006**
Financial liabilities held for trading									
- Derivative Financial Instruments	AOA	n.a.	-	-	-	-	-	(1)	**(1)**
				27 114 675	**27 568 258**	**1 545 049**	**(168 987)**	**97 825**	**29 042 144**

(thousands of Kwanzas)

31.12.2022	Currency	Indexing	Average rate	Nominal value	Acquistion 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.	16,21%	5 895 598	5 963 080	336 811	(3 170)	(93 433)	**6 203 288**
- 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.	-	-	-	-	-	1 191	**1 191**
Financial liabilities held for trading									
- Derivative Financial Instruments	AOA	n.a.	-	-	-	-	-	(10)	**(10)**
				6 085 325	**6 152 807**	**336 811**	**(3 170)**	**(92 252)**	**6 394 196**

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).

There was no movement of financial assets and liabilities valued at level 3 of the fair value hierarchy during the years of 31 December 2023 and 31 December 2022, as follows:

(thousands of Kwanzas)

	Financial assets not held for trading mandatorily at fair value through profit or loss	
	31.12.2023	31.12.2022
Initial portfolio balance	**189 727**	**189 727**
Acquisitions	-	-
Final portfolio balance	**189 727**	**189 727**

On 31 December 2023 and 31 December 2022, 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	3 483 735	16 777 810	8 566 867	-	28 828 412
- EMIS Participation	-	-	-	189 727	189 727
Balance at December 31, 2023	**3 483 735**	**16 777 810**	**8 566 867**	**189 727**	**29 018 139**
- 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

DERIVATES

On December 31, 2023 and December 31, 2022, the derivatives were composed as follows:

(thousands of Kwanzas)

	31.12.2023	31.12.2022
Financial assets held for trading		
Derivative Financial Instruments		
- FX Forward	24 006	1 191
- FX Option	-	-
	24 006	**1 191**
Financial liabilities held for trading		
Derivative Financial Instruments		
- FX Forward	(1)	(10)
- FX Option	-	-
	(1)	**(10)**
Final Portfolio Balance	**24 005**	**1 181**

At 31 December 2023 and 31 December 2022, derivative financial instruments correspond to Foreign Exchange Forwards contracted with non-financial corporations, maturing in January 2024 and January 2023 respectively.

On 31 December 2023 and 31 December 2022, 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	24 006	-	-	-	24 006
- FX Option	-	-	-	-	-
	24 006	**-**	**-**	**-**	**24 006**
Financial liabilities held for trading					
Derivative Financial Instruments					
- FX Forward	(1)	-	-	-	(1)
- FX Option	-	-	-	-	-
	(1)	**-**	**-**	**-**	**(1)**
Balance at December 31, 2023	**24 005**	**-**	**-**	**-**	**24 005**

(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
FX Option	-	-	-	-	-
	1 191	**-**	**-**	**-**	**1 191**
Financial liabilities held for trading					
Derivative Financial Instruments					
FX Forward	(10)	-	-	-	(10)
FX Option	-	-	-	-	-
	(10)	**-**	**-**	**-**	**(10)**
Balance at December 31, 2022	**1 181**	**-**	**-**	**-**	**1 181**

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

This heading as at 31 December 2023 and 31 December 2022 is examined as follows:

(thousands of Kwanzas)

31.12.2023	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.	57 000 000	53 834 770	-	1 233 196	(35 159)	55 032 808
- Treasury Bonds	AOA	Flat rate	17,25%	132 560 436	130 293 322	5 657 418	1 623 089	3 132 429	140 706 257
				189 560 436	**184 128 092**	**5 657 418**	**2 856 285**	**3 097 270**	**195 739 065**

(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	-	718 875	(30 889)	15 819 731
Treasury Bonds	AOA	Flat 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**

Financial assets at fair value through other comprehensive income are measured at fair value in accordance with level 2, in accordance with IFRS 13 (Note 34).

The model of fair value appreciation of the portfolio of assets at fair value through other comprehensive income considers as discount rate those corresponding to the latest issues of treasury bills and treasury bonds verified on each reference date for the entire portfolio of treasury bonds and bills issued in Kwanzas (excluding bonds indexed to the dollar).

On 31 December 2023 and 31 December 2022, 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	-	55 032 808	-	55 032 808
- Treasury Bonds	12 324 387	24 306 436	104 075 434	140 706 257
Balance at December 31, 2022	**12 324 387**	**79 339 244**	**104 075 434**	**195 739 065**
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**

Note 9 – Investments at amortised cost

As at 31 December 2023 and 31 December 2022, the heading investment at amortised cost shows the following values:

(thousands of Kwanzas)

31.12.2023	Currency	Indexing	Average rate	Nominal value	Acquisition cost	Accrued interest	Prize/Discount	Accumulated Impairment	Balance Sheet Value
Investments at amortised cost									
- Treasure tickets	AOA	n.a.	n.a.	50 051 300	43 552 861	-	619 790	(456 320)	43 716 331
- Treasury Bonds	AOA	Flat rate	10,81%	75 783 550	74 764 663	3 109 256	970 792	(733 354)	78 111 357
- EUROBOND	USD	n.a.	9,50%	4 603 980	4 650 019	59 532	(16 883)	(68 560)	4 624 108
				130 438 830	**122 967 543**	**3 168 788**	**1 573 699**	**(1 258 234)**	**126 451 796**

(thousands of Kwanzas)

31.12.2022	Currency	Indexing	Average rate	Nominal value	Acquisition cost	Accrued interest	Prize/Discount	Accumulated Impairment	Balance Sheet Value
Investments at amortised cost									
Treasury Bonds	AOA	Flat 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**

The fair value of the investment portfolio at amortised cost is shown in Note 34.

As of December 31, 2023, the exposures were classified in stage 1.

(thousands of Kwanzas)

	Stage 1	Stage 2	Stage 3	Total
- Treasury Bills	43 716 331	-	-	43 716 331
- Treasury Bonds	78 111 357	-	-	78 111 357
- EUROBOND	4 624 108	-	-	4 624 108
Balance at December 31, 2023	**126 451 796**	**-**	**-**	**126 451 796**
- 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**

Impairment losses as at 31 December 2023 and 31 December 2022 for bonds and treasury bills were calculated on the basis of credit risk parameters provided by international rating Moody's agency.

As at 31 December 2023 and 31 December 2022, 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 Bills	-	-	-	-
- Treasury Bills	-	43 716 331	-	43 716 331
-Treasury Bonds	32 373 677	19 316 163	26 421 517	78 111 357
- EUROBOND	-	-	4 624 108	4 624 108
Balance at December 31, 2023	**32 373 677**	**63 032 494**	**31 045 625**	**126 451 796**
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**

Note 10 – Credit to Client

This heading as at 31 December 2023 and 31 December 2022 is examined as follows:

(thousand of Kwanzas)

	31.12.2023	31.12.2022
Internal credit		
To companies	508 309 027	283 673 013
Loans	275 843 616	256 911 323
Reverse Repos	188 238 620	-
Overdrafts	23 955 207	19 953 260
Leasing	2 821 324	569 055
Letters of credit	17 450 260	6 239 375
To private individuals	19 810 436	19 149 496
Housing	2 736 869	1 908 757
Consumption and others	17 073 567	17 240 739
	528 119 463	**302 822 509**
Credit and interest accrued		
Up to 3 months	664 800	624 669
From 3 months to 1 year	495 765	376 545
From 1 to 3 years	105 060	117 609
	1 265 625	**1 118 823**
	529 385 088	**303 941 332**
Impairment losses	**(11 119 012)**	**(6 756 697)**
	518 266 076	**297 184 635**

On 31 December 2023 and 31 December 2022 the item of Credit to Clients includes, in return for Other liabilities (Note 20), letters of credit whose documentation for making the contracurrently defined payments was received in full, since from that moment on the responsibility of the payments becomes effective.

During the 2023 financial year, SBA contracted with the Angolan State a set of short-term reverse repos operations negotiated through BODIVA. In view of the nature of the operations, the Board of Directors recognises its classification under the heading of Loans to Clients. The recognised impairment follows the model already implemented for other similar credit exposures.

On 31 December 2023 and 31 December 2022, the item Client credit includes, respectively, 2,881,262 thousand kwanzas and 2,140,795 thousand kwanzas related to the adjustment of the fair value of loans granted to employees (Note 15).

On 31 December 2023 and 31 December 2022, the item Client credit includes, respectively, 129,053,777 thousand kwanzas and 151,956,240 thousand kwanzas related to credits granted under Notice 10 – Granting of Credit to the Real Sector of the Economy, of 7 April 2022.

The escalation of credit to Clients for residual maturity periods on 31 December 2023 and 31 December 2022 is as follows:

(thousand of Kwanzas)

	31.12.2023	31.12.2022
Up to 3 months	207 447 372	20 359 468
From 3 months to a year	43 559 006	43 545 681
From one to five years	87 192 253	212 831 037
More than five years	190 334 719	26 641 873
Indeterminate duration	851 738	563 273
	529 385 088	**303 941 332**

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

(thousand of Kwanzas)

	31.12.2023	31.12.2022
Initial Balance	6 756 697	4 784 719
Appropriations	6 098 367	2 187 164
Uses (Note 23)	(205 896)	(327 117)
Rollbacks	(2 033 741)	(416 816)
Exchange and other exchange differences	503 585	528 747
Final Balance	**11 119 012**	**6 756 697**

On 31 December 2023, Uses (Note 23) correspond to the derecognised balance sheet credits (written-off from the asset). In addition, its annual variation includes a recovery of 205,896 thousand kwanzas (327,117 thousand kwanzas at 31 December 2022) referring to credits previously written-off and 5,907 thousand kwanzas (6,189 thousand kwanzas on 31 December 2022) of cured interest.

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

(thousands of Kwanzas)

	31.12.2023	31.12.2022
Flat rate	377 558 457	184 029 888
Variable rate	151 826 631	119 911 444
	529 385 088	**303 941 332**

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 31.12.2023									Impairment 31.12.2023			
	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	442 490 772	360 500 572	-	-	79 391 405	-	-	2 598 795	2 598 351	(8 130 586)	(1 628 970)	(3 902 822)	(2 598 795)
Business and Commercial Clients	66 433 075	60 179 358	-	-	5 638 896	-	-	614 821	602 746	(1 434 148)	(96 967)	(722 360)	(614 821)
Personal and Private Banking	20 461 241	18 566 509	82 487	-	1 243 927	35 131	-	650 804	189 966	(1 554 278)	(190 838)	(712 635)	(650 804)
Total	**529 385 088**	**439 246 439**	**82 487**	**-**	**86 274 228**	**35 131**	**-**	**3 864 420**	**3 391 063**	**(11 119 012)**	**(1 916 775)**	**(5 337 817)**	**(3 864 420)**

(thousands of Kwanzas)

Segment	Exposure 31.12.2022									Impairment 31.12.2022			
	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 Commercial Clients	72 400 551	69 054 811	-	-	2 721 071	-	-	624 669	609 828	(1 294 000)	(54 416)	(614 915)	(624 669)
Personal and Private Banking	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)**

2. By intervals of overdue days

(thousands of Kwanzas)

Segment	Exposure 31.12.2023									Impairment 31.12.2023								
	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	360 501 016	-	-	79 391 405	-	-	2 598 353	-	-	(1 628 970)	-	-	(3 902 822)	-	-	(2 598 353)	-	-
Business and Commercial Clients	60 179 017	341	-	5 464 145	174 751	-	-	611 625	3 195	(96 966)	-	-	(699 882)	(21 879)	-	-	(611 625)	(3 195)
Personal and Private Banking	18 535 784	30 281	-	1 082 239	161 688	-	-	48 671	602 576	(190 449)	(390)	-	(596 746)	(116 488)	-	-	(48 671)	(602 576)
Total	**439 215 817**	**30 622**	**-**	**85 937 789**	**336 439**	**-**	**2 598 353**	**660 296**	**605 771**	**(1 916 385)**	**(390)**	**-**	**(5 199 450)**	**(138 367)**	**-**	**(2 598 353)**	**(660 296)**	**(605 771)**

(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 Commercial Clients	69 054 811	-	-	2 721 071	-	-	-	-	624 669	(54 416)	-	-	(614 915)	-	-	-	-	(624 669)
Personal and Private Banking	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)**

The detail of the credit portfolio by segment and by year of concession of operations for 31 December 2023 and 31 December 2022 is as follows:

(thousands of Kwanzas)

Year of concession	31.12.2023 Corporate and Investment Banking			Business and Commercial Clients			Personal and Private Banking		
	Number of Operations	Amount	Constituted Impairment	Number of Operations	Amount	Constituted Impairment	Number of Operations	Amount	Constituted Impairment
2018 and earlier	13	13 426 210	(311 206)	9	8 752 270	(145 261)	3 743	873 645	(139 191)
2019	1	-	-	8	1 587 452	(55 545)	602	220 017	(15 891)
2020	5	18 671 529	(914 955)	17	4 839 996	(6 421)	728	937 979	(118 201)
2021	14	102 694 411	(5 568 319)	25	9 629 523	(315 187)	1 348	3 036 564	(306 013)
2022	3	28 026 336	(549 682)	74	25 520 407	(726 992)	1 730	7 238 668	(605 706)
2023	90	279 672 286	(786 424)	150	16 103 427	(184 741)	1 571	8 154 368	(369 277)
Total	**126**	**442 490 772**	**(8 130 586)**	**283**	**66 433 075**	**(1 434 147)**	**9 722**	**20 461 241**	**(1 554 279)**

(thousands of Kwanzas)

Year of concession	31.12.2022 Corporate and Investment Banking			Business and Commercial Clients			Personal and Private Banking		
	Number of operations	Amount	Constituted impairment	Number of operations	Amount	Constituted 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)**

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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 2023 and 31 December 2022, is as follows:

1. By segment

(thousands of Kwanzas)

31.12.2023	Corporate and Investment Banking		Business and Commercial Clients		Personal and Private Banking		Total	
	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment
Individual Impairment	442 490 772	(8 130 586)	614 821	(615 420)	650 804	(650 806)	443 756 397	(9 396 812)
Collective Impairment	-	-	65 818 254	(818 727)	19 810 437	(903 473)	85 628 691	(1 722 200)
Total	**442 490 772**	**(8 130 586)**	**66 433 075**	**(1 434 147)**	**20 461 241**	**(1 554 279)**	**529 385 088**	**(11 119 012)**

(thousands of Kwanzas)

31.12.2022	Corporate and Investment Banking		Business and Commercial Clients		Personal and Private Banking		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)**

2. By sector of activity

(thousands of Kwanzas)

31.12.2023	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	235 893 226	(671 780)	125 083 004	(6 802 542)	18 141 701	(122 079)	54 124 492	(585 674)	650 804	(658 621)	9 863 170	(563 932)	443 756 397	(9 404 628)
Collective Impairment	-	-	23 413 972	(395 003)	-	-	41 663 267	(310 877)	19 810 436	(895 657)	741 016	(112 847)	85 628 691	(1 714 384)
Total	**235 893 226**	**(671 780)**	**148 496 976**	**(7 197 545)**	**18 141 701**	**(122 079)**	**95 787 759**	**(896 551)**	**20 461 240**	**(1 554 278)**	**10 604 186**	**(676 779)**	**529 385 088**	**(11 119 012)**

(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)**

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

The tables below present, with reference to December 31, 2023, and December 31, 2022, 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	31.12.2023 Impairment Stages			Total
	Stage 1	Stage 2	Stage 3	
With assigned impairment based on individual analysis	133 830 435	79 072 877	2 596 902	215 500 214
Credit and interest accrued	222 477 239	-	1 268 716	223 745 955
Impairment	(1 628 969)	(3 902 822)	(3 872 836)	(9 404 627)
With assigned impairment based on collective analysis	77 207 360	5 071 513	-	82 278 873
Credit and interest accrued	1 744 123	1 824 288	-	3 568 411
Impairment	(287 806)	(1 426 579)	-	(1 714 385)
Accruals and deferrals	3 987 725	290 551	13 359	4 291 635
Total	**437 330 107**	**80 929 828**	**6 141**	**518 266 076**

(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**

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 2023 and 31 December 2022, is as follows:

1. By class of default

(thousands of Kwanzas)

Credit to Clients	Outstanding Credit	31.12.2023 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	More than 5 years	
With assigned impairment based on individual analysis	215 500 213	-	-	-	-		215 500 213
Credit and interest accrued	-	200 361 617	22 771 121	507 440	105 779	-	223 745 957
Impairment	(7 765 755)	(364 831)	(661 340)	(507 145)	(105 556)	-	(9 404 627)
							-
With assigned impairment based on collective analysis	82 278 873	-	-	-	-		82 278 873
Credit and interest accrued	-	3 200 262	368 148	-	-	-	3 568 410
Impairment	(1 345 526)	(230 102)	(138 757)	-	-	-	(1 714 385)
Accruals and deferrals	4 304 147	(8 335)	714	(4 172)	(719)	-	4 291 635
Total	**292 971 952**	**202 958 611**	**22 339 886**	**(3 877)**	**(496)**	**-**	**518 266 076**

(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 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**

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

(thousands of Kwanzas)

Applied measure	31.12.2023 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	-	-	-	-	-	-	-	792 712	(700 829)	-	792 712	(700 829)
Product conversion	-	-	-	-	-	-	1	2 598 351	(2 599 239)	1	2 598 351	(2 599 239)
Total	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**3 391 063**	**(3 300 068)**	**1**	**3 391 063**	**(3 300 068)**

(thousands 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)**

The table below presents, with reference to December 31, 2023 and December 31, 2022, the credit restructured with the detail of the value due, overdue and impairment for companies (corporate) and individuals (private).

(thousands of Kwanzas)

Restructured Credit	31.12.2023 Credit			Impairment
	Outstanding	Overdue	Total	
Corporate	3 201 097	-	3 201 097	(3 202 141)
Private	151 400	38 566	189 966	(97 927)
Consumption	151 400	38 566	189 966	(72 600)
Total	**3 352 497**	**38 566**	**3 391 063**	**(3 300 068)**

(thousands of Kwanzas)

Restructured Credit	31.12.2022 Credit			Impairment
	Outstanding	Overdue	Total	
Credit without impairment	-	-	-	-
Corporate	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)**

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

(thousands of Kwanzas)

	31.12.2023	31.12.2022
Initial balance of the restructured credit portfolio (gross impairment)	**3 192 542**	**22 277 987**
Restructured credits in the period	308 040	632 594
Accrued interest from the restructured credit portfolio	22 074	17 691
Settlement of restructured credit (partial or total)	(115 612)	(64 537)
Credits reclassified from "restructured" to "normal"	(15 981)	(19 671 193)
Final balance of the restructured credit portfolio (gross impairment)	**3 391 063**	**3 192 542**

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)

31.12.2023												
	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	25	15 227	1 728	1 592 099	-	-	-	-	20	15 189	21	11 503
>= 50 MAOA e < 100 MAOA	-	-	31	2 104 819	-	-	-	-	-	-	-	-
>= 100 MAOA e < 500 MAOA	1	119 270	54	11 748 525	-	-	-	-	-	-	1	456 920
>= 500 MAOA e < 1.000 MAOA	-	-	5	3 674 978	-	-	-	-	-	-	-	-
>= 1.000 MAOA e < 2.000 MAOA	1	1 230 625	10	14 955 418	-	-	-	-	1	1 416 912	-	-
>= 2.000 MAOA e < 5.000 MAOA	1	4 273 000	13	42 865 543	-	-	-	-	1	2 902 500	-	-
>= 5.000 MAOA	3	57 025 671	13	224 664 712	-	-	-	-	1	11 500 000	1	25 112 616
Total	**31**	**62 663 793**	**1 854**	**301 606 094**	**-**	**-**	**-**	**-**	**23**	**15 834 601**	**23**	**25 581 039**

(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 MAOA	13	17 796 005	2	2 314 112	-	-	-	-	-	-	-	-
>= 2.000 MAOA e < 5.000 MAOA	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**

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

(thousands of Kwanzas)

31.12.2023													
	Assessment method								Total				
	Revenue		Comparative		Cost		Residual						
Assessment entity	Nº of properties	Property value	Nº of properties	Property value	Nº of properties	Property value	Nº of properties	Property value	Nº of properties	Property value	% of the nº of properties	% of property value
Abacus Angola	-	-	36	45 596 571	-	-	-	-	36	45 596 571	42%	28%
ALTYS Rral Estate Advisors	2	683 950	7	2 797 468	-	-	-	-	9	3 481 418	10%	2%
Colliers International	1	25 674 421	3	7 891 870	-	-	-	-	4	33 566 291	5%	20%
CPU Consultores	-	-	4	796 371	-	-	-	-	4	796 371	5%	0%
FISPLAN	-	-	3	272 067	-	-	-	-	3	272 067	3%	0%
Prime Yield	-	-	16	32 223 404	1	54 031	-	-	17	32 277 436	20%	20%
Property Investment	1	24 601 250	1	3 525 750	-	-	-	-	2	28 127 000	2%	17%
PROPRIME	-	-	5	713 262	3	1 220 322	-	-	8	1 933 585	9%	1%
UON Consulting	-	-	2	15 578 000	-	-	-	-	2	15 578 000	2%	9%
Zenki Real Estate	-	-	1	2 902 500	-	-	-	-	1	2 902 500	1%	2%
Total	**4**	**50 959 621**	**78**	**112 297 263**	**4**	**1 274 353**	**-**	**-**	**86**	**164 531 239**	**100%**	**100%**

(thousands of Kwanzas)

31.12.2022													
	Assessment method								Total				
	Revenue		Comparative		Cost		Residual						
Assessment Entity	Nº of properties	Property value	Nº of properties	Property value	Nº of properties	Property value	Nº of properties	Property value	Nº of properties	Property value	% of the nº of properties	% of property value
Abacus Angola	-	-	30	42 144 510	1	30 000			31	42 174 510	41%	25%
ALTYS Real Estate Advisors	-	-	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%**

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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	Number of Properties	Number of other guarantees	Stage 1 Credit	Stage 2 Credit	Stage 3 Credit	Impairment
			31.12.2023			
Business						
Without associated guarantee	n.a.	n.a.	180 459 637	33 967 670	1 217 870	(4 156 530)
< 50%	12	89	55 125 452	49 098 452	-	(3 927 216)
>= 50% e < 75%	2	35	23 216	-	-	(246)
>= 75% e <100%	-	56	25 196	2 833 568	-	(142 065)
>= 100%	17	1 674	12 851 465	3 237	2 607 541	(2 724 103)
Construction and real estate promotion						
Without associated guarantee	n.a.	n.a.	-	-	-	-
Housing						
Without associated guarantee	n.a.	n.a.	798 320	100 214	38 566	(84 754)
< 50%	20	20	1 492 285	90 279	1 582 564	(42 052)
>= 50% e < 75%	-	1	-	7 954	-	(4 717)
>= 100%	3	2	232 692	15 126	-	(7 169)
Total	**54**	**1 877**	**251 008 263**	**86 116 500**	**5 446 541**	**(11 088 852)**

(thousands of Kwanzas)

Segment/Ratio	Number of properties	Number of other guarantees	Stage 1 Credit	Stage 2 Credit	Stage 3 Credit	Impairment
			31.12.2022			
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.	-	-	-	-
Housing						
Without associated guarantee	n.a.	n.a.	-	-	-	-
< 50%	21	-	752 932	-	-	(667)
>= 50% e < 75%	-	-	-	-	-	-
Total	**147**	**56**	**256 761 887**	**26 190 339**	**3 175 211**	**(5 335 510)**

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

(thousands of Kwanzas)

31.12.2023	Low risk level			Medium risk level		High risk level	
Segment	A	B	C	D	E	F	G
Corporate and Investment Banking	1 877 107	404 564	440 209 101	-	-	-	-
Business and Commercial Clients	-	-	62 542 112	525	1 457 215	510	2 432 714
Personal and Private Banking	-	-	18 640 315	187 216	276 178	103 868	1 253 663
Total	**1 877 107**	**404 564**	**521 391 528**	**187 741**	**1 733 393**	**104 378**	**3 686 377**

(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
Personal and Private Banking	-	-	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**

As of 31 December 2023 and 31 December 2022, the internal risk levels from A to G presented in the table above are in accordance with the classification of Instruction 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 31.12.2023 Probability of non-compliance (%)			Impairment 31.12.2023 Loss due to non-compliance	Impairment 31.12.2022 Probability of non-compliance (%)			Impairment 31.12.2022 Loss due to non-compliance
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Corporate and Investment Banking								
Business	1,00%	8,00%	171,00%	43,00%	1,00%	12,00%	62,00%	54,00%
Government	1,00%	N/A	N/A	39,00%	3,00%	N/A	N/A	35,00%
Financial Institutions	0,00%	N/A	N/A	24,00%	0,00%	N/A	N/A	20,00%
Business and Commercial Clients	3,73%	0,00%	100,00%	32,04%	3,62%	10,10%	100,00%	24,75%
Personal and Private Banking	5,66%	0,00%	100,00%	66,13%	6,46%	12,50%	100,00%	67,72%

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, 2023:

a) Incorporation of forward-looking information – Scenarios considered

		2023	2024	2025	2026	2027
GDP Growth	Base scenario	2,55%	1,58%	2,28%	2,91%	1,87%
	Favorable scenario	2,37%	3,24%	4,07%	4,53%	3,49%
	Adverse scenario	1,21%	-0,75%	-1,27%	-1,75%	2,75%
Inflation Rate	Base scenario	19,24%	21,69%	18,15%	16,76%	15,28%
	Favorable scenario	18,31%	16,42%	16,08%	14,25%	12,76%
	Adverse scenario	24,25%	28,32%	24,60%	26,82%	25,32%
USD/AOA Exchange Rate	Base scenario	841	863	973	1 033	1 110
	Favorable scenario	749	603	640	656	733
	Adverse scenario	908	964	1 023	1 086	1 163
Oil Price (Angolan branch)	Base scenario	82,00				
Reference Interest Rate - Luibor 3 months	Base scenario	9,96%				

		2022	2023	2024	2025	2026
GDP Growth	Base scenario	3,30%	2,10%	3,10%	2,90%	2,40%
	Favorable scenario	3,90%	3,70%	4,20%	4,60%	4,30%
	Favorable 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%
	Favorable 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
	Favorable 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

2023	PD (average)	LGD (average)	Expected credit losses
Base scenario	2.16%	58.68%	3 720 310
Favorable scenario	1.94%	61.99%	2 029 260
Adverse scenario	1.15%	41.08%	1 014 630

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 expected credit loss amounts are in thousands of Kzs.

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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, 2022	715 208 812	27 258 298	3 700 077	746 167 186
Cash and cash equivalents in other credit institutions (Note 5)	40 771 144	-	-	40 771 144
Investments in central banks and other credit institutions (Note 6)	132 120 422	-	-	132 120 422
Financial assets at fair value through results (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	-	94 503 606
Client credit (Note 10)	272 982 958	27 258 297	3 700 077	303 941 332
Cash and cash equivalents in other credit institutions (Note 5)				
New financial assets acquired or originated	227 869 620			227 869 620
Financial assets that have been derecognised	(3 812)			(3 812)
Other changes	(4 541 973)			(4 541 973)
Investments in central banks and other credit institutions (Note 6)				
New financial assets acquired or originated	115 439 967			115 439 967
Financial assets that have been derecognised	(132 120 424)			(132 120 424)
Financial assets at fair value through results (Note 7)				
New financial assets acquired or originated	28 828 412			28 828 412
Other changes	(6 180 473)			(6 180 473)
Financial assets at fair value through other comprehensive income (Note 8)				
New financial assets acquired or originated	118 888 421			118 888 421
Other changes	(91 585 832)			(91 585 832)
Investments at amortised cost (Note 9)				
New financial assets acquired or originated	65 073 679			65 073 679
Other changes	(31 867 255)			(31 867 255)
Client credit (Note 10)				
Transfer to stage 1	-	51 492	(4 172 600)	(4 121 108)
Transfer to stage 2	(51 492)	-	(68 266)	(119 758)
Transfer to stage 3	4 172 600	68 266	-	4 240 866
New financial assets acquired or originated	260 943 556	48 064 241	574 753	309 582 550
Financial assets that have been derecognised	(12 447 320)	(413 437)	-	(12 860 757)
Credits written off from assets	(24 779 535)	(285 376)	(424 508)	(25 489 419)
Other changes	(61 574 827)	11 530 745	4 255 464	(45 788 618)
Gross Book Value at December 31, 2023	1171 272 124	86 274 229	3 864 920	1261 411 273
Cash and cash equivalents in other credit institutions (Note 5)	264 094 980	-	-	264 094 980
Investments in central banks and other credit institutions (Note 6)	115 439 965	-	-	115 439 965
Financial assets at fair value through results (Note 7)	29 042 145	-	-	29 042 145
Financial assets at fair value through other comprehensive income (Note 8)	195 739 065	-	-	195 739 065
Investments at amortised cost (Note 9)	127 710 029	1	-	127 710 030
Client credit (Note 10)	439 245 940	86 274 228	3 864 920	529 385 088

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, 2022	(3 007 329)	(2 143 697)	(2 760 465)	(7 911 491)
Cash and cash equivalents in other credit institutions (Note 5)	(66)	-	-	(66)
Investments in central banks and other credit institutions (Note 6)	-	-	-	-
Investments at amortised cost (Note 9)	(1 154 725)	(3)	-	(1 154 728)
Client credit (Note 10)	(1 852 538)	(2 143 694)	(2 760 465)	(6 756 697)
Cash and cash equivalents in other credit institutions (Note 5)				
New financial assets acquired or originated	(598)			(598)
New financial assets acquired or originated	(530)			(530)
Investments in central banks and other credit institutions (Note 6)				
New financial assets acquired or originated	(2 711)			(2 711)
Financial assets at fair value through results (Note 7)				
Financial assets at fair value through other comprehensive income (Note 8)				
Investments at amortised cost (Note 9)				
New financial assets acquired or originated	(713 820)			(713 820)
Changes in risk models/ parameters	610 314			610 314
Client credit (Note 10)				
Transfer to stage 1	-	(253 760)	24 909	(228 851)
Transfer to stage 2	253 760	-	32	253 792
Transfer to stage 3	(24 909)	(32)	0	(24 941)
Increases due to changes in credit risk	(66 676)	(3 549 365)	(1 512 013)	(5 128 055)
Decreases due to changes in credit risk	240 320	683 482	74 759	998 561
Credits written off from assets	-	-	205 896	205 896
New financial assets acquired or originated	(862 108)	(541 713)	(58 925)	(1 462 745)
Financial assets that have been derecognised	898 960	475 682	152 970	1 527 612
Exchange rate and other movements	(503 585)			(503 585)
Expected loss at December 31, 2023	(3 178 911)	(5 329 403)	(3 872 836)	(12 381 150)
Cash and cash equivalents in other credit institutions (Note 5)	(1 194)	-	-	(1 194)
Investments in central banks and other credit institutions (Note 6)	(2 711)	-	-	(2 711)
Investments at amortised cost (Note 9)	(1 258 231)	(3)	-	(1 258 234)
Client credit (Note 10)	(1 916 775)	(5 329 400)	(3 872 836)	(11 119 012)

Note 11 – Investments in branches

As at December 31, 2023, the heading Investments in branches is as follows:

(thousands of Kwanzas)

Sociedade Distribuidora de Valores Mobiliários (SDVM)	Participation	31.12.2023 Equity	31.12.2022 Equity
Capital increase through cash inflow	100%	900 000	5 000
Balance as at December 31, 2023		**900 000**	**5 000**

As at December 31, 2022, the amount of 5,000 thousand kwanzas referring to investments with subsidiaries was disclosed as Other Assets. In 2023, 100% of the equity was invested in the amount of 900 thousand kwanzas of Standard Invest, Sociedade Distribuidora de Valores Mobiliários (SDVM).

Notwithstanding the Bank's investment in this entity, the Board of Directors considers that the preparation of the Consolidated Financial Statements as at 31 December 2023 is not relevant.

Note 12 – Other tangible assets

On 31 December 2023 and 31 December 2022, this heading presented the following movement:

(thousands of Kwanzas)

	31.12.2022	Acquisitions/ Appropriations	Disposals/ Write-Offs	Transfers	31.12.2023
Costs					
Real estate					
Self-service	32 639 166	-	-	(27 557)	32 611 609
Works in rented properties	1 525 913	20 367	-	-	1 546 280
	34 165 079	**20 367**	**-**	**(27 557)**	**34 157 889**
Equipment					
IT equipment	5 765 042	181 522	(9 465)	50 285	5 987 384
Furniture and material	2 500 103	50 675	(19 071)	1 071	2 532 778
Machines and tools	4 615 627	361 468	(14 332)	20 926	4 983 689
Transport material	1 186 053	38 158	(2 908)	27 558	1 248 861
Others	111 319	1 190	-	(51 961)	60 548
	14 178 144	**633 013**	**(45 776)**	**47 879**	**14 813 260**
Assets in progress					
Works in real estate	32 059	427 150	-	-	459 209
Equipment	16 552	1 677 902	-	(14 490)	1 679 964
Others	44 610	434 184	-	(5 832)	472 962
	93 221	**2 539 236**	**-**	**(20 322)**	**2 612 135**
Right of Use					
Real estate	4 326 021	804 566	-	-	5 130 587
	4 326 021	**804 566**	**-**	**-**	**5 130 587**
	52 762 465	**3 997 182**	**(45 776)**	**-**	**56 713 871**
Accumulated amortisations					
Real estate					
Self-service	(1 126 423)	(613 797)	-	-	(1 740 220)
Works in rented properties	(1 076 356)	(124 704)	-	-	(1 201 060)
	(2 202 779)	**(738 501)**	**-**	**-**	**(2 941 280)**
Equipment					
IT equipment	(2 978 814)	(1 315 922)	4 899	-	(4 289 837)
Furniture and material	(780 693)	(339 418)	15 285	-	(1 104 826)
Machines and tools	(1 631 685)	(903 897)	14 031	-	(2 521 551)
Transport material	(734 089)	(202 547)	2 908	-	(933 728)
Others	(2 448)	(398)	-	-	(2 846)
	(6 127 729)	**(2 762 182)**	**37 123**	**-**	**(8 852 788)**
Right of Use					
Real Estate	(3 281 988)	(755 667)		-	(4 037 655)
	(3 281 988)	**(755 667)**		**-**	**(4 037 655)**
	(11 612 496)	**(4 256 350)**	**37 123**	**-**	**(15 831 723)**
	41 149 969	**(259 168)**	**(8 653)**	**-**	**40 882 148**

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(thousands of Kwanzas)

	31.12.2021	Acquisitions/ Appropriations	Disposals/ Write-Offs	Transfers	31.12.2022
Costs					
Real Estate					
Self-service	31 878 775	27 557	(33 514)	766 348	32 639 166
Works in rental 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)
Others	-	-	-	-	-
Equipment					
IT equipment	(2 264 208)	(1 161 889)	447 283	-	(2 978 814)
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**

As of December 31, 2023, 69% (74% as of December 31, 2022) of tangible assets comprise the headquarters of Standard Bank of Angola, S.A., in the amount of 28,208,682 thousand kwanzas (30,450,977 thousand kwanzas on December 31, 2022).

As of December 31, 2023, fixed assets in progress include 904,295 thousand kwanzas related to IT equipment to be installed during the 2024.

As of December 31, 2023, the Machinery and Tools line includes 602,060 thousand kwanzas (744,433 thousand kwanzas on December 31, 2022) 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 676,779 thousand kwanzas (513,804 thousand kwanzas) related to the acquisition of generators for the facilities.

Note 13 – Intangible assets

On 31 December 2023 and 31 December 2022, this heading presented the following movement:

((thousands of Kwanzas)

	31.12.2022	Aquisições/ Appropriations	Disposals/ Write-Offs	Transfers	31.12.2023
Intangible assets					
Purchased from third parties					
Automatic data processing system	12 929 024	1 394 111	(438 197)	-	13 884 939
School certificates	80 083	-	-	-	80 083
Intangible assets in progress	1 277 979	752 519	(1 183 012)	-	847 486
	14 287 086	**2 146 630**	**(1 621 208)**	**-**	**14 812 508**
Accumulated amortisation					
Automatic data processing system	(4 826 994)	(2 209 964)		-	(7 036 958)
	(4 826 994)	**(2 209 964)**	**-**	**-**	**(7 036 958)**
	9 460 092	**(63 334)**	**(1 621 208)**	**-**	**7 775 550**

(thousands of Kwanzas)

	31.12.2021	Acquisitions/ Appropriations	Disposals/ Write-Offs	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 amortisation					
Automatic data processing system	(2 448 981)	(2 378 013)	-	-	(4 826 994)
	(2 448 981)	**(2 378 013)**	**-**	**-**	**(4 826 994)**
	8 674 748	**785 344**	**-**	**-**	**9 460 092**

As of December 31, 2023 and December 31, 2022, 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 2023, we highlight the update of SB24 for corporate Clients, with the main objective of improving our Clients' experience.

Note 14 – Taxes

The Bank is subject to taxation in the field of Industrial Tax, being considered fiscally a taxpayer of the General Industrial Tax Regime since August 2020 with the entry into force of Law No. 26/20 of July, Law amending the Industrial Tax Code, and the taxation of its income is made at 35%.

The balance of Current tax assets and Deferred tax assets correspond to provisional assessments and industrial tax withholdings incurred in previous years, as well as deferred taxes on provisions, credit impairments with covered collateral and tax losses, respectively.

The breakdown of tax assets and liabilities is as follows:

(thousands of Kwanzas)

	31.12.2023	31.12.2022
Current tax assets	626 530	1 512 463
Deferred Tax Assets	4 158 045	8 777 497
Total	**4 784 575**	**10 289 960**

(thousands of Kwanzas)

	31.12.2023	31.12.2022
Current tax liabilities	**88 029**	**1 734 317**
Capital Investment Tax	(148 084)	1 498 203
Tax contingency (IFRIC23)	236 114	236 114
Deferred Tax Liabilities	**9 161 912**	**9 723 558**
Other Liabilities (Note 20)	**467 247**	**419 855**
VAT	467 247	419 855
Total	**9 717 188**	**11 877 730**

A liability has been recorded in accordance with IFRIC 23 regarding tax contingencies: 236,114 thousand kwanzas related to income taxes (namely IAC). On December 31, 2023 we have IAC on bond yields in the amount of (148,084) thousand kwanzas (2022: 1,498,203 thousand kwanzas).

On 31 December 2023, under the heading deferred tax liabilities, the amount of 7,740,990 thousand kwanzas and 8,336,503 thousand kwanzas is recorded on 31 December 2022, relating to favourable potential exchange rate variations in accordance with Law no. 26/20, of 20 July – Law amending the Industrial Tax Code – and 1,420,922 thousand kwanzas (2022: 1,387,055 thousand kwanzas) referring to the fair value of the portfolio of financial assets.

The deferred tax assets and liabilities recognised on the balance sheet as at 31 December 2023 and 31 December 2022 can be analysed as follows:

	Assets		Liabilities	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Reportable tax losses	2 988 145	7 818 544	-	-
Potential Favorable Exchange Variations	-	-	7 740 990	8 336 503
Tax-accepted expense provisions	390 095	541 695	-	-
Credit impairments with collateral	779 805	417 258	-	-
Others	-	-	1 420 922	1 387 055
Deferred tax asset/(liability)	**4 158 045**	**8 777 497**	**9 161 912**	**9 723 558**

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

(thousands of Kwanzas)

	31.12.2023	31.12.2022
Initial Balance	(946 061)	5 063 749
Recognised as profit or loss	(4 023 939)	(3 481 868)
Recognised in other reserves	(33 867)	-
Final Balance /Assets/(Liabilities))	**(5 003 867)**	**(946 061)**

The tax recognised in results and reserves as at 31 December 2023 and 31 December 2022 had the following origins:

	31.12.2023		31.12.2022	
	Recognised as reserves	Recognised as profit or loss	Recognised as reserves	Recognised as profit or loss
Reportable tax losses	-	(4 830 400)	-	7 818 544
Potential favorable exchange variations	-	595 514	-	(11 556 725)
Tax-accepted expense provisions	-	(151 600)	-	319 583
Credit impairment with collateral	-	362 547	-	(63 270)
Fair value reserves	(33 867)	-	(862 299)	-
Deferred Taxes	**(33 867)**	**(4 023 939)**	**(862 299)**	**(3 481 868)**
Current Taxes	**-**	**(7 011 011)**	**-**	**(6 334 961)**
Industrial Tax	-	(902 288)	-	749 500
Capital Investment Tax	-	(6 108 723)	-	(7 084 461)
Fiscal Contingency (IFRIC23)	-	-	-	-
Total tax recognised	**(33 867)**	**(11 034 950)**	**(862 299)**	**(9 816 829)**

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

	31.12.2023		31.12.2022	
	%	Value	%	Value
Earnings before taxes		**78 073 027**		**75 473 784**
Tax calculated based on tax rate	35,0%	27 325 560	35,0%	26 415 824
Income subject to IAC (deductible under II)	-30,0%	(23 439 784)	-23,8%	(24 324 341)
Non-deductible (Income)/ Costs	1,9%	1 499 148	6,0%	1 709 968
Constitution of Deferred Tax Assets/Liabilities	0,4%	294 973	-6,1%	11 300 412
Capital Investment Tax	7,8%	6 108 723	6,4%	7 084 461
Others	-1,0%	(753 671)	-0,1%	(12 369 494)
Fiscal year tax	**14,1%**	**11 034 950**	**13,0%**	**9 816 829**

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 2023 and 31 December 2022, 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 (2018 to 2022), 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)

	31.12.2023	31.12.2022
Provisional settlements	589 121	1 491 410
Witholding tax	37 409	21 053
Balance	**626 530**	**1 512 463**

On 31 December 2023 and 31 December 2022, 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).

As of December 31, 2023, under the heading tax on results, the amount of 6,108,723 thousand kwanzas (2022: 7,084,461 thousand kwanzas) refers to the value of the increase in costs with Capital Investment Tax to be settled by the Bank from the Treasury Bonds and Treasury Bills in the portfolio and from contingent liabilities.

Nota 15 – Other assets

The Other assets heading as at 31 December 2023 and 31 December 2022 is analysed as follows:

(thousands of Kwanzas)

	31.12.2023	31.12.2022
Purchase and sale of foreign currency	20 372 283	10 150 357
Other assets	3 833 071	7 199 429
Deferred cost expenses	2 371 656	1 479 856
Income receivable	2 313 700	1 107 890
Other debtors	1 022 431	1 594 650
Other operations to be regularised	10 802	31 970
	29 923 943	**21 564 152**
Impairment losses	**(67 972)**	**(1 025 093)**
	29 855 971	**20 539 059**

As of 31 December 2023, purchases and sales of foreign currency to be settled within two days included 20,372,282 thousand kwanzas (2022: 10,150,537 thousand kwanzas), recorded in the balance sheet under Other assets (Note 15) and Other liabilities (Note 20), according to the criteria described in Note 2.16.

As at 31 December 2023 and 31 December 2022, the heading Other assets included, respectively, 2,881,262 thousand kwanzas and 2,140,795 thousand kwanzas relating to the fair value adjustment of loans granted to Employees (Note 10).

As at 31 December 2023, the heading Other debtors includes 292,213 thousand kwanzas (2022: 146,611 thousand kwanzas) referring to interest tax on the unrecovered subordinated debt of Standard Bank South Africa.

As at 31 December 2023, the heading Deferred cost includes 711,848 thousand kwanzas for the Bank's different insurances (2022: 602,985 thousand kwanzas).

As of December 31, 2023, the heading Income receivable includes the amount of 65,135 thousand kwanzas (2022: 134,024) related to insurance commissions and 1,026,925 million kwanzas (2022: 870,281 thousand kwanzas) related to the tax on interchange fees to be recovered.

As at 31 December 2023 and 31 December 2022, the heading Other operations to be settled includes transactions for the purchase and sale of currency awaiting financial settlement, which were settled in the first days of January 2024 and January 2023, respectively.

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The movements incurred in Impairment losses and Other assets are presented as follows:

(thousands of Kwanzas)

	31.12.2022	Appropriations	Rollbacks	Other transactions	Exchange variation	31.12.2023
Impairment losses (Assets)						
Impairment losses on Other Assets	**1 025 093**	11 139	(955 682)	(12 577)	(1)	**67 972**

(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**

As at December 31, 2023, impairment losses on Other assets include a multi-risk provision for possible losses related to goods and equipment in the amount of 55,448 thousand kwanzas (2022: 190,900 thousand kwanzas).

Note 16 – Resources of central banks and other credit institutions

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

(thousands of Kwanzas)

	31.12.2023	31.12.2022
Resources of central banks and other credit institutions		
Other transactions pending settlement	5 039 501	2 358 770
Interbank money market transactions	3 505 135	39 520 000
Outstanding counting amounts	385 252	510 781
Other resources	168 112	149 821
	9 098 000	**42 539 372**

At 31 December 2023 and 31 December 2022, 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 Client deposit accounts.

At 31 December 2023 and 31 December 2022, the item Other transactions pending settlement includes Client debit cards uses to be settled the following day and POS balances not closed.

Note 17 – Client resources and other loans

The balance of the heading Client resources and other loans is composed, as to its nature, as follows:

(thousands of Kwanzas)

	31.12.2023	31.12.2022
Demand deposits	956 733 207	524 897 132
Term deposits	260 312 054	210 528 711
Deposits received as collateral	23 109 335	7 403 049
Other deposits	191 534	558 822
	1240 346 130	**743 387 714**

On 31 December 2023 and 31 December 2022, 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:

(thousands of Kwanzas)

	31.12.2023	31.12.2022
Due in the short term	**980 034 076**	**553 820 571**
Due in the long term		
Up to 3 months	96 313 159	127 088 926
From 3 months to one year	162 827 983	62 478 217
From one to five years	1 170 912	-
	260 312 054	**189 567 143**
	1240 346 130	**743 387 714**

As of December 31st, 2023, term deposits in Kwanza, USD and EUR are remunerated at an average rate of 8.25%, 5.15% and 6.58%, respectively (2022: 10.93% and 2.09% respectively).

Note 18 – Provisions

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

(thousands of Kwanzas)

	31.12.2022	Appropriations	Rollbacks	Uses	Exchange variation	Other Transfers	31.12.2023
Provisions (Liabilities)							
Other provisions for risks and charges	**3 902 598**	2 006 604	(1 603 133)	(89 265)		16 747	**4 233 551**
Provisions for guarantees and commitments made (Note 23)	**245 781**	809 355	(373 233)	-	20 263	-	**702 166**
	4 148 379	**2 815 959**	**(1 976 366)**	**(89 265)**	**20 263**	**16 747**	**4 935 717**

(thousands of Kwanzas)

	31.12.2021	Appropriations	Rollbacks	Uses	Exchange variation	Other 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**

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 2023, the Other provisions for risks and charges include 1,633,199 thousand kwanzas (2022: 1,418,680 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 Labor Law) was published, which revoked Law No. 2/2000 and no longer provides for the need to make provisions for contingent retirement liabilities. The Bank is analysing how it will revert this amount in Employee benefits.

As at 31 December 2023, Other provisions for risks and charges also include a provision for sundry contingencies amounting to 1,015,027 thousand kwanzas (2022: 521,938 thousand kwanzas) and 356,413 thousand kwanzas (2022: 479,812 thousand kwanzas) relating to judicial contingencies. It also includes a provision for untaken holidays in the amount of 1,228,913 thousand kwanzas (2022: 1,038,709 thousand kwanzas).

As at December 31, 2023, the Provisions for guarantees and off-balance sheet commitments, namely, bank guarantees, bank overdraft limits and letters of credit amount to 702,165 thousand kwanzas (2022: 245,781 thousand kwanzas).

Note 19 – Subordinated liabilities

This heading is analysed as follows:

(thousands of Kwanzas)

	Designation	Currency	Emission Date	Emission Value (in USD)	Balance Sheet Value		Interest Rate	Maturity
					31.12.2023	31.12.2022		
Standard Bank South Africa, SA	Subordinated debt	USD	03/12/2018	30 000 000	**25 326 058**	**15 386 552**	SORF + 4,92%	03/12/2028 (possibility of early reimbursement from the 5th year onwards)

Note 20 – Other liabilities

The Other liabilities heading as at 31 December 2023 and 31 December 2022 is analysed as follows:

(thousands of Kwanzas)

	31.12.2023	31.12.2022
Purchase and sale of foreign currency	20 415 233	10 159 549
Letters of credit (Note 10)	17 450 419	6 257 227
Dividends payable	15 626 554	30 956 376
Balances with related parties (Note 33)	11 740 384	6 625 054
Personnel obligations (Note 2.10)	5 402 034	4 381 838
Administrative and marketing costs payable	3 671 584	3 123 077
Other	2 774 214	103 121
Leases	1 132 235	1 250 142
Taxes payable - withheld from third parties	1 123 610	960 748
Suppliers	511 081	475 318
Value added tax (VAT)	467 247	419 855
Social Security Contribution	174 310	310 973
Other operations to be regularised	108	148
	80 489 013	**65 023 426**

On 31 December 2023, the headings amounts for purchase and sale of foreign currency to be settled within two days include 20,415,233 thousand kwanzas (2022: 10,159,549) recorded in the balance sheet under Other liabilities (Note 20) and Other assets (Note 15) 20,372,283 thousand kwanzas (2022: 10,150,357) according to the criteria described in Note 2.16.

As at 31 December 2023 and 31 December 2022, the heading Letters of credit includes, as a counterpart to the Client credit heading (Note 10), the letter of credit agreements for which the documentation for making the contractually defined payments has been received in full, since from that moment on the responsibility for payments becomes effective.

As of December 31, 2023 and December 31, 2022, the balances with related entities essentially include the franchising fee payable and costs incurred with staff of the Standard Bank Group assigned to the Bank.

As of 31 December 2023, the heading Dividends payable includes the accumulated dividends approved for distribution by the Bank to its Shareholders (Note 22) not yet settled.

As of 31 December 2023 and 31 December 2022, the balance of the heading Staff obligations includes the costs to be paid with holidays and Employees' holiday allowance.

As of 31 December 2023 and 31 December 2022, the balance of the heading Administrative and marketing costs payable relates to the increase in costs with non-invoiced third-party supplies.

Note 21 – Share Capital

Common Shares

As at 31 December 2023, the Bank's share capital, amounting to 21,000,000 (2022: 9,530,007) thousand kwanzas, was represented by 2,203,566 (2022: 1,000,000) ordinary shares, fully subscribed and paid up by different Shareholders, namely:

	Number of Shares	Book value in thousands of Kwanzas	% Share Capital 31.12.2023
Standard Bank Group Limited	1 123 810	10 709 916	50,9996%
AAA Activos, Lda.	1 079 748	10 290 000	49,0000%
Other shareholders	8	84	0,0004%
	2 203 566	**21 000 000**	**100%**

	Number of Shares	Book value in thousands of Kwanzas	% Share Capital 31.12.2022
Standard Bank Group Limited	509 996	4 860 265	50,9996%
AAA Activos, Lda.	490 000	4 669 703	49,0000%
Other shareholders	4	39	0,0004%
	1 000 000	**9 530 007**	**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.

On September 5th, 2023, in accordance with the minutes of the the Annual General Meeting of Shareholders, the grantors increase the share capital of the company by incorporation of free reserves and retained earnings, from 9,530,007 thousand kwanzas to 21,000,000 thousand kwanzas, with an increase of 11,469,994 thousand kwanzas. This increase was effected by the transfer of values from the Free Reserves and Retained Earnings Items to the share capital item. As a result of the capital increase, 1,203,566 new common shares were issued, amounting to 9,530 thousand kwanzas each, distributed proportionally among Shareholders.

Note 22 – Reserves, Retained Earnings and Other Comprehensive Income

The movements in these headings were as follows:

(thousands of Kwanzas)

	Reavaluation reserves	Other reserves and transited results			
		Legal reserve	Retained earnings	Other reserves	Total
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 fair value changes	(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)
Balance at December 31, 2022	**2 575 958**	**9 530 007**	**111 581 736**	**1 209**	**121 112 952**
Other comprehensive income					
Fair value changes	(732 513)	-	-	-	-
Transfer to uneven results recognized in the year	829 276	-	-	-	-
Deferred taxes on fair value changes	(33 867)	-	-	-	-
Total comprehensive income for the year	**62 896**	**-**	**-**	**-**	**-**
Constitution of reserves	-	-	65 656 956	-	65 656 956
Distribution of dividends	-	-	(42 677 024)	-	(42 677 024)
Capital increase	-	-	(11 469 993)	-	(11 469 993)
Balance at December 31, 2023	**2 638 854**	**9 530 007**	**123 091 675**	**1 209**	**132 622 891**

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 2023, the distribution of dividends to Shareholders in the amount of 42,677,024 thousand kwanzas was approved, of which 15,626,554 thousand are pending settlement (Note 20) (2022: 30,956,376 thousand are pending settlement).

According to Note 21, and to the minutes of the Annual General Meeting of Shareholders, the grantors increase the share capital of the company by incorporation of free reserves and retained earnings, from 9,530,007 thousand kwanzas to 21,000,000 thousand kwanzas, with an increase of 11,469,993 thousand kwanzas. This increase was effected by the transfer of values from the profit and loss items carried over to the share capital item. As a result of the capital increase, 1,203,566 new common shares were issued, amounting to 9,530 thousand kwanzas each, distributed proportionally among Shareholders.

As of December 31, 2023, the value of the share options is 1,209 thousand kwanzas (2022: 1,209 thousand kwanzas).

Note 23 – Off-balance sheet items

This heading is presented as follows:

(thousands of Kwanzas)

	31.12.2023	31.12.2022
Third-party responsibilities		
Guarantees received	**659 962 953**	**400 706 743**
Liabilities to third parties		
Guarantees provided	29 206 506	32 762 676
Letters of credit	29 300 778	8 224 263
Unused credit limits	85 531 604	40 511 588
	144 038 888	**81 498 527**
Liabilities for provision of services		
Deposit and custody of securities	**253 620 284**	**296 865 194**
Current value of credits		
Credits held in assets	529 385 088	303 941 332
Credits written-off in assets (Note 10)	3 899 924	3 694 029
	533 285 012	**310 242 493**

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 collateral.

On 31 December 2023 and 31 December 2022, the provisions for guarantees and commitments amounted to 702,166 thousand kwanzas and 245,781 thousand kwanzas, respectively (Note 18).

Note 24 – Financial Margin

The value of this heading consists of:

(thousands of Kwanzas)

	31.12.2023			31.12.2022		
	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	38 900 559	-	38 900 559	34 671 256	-	34 671 256
Interest from financial assets at fair value through profit or loss	-	2 842 357	2 842 357	-	533 592	533 592
Interest from deposits in credit institutions	6 274 852	-	6 274 852	1 519 831	-	1 519 831
Interest from financial assets at fair value through other comprehensive income	27 502 821	-	27 502 821	34 613 426	-	34 613 426
Interest from investments at amortised cost	16 526 262	-	16 526 262	16 270 345	-	16 270 345
Other interest and similar income	17 414 884	-	17 414 884	17 646 961	-	17 646 961
	-			-		
	106 619 378	**2 842 357**	**109 461 735**	**104 721 819**	**533 592**	**105 255 411**
Interest and similar charges						
Interest on resources of central banks and credit institutions	253 750	-	253 750	429 996	-	429 996
Interest on Client resources	21 301 194	-	21 301 194	23 809 453	-	23 809 453
Interest on subordinated liabilities	2 286 858	-	2 286 858	842 145	-	842 145
Interest on leases	223 184	-	223 184	220 290	-	220 290
	24 064 986	**-**	**24 064 986**	**25 301 884**	**-**	**25 301 884**
Financial Margin	**82 554 392**	**2 842 357**	**85 396 749**	**79 419 935**	**533 592**	**79 953 527**

On 31 December 2023, the heading of interest on credit to Clients includes the amount of 655,016 thousand kwanzas relating to commissions accounted for according to the effective interest rate method (2022: 526,756 thousand kwanzas).

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

(thousands of Kwanzas)

	31.12.2023					
	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	6 274 852	-	6 274 852	-	-	-
Interest on financial assets at fair value through results	3 127 156	(284 799)	2 842 357	-	-	-
Interest on financial assets at fair value through other comprehensive income	-	-	-	27 502 821	-	27 502 821
Interest on investments at amortised cost	16 526 262	-	16 526 262	-	-	-
Credit interest to Clients	39 063 572	(163 013)	38 900 559	-	-	-
Other interest and similar income	17 414 884	-	17 414 884	-	-	-
	82 406 726	**(447 812)**	**81 958 914**	**27 502 821**	**-**	**27 502 821**
Liabilities						
Interest on Clients resources	-	(21 301 194)	(21 301 194)	-	-	-
Interest on resources in other credit institutions	-	(253 750)	(253 750)	-	-	-
Interest on subordinated liabilities	-	(2 286 858)	(2 286 858)	-	-	-
Interest on Leases	-	(223 184)	(223 184)	-	-	-
	-	**(24 064 986)**	**(24 064 986)**	**-**	**-**	**-**
Financial Margin	**82 406 726**	**(24 512 798)**	**57 893 928**	**27 502 821**	**-**	**27 502 821**

(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 in other credit institutions	-	(429 996)	(429 996)	-	-	-
Interest on subordinated liabilities	-	(842 145)	(842 145)	-	-	-
Interest on Leases	-	(220 290)	(220 290)	-	-	-
	-	**(25 301 884)**	**(25 301 884)**	**-**	**-**	**-**
Financial Margin	**70 668 144**	**(25 328 043)**	**45 340 101**	**34 613 426**	**-**	**34 613 426**

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

(thousands of Kwanzas)

	31.12.2023			31.12.2022		
	Income	Expenses	Net	Income	Expenses	Net
Assets						
Interest on cash and applications in credit institutions	6 274 852	-	6 274 852	1 519 831	-	1 519 831
Interest on investments at amortised cost	16 526 262	-	16 526 262	16 270 345	-	16 270 345
Interest on subordinated liabilities	39 063 572	(163 013)	38 900 559	34 697 401	(26 146)	34 671 255
Interest on Leases	17 414 884	-	17 414 884	17 646 961	-	17 646 961
	79 279 570	**(163 013)**	**79 116 557**	**70 134 538**	**(26 146)**	**70 108 392**
Liabilities						
Interest on Clients resources	-	(21 301 194)	(21 301 194)	-	(23 809 453)	(23 809 453)
Interest on resources of other credit institutions	-	(253 750)	(253 750)	-	(429 996)	(429 996)
Interest on subordinated liabilities	-	(2 286 858)	(2 286 858)	-	(842 145)	(842 145)
Interest on Leases	-	(223 184)	(223 184)	-	(220 290)	(220 290)
	-	**(24 064 986)**	**(24 064 986)**	**-**	**(25 301 884)**	**(25 301 884)**
Financial margin for instruments at amortised cost	**79 279 570**	**(24 227 999)**	**55 051 571**	**70 134 538**	**(25 328 030)**	**44 806 508**

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

(thousands of Kwanzas)

	31.12.2023			31.12.2022		
	Income	Expenses	Net	Income	Expenses	Net
Assets						
Interest on financial assets at fair value through other comprehensive income	27 502 821	-	27 502 821	34 613 426	-	34 613 426
Financial margin for fair value instruments through other comprehensive income	**27 502 821**	**-**	**27 502 821**	**34 613 426**	**-**	**34 613 426**

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

(thousands of Kwanzas)

	31.12.2023			31.12.2022		
	Income	Expenses	Net	Income	Expenses	Net
Assets						
Interest on financial assets at fair value through other comprehensive income	3 127 156	(284 799)	2 842 357	533 606	(13)	533 593
Financial margin for fair value instruments through other comprehensive income	**3 127 156**	**(284 799)**	**2 842 357**	**533 606**	**(13)**	**533 593**

Note 25 – Income and charges from services and commissions

The value of this heading consists of:

(thousands of Kwanzas)

Description	31.12.2023	31.12.2022
Income from services and commissions		
From transfers	5 285 726	6 239 491
From credit operations	5 127 362	2 980 425
From electronic compensation	2 600 707	2 421 464
From documentary credits	1 277 264	578 214
Other income	1 184 889	2 003 958
From withdrawals	1 182 744	822 090
From guarantees provided	657 645	434 922
From other banking services provided	654 403	119 824
From mediation	638 080	644 941
From account maintenance	582 500	568 791
From financial advice	563 456	411 883
From transporting received amounts	129 507	55 259
From cheque issuing	3 126	3 244
	19 887 409	**17 284 506**
Charges for services and commissions		
From banking services provided by third parties	4 860 440	4 526 202
From transporting values	1 548 553	1 272 083
	6 408 993	**5 798 285**
	13 478 416	**11 486 221**

With reference to December 31, 2023, the Banking services provided by third parties heading includes an amount of 780 thousand Kwanzas (2022: 1,222,244 thousand kwanzas) referring to the custody rate applicable to excess reserves, according to Instruction No. 14/2020 of August 4.

The table below presents the income and expenses with commissions not included in the calculation of the effective interest rate of financial instruments measured at amortised cost and fair value through other comprehensive income:

(thousands of Kwanzas)

	31.12.2023			31.12.2022		
	Income	Expenses	Net	Income	Expenses	Net
Assets						
From credit operations	5 127 361	-	5 127 361	2 980 425	-	2 980 425
From transporting received amounts	129 507	-	129 507	55 259	-	55 259
From mediation	638 080	-	638 080	644 941	-	644 941
From financial advice	81 234	-	81 234	84 396	-	84 396
Other income	1 181 448	-	1 181 448	2 003 958	-	2 003 958
From banking services provided by third parties	-	(780 053)	(780 053)	-	(1 222 244)	(1 222 244)
	7 157 630	**(780 053)**	**6 377 577**	**5 768 979**	**(1 222 244)**	**4 546 735**
Liabilities						
From other banking services provided	485 547	-	485 547	(14 653)	-	(14 653)
From transfers	5 285 727	-	5 285 727	6 239 491	-	6 239 491
From account maintenance	582 500	-	582 500	568 791	-	568 791
From cheque issuing	3 126	-	3 126	3 244	-	3 244
From withdrawals	1 182 744	-	1 182 744	822 090	-	822 090
From transporting values	-	(1 548 553)	(1 548 553)	-	(1 272 083)	(1 272 083)
From electronic compensation	2 600 707	-	2 600 707	2 421 464	-	2 421 464
From banking services provided by third parties	-	(4 080 387)	(4 080 387)	-	(3 303 958)	(3 303 958)
	10 140 351	**(5 628 940)**	**4 511 411**	**10 040 427**	**(4 576 041)**	**5 464 386**
Off-balance sheet items						
From documentary credits	1 277 264	-	1 277 264	578 214	-	578 214
From guarantees provided	657 645	-	657 645	434 922	-	434 922
From other banking services provided	172 297	-	172 297	134 477	-	134 477
From financial advice	482 222	-	482 222	327 487	-	327 487
	2 589 428	**-**	**2 589 428**	**1 475 100**	**-**	**1 475 100**
	19 887 409	**(6 408 993)**	**13 478 416**	**17 284 506**	**(5 798 285)**	**11 486 221**

Note 26 – Results of financial assets at fair value through results

The value of this heading consists of:

(thousands of Kwanzas)

	31.12.2023			31.12.2022		
	Income	Costs	Total	Income	Costs	Total
Income of assets at fair value through profit or loss						
From public issuers	1 652 166	(274 971)	1 377 195	663 695	(178 180)	485 515
Derivative financial instruments	-	-	-	23 415	(3 674)	19 741
From Clients deposits in AOA indexed to USD	-	-	-	-	(3 211)	(3 211)
	1 652 166	**(274 971)**	**1 377 195**	**687 110**	**(185 065)**	**502 045**

Note 27 – Results of financial assets at fair value through other comprehensive income

The value of this heading consists of:

(thousands of Kwanzas)

	31.12.2023			31.12.2022		
	Income	Costs	Total	Income	Costs	Total
Income of financial assets at fair value through other comprehensive income						
From public issuers	2 229 548	-	2 229 548	1 090 515	-	1 090 515
	2 229 548	**-**	**2 229 548**	**1 090 515**	**-**	**1 090 515**

Note 28 – Exchange Results

The value of this heading consists of:

(thousands of Kwanzas)

Description	31.12.2023	31.12.2022
Results of currency purchase and sale transactions	37 225 597	36 064 497
Results of revaluation of assets and liabilities	8 845 914	(119 714)
	46 071 511	**35 944 783**

Note 29 – Other operating results

The value of this heading consists of:

(thousands of Kwanzas)

Description	31.12.2023	31.12.2022
Other operating income / (costs)		
Direct and indirect taxes	(3 683 860)	(2 509 624)
Operating losses	(1 340 734)	(383 870)
Membership fees and donations	(624 111)	(337 354)
Other gains and losses on other tangible assets	(29 008)	37 018
Other operating income	(5 478)	(4 589)
	(5 683 191)	**(3 198 419)**

As of December 31, 2023, the heading Direct and indirect taxes includes 3,541,643 thousand kwanzas (2022: 2,509,624 thousand kwnazas) of costs with Value Added Tax (VAT).

Note 30 – Personnel costs

The value of this heading consists of:

(thousands of Kwanzas)

	31.12.2023	31.12.2022
Direct costs		
Salaries and subsidies	23 444 906	19 986 908
Performance bonus	4 304 103	3 452 816
Mandatory social charges	1 916 947	1 383 465
Others	685 726	547 046
	30 351 682	25 370 235
Indirect costs	1 449 938	1 317 391
	31 801 620	**26 687 626**

As of December 31, 2023, the heading Salaries and allowances includes various allowances granted to Employees, namely, accommodation allowance, transport allowance, holiday allowance and holiday month, amounting to 1,764,885 thousand kwanzas (2022: 1,468,751 thousand kwanzas).

As at 31 December 2023, the number of Employees of the Bank was 709 (2022: 679).

As of December 31, 2023 and 2022, Employees were divided into the following professional categories:

	31.12.2023	31.12.2022
Executive Directors	5	3
Director	36	35
Coordinator	396	241
Technician	263	389
Administrative	9	11
	709	**679**

As of June 30, 2023 and 2022, 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			
December 31, 2023						
Remunerations and other short-term benefits	331 326	287 166	618 492	17 946	-	636 438
Variable remunerations	519 723	40 341	560 064	10 688	1 293	572 045
Sub total	**851 049**	**327 507**	**1 178 556**	**28 634**	**1 293**	**1 208 483**
Benefits and other social charges	1 183 577	-	1 183 577	-	-	1 183 577
Total	**2 034 626**	**327 507**	**2 362 133**	**28 634**	**1 293**	**2 392 060**
December 31, 2022						
Remunerations and other short-term benefits	920 819	209 801	1 130 620	18 655	-	1 149 275
Variable remunerations	40 932	35 474	76 406	9 848	1 069	87 323
Sub total	**961 751**	**245 275**	**1 207 026**	**28 503**	**1 069**	**1 236 598**
Benefits and other social charges	132 231	-	132 231	-	-	132 231
Total	**1 093 982**	**245 275**	**1 339 257**	**28 503**	**1 069**	**1 368 829**

Note 31 – Third-party supplies and services

The value of this heading consists of:

(thousands of Kwanzas)

Description	31.12.2023	31.12.2022
Franchising Commission and other costs with the Group	7 707 738	6 405 310
Audits, Consultancies and Other Services	4 831 004	2 366 369
Other Third Party Supplies	3 143 372	2 187 690
Transportation, Travel and Accomodation	1 211 202	480 327
Communications	958 429	859 018
Insurance	931 644	797 597
Publications, Advertising and Publicity	823 485	707 777
Security, Conservation and Repairs	719 575	988 999
Miscellaneous materials	224 068	361 031
Water and Energy	157 954	108 766
	20 708 471	**15 262 884**

As of December 31, 2023, the heading Audits, consultancies and other services includes 434,670 thousand kwanzas (2022: 164,108 thousand kwnazas) referring to the remuneration attributed to auditors, as per:

(thousands of Kwanzas)

Description	31.12.2023	31.12.2022
External audit services	379 923	132 903
Other assurance services deriving from the role of external auditor	54 747	31 205
	434 670	**164 108**

Nota 32 – Results per Share

Basic results per share

Basic results per share are calculated by dividing the result attributable to the Bank's Shareholders by the weighted average number of common shares outstanding during the year.

(thousands of Kwanzas)

	31.12.2023	31.12.2022
Net Income	67 038 077	65 656 956
Average number of common shares outstanding	2 203 566	1 000 000
	30 423	**65 657**

Diluted earnings per share

Diluted earnings per share are calculated by adjusting the effect of all potential common shares diluted to the weighted average number of common shares outstanding and the Bank's net income.

Diluted earnings per share do not differ from basic earnings per share.

Note 33 – Transaction with related parties

The value of the Bank's transactions with related parties as at 31 December 2023 and 31 December 2022, as well as the respective costs and income recognised in the period under review, is as follows:

	31.12.2023			31.12.2022		
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	-	64 433 947	-	-	18 601 552	-
Standard Bank Mauricias	-	499	-	-	304	-
Stanbic Ibtc Bank Plc	-	3 026	-	-	3 626	-
Standard Bank Namibia	-	19 794	-	-	-	-
Investments in central banks and other credit institutions						
Standard Bank South Africa	-	74 978 024	-	-	45 268 919	-
Credit to Clients						
Housing credit	64 340	-	-	66 668	-	-
Credit cards	1 845	-	2 975	405	-	318
Investment credit	-	-	-	-	435	-
Other assets						
Std Invest SDVM SU SA	-	717 743	-			
Std Gestão de Activos SA	-	384 944	-			
Standard Holdings AO SA	-	116 923	-			
Standard Bank South Africa	-	516 725	-	-	2 867	-
Total	**66 185**	**141 171 624**	**2 975**	**67 073**	**63 877 703**	**318**
Liabilities						
Investments in central banks and other credit institutions						
Standard Bank South Africa	-	7 940 136	-	-	6 320 000	-
Client resources and other loans						
*AAA Activos, Lda**	-	-	-	1 268 235	-	-
*AAA Seguros, SA**	-	-	-	-	1	-
Std Invest SDVM SU SA	-	927 472	-			
Std Gestão de Activos SA	-	772 441	-			
Standard Holdings AO SA	-	128 280	-			
Others	1 515 246	6 259 541	109 294	128 709	5 232 128	166 238
Subordinated liabilities						
Standard Bank South Africa	-	25 326 058	-	-	14 356 351	-
Other liabilities						
Standard Bank South Africa	-	36 943 529	-	-	9 198 748	-
*AAA Activos, Lda**	-	-	-	30 956 078	-	-
Standard Bank Namibia	-	711 018	-	-	-	-
Standard Bank London	-	-	-	-	27 564	-
Others	-	-	-	298	-	-
Total	**1 515 246**	**79 008 475**	**109 294**	**32 353 320**	**28 814 792**	**166 238**

*It should be noted that the shares belonging to the shareholders AAA Activos Lda. and AAA Seguros, SA. , were seized by the Attorney General's Office of the Republic of Angola and the Institute for the Management of State Assets and Participations (IGAPE) was appointed trustee.

RESULTS	31.12.2023 Shareholders	31.12.2023 Subsidiaries and affiliates of Shareholder	31.12.2023 Corporate Bodies	31.12.2022 Shareholders	31.12.2022 Subsidiaries and affiliates of Shareholder	31.12.2022 Corporate Bodies
Interest and similar income						
Standard Bank South Africa	-	6 206 360	-	-	675 845	-
Interest and similar charges						
Standard Bank South Africa	-	(2 238 618)	-	-	(794 918)	-
Std Invest SDVM SU SA	-	(32 702)	-	-	-	-
Std Gestão de Activos SA	-	(15 538)	-	-	-	-
Income and charges of services and commissions						
Standard Bank South Africa	-	(1)	-	-	-	-
Exchange rate results						
Standard Bank South Africa	-	(29 602)	-	-	(45 913)	-
Personnel costs						
Standard Bank South Africa	-	(36 925)	-	-	(117 318)	-
Third party supplies and services						
Standard Bank South Africa	-	(7 707 738)	-	-	(5 532 564)	-
Total	**-**	**(3 854 764)**	**-**	**-**	**(5 814 868)**	**-**

The remuneration costs and other benefits attributed to the Bank's key management staff can be analysed in Note 30.

All transactions carried out with related parties are carried out at normal market prices, in accordance with the principle of fair value.

Note 34 – Fair value of financial assets and liabilities

Fair value is based on market prices, whenever they are available. If these do not exist, fair value is estimated through internal models based on cash flow discount techniques. The generation of cash flows of the different instruments is based on their financial characteristics and the discount rates used consider the operations most recently granted by the Bank.

Thus, the fair value obtained is influenced by the parameters used in the evaluation model, which necessarily incorporate some degree of subjectivity, and reflect exclusively the value attributed to the different financial instruments.

The fair value of the Bank's financial assets and liabilities is presented as follows:

(thousands of Kwanzas)

	Amortised cost	Valued at Fair Value			Total Balance Sheet Value	Fair Value
		Market prices (Level 1)	Valuation models with observable market parameters (Level 2)	Valuation models with non observable market parameters (Level 3)		
December 31, 2023						
Cash and cash equivalents in central banks	259 516 316	-	-	-	259 516 316	259 516 316
Cash and cash equivalents in other credit institutions	264 093 786	-	-	-	264 093 786	264 093 786
Investments in central banks and in other credit institutions	115 437 254	-	-	-	115 437 254	115 437 254
Financial assets at fair value through profit or loss	-	-	28 852 418	189 727	29 042 145	29 042 145
Financial assets at fair value through other comprehensive income	-	-	195 739 065	-	195 739 065	195 739 065
Investments at amortised cost	126 451 796	-	-	-	126 451 796	122 006 188
Credit to Clients	518 266 076	-	-	-	518 266 076	519 475 989
Financial assets	**1 283 765 228**	**-**	**224 591 483**	**189 727**	**1 508 546 438**	**1 505 310 743**
Resources of central banks and other credit institutions	9 098 000	-	-	-	9 098 000	9 098 000
Clients resources and other loans	1 240 346 130	-	-	-	1 240 346 130	1243 915 281
Subordinated liabilities	25 326 058	-	-	-	25 326 058	25 326 058
Financial liabilities	**1 274 770 188**	**-**	**-**	**-**	**1 274 770 188**	**1 278 339 339**

(thousands of Kwanzas)

	Amortised Cost	Valued at Fair Value			Total Balance Sheet Value	Fair Value
		Market prices (Level 1)	Valuation models with observable market parameters (Level 2)	Valuation models with non observable market parameters (Level 3)		
December 31, 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**

The table below shows the book value of financial instruments with reference to 31 December 2023 and 31 December 2022:

(thousands of Kwanzas)

	31-12-2023				
	Valued at fair value	Valued at amortised cost	Valued at historical cost	Impairment	Net Value
Assets					
Cash and cash equivalents in central banks	-	259 516 316	-	-	259 516 316
Cash and cash equivalents in other credit institutions	-	264 094 980	-	(1 194)	264 093 786
Investments in central banks and in other credit institutions	-	115 439 965	-	(2 711)	115 437 254
Financial assets at fair value through profit or loss	29 042 145	-	-	-	29 042 145
Financial assets at fair value through other comprehensive income	195 739 065	-	-	-	195 739 065
Investments at amortised cost	-	127 710 029	-	(1 258 233)	126 451 796
Credit to Clients	-	529 385 088	-	(11 119 012)	518 266 076
Financial assets	**224 781 210**	**1 296 146 378**	**-**	**(12 381 150)**	**1 508 546 438**
Resources of central banks and other credit institutions	-	9 098 000	-	-	9 098 000
Customer resources and other loans	-	1 240 346 130	-	-	1 240 346 130
Clients resources and other loans	-	25 326 058	-	-	25 326 058
Financial liabilities	**-**	**1 274 770 188**	**-**	**-**	**1 274 770 188**
Total	**224 781 210**	**21 376 190**	**-**	**(12 381 150)**	**233 776 250**

(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
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**

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

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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 2023 and 31 December 2022 the financial asset at fair value classified in level 3 of the fair value hierarchy of IFRS 13 relates to the participation in EMIS.

The main methodologies and assumptions used in estimating the fair value of financial assets and liabilities recorded in the balance sheet at amortised cost are analysed as follows:

Cash and cash equivalents in central banks and in other credit institutions and Investments in Central Banks and other credit institutions

These assets are very short-term so the balance sheet value is a reasonable estimate of their fair value.

Financial assets at fair value through profit or loss and Financial assets at fair value through other comprehensive income

These financial instruments are accounted for at fair value. Fair value is based on market prices (Bid-price), where they are available. If these do not exist, the calculation of fair value is based on the use of numerical models, based on cash flow discount techniques which, in order to estimate fair value, market interest rate curves adjusted by the associated factors are used, predominantly credit risk and liquidity risk, determined according to market conditions and respective deadlines.

The values for very short-term rates are obtained from a similar source but for the interbank money market. Interest rates for specific cash flow deadlines are determined by appropriate interpolation methods. The same interest rate curves are also used in the projection of non-deterministic cash flows such as indexers.

Market interest rates for securities in Kwanzas are calculated on the basis of the interest rates of treasury bills and treasury bonds issued for the various maturities.

If there is optionality involved, the standard models are used considering the applicable volatility surfaces. Where it is understood that there are no market references of sufficient quality or that the available models do not fully apply to the characteristics of the financial instrument, specific quotations provided by an external entity, typically the business party, are used.

Investments at amortised cost

The fair value of these financial instruments is based on market prices, when available. If they do not exist, fair value is estimated based on the update of expected future capital and interest cash flows for these instruments.

Credit to Clients

The fair value of the credit to Clients is estimated on the basis of the update of the capital and interest expected cash flows, considering that the installments are paid on the dates contractly defined. The discount rates used are the current rates for loans with similar characteristics.

Resources of central banks and other credit institutions

The fair value of these liabilities is estimated on the basis of the update of expected cash flows of capital and interest, considering that payments of installments occur on the dates contractly defined. These liabilities are very short-term so the balance sheet value is a reasonable estimate of their fair value.

Client resources and other loans

The fair value of these financial instruments is estimated on the basis of the update of capital and interest expected cash flows. The discount rate used is the one that reflects the rates charged for deposits with characteristics similar to the balance sheet date. Whereas the applicable interest rates are renewed for periods of less than one year, there are no materially relevant differences in their fair value.

Subordinated liabilities and liabilities represented by securities

Fair value is based on market prices when available; if they do not exist, it is estimated on the basis of the update of the capital and interest expected future cash flows for these instruments. If these do not exist, the calculation of fair value is based on the use of numerical models, based on cash flow discount techniques which, in order to estimate fair value, the current rates for loans with similar characteristics are used.

With regard to exchange rates, the Bank uses in their valuation models the spot rate observed on the market at the time of the evaluation.

Note 35 – Balance Sheet and Income Statement by segment

Pursuant to the IFRS 8 requirement, segment disclosures are presented below in accordance with the information as reviewed by the Bank's Management Bodies:

- Personal and Private Banking;

- Business and Commercial Clients

- Corporate and Investment Banking

As of December 31, 2023 and December 31, 2022, the balance sheet by segment is presented as follows:

(thousands of Kwanzas)

BALANCE SHEET	31.12.2023 Personal and Private Banking	Business and Commercial Clients	Corporate and Investment Banking	Total
Assets				
Credit to Clients				
Loans	14 709 324	50 820 973	215 487 101	281 017 398
Reverse Repos	-	-	188 238 620	188 238 620
Overdrafts	15 192	10 488 801	13 465 648	23 969 641
Leasing	809 977	3 019 319	-	3 829 296
Letters of credit	-	-	17 450 260	17 450 260
Credit cards	984 101	-	-	984 101
Housing	2 776 760	-	-	2 776 760
Total allocated assets	19 295 354	64 329 093	434 641 629	518 266 076
Non-allocated assets				1 074 478 606
Total assets				**1 592 744 682**
Liabilities				
Client resources and other loans	129 443 902	193 626 516	917 275 712	1 240 346 130
Total allocated liabilities	129 443 902	193 626 516	917 275 712	1 240 346 130
Non-allocated liabilities				129 098 730
Total liabilities				**1 369 444 860**

(thousands of Kwanzas)

31.12.2022				
BALANCE SHEET	**Personal and Private Banking**	**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
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**

As of December 31, 2023 and December 31, 2022, the income statement by segment is presented as follows:

(thousands of Kwanzas)

INCOME STATEMENT	31.12.2023 Personal and Private Banking	Business and Commercial Clients	Corporate and Investment Banking	Total
Interest and similar income	12 741 830	15 209 414	81 510 491	109 461 735
Interest and similar charges	(2 192 389)	(1 439 519)	(20 433 078)	(24 064 986)
Financial Margin	**10 549 441**	**13 769 895**	**61 077 413**	**85 396 749**
Income from services and commissions	7 602 112	5 499 807	6 785 490	19 887 409
Charges for services and commissions	(1 270 613)	(1 395 177)	(3 743 203)	(6 408 993)
Income from financial assets and liabilities valued at fair value through profit or loss	-	-	1 377 195	1 377 195
Income from financial assets at fair value through other comprehensive income	-	-	2 229 548	2 229 548
Exchange rate income	3 366 733	6 310 376	36 394 402	46 071 511
Other operating income	(1 019 862)	(643 193)	(4 020 136)	(5 683 191)
Net income from banking activity	**19 227 811**	**23 541 708**	**100 100 709**	**142 870 228**
Personnel costs	(9 514 691)	(6 094 401)	(16 192 528)	(31 801 620)
Third party supplies and services	(4 218 075)	(4 199 415)	(12 290 981)	(20 708 471)
Depreciation and amortisation for the year	(1 968 431)	(790 213)	(3 838 681)	(6 597 325)
Net provisions of reversals	(466 325)	(175 059)	(198 209)	(839 593)
Impairment for credit to Clients net of reversals and recoveries	(271 631)	(130 000)	(3 662 995)	(4 064 626)
Impairment for other assets net of reversals and recoveries	(5 050)	2 163	(782 679)	(785 566)
Earnings before tax	**2 783 608**	**12 154 783**	**63 134 636**	**78 073 027**
Income taxes	(956 190)	(2 041 642)	(8 037 118)	(11 034 950)
Net income	**1 827 418**	**10 113 141**	**55 097 518**	**67 038 077**

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(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
	-	-	-	-	-
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**

Note 36 – Activity Risk Management

The Bank is subject to risks of various natures in the development of their activity. Risk management is carried out centrally in relation to the specific risks of each business.

The Bank's risk management policy aims to maintain, at all times, an adequate relationship between their own capital and the activity developed, as well as the corresponding assessment of the risk/ return profile per line of business.

In this context, it is particularly important to monitor and control the main types of financial risks - credit, market, liquidity and operational - to which the Bank's activity is exposed.

Main Risk Categories

Credit – Credit risk is linked to the degree of uncertainty of recovery of the investment and its return, due to the inability of a debtor (and its guarantor, if any), thus causing a financial loss for the creditor. Credit risk is evident in debt securities or other balances to be received.

Market – The concept of market risk reflects the potential loss that can be recorded by a given portfolio as a result of changes in rates (interest and exchange) and/or the prices of the different financial instruments that compose it, taking into account both the correlations between them and their volatilities. Thus, Market Risk encompasses interest rate, foreign exchange and other price risks.

Liquidity – Liquidity risk reflects the Bank's inability to meet their financial liabilities-linked obligations at each maturity date, without incurring significant losses arising from a degradation of the conditions for access to finance (financing risk) and/or the sale of their assets below the values normally charged in the market (market liquidity risk).

Operational – Operational risk means potential loss resulting from failures or inadequacies in internal processes, people or systems, or potential losses resulting from external events.

Internal Organisation

Standard Bank of Angola sees risk management as a central element of the Institution's vision and strategy. Thus, the risk management model is independent of the risk-generating areas and presents decision-making and control mechanisms directly dependent on the Board of Directors.

Risk management is the responsibility of the Management Board and its committees. The Board of Directors is the body responsible for the risk strategy in the institution, relying on Committees that have as main functions the advice of the Management Body with regard to the Risk Management strategy and the supervision of the performance of the risk management function as provided for by the BNA.

The Board of Directors delegates to the Executive Comittee the day-to-day management of risks. At the level of the Executive Comittee, the responsibility of risk management is the responsibility of the Chairman of the Executive Comittee.

The risk management function is carried out in a stand-alone basis and independently by the Risk Department to identify, assess, monitor, control and provide information on all relevant risks of the activity carried out by the Institution.

For Standard Bank of Angola, Risk Management is also a way to optimise the use of capital and the selection of the best business opportunities, considering the relationship between risk and return to better respond to Client needs and maximise value creation for their Shareholders.

Thus, and following international best practices, the Risk management model follows the principle of the "Three Lines of Defense", underlying the attribution of responsibilities to the various actors in risk management, and clearly defines the delegation of powers and communication channels that are formalised in the Bank's policies.

The responsibility for risk management within each line of action lies at the functional level and the committees of the Board of Directors. These lines of defense ensure the segregation of functions and independence of the model. The three lines of action are described below:

1. 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. 2. Risk Management

   The Bank's Risk Management functions are primarily responsible for defining the Risk Management structure and policies, providing independent supervision and information for executive management through the Credit Risk Management Committee and the Asset and

Liability Management Committee.

The Risk Management functions of the business units aim to implement the Risk Management model, approve risk acceptance limits within specific mandates and provide an overview of the effectiveness of Risk Management by the first line of defense..

3. Internal Audit

It provides an independent assessment of the adequacy and effectiveness of the Bank's Internal Control System, the global Risk Management framework, through the approval of an annual Audit Plan and consequent reporting to the Board of Directors and its Committees.

Risk Assessment

Credit Risk – Credit Risk 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)

	31.12.2023		
	Gross book value	Impairment	Net book value
Equity			
Cash and cash equivalents in central banks (Note 4)	259 516 316	-	259 516 316
Cash and cash equivalents in other credit institutions (Note 5)	264 093 786	(1 194)	264 092 592
Investments in central banks and in other credit institutions (Note 6)	115 437 254	(2 711)	115 434 543
Financial assets at fair value through profit or loss (Note 7)	29 042 145	-	29 042 145
Financial assets at fair value through other comprehensive income (Note 8)	195 739 065	-	195 739 065
Investments at amortised cost (Note 9)	126 451 796	(1 258 234)	125 193 562
Credit to Clients (Note 10)	529 385 088	(11 119 012)	518 266 076
	1 519 665 450	**(12 381 151)**	**1 507 284 299**
Off-balance sheet			
Guarantees provided (Note 23)	29 206 506	(145 601)	29 206 506
Letters of credit (Note 23)	29 300 778	(42 123)	29 300 778
Unused limits (Note 23)	85 531 604	(514 441)	85 531 604
	144 038 888	**(702 165)**	**144 038 888**
Total	**1 663 704 338**	**(13 083 316)**	**1 651 323 187**

(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 23)	32 762 676	(94 107)	32 668 569
Letters of credit (Note 23)	8 224 263	(7 217)	8 217 046
Unused limits (Note 23)	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**

Regarding the level of financial assets' credit risk quality, at 31 December 2023 and 31 December 2022 is as follows:

(thousands of Kwanzas)

	Rating origin	Rating level	31.12.2023 Gross exposure	Impairment	Net exposure
Equity	External rating	B+ a B-	534 037 679	-	534 037 679
	Internal rating	AAA a AA-	8 046 046	(860)	8 045 186
		A+ a A-	208 978 776	(21 678)	208 957 098
		BBB+ a BBB-	187 996 934	(6 029 466)	181 967 468
		BB+ a BB-	76 246 368	(1 966 687)	74 279 681
		B+ a B-	500 554 183	(4 307 074)	496 247 109
		< B-	3 804 275	(55 386)	3 748 889
		Low	1 189	-	1 189
Total			**1 519 665 450**	**(12 381 151)**	**1 507 284 299**

(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
	Internal 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
		Low	87 047 997	(216 428)	86 831 569
		Medium	3 827 490	(1 417 190)	2 410 300
		High	1 141 589	(1 149 535)	(7 946)
Total			**1 007 286 612**	**(7 911 491)**	**999 375 121**

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The tables below show with reference to 31 December 2023 and 31 December 2022 the exposure to credit risk by financial asset class, rating level and stage.

(thousands of Kwanzas)

Financial asset class	Rating	Stage 1	Stage 2	Stage 3	Total
		31.12.2023			
Equity					
Cash and cash equivalents in central banks (Note 4)	*B+ a B-*	259 516 316	-	-	259 516 316
Cash equivalents in other credit institutions (Note 5)	*AAA a AA-*	4 569	-	-	4 569
	A+ a A-	199 645 388	-	-	199 645 388
	BBB+ a BBB-	64 415 643	-	-	64 415 643
	BB+ a BB-	28 186			28 186
Investments in central banks and in other credit institutions (Note 6)	*B+ a B-*	74 975 311	-	-	74 975 311
	B+ a B-	40 461 943	-	-	40 461 943
Financial assets at fair value through profit or loss (Note 7)	*A+ a A-*	189 728			189 728
	B+ a B-	28 852 417	-	-	28 852 417
Financial assets at fair value through other comprehensive income (Note 8)	*B+ a B-*	195 739 065	-	-	195 739 065
Investments at amortised cost (Note 9)	*B+ a B-*	126 451 796	-	-	126 451 796
Credit to Clients (Note 10)	*AAA a AA-*	-	8 041 476	-	8 041 476
	A+ a A-	1 004 419	8 139 240	-	9 143 659
	BBB+ a BBB-	108 237 611	11 479 259	3 864 421	123 581 291
	BB+ a BB-	76 218 183	-	-	76 218 183
	B+ a B-	253 785 035	54 809 980	-	308 595 015
	< B-	-	3 804 275	-	3 804 275
	Baixo	1 189	-	-	1 189
Total Gross Book Value		**1 429 526 799**	**86 274 230**	**3 864 421 -**	**1 519 665 450**
Provision for losses		**(3 187 938)**	**(5 328 792)**	**(3 864 421)**	**(12 381 151)**
Net Book Value		**1 426 338 861**	**80 945 438**	**-**	**1 507 284 299**

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(thousands of Kwanzas)

31.12.2022					
Financial asset class	**Rating**	**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 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
	BBB+ a BBB-	-	-	-	-
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-	-	-	-	-
	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**	**1007 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**

The breakdown by sectors of activity of exposure to credit risk, as of 31 December 2023 and 31 December 2022, is presented as follows:

(thousands of Kwanzas)

	31.12.2023						
	Exposure		Guarantees Provided	Total exposure	Relative weight	Impairment	
	Outstanding	Overdue				Value	Impairment/ Total exposure
Corporate							
Central government	990 280 362	-		990 280 362	60%	1 262 138	0%
Financial Activities	235 893 227	-	46 081 303	281 974 530	17%	917 471	0%
Wholesale and Retail Trade	105 151 982	1 201 387	26 175 024	132 528 393	8%	5 271 401	-4%
Education	-	471 480	3 314 254	3 785 734	0%	482 287	-13%
Extractive industries	-	-	4 507 628	4 507 628	0%	6 382	0%
Other collective, social and personal service activities	295 706	445 310	8 581 609	9 322 625	1%	139 761	-1%
Construction	18 141 701	-	11 858 481	30 000 182	2%	153 762	-1%
Manufacturing	56 922 586	34 278 059	20 297 776	111 498 421	7%	965 184	-1%
Food, beverages and tobacco industries	38 123 568	-	12 904 369	51 027 937	3%	2 111 645	-4%
Transport, Storage and Communication	13 957 176	21 627	5 215 255	19 194 058	1%	211 654	-1%
Agriculture, animal production, hunting and forestry	4 020 037	-	-	4 020 037	0%	5 700	0%
Private							
Consumption	15 240 307	2 444 066	5 103 189	22 787 562	1%	1 417 239	-6%
Housing	2 574 373	201 061	-	2 775 434	0%	138 692	-5%
Other	1 189	246	-	1 435	0%	-	0%
Total	**1 480 602 214**	**39 063 236**	**144 038 888**	**1663 704 338**	**100%**	**13 083 316**	**-1%**

(thousands of Kwanzas)

	31.12.2022						
	Exposure		Guarantees provided	Total Exposure	Relative weight	Impairment	
	Outstanding	Overdue				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%**

The geographical concentration of credit risk as at December 31, 2023 and December 31, 2022 is 100% in Angola, with the exception of liquidity applications which are 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 2023 and 31 December 2022 is presented as follows:

(thousands of Kwanzas)

Currency	31.12.2023					
	-20%	-10%	-5%	+5%	+10%	+20%
United States of America Dollars	(9 762 189)	(4 881 094)	(2 440 547)	2 440 547	4 881 094	9 762 189
Euros	3 023 697	1 511 849	755 924	(755 924)	(1 511 849)	(3 023 697)
Other currencies	369 396	184 698	92 349	(92 349)	(184 698)	(369 396)
Total	**(6 369 096)**	**(3 184 547)**	**(1 592 274)**	**1 592 274**	**3 184 547**	**6 369 096**

(thousands of Kwanzas)

Currency	31.12.2022					
	-20%	-10%	-5%	+5%	+10%	+20%
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)**

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 2023 was reported to National Bank of Angola as follows:

National Currency

December 2023
(in thousands of Kwanzas)

Interval	Assets (+)	Liabilities (-)	Off-Balance Sheet Elements (+)	Off-Balance Sheet Elements (-)	Position (+/-)	Weighting Factor (A)	Weighting Position (B)
at sight - 1 month	33 972 710	74 410 213			(40 437 503)	0%	(32 350)
1 - 3 months	317 470 208	83 755 425			233 714 783	0%	747 887
3 - 6 months	33 924 552	40 506 193			(6 581 641)	1%	(47 388)
6 - 12 months	99 681 730	15 240 847			84 440 883	1%	1 207 505
1 - 2 years	33 444 314	-			33 444 314	3%	926 407
2 - 3 years	48 359 332	-			48 359 332	4%	2 171 334
3 - 4 years	7 296 789	1 170 912			6 125 877	6%	376 129
4 - 5 years	9 664 705	-			9 664 705	8%	745 149
5 - 7 years	11 372 382	-			11 372 382	10%	1 154 297
7 - 10 years	11 262 037	-			11 262 037	13%	1 493 346
10 - 15 years	-	-			-	19%	-
15 - 20 years	-	-			-	22%	-
> 20 years	-	-			-	26%	-
						TOTAL (C) :	**8 742 315**

Exposures by Maturity Interval or Rate Refixing - Impact on Net Position — National Currency

Cumulative impact of interest rate-sensitive instruments:	**8 742 315**
Regulatory Equity:	**234 053 430**
Impact on Economic Value / Regulatory Equity:	**3,74%**

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December 2023
(in thousands of Kwanzas)

Exposures by Maturity Interval or Rate Refixing - Impact on Interest Margin
National Currency

Interval	Assets (+)	Liabilities (-)	Off-Balance Sheet Elements (+)	Off-Balance Sheet Elements (-)	Position (+/-)	Weighting Factor(F)	Weighting Position (G)
at sight	-	-			-	2,00%	-
at sight - 1 month	33 972 710	74 410 213			(40 437 503)	1,92%	(776 400)
1 - 2 months	267 009 570	19 904 539			247 105 031	1,75%	4 324 338
2 - 3 months	50 460 638	63 850 887			(13 390 248)	1,58%	(211 566)
3 - 4 months	9 664 374	9 748 027			(83 653)	1,42%	(1 188)
4 - 5 months	10 097 934	12 816 363			(2 718 429)	1,25%	(33 980)
5 - 6 months	14 162 244	17 941 803			(3 779 559)	1,08%	(40 819)
6 - 7 months	5 716 052	1 511 333			4 204 719	0,92%	38 683
7 - 8 months	18 186 897	2 177 779			16 009 118	0,75%	120 068
8 - 9 months	6 004 417	6 743 880			(739 463)	0,58%	(4 289)
9 - 10 months	-	1 398 978			(1 398 978)	0,42%	(5 876)
10 - 11 months	67 249 706	203 682			67 046 024	0,25%	167 615
11 - 12 months	2 524 657	3 205 195			(680 538)	0,08%	(544)

Cumulative impact of interest rate-sensitive instruments up to one year:	**3 576 042**
Interest Margin:	**73 416 717**
Cumulative impact of interest rate-sensitive instruments up to one year in percentage of IM:	**4,87%**

Foreign Currency (USD)

December 2023
(in thousands of Kwanzas)

Interval	Assets (+)	Liabilities (-)	Off-Balance Sheet Elements (+)	Off-Balance Sheet Elements (-)	Position (+/-)	Weighting Factor (A)	Weighting Position (B)
at sight - 1 month	90 268 133	304 899			89 963 233	0%	71 971
1 - 3 months	36 148 155	59 685 879			(23 537 724)	0%	(75 321)
3 - 6 months	-	29 991 686			(29 991 686)	1%	(215 940)
6 - 12 months	-	11 971 951			(11 971 951)	1%	(171 199)
1 - 2 years	25 062 447	-			25 062 447	3%	694 230
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) :	303 741
						Cumulative impact of interest rate-sensitive instruments :	303 741
						Regulatory Equity :	234 053 430
						Impact on Economic Value / Regulatory Equity :	0,13%

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December 2023
(in thousands of Kwanzas)

Exposures by Maturity Interval or Rate Refixing - Impact on Interest Margin

Foreign Currency (USD)

Interval	Assets (+)	Liabilities (-)	Off-Balance Sheet Elements (+)	Off-Balance Sheet Elements (-)	Position (+/-)	Weighting Factor (F)	Weighting Position (G)
at sight	-	-			-	2%	-
at sight - 1 month	90 268 133	304 899			89 963 233	2%	1 727 294
1 - 2 months	36 148 155	3 658 438			32 489 717	2%	568 570
2 - 3 months	-	56 027 441			(56 027 441)	2%	(885 234)
3 - 4 months	-	13 377 645			(13 377 645)	1%	(189 963)
4 - 5 months	-	15 474 525			(15 474 525)	1%	(193 432)
5 - 6 months	-	1 139 515			(1 139 515)	1%	(12 307)
6 - 7 months	-	1 445 819			(1 445 819)	1%	(13 302)
7 - 8 months	-	353 332			(353 332)	1%	(2 650)
8 - 9 months	-	8 578 403			(8 578 403)	1%	(49 755)
9 - 10 months	-	1 117 483			(1 117 483)	0%	(4 693)
10 - 11 months	-	376 359			(376 359)	0%	(941)
11 - 12 months	-	100 555			(100 555)	0%	(80)
Cumulative impact of interest rate-sensitive instruments up to one year :							**943 507**
Interest Margin :							**10 588 952**
Cumulative impact of interest rate-sensitive instruments up to one year in percentage of IM :							**8,91%**

According to the above tables, it can be seen that in the two periods, namely 31 December 2023 and 31 December 2022, 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 2023 and 31 December 2022:

(in thousands of Kwanzas)

	Refixing dates / Maturity dates								December 2023
	Up to 1 month	Between 1 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Indeterminate	Total
Assets									
	737 252 716	137 880 056	36 656 012	157 885 263	124 075 676	69 568 570	22 820 271	306 606 118	1 592 744 683
Liabilities and Equity									
	121 189 976	120 305 742	105 183 155	38 348 546	-	1 117 278	373 952	1 206 226 035	1 592 744 683
Net exposure	**616 062 741**	**17 574 314**	**(68 527 143)**	**119 536 717**	**124 075 676**	**68 451 293**	**22 446 319**	**(899 619 917)**	**-**

(in thousands of Kwanzas)

	Refixing dates / Maturity dates								December 2022
	Up to 1 month	Between 1 and 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Indeterminate	Total
Assets									
	318 299 379	46 412 841	83 229 118	52 711 276	109 280 043	88 681 309	55 675 313	322 358 993	1 076 648 272
Liabilities and Equity									
	113 269 092	116 390 517	86 545 225	6 819 413	-	-	257 616	753 366 409	1 076 648 272
Net exposure	**205 030 287**	**(69 977 676)**	**(3 316 107)**	**45 891 864**	**109 280 043**	**88 681 309**	**55 417 697**	**(431 007 416)**	**-**

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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 2023 and 2022, as well as their average balances and income and costs for the year:

	31.12.2023			31.12.2022		
	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	407 725 356	38 900 560	9,54%	265 679 394	34 671 256	13.05%
Cash equivalents	412 750 304	2 688 277	0,65%	257 048 276	675 845	0.26%
Securities portfolio	309 706 283	50 441 498	16,29%	1 428 538	52 234 413	19.98%
Interbank applications	123 778 838	17 431 400	14,08%	159 552 238	17 673 897	11.08%
Total Applications	**1 253 960 781**	**109 461 735**		**943 708 446**	**105 255 411**	
Resources						
Client deposits	991 866 922	21 227 719	2,14%	710 822 624	23 719 455	3.34%
Other resources	20 356 305	2 837 267	13,94%	16 045 450	1 582 429	9.86%
Total Resources	**1 012 223 227**	**24 064 986**		**726 868 074**	**25 301 884**	
Financial Margin		**85 396 749**			**79 953 527**	

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The breakdown of assets and liabilities as at 31 December 2023 and 31 December 2022 by currency is analysed as follows:

	31.12.2023					31.12.2022				
	Kwanzas	USD	EUR	Other	Total	Kwanzas	USD	EUR	Other	Total
Assets										
Cash and cash equivalents in central banks	102 913 475	155 547 351	959 213	96 277	259 516 316	120 331 727	139 849 326	849 013	89 362	261 119 428
Cash equivalents in other credit institutions	273 854	242 604 128	15 533 371	5 682 433	264 093 786	-	23 218 076	14 390 134	3 162 867	40 771 077
Investments in central banks and in other credit institutions	40 461 943	74 975 311	-	-	115 437 254	86 851 502	44 067 766	-	1 201 154	132 120 422
Financial assets at fair value through profit or loss	28 431 763	610 382	-	-	29 042 145	6 380 717	13 489	-	-	6 394 206
Financial assets at fair value through other comprehensive income	175 271 400	20 467 665	-	-	195 739 065	168 436 476	-	-	-	168 436 476
Investments at amortised cost	121 827 687	4 624 109	-	-	126 451 796	90 524 787	2 824 090	-	-	93 348 877
Credit to Clients	450 019 622	57 095 722	11 091 569	59 163	518 266 076	260 602 246	32 563 734	4 018 655	-	297 184 635
Investments in branches	900 000	-	-	-	900 000	-	-	-	-	-
Other tangible assets	40 882 148	-	-	-	40 882 148	41 149 969	-	-	-	41 149 969
Intagible assets	7 775 550	-	-	-	7 775 550	9 460 092	-	-	-	9 460 092
Current tax assets	626 530	-	-	-	626 530	1 512 463	-	-	-	1 512 463
Deferred tax assets	4 158 045	-	-	-	4 158 045	8 777 497	-	-	-	8 777 497
Other assets	5 519 140	24 132 773	95 673	108 385	29 855 971	9 409 261	9 272 651	1 503 139	359 008	20 544 059
Total assets	**979 061 157**	**580 057 441**	**27 679 826**	**5 946 258**	**1 592 744 682**	**803 436 737**	**251 809 132**	**20 760 941**	**4 812 391**	**1 080 819 201**

	31.12.2023					31.12.2022				
	Kwanzas	USD	EUR	Other	Total	Kwanzas	USD	EUR	Other	Total
Liabilities										
Resources of central banks and other credit institutions	(9 087 308)	-	-	(10 692)	(9 098 000)	(42 539 072)	-	-	(300)	(42 539 372)
Client resources and other loans	(729 533 107)	(478 926 599)	(31 323 015)	(563 409)	(1 240 346 130)	(499 988 859)	(222 357 605)	(20 596 810)	(444 440)	(743 387 714)
Financial liabilities at fair value through profit or loss	(1)	-	-	-	(1)	(10)	-	-	-	(10)
Provisions	(4 767 903)	(139 659)	(28 154)	(1)	(4 935 717)	(4 088 490)	(52 783)	(7 106)	-	(4 148 379)
Current tax liabilities	(32 878)	(55 151)	-	-	(88 029)	(1 700 760)	(33 557)	-	-	(1 734 317)
Deferred tax liabilities	(9 161 912)	-	-	-	(9 161 912)	(9 723 558)	-	-	-	(9 723 558)
Subordinated liabilities	-	(25 326 058)	-	-	(25 326 058)	-	(15 386 552)	-	-	(15 386 552)
Other liabilities	(35 023 704)	(26 799 029)	(11 447 142)	(7 219 138)	(80 489 013)	(42 798 720)	(10 505 517)	(6 548 287)	(5 170 902)	(65 023 426)
Total liabilities	(787 606 813)	(531 246 496)	(42 798 311)	(7 793 240)	(1 369 444 860)	(600 839 469)	(248 336 014)	(27 152 203)	(5 615 642)	(881 943 328)
Net assets/ (liabilities	**191 454 344**	**48 810 945**	**(15 118 485)**	**(1 846 982)**	**223 299 822**	**202 597 268**	**3 473 118**	**(6 391 262)**	**(803 251)**	**198 875 873**

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 2023 to National Bank of Angola as follow:

All Currencies

Liquidity and Observation Ratio (BNA)	December 2023	
	31 Days	*1-3 months*
Total net assets	**522 830 637**	
Amounts in treasury	16 312 149	
Cash and cash equivalents in central banks	243 204 167	
Assets eligible as collateral in BNA credit operations	-	
Cash and cash equivalents in financial institutions	263 314 321	
Total cash outflow	**365 403 694**	**46 944 985**
Demand deposits	340 637 144	-
Term deposits	15 778 388	45 028 117
Other deposits	6 448 176	-
Irrevocable commitments to third parties	2 539 986	1 916 867
Interbank money market operations - with banking financial institutions	-	-
Total cash inflows	**154 202 072**	**126 471 613**
Credits	6 175 630	14 884 382
Securities	-	71 375 053
Securities purchased from third parties with resale agreement	148 026 442	40 212 178
Mismatch	**311 629 015**	**391 155 643**
Accumulated mismatch	**311 629 015**	**391 155 643**
Liquidity ratio	**248%**	
Observation ratios		**933%**

National Currency

Liquidity and Observation Ratio (BNA)	December 2023	
	31 Days	*1-3 months*
Total net assets	**102 913 474**	
Amounts in treasury	9 627 370	
Cash and cash equivalents in central banks	93 286 105	
Assets eligible as collateral in BNA credit operations	-	
Cash and cash equivalents in financial institutions	-	
Total cash outflow	**208 727 954**	**48 032 135**
Demand deposits	185 788 534	-
Term deposits	14 199 105	31 635 768
Other deposits	6 200 329	14 738 942
Irrevocable commitments to third parties	2 539 986	1 657 426
Interbank money market operations - with banking financial institutions	-	-
Total cash inflows	**154 202 072**	**126 471 613**
Credits	6 175 630	14 884 382
Securities	-	71 375 053
Securities purchased from third parties with resale agreement	148 026 442	40 212 178
Mismatch	**48 387 592**	**126 827 070**
Accumulated mismatch	**48 387 592**	**126 827 070**
Liquidity ratio	**189%**	
Observation ratios		**364%**

Foreign currency (USD)

Liquidity and Observation Ratio (BNA)	December 2023	
	31 Days	*1-3 months*
Total net assets	**397 645 832**	
Amounts in treasury	5 629 289	
Cash and cash equivalents in central banks	149 918 062	
Cash and cash equivalents in financial institutions	242 098 481	
Securities	-	
Total cash outflow	**147 061 689**	**13 948 688**
Demand deposits	144 830 720	-
Term deposits	1 579 283	13 392 350
Other deposits	651 686	500 114
Irrevocable commitments to third parties	**-**	56 225
Total cash inflows	**-**	**-**
Mismatch	**250 584 143**	**236 635 455**
Accumulated mismatch	**250 584 143**	**236 635 455**
Liquidity ratio	**270%**	
Observation ratios		**1796%**

All Currencies

Liquidity and Observation Ratio (BNA)	December 2022	
	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**	**47 947 908**
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 s	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

Liquidity and Observation Ratio (BNA)	December 2022	
	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	**132 956 954**	**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)

Liquidity and Observation Ratio (BNA)	December 2022	
	31 Days	*1-3 months*
Total net assets	**157 741 391**	
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	
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 purchased from third parties with resale agreement		
Mismatch	**86 862 060**	**76 982 122**
Accumulated mismatch	**86 862 060**	**76 982 122**
Liquidity ratio	**223%**	
Observation ratios		**810%**

According to the tables above, it can be verified that the Bank has complied with the minimum limit (110%) of the aforementioned Liquidity and observation ratio, all of which have been submitted to the National Bank of Angola through the Financial Institutions Supervision System (SSIF) as established in the new regulatory package (NPR) 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, Stan - dard 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 con - trol is reinforced by the monthly implementation of sensitivity analyses, with the aim of characterising the Bank's risk profile and ensuring that their obli - gations 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 2023 and 31 December 2022, the Bank's contractual liquidity gap in accordance with the rules of the South African Regulator (SARB) had the following structure:

(thousands of Kwanzas)

							December 2023
	Contractual residual terms						
	At sight	Up to 1 month	Between 1 and 2 months	Between 2 and 3 months	More than 3 months	Noncontractual	Total
Assets							
	408 849 888	239 519 052	101 329 112	46 520 281	736 526 574	59 999 776	1 592 744 683
Liabilities and Equity							
	975 790 380	71 046 417	29 296 468	98 798 200	158 543 794	259 269 423	1 592 744 683
Liquidity gap	**(566 940 493)**	**168 472 635**	**72 032 643**	**(52 277 918)**	**577 982 780**	**(199 269 647)**	**-**
Accumulated liquidity gap	(566 940 493)	(398 467 857)	(326 435 214)	(378 713 133)	199 269 647	-	-

(thousands of Kwanzas)

							December 2022
	Contractual residual terms						
	At sight	Up to 1 month	Between 1 and 2 months	Between 2 and 3 months	More than 3 months	Noncontractual	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 gap	**(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	-	-

In turn, the behavioural liquidity gaps in accordance with the rules of the South African regulator (SARB) on 31 December 2023 and 31 December 2022 had the following structure:

(thousands of Kwanzas)

	Behavioural liquidity gaps						December 2023
	At sight	Up to 1 month	Between 1 and 2 months	Between 2 and 3 months	More than 3 months	Noncontractual	Total
Assets							
	720 651 663	266 590 771	72 491 307	34 420 025	435 130 847	63 460 071	**1 592 744 683**
Liabilities and Equity							
	37 489 835	182 520 922	85 580 892	139 439 938	888 443 673	259 269 423	**1 592 744 683**
Liquidity gap	**683 161 827**	**84 069 849**	**(13 089 585)**	**(105 019 913)**	**(453 312 826)**	**(195 809 352)**	**-**
Accumulated liquidity gap	**683 161 827**	**767 231 677**	**754 142 091**	**649 122 178**	**195 809 352**	**-**	**-**

(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	Noncontractual	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 gap	**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**		

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.

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(thousands of Kwanzas)

	December 2023			
	Exposure to		Not Subject to Interest Rate Risk	Total
	Fixed rate	Variable rate		
Assets				
Cash and cash equivalents in Central Banks			259 516 316	**259 516 316**
Cash and cash equivalents in Financial Institutions	37 778 408	74 978 022	266 774 610	**379 531 040**
Credit to Clients	343 122 271	175 143 805		**518 266 076**
Securities	351 233 006			**351 233 006**
Other assets			84 198 245	**84 198 245**
Total	732 133 685	250 121 827	610 489 171	**1 592 744 683**
Liabilities				
Demand Deposits			(958 215 150)	**(958 215 150)**
Term Deposits		(260 312 495)		**(260 312 495)**
Subordinated Debt		(25 326 058)		**(25 326 058)**
Other Liabilities			(125 591 157)	**(125 591 157)**
Equity			(223 299 823)	**(223 299 823)**
Total		(285 638 553)	(1 307 106 130)	**(1 592 744 683)**

(thousands of Kwanzas)

	December 2022			
	Exposure to		Not Subject to Interest Rate Risk	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			77 273 151	**77 273 151**
Total	505 070 681	192 413 809	379 163 782	**1 076 648 272**
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			(118 998 134)	**(118 998 134)**
Equity			(198 875 872)	**(198 875 872)**
Total		(225 915 263)	(850 733 009)	**(1 076 648 272)**

(thousands of Kwanzas)

	December 2023									
	Contractual residual terms									
	At sight	Yp 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	**408 585 146**	**239 519 052**	**148 114 135**	**54 698 560**	**181 704 101**	**385 554 625**	**83 592 063**	**30 977 225**	**59 999 776**	**1 592 744 683**
Cash and cash equivalents in Central Banks	80 116 730	-	-	-	-	179 399 586	-	-	-	259 516 316
Cash and cash equivalents in Financial Institutions	266 510 161	50 954 177	22 050 309	-	40 016 393	-	-	-	-	379 531 040
Credit to Clients	60 680 015	188 486 601	49 138 330	21 206 915	34 742 379	99 275 233	66 651 863	8 987 424	(10 902 684)	518 266 076
Securities	800 109	-	76 877 178	33 250 948	102 171 529	103 558 700	16 940 200	21 989 801	(4 355 459)	351 233 006
Other assets	478 131	78 274	48 318	240 697	4 773 800	3 321 106	-	-	75 257 919	84 198 245
Liabilities and Equity	**(975 790 380)**	**(71 046 417)**	**(128 094 668)**	**(76 507 349)**	**(47 960 041)**	**(2 202 621)**	**(29 255 574)**	**(2 618 210)**	**(259 269 423)**	**(1 592 744 683)**
										-
Demand Deposits	(958 215 150)	-	-	-	-	-	-	-	-	(958 215 150)
Term Deposits	(1 576 210)	(40 852 476)	(118 832 808)	(68 922 852)	(28 994 573)	-	(1 133 576)	-	-	(260 312 495)
Subordinated Debt	-	-	-	-	-	-	(25 326 058)	-	-	(25 326 058)
Other Liabilities	(15 999 020)	(30 193 941)	(9 261 860)	(7 584 497)	(18 965 468)	(2 202 621)	(2 795 940)	(2 618 210)	(35 969 600)	(125 591 157)
Equity	-	-	-	-	-	-	-	-	(223 299 823)	(223 299 823)
Liquidity gap	**(567 205 234)**	**168 472 635**	**20 019 467**	**(21 808 789)**	**133 744 060**	**383 352 004**	**54 336 489**	**28 359 015**	**(199 269 647)**	**-**
Accumulated liquidity gap	**(567 205 234)**	**(398 732 599)**	**(378 713 132)**	**(400 521 921)**	**(266 777 861)**	**116 574 143**	**170 910 632**	**199 269 647**	**-**	

(thousands of Kwanzas)

	December 2022									
	Contractual residual terms									
	At sight	Yp 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										-
Term Deposits	(532 859 003)	-	-	-	-	-	-	-	-	(532 859 003)
Subordinated Debt	(292 337)	(3 553 428)	(31 307 286)	(65 905 124)	(56 721 062)	(32 208 262)	(20 541 212)	-	-	(210 528 711)
Other Liabilities	-	-	-	-	-	-	-	(15 386 552)	-	(15 386 552)
Equity	(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)
	-	-	-	-	-	-	-	-	(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 2023									
	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	**327 990 285**	**239 440 778**	**148 065 817**	**54 457 863**	**176 930 301**	**202 833 933**	**83 592 063**	**30 977 225**	**(15 258 143)**	**1 249 030 122**
Credit to Banks	266 510 161	50 954 177	22 050 309	-	40 016 393	-	-	-	-	379 531 040
Credit to Clients	60 680 015	188 486 601	49 138 330	21 206 915	34 742 379	99 275 233	66 651 863	8 987 424	(10 902 684)	518 266 076
Securities	800 109	-	76 877 178	33 250 948	102 171 529	103 558 700	16 940 200	21 989 801	(4 355 459)	351 233 006
Liabilities	**(1 576 210)**	**(40 852 476)**	**(118 832 808)**	**(68 922 852)**	**(28 994 573)**	**-**	**(26 459 634)**	**-**	**-**	**(285 638 553)**
Demand Deposits										
Term Deposits	(1 576 210)	(40 852 476)	(118 832 808)	(68 922 852)	(28 994 573)	-	(1 133 576)	-	-	(260 312 495)
Subordinated Debt	-	-	-	-	-	-	(25 326 058)	-	-	(25 326 058)
Net exposure	**326 414 075**	**198 588 302**	**29 233 009**	**(14 464 989)**	**147 935 728**	**202 833 933**	**57 132 429**	**30 977 225**	**(15 258 143)**	**963 391 569**

(thousands of Kwanzas)

	December 2022									
	Datas de refixação / Datas de Maturidade									
	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)**
Demand 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)
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**

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Capital Management and Regulatory Capital Ratio

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 car - ried 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), pro - vides an alternative interpretation of Own Funds, in turn relating Level 1 Own Funds and total Exposure.

A summary of the Bank's Regulatory Capital ratio for 31 December 2023, 30 June 2023 and 31 December 2022 is as follows:

(thousands of Kwanzas)

		31.12.2023	30.06.2023	31.12.2022
Guarantees received				
Credit risk and counterparty	A	41 917 056	38 711 944	30 596 162
Credit risk, Market risk and trading book counterparty credit risk	B	2 912 814	3 215 787	788 738
Operational risk	C	17 016 203	17 016 203	13 704 348
Liquidity/Delivery Risk	D	-	-	-
Credit Valuation Adjustment (CVA) Risk	E	-	-	-
Excess of prudential limits for large exposures	F	-	26 173 574	-
Total Equity Requirements	**G = A + B + C + D + E + F**	**64 849 413**	**85 117 509**	**45 089 248**
Equity				
Core Equity Tier 1	H	208 727 372	178 678 936	179 012 786
Additional Equity Tier 1	I	-	-	-
Equity Tier 2	J	25 326 058	25 076 542	15 386 552
Total Regulatory Equity	**K = H + I + J**	**234 053 430**	**203 755 478**	**194 399 338**
Total exposure	**L**	**1 658 005 545**	**1 338 404 526**	**1 100 393 989**
Minimum Equity Requirements				
FPR	M = K/ (G*12.5)	30,3%	19,2%	34,5%
Tier 1	N = (H + I) / (G*12.5)	27,0%	16,8%	31,8%
CET 1	O = H / (G*12.5)	27,0%	16,8%	31,8%
Leverage Ratio	P = (H + I)/ L	12,6%	13,4%	16,3%

Note 37 – Reform of interest rate benchmarks

Global financial regulators have been promoting in recent years the abandonment of the use of IBOR indexers and their replacement by risk-free indexers, leading to the need for a transition from LIBOR indexers to new indexers recommended by working groups set up in different jurisdictions.

This transition accelerated with the communication of the cessation of LIBOR indexers from the beginning of 2022, which means that market participants will start using new indexers without risk and change the contracts affected by the cessation of publication of LIBOR indexer.

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.

As of December 31, 2023, there were no LIBOR-linked financial instruments. The details of the financial instruments that did not transition to a risk-free alternative interest rate as of 31 December 2022 are as follows:

(thousands of Kwanzas)

IBOR Reform	31.12.2022							
	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**

Note 38 – Recently issued accounting standards and interpretations

1. Published rules (new and amended), the application of which is mandatory for annual periods starting 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' (to be applied in financial years starting on or after 1 January 2023). The main amendments to IAS 1 include: (i) requiring entities to disclose information relating to material accounting policies rather than material accounting policies, (ii) clarifying that accounting policies related to immaterial transactions are also immaterial and as such do not need to be disclosed, and (iii) clarifying that not all accounting policies related to material transactions are, themselves, materials for an entity's financial statements.

The IASB also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. These changes are consistent with the revised definition of material: "Information relating to accounting policies is material if, when considered together with other information included in an entity's financial statements, it is reasonably expected to influence the decisions that the principal users of the financial statements generally make on the basis of those financial statements."

b) IAS 8 (amendment), 'Disclosure of accounting estimates' (to be applied in financial years commencing on or after 1 January 2023). The amendments introduce a new definition for accounting estimates: clarifying that it is monetary values in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates, specifying that an entity develops an accounting estimate to achieve the objective set by an accounting policy. The effects of changes in such data or measurement techniques are changes in accounting estimates.

c) IAS 12 ((amendment), 'Deferred tax related to assets and liabilities associated with a single transaction' (to be applied in financial years starting on or after 1 January 2023). The amendments require companies to recognise deferred taxes on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. In certain circumstances, businesses are exempt from recognizing deferred taxes when they recognize assets or liabilities for the first time. Previously, there was some uncertainty as to whether the exemption applied to transactions such as leases and provisions for scrapping, i.e. transactions under which companies recognise an asset and a liability. The amendments clarify that the exemption does not apply to these types of transactions and that companies are required to recognise deferred taxes. The purpose of the amendments is to reduce diversity in the disclosure of deferred lease taxes and provisions for scrapping.

d) IFRS 17 (amendment), 'Initial application of IFRS 17 and IFRS 9 - Comparative Information' (effective for annual periods starting on or after 1 January 2023). The change does not affect any other requirements of IFRS 17. IFRS 17 and IFRS 9 - Financial Instruments have different transition requirements. For some insurers, these differences may cause temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information they present in the financial statements when applying IFRS 17 and IFRS 9 for the first time. The amendment helps insurers avoid such temporary accounting mismatches and will therefore increase the usefulness of comparative information for investors.

The Bank does not anticipate any significant liquidation arising from the application of these changes in its financial statements.

2.Published rules (new and amended), the application of which is mandatory for annual periods starting 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' (in force for annual periods starting after 1 January 2024). This amendment is still subject to the endorsement process by the European Union. The amendments clarify an IAS 1 criterion for classifying a liability as non-current: the requirement for an entity to have the right to defer the 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;

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(b) clarify that the ratios that the company must comply with after the balance sheet date (i.e. future ratios) do not affect the classification of a liability at the balance sheet date. However, when non-current liabilities are subject to future ratios, undertakings have to disclose information that allows users to understand the risk that those liabilities may be repaid within 12 months of the balance sheet date. and (c) clarify the requirements for classifying liabilities that an entity will liquidate, or may liquidate, through the issuance of its own equity instruments (e.g. convertible debt).

b) IFRS 16 (amendments) – 'Lease liability in a sale and lease transaction – Leases' (effective for annual periods beginning on or after 1 January 2024). This amendment is still subject to the endorsement process by the European Union. The amendments confirm that: (a) in the initial recognition, the seller-lessee includes variable lease payments when measuring a lease liability arising from a sale and lease transaction; b) After the initial recognition, the seller-lessee applies the general requirements for the subsequent accounting of the lease liability, so that it does not recognize any gain or loss related to the right of use it retains. The tenant can adopt different approaches to meet the new requirements for subsequent measurement. In accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, a lessee will be required to apply the changes retrospectively to sale and leasehold transactions entered into or after the initial application date of IFRS 16. This means that you will need to identify and re-analyse sale and leasehold transactions entered into since the implementation of IFRS 16 in 2019 and potentially re-express those that included variable lease payments.

c) IAS 7 and IFRS 7 (amendments) – 'Statement of Cash Flows and Financial Instruments' (in force for annual periods starting on or after 1 January 2024). The amendments relate to disclosure requirements for supplier financing agreements – also known as supply chain finance, accounts payable financing or recourse factoring arrangements. The new requirements complement those already included in the IFRS standards and include disclosures on: a) Terms and conditions of supplier financing agreements; (b) the amounts of liabilities covered by such agreements, some of which the suppliers have already received payments from the financiers and under what heading those liabilities are shown in the balance sheet; (c) the ranges of due dates; d) Information on liquidity risk.

d) IAS 12 (amendments) – 'International Tax Reform – Pillar Two Model Rules' (in force for annual periods starting on or after 1 January 2023, but not for interim periods ending on or before 31 December 2023). The amendments introduce: (a) a mandatory temporary exception to the accounting of deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules; (b) disclosure requirements for affected entities to help users of the financial statements understand an entity's exposure to Pillar Two income tax arising from that legislation, especially before its effective date.

e) IAS 21 (amendments) – 'Exchange Rates: Lack of Convertibility' (in force for annual periods starting on or after 1 January 2025). The amendments clarify how an entity should assess whether a currency is convertible or not and how it should determine a spot exchange rate in situations of lack of convertibility. A currency is convertible into another currency when a company is able to exchange that currency for another currency on the measurement date and for a specific purpose. When a currency is not convertible, the company has to estimate a spot exchange rate. Under the changes, companies will have to provide new disclosures to help users assess the impact of using an estimated exchange rate in financial statements.

Note 39 – Subsequent events

On 22 March 2024, the date of approval of the Financial Statements with reference to 31 December 2023, the Board of Directors approved the early repayment of the Subordinated Loan placed with "The Standard Bank of South Africa Limited".

6.3

External Auditor's and Supervisory Board's Report

Standard Bank de Angola, SA.

Angola – Conselho Fiscal

Relatório e Parecer do Conselho Fiscal
Relativo ao Exercício Findo em 31 de Dezembro de 2023

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 2023.

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 2023, 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 2023, sejam aprovados;

2. A proposta de aplicação de resultados apresentada de 67.038.075 (milhares) de AOA é a seguinte:

Reserva Legal:	6.703.807 de AOA em milhares
Distribuição de Resultados	43.574.749 de AOA em milhares
Resultados Transitados:	16.759.519 de AOA em milhares

3. O Conselho Fiscal reconhece que independentemente desta distribuição de dividendos, o SBA continua a reunir todas as condições financeiras para uma gestão salutar.

Conselho Fiscal exprime o seu reconhecimento e agradecimento ao Conselho de Administração e aos serviços do Banco pela colaboração que foi dispensada.

Luanda, 20 de Março de 2024

Sérgio Serrão
Presidente do Conselho Fiscal

Fernando Hermes
Vogal do Conselho Fiscal

Donald Lisboa
Vogal do Conselho Fiscal

KPMG Angola – Audit, Tax, Advisory, S.A.
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Luanda – Angola
+244 227 28 01 01 – www.kpmg.co.ao

RELATÓRIO DO AUDITOR INDEPENDENTE

Aos Accionistas do
Standard Bank de Angola, S.A.

RELATO SOBRE A AUDITORIA DAS DEMONSTRAÇÕES FINANCEIRAS

Opinião

Auditámos as demonstrações financeiras anexas do **Standard Bank de Angola, S.A.** (o Banco), que compreendem o Balanço em 31 de Dezembro de 2023 (que evidencia um total de 1 592 744 682 milhares de kwanzas e um total de capital próprio de 223 299 822 milhares de kwanzas, incluindo um resultado líquido de 67 038 077 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 relativas ao ano findo naquela data, e as notas às demonstrações financeiras, incluindo informações materiais sobre a política contabilística.

Em nossa opinião, as demonstrações financeiras anexas apresentam de forma apropriada, em todos os aspectos materiais, a posição financeira do **Standard Bank de Angola, S.A.** em 31 de Dezembro de 2023 e o seu desempenho financeiro e fluxos de caixa relativos ao ano findo naquela data de acordo com as Normas Internacionais de Relato Financeiro (IFRS).

Bases para a opinião

A nossa auditoria foi efectuada de acordo com as Normas Internacionais de Auditoria (ISA) e demais normas e orientações técnicas e éticas da Ordem dos Contabilistas e Peritos Contabilistas de Angola. As nossas responsabilidades nos termos dessas normas estão descritas na secção "Responsabilidades do auditor pela auditoria das demonstrações financeiras" abaixo. Somos independentes da Entidade nos termos da lei e cumprimos os demais requisitos éticos nos termos do código de ética da Ordem dos Contabilistas e Peritos Contabilistas de Angola.

Estamos convictos de que a prova de auditoria que obtivemos é suficiente e apropriada para proporcionar uma base para a nossa opinião.

Responsabilidades do órgão de gestão e do órgão de fiscalização pelas demonstrações financeiras

O órgão de gestão é responsável pela:

- Preparação de demonstrações financeiras que apresentem de forma apropriada a posição financeira, o desempenho financeiro e os fluxos de caixa do Banco de acordo com as Normas Internacionais de Relato Financeiro (IFRS) ;
- Criação e manutenção de um sistema de controlo interno apropriado para permitir a preparação de demonstrações financeiras isentas de distorções materiais devido a fraude ou a erro;
- Adopção de políticas e critérios contabilísticos adequados nas circunstâncias; e
- Avaliação da capacidade do Banco de se manter em continuidade, divulgando, quando aplicável, as matérias que possam suscitar dúvidas significativas sobre a continuidade das actividades.

O órgão de fiscalização é responsável pela supervisão do processo de preparação e divulgação da informação financeira da Entidade.

Responsabilidades do auditor pela auditoria das demonstrações financeiras

A nossa responsabilidade consiste em obter segurança razoável sobre se as demonstrações financeiras como um todo estão isentas de distorções materiais devido a fraude ou a erro, e emitir um relatório onde conste a nossa opinião. Segurança razoável é um nível elevado de segurança mas não é uma garantia de que uma auditoria executada de acordo com as ISA detectará sempre uma distorção material quando exista. As distorções podem ter origem em fraude ou erro e são consideradas materiais se, isoladas ou conjuntamente, se possa razoavelmente esperar que influenciem decisões económicas dos utilizadores tomadas com base nessas demonstrações financeiras.

Como parte de uma auditoria de acordo com as ISA, fazemos julgamentos profissionais e mantemos cepticismo profissional durante a auditoria e também:

- identificamos e avaliamos os riscos de distorção material das demonstrações financeiras, devido a fraude ou a erro, concebemos e executamos procedimentos de auditoria que respondam a esses riscos, e obtemos prova de auditoria que seja suficiente e apropriada para proporcionar uma base para a nossa opinião. O risco de não detectar uma distorção material devido a fraude é maior do que o risco de não detectar uma distorção material devido a erro, dado que a fraude pode envolver conluio, falsificação, omissões intencionais, falsas declarações ou sobreposição ao controlo interno;
- obtemos uma compreensão do controlo interno relevante para a auditoria com o objectivo de conceber procedimentos de auditoria que sejam apropriados nas circunstâncias, mas não para expressar uma opinião sobre a eficácia do controlo interno do Banco;

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- Avaliamos a adequação das políticas contabilísticas usadas e a razoabilidade das estimativas contabilísticas e respectivas divulgações feitas pelo órgão de gestão;
- Concluímos sobre a apropriação do uso, pelo órgão de gestão, do pressuposto da continuidade e, com base na prova de auditoria obtida, se existe qualquer incerteza material relacionada com acontecimentos ou condições que possam suscitar dúvidas significativas sobre a capacidade do Banco para dar continuidade às suas actividades. Se concluirmos que existe uma incerteza material, devemos chamar a atenção no nosso relatório para as divulgações relacionadas incluídas nas demonstrações financeiras ou, caso essas divulgações não sejam adequadas, modificar a nossa opinião. As nossas conclusões são baseadas na prova de auditoria obtida até à data do nosso relatório. Porém, acontecimentos ou condições futuras podem levar a que o Banco descontinue as suas actividades;
- Avaliamos a apresentação, estrutura e conteúdo global das demonstrações financeiras, incluindo as divulgações, e se essas demonstrações financeiras representam as transacções e os acontecimentos subjacentes de forma a atingir uma apresentação apropriada; e,
- Comunicamos com os encarregados da governação, incluindo o órgão de fiscalização, entre outros assuntos, o âmbito e o calendário planeado da auditoria, e as conclusões significativas da auditoria incluindo qualquer deficiência significativa de controlo interno identificada durante a auditoria.

Luanda, 22 de Março de 2024

KPMG Angola – Audit, Tax, Advisory, S.A.
Representada por
Inês Filipe
(Perito Contabilista com cédula n.º 20140081)

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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 2023, 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 22 de Março de 2024

Octávio Castelo Paulo
Administrador Não Executivo e
Presidente do Conselho de Administração

Luís 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

Standard Bank de Angola, S.A. Instituição Financeira Bancária.
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