ANNUAL REPORT

2020

Standard Bank IT CAN BE™

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Together, innovating
the future in Angola.

Standard Bank IT CAN BE™

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THIS IS THE "WAY WE DO IT"

We want to send a clear and transparent message to all our stakeholders. Not only in financial terms, but also in a broader way, as the activity we develop and the challenges we face are not only about numbers.

INTRODUCTION

01

Standard Bank *IT CAN BE*™

OUR REPORT

The present document has a bigger purpose than simply providing a financial perspective of Standard Bank of Angola ("SBA" or by the "Bank") situation and to respond to mandatory disclosures, such as the requirements set out in the Companies Act or the National Bank of Angola and the Capital Market Commission.

This report aims to make the SBA known to all our stakeholders, characterizing the Group to which it belongs and making a retrospective of the main facts occurred in the year 2020. It was a very peculiar year, with numerous challenges, of which we highlight two, the pandemic caused by Covid-19 and the negative evolution of the oil price, which reached extremely low levels. These were two landmark events, with significant impacts on society and economy, which naturally influenced the activity of the SBA.

We have included in this report diverse information and from various sources. In addition to the financial focus, portraying the Bank's performance during 2020, as well as its financial situation, we intend to go further. In order to present you the Bank's most significant events, we have gathered data of the key events from various areas.

Furthermore, we have incorporated information on the Bank's governance model and the most relevant internal control procedures in place.

We also present indicators of various types of risk and capital management. Finally, we could not disregard something that we are very proud of and that has increasingly become a priority - to tell you about our performance in society, with the implementation of numerous initiatives of social, economic and environmental nature.

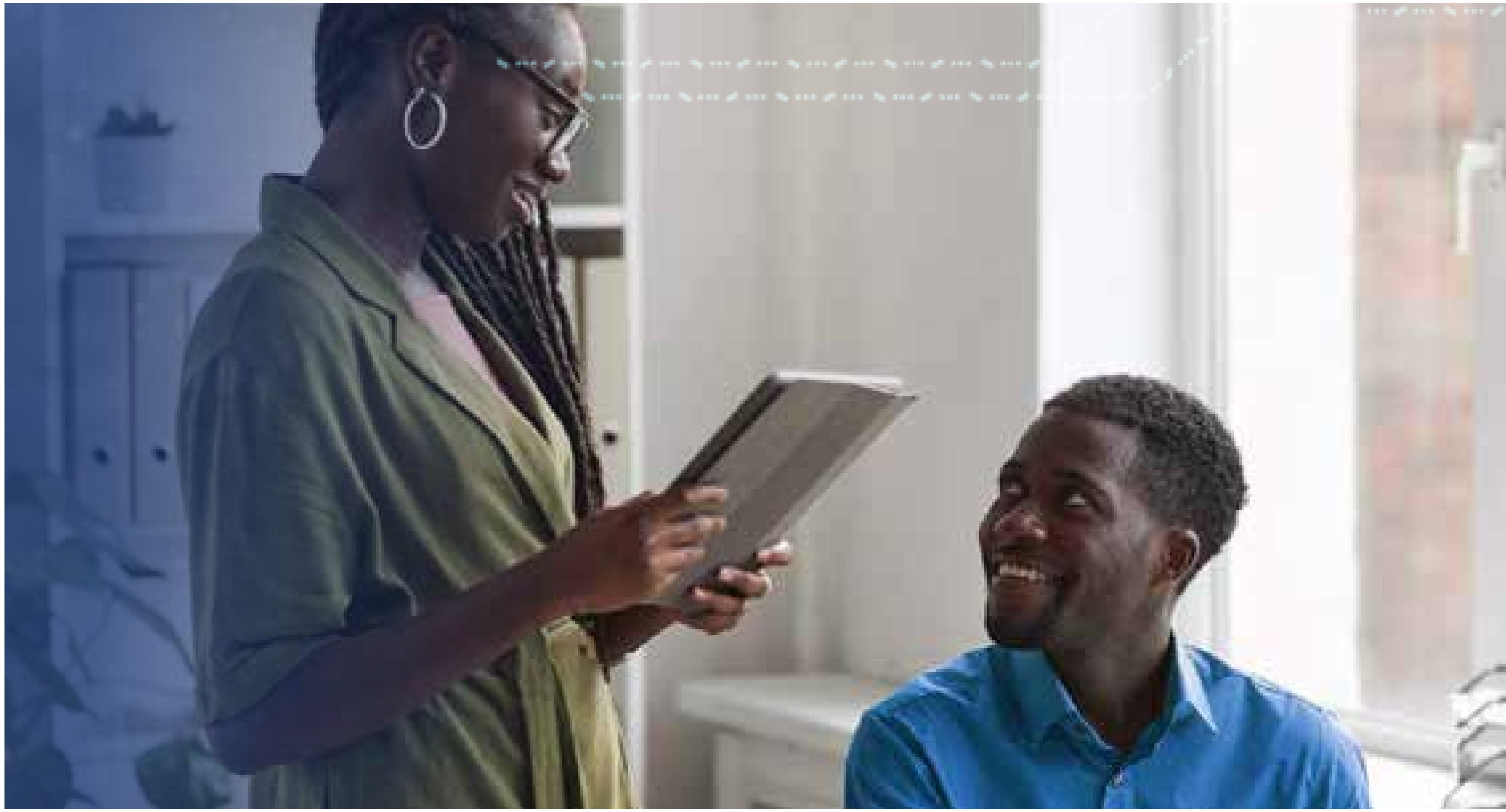
Systematically, our Management Report for the 2020 financial year will address several themes, such as

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

The macroeconomic context in which we operate, both **at national and international level**

A description of the **main guidelines of our strategy** for the 2021 financial year

We will share the guiding principles of our governance model and remuneration policy for our Team The overview of the operationalizing



a strategy based on **the following metrics that support our strategy and vision:**

CLIENT-FOCUSED APPROACH

We will present information on our two main business lines: Corporate and Investment Bank (CIB) and Personal and Business Banking (PBB);

PEOPLE AS A KEY ASSET

We will address the most relevant facts about People and Culture, as well as actions taken in this pandemic context;

RISK AND CONDUCT

We will highlight the way we manage risk and describe our internal environment, such as the underlying control system;

STRENGTH IN FINANCIAL RESULTS

We will demonstrate our performance and financial strength, by disclosing numbers and main indicators of our activity;

SOCIAL RESPONSIBILITY

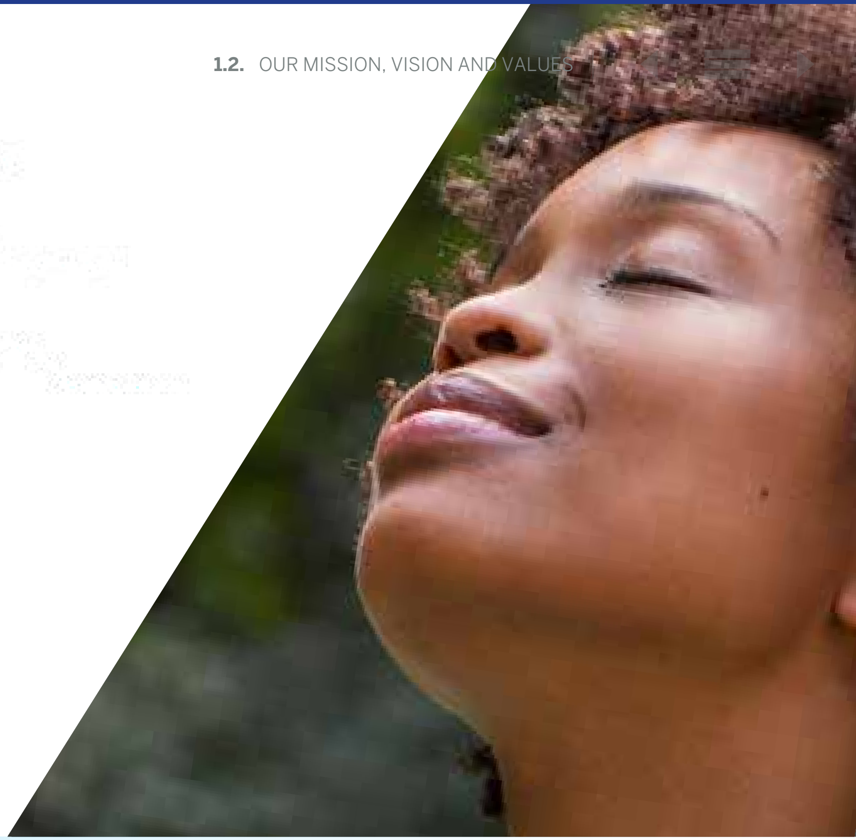
We have a space to reveal our performance before the eyes of Angolan society. Being able to contribute is something which is part of our nature and of the Group we belong to;

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

In conclusion, we aim to convey a clear and transparent message to all our stakeholders, not only on the more traditional side of this type of document (financial), but also on a more comprehensive aspect, because the activity that we develop and the challenges we face are not just about numbers.

VISION OVERVIEW

The 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.



Our culture is determined by our mission, vision, values and purpose.

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

Our Code of Ethics encourages us to be responsible and to respect our Clients, one of the reference points for our Employees.

MISSION

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

VALUES

To be the leader financial in services in Angola and Africa, through service and innovation excellence of service and innovation, in order to bring added value to all stakeholders and to make connection between Africa and the the rest of the world.

VALUES

The values presented underpin the behavior and qualities that define the Bank and are at the root of the implementation of our strategy:

- **SERVING OUR CLIENTS**
- **BEING PROACTIVE**
- **DEVELOP OUR EMPLOYEES**
- **CONSTANTLY RAISING THE BAR**
- **CREATING VALUE FOR SHAREHOLDERS**
- **WORK AS A TEAM**
- **PROMOTING MUTUAL RESPECT**
- **UPHOLD THE HIGHEST LEVELS OF INTEGRITY**

WHO WE ARE

The SBA stands out for its intrinsic values fundamentally based on integrity, honesty, transparency and consistency. Our Culture is based on "how we do it", recognizing that it is as important as "what we do". The constant search for the Bank's operational performance optimization leverages not only the diversification of products but also the quality of what we offer, positioning us as service with a way of example acting and of excellence.

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 Banco Nacional de 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 it applies with its own funds in order to grant loans, make deposits at the BNA, invest in Credit Institutions, purchase securities and other assets. In addition, it carries out other types of activities related to banking services and various types of operations in foreign currency.

Standard Bank is a financial group with a history of more than 150 years that aims to boost development of the African continent and, consequently, to contribute to the growth of the Angolan market, while respecting the values and principles on which its organizational structure is based.

With both Clients and Partners at the heart of its activity, and in accordance with the realities of risk, regulation, technology and competition that shape the financial landscape in Africa, the Bank is committed to diversifying its offer, investing in operations, systems and infrastructure and creating a positive impact on local communities. All these initiatives translate into a growing investment in corporate social responsibility in Angola.

Composition of the Board of Directors

CHAIRMAN

EXECUTIVE DIRECTOR

EXECUTIVE DIRECTOR

EXECUTIVE DIRECTOR

NON-EXECUTIVE DIRECTOR

NON-EXECUTIVE DIRECTOR

NON-EXECUTIVE DIRECTOR

*TOOK OFFICE ON 28/12 BY DECISION OF THE GENERAL MEETING

FROM AFRICA TO THE WORLD

The Standard Bank Group has contributed for the development and growth of Africa, which currently presents numerous opportunities for change, such as the existence of various sources of renewable energy, huge agricultural potential, accelerated population growth, fast-growing predominantly young age group and accelerated digital growth. The Group's strategy and vision are based on 5 metrics:

CLIENT FOCUS + PEOPLE AND CULTURE + RISK AND CONDUCT = FINANCIAL OUTCOME | SOCIAL-ECONOMIC ENVIRONMENT

7 locations outside the African continent

The Standard Bank Group has an active presence in the world's major financial centers, namely the United Kingdom, the United States of America, Brazil, United Arab Emirates, China, Isle of Man, and Jersey, totalling 7 locations outside the African continent

CLIENT FOCUS

The Bank's main priority is to provide Clients with a unique, personalized experience, by creating solutions centered on their needs (increasingly digital) imagining their experience, anticipating future needs, investing in financial inclusion and digitalization.

PEOPLE AND CULTURE

The Bank sees its Employees as one of its most important assets for the execution of its strategic objectives, recognizing that the training and performance of its Employees are directly associated with the degree of Client satisfaction. We continue to focus on developing future leaders in Angola, providing constant training for our Employees, so that they have an increasingly digital DNA.

RISK AND CONDUCT

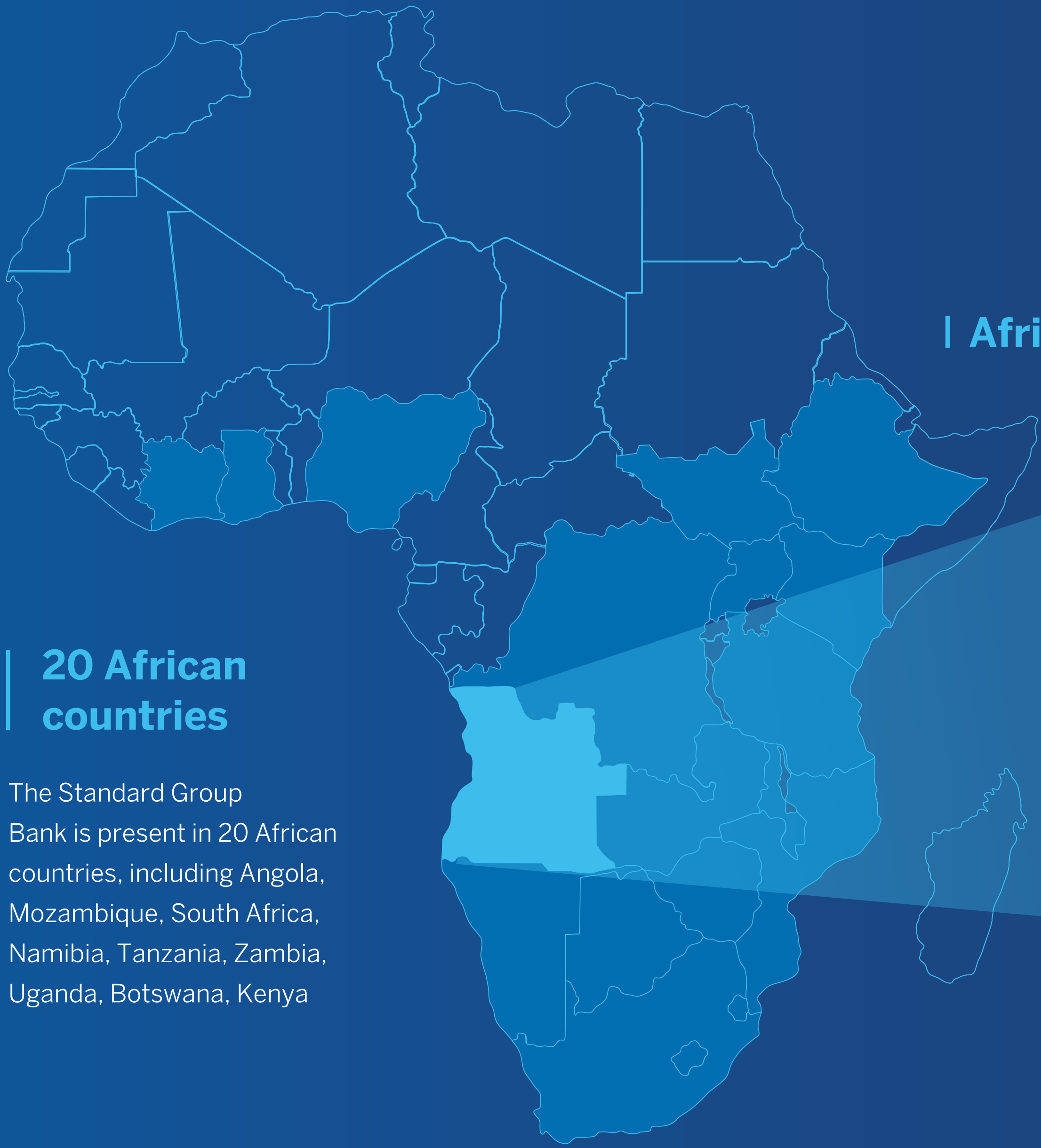
One of the Bank's guiding principles is Risk and Conduct, the Bank believes that doing the right business in the right way is essential. The effective management of risks, Employees, market and conduct reflects our high ethical standards and responsible business practice. This is how we earn the trust of our stakeholders. Our license to operate is based on this trust, a compliance applicability with all laws and regulations is non-negotiable.

OUTCOME FINANCIAL ITEMS

The delivery of sustainable returns to our Shareholders depends directly on the satisfaction of our Clients with respect to investments made, satisfied Employees and the effective and efficient management of risk and conduct. In turn, we need to ensure a balance between the capital we allocate to these strategic investments and their return.

SOCIAL AND ECONOMIC ENVIRONMENT

The Bank remains committed to conducting its business in a sustained manner and with inclusive economic growth in Angola. To achieve this, we must ensure that through our Clients, projects and partnerships, we create positive impacts on the lives of Angolans. These considerations are in the front and center of the business making decision process.



Africa

20 African countries

The Standard Group Bank is present in 20 African countries, including Angola, Mozambique, South Africa, Namibia, Tanzania, Zambia, Uganda, Botswana, Kenya

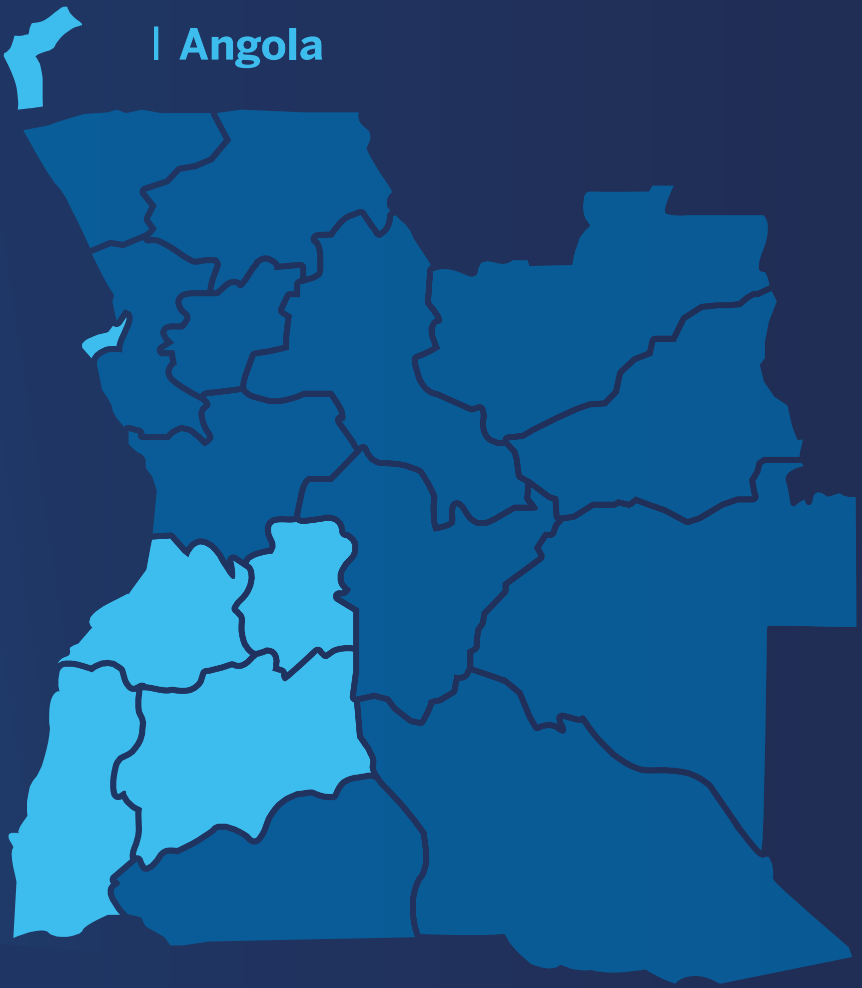
2018

22 718 Active Clients
606 Employees
27 ATMs

2019

28 228 Active Clients
619 Employees
32 ATMs

Angola



2020

36 983
ACTIVE CLIENTS

635
EMPLOYEES

57
ATMS

HISTORICAL MILESTONES

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

This translates into continuous efforts to fully meet the needs of each Client, from individuals, small and medium-sized companies to large organizations, also seeking to provide the best experience both digitally and in person.

We participate in the most relevant economic areas and exercise leadership in segments that are recognized by various agents involved in the banking sector.

2010

- Constitution of the Bank on the 27th September 2010

2011

- 33 billion Kwanzas net assets
- 3 Branches in Luanda
- Raise of Capital 24.5 million dollars

2012

- 62 billion of Kwanzas net assets
- Expansion to other provinces
- Raise of Capital 50 million of dollars

2013

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

2014

- 200 billion of Kwanzas net assets
- Clients' boom
- Strengthening the Governance Model

2015

- 299 billion of Kwanzas net assets
- Increase of number of Employees
- Best Investment Bank in Angola for the 4^{th} consecutive year

2016

- 368 billion of Kwanzas net assets
- Consolidation in the sector in Angola
- +50% Net Profit Net

2017

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

2018

- +90% of Net Profit
- 443 billion kwanzas of net assets
- Issue of bonds admitted to listing on BODIVA in the amount of 4.7 billion Kwanzas

2019

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

2020

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

COMMITTED TO THE FUTURE

Despite the challenging times we are experiencing in all sectors, Standard Bank of Angola continued to solidify its financial performance, Client service and capacity to adapt to the new market conditions.

02 THE VISION OF OUR LEADERSHIP

THE MESSAGE FROM OUR CHAIRMAN AND CEO

Octávio Castelo Paulo
CHAIRMAN

Luís Teles
CEO

2020 was a difficult year for the world and also for Angola. Standard Bank of Angola was not immune to the difficulties we all went through in 2020. But we came out stronger.

As expected, the pandemic had a profound impact. However, and despite the challenging times we are experiencing in all sectors, Standard Bank of Angola continued to consolidate its financial performance, its service to Clients and its capacity to adapt to new market conditions. In 2020, we witnessed a significant depreciation of the kwanza, a decrease in the country's international reserves, the maintenance of oil prices at relatively low values and a drop in oil production, all resulting in a year of recession, a high inflation rate and the maintenance of a weak diversification of the economy by sectors. It should be noted that in September 2020 there was a downgrade of Angola's rating by two international agencies, which had a direct impact on the banking sector in Angola and also on the Bank's financial performance.

The prospect of a possible deterioration of this scenario, combined with continued high levels of public debt, pose a set of challenges that force the government to constantly adjust and take measures to stimulate the Angolan economy.

To encourage the diversification of the Angolan economy, the government has launched various initiatives, including the Credit Support Program (PAC) and the Angola's Industrial Development Program (PDIA), both designed to finance private investment for the production and commercialization of goods that form the basic

"We come out of 2020 stronger."

goods basket and foster the development of the Angolan manufacturing industry, competitively and sustainably, based on more integrated development of production chains, combining critical investments that allow the use of resources in which Angola already has comparatives advantages, with investments in subsectors in that it will be possible to create new competitive advantages.

The banking sector has also been the target of transformation, as a result of regulatory and tax changes, to which the Bank was not oblivious and responded accordingly.

“The 2020 performance was excellent.”

Among others, we highlight initiatives such as the requirements for granting credit to the real sector, the strengthening of rules on the Prevention and Supression of Money Laundering and the Financing of Terrorism, requirements relating to cyber security policies, recommendations for managing non-productive exposures and changes of a tax nature. Despite the challenging context described above, 2020 will also be a milestone for the Bank, for completing 10 years of activity. In this anniversary year, we have achieved the best results of our existence, reflecting the sound foundations of the strategy we have been following. **We continue the process of consolidating our business vision,** defining as fundamental pillars People and Culture, Digitalization and Innovation, and Focus on the Client. These are the levers that we consider critical to set the Bank as an institution responsible to Angolan society, close to the real economy, contributing to innovation in the Angolan financial system.

We continue committed to our purpose: Angola is our home, we promote its growth.

We continue to aspire to be the best employer in Angola and, therefore, we have been investing heavily in identifying Angolan talent, recruiting recent graduates, all with quality higher education in relevant areas to the Bank, thus contributing to the cultural change of the organization, bringing new skills and knowledge to a Bank that is transforming itself for a more digital future and closer to its Clients. The bank also continued to make a very significant investment in training and its people’s development. People, our Employees, continue to be our most

“Our ambition is to be the best employer in Angola. ”

"Safety was one of our priorities in 2020."

important "asset".

Therefore, the safety of our Employees was one of the priorities in 2020. We have made every effort to guarantee compliance with the rules of Hygiene, Safety and Health at Work. In this sense, and to reduce the risk of infection among the Bank's Employees, we have adopted measures such as the reduction of the on-site workforce, the implementation of rotating schedules, the creation of conditions for remote work, and an application allowing an effective report of the place of work, among others.

We consider digital transformation to be a fundamental axis of our strategic development. The current context clearly shows the relevance of digital transformation for Clients' daily life.Thus, at the end of 2020 we launched our SB24 platform, a new generation of internet and mobile banking channels, which marks the beginning of a bet on simpler and remotely accessible digital channels, anytime and anywhere.

Regarding Financial Inclusion, we are preparing the launch of the Banking Agents project to implement a proximity banking model more aligned with the segments of the population with little or no access to banking services by enabling transactions to be executed more efficiently, simplifying access to the Bank's product and services and providing a user-friendly Client experience.

> **"A more digital future and closer to the Clients."**

Standard Bank of Angola's performance in 2020 was excellent. More active Clients. More business. More support to the economy, granting more credit. Mainly focused on essential sectors, supporting Angolan agricultural and industrial entrepreneurs. And credit of quality, with almost negligible levels of default. Extremely solid solvency and liquidity ratios. High Return on Equity and Return on Assets with a very prudent and balanced cost-to-income ratio. In 2020 Standard Bank of Angola improved its efficiency levels, namely operational, its internal control environment, with the various risks inherent to the banking activity well monitored and controlled, as well as maintaining high levels of compliance with the rules applicable to banking activity in general and, in particular, regarding the fight against money laundering and the financing of terrorism.

As a result of this strategy, the Bank recorded an increase in active Clients and also in loans granted, demonstrating the commitment to support Angola's economy. There was sharp growth of turnover and as a result of responsible and optimized liquidity management, Client resources increased 60%, net operating income increased 37%, net interest income grew 30%, which represented an increase in its total assets of 45% compared to 2019. Despite the impairments recorded in its financial assets, as a result of the impact of Angola's rating downgrade, Standard Bank of Angola still managed to achieve the best net profit since the beginning of its activity, amounting to 36 131 Million Kwanzas.

In a particularly complicated and challenging market context, the positive results obtained in 2020 were possible due not only to the quality of our most important asset, our People, but also to the transparent, compliant and responsible attitude of the Bank as a whole, non-negotiable values for Standard Bank of Angola. Our performance clearly evidences the strategy defined and directed towards the real needs of our Clients, where the Client is at the center of everything we do.

> **"The Client is at the center of everything we do."**

During 2020 Standard Bank of Angola was recognized by the international magazine The Banker as the Bank of the Year in Angola. We were also distinguished by Global Finance as the best Investment Bank in Angola and the best Foreign Exchange Bank in Angola, and the best Bank in quality of service in Angola by Assertys. Also, we were the first Bank in Angola to be certified by SWIFT global payments innovation (GPI) and to be certified as a member of GPI.

We have maintained the strong investment in the project "Heróis de Azul" (Heroes in Blue), which aims to support our most deprived communities,

"We will all emerge wiser, more resilient and capable."

meeting their basic needs and improving their quality of life by giving them tools, opportunities and stimulating their development, with a greater focus on the areas of Education and Teaching, Health and Entrepreneurship, pillars that are decisive for promoting development. So, in 2020, 2 388 people were helped by this project, engaging 315 volunteers, from different areas and levels of training, and we carried out 35 actions.

By the end of 2020 we were surprised by various news in the press about one of our non-executive directors and ultimate beneficiary of the position of minority Shareholders. News concerning activities carried out by that non-executive director out of the Bank and with which the Bank has no relationship. The Board of Directors has closely followed the development of these facts, which, we reiterate, are unrelated to the Bank's activities, always intending to protect the interests of its Clients, our Employees and the Bank Finally.

As for 2021, we expect a challenging year, but also a year with countless opportunities for the Bank to further establish itself as a reference as a Financial Institution in Angola. Regardless of the scenario that Angola faces in the future, Standard Bank of Angola is committed to a service of quality and excellence focused entirely on Client satisfaction. Additionally, we could not fail to note, something that makes us proud and demonstrates our commitment with Angola, with our Clients and with the well-being of our Employees, that in 2021 we will move to our new headquarters, a landmark investment that determines the dimension of our commitment to Angola, and which will allow us to improve our working conditions in line with our ambition to continue to be the best employer in Angola.

As always, we are very grateful to our Employees, Clients, Shareholders, Suppliers, Regulators and other stakeholders for the unconditional support

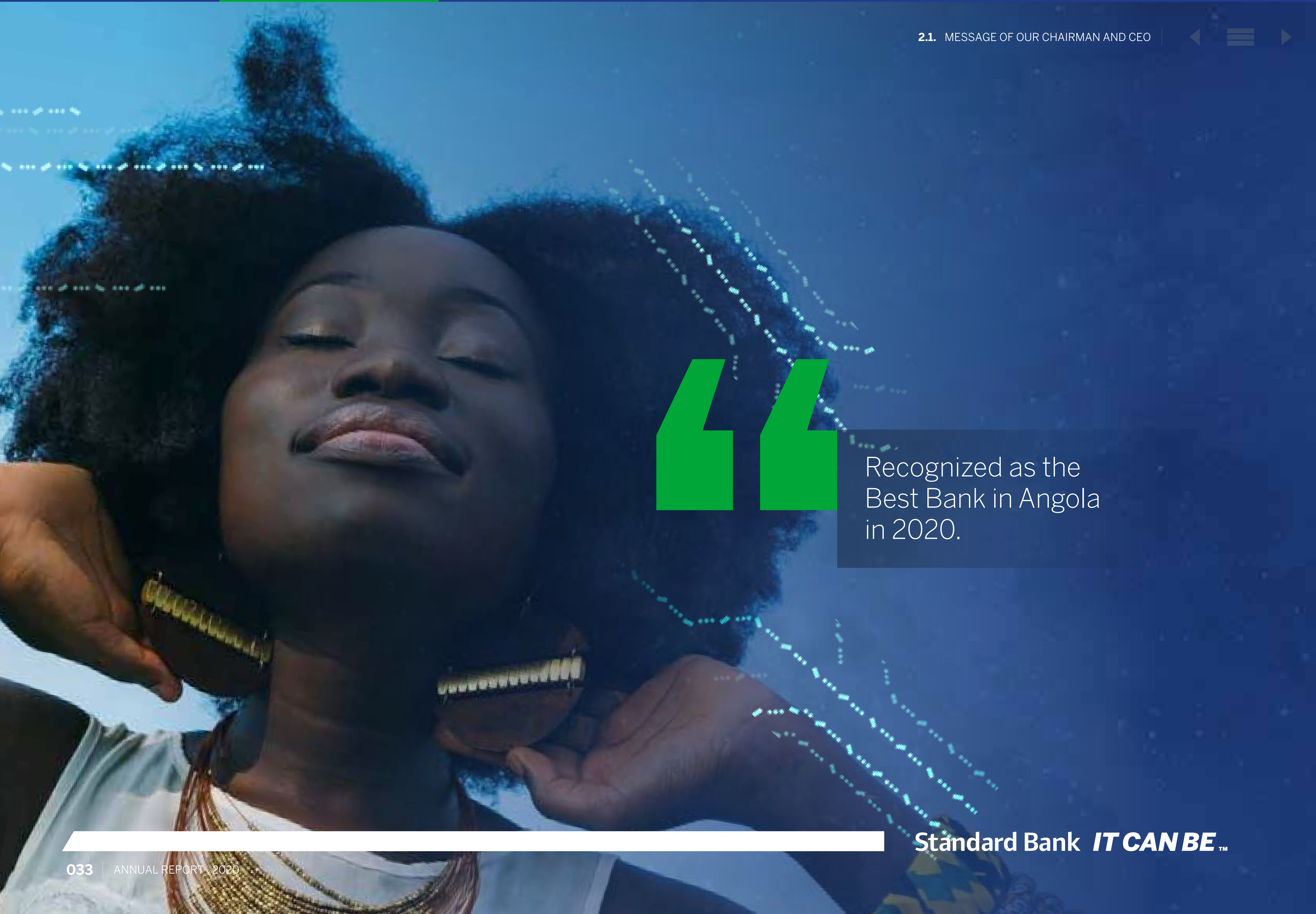
"A Bank committed to a service of quality and excellence."

we have received. With the pandemic, we are living in challenging times, but with persistence we will all emerge wiser, more resilient and capable. Best regards,

Octávio Castelo Paulo
Chairman of the Board of Directors

Luis Teles
Chief Executive Officer

IT CAN BE.



Recognized as the Best Bank in Angola in 2020.

WE ARE BUILDING THE FUTURE OF AFRICA.

In addition to Covid-19, the year 2020 was also marked by our constant search for optimizing the Bank's operational performance, enabling the diversification and quality of products and services we offer.

03 HOW WE CREATE VALUE

Standard Bank IT CAN BE™

2022, the year
of economic recovery
in Angola.

3.1 THE CONTEXT IN WHICH WE OPERATE

The context in which we operate

WORLD ECONOMY

ANGOLAN ECONOMY

We Build Africa's Future

The year 2020 was inevitably marked by pandemic, putting long-awaited developments, such as the Brexit agreement, or the "Regional Comprehensive Economic Partnership" agreement, in the background. The recovery of activity is, at this moment, the goal of all economic agents.

The macroeconomic context is highly dependent on the evolution of the pandemic and the efficiency of vaccination programmes. However, a recovery is expected in 2021 with the expansionist measures of Governments and Central Banks, and with the recovery of commodities prices, fundamental to the Angolan economy.

In 2020, the global economy suffered a serious crisis associated with the pandemic. Restrictions on the movement of people, goods and services and containment and prevention policies strongly impacted the world economy, causing drastic decreases in demand.

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

After an unexpected 2020, with a global economic contraction, a recovery is expected as early as 2021, although this is dependent on the persistent decline in active transmission chains.

GLOBAL FRAMEWORK

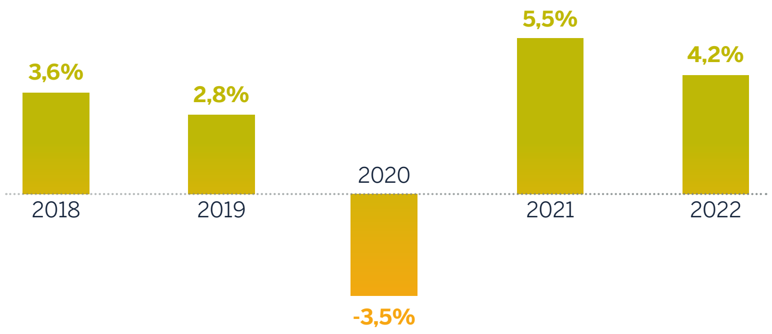
In 2020 the world economy shrank by approximately 3.5% in 2020, the first global contraction in recent years (it should be noted that this contraction of the global economy was worse than the one that occurred in 2009 with the financial crisis). However, global growth is expected to accelerate in 2021 and 2022 to 5.5% and 4.2%, respectively, according to International Monetary Fund (IMF) projections.

This contraction of the world economy was due to the pandemic, which imposed a lockdown in many of the world's economies in the first half of the year, leading to the closure of several airspaces and limitations to the movement of people, goods and services. The health crisis had a strong negative impact on production, closing down many factories around the world, interrupting supply chains and imposing limits on consumption. An example of this was. the contraction seen in world trade, -9.6%. In developed economies, growth is projected to be approximately 4.3% and 3.1% in 2021 and 2022, respectively. An acceleration of the US economy is forecast for 2021 and 2022 in the order of 5.1% and 2.5%, respectively, as a result of the approval of several vaccines and the start of their administration. For the Eurozone, growth of 4.2% and 3.6% is expected for 2021 and 2022, respectively, based on the easing of restrictions due to vaccination and strong expansionary tax policies envisaged by governments. In the UK, growth is expected to recover to 4.5% in 2021 and accelerate marginally to 5.0% by 2022, assuming the effects of the agreement reached in December 2020 for Brexit will be noticed.

Emerging markets and developing economies are expected to grow 6.3% in 2021 and 5.0% in 2022, reflecting a recovery of the economic behaviour we have seen in recent years.
Economic growth is forecast for 2021 and 2022 based on the recovery of activity, through vaccination, as well as through the expansionary tax policies expected in some of the world's largest economies.

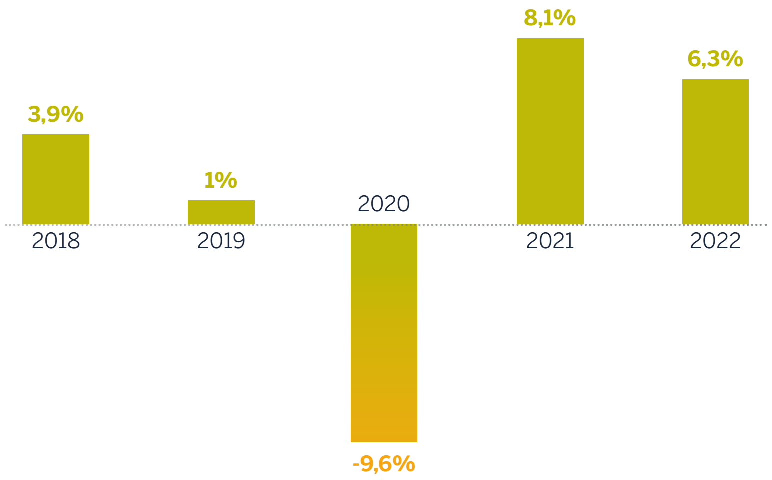
WORLD GDP EVOLUTION (% YEAR-ON-YEAR)*

Source: IMF



EVOLUTION OF WORLD TRADE (% CHANGE OVER THE SAME PERIOD)*

Source: IMF



*For 2020 the data are provisional and for 2021 and 2022 they are estimates

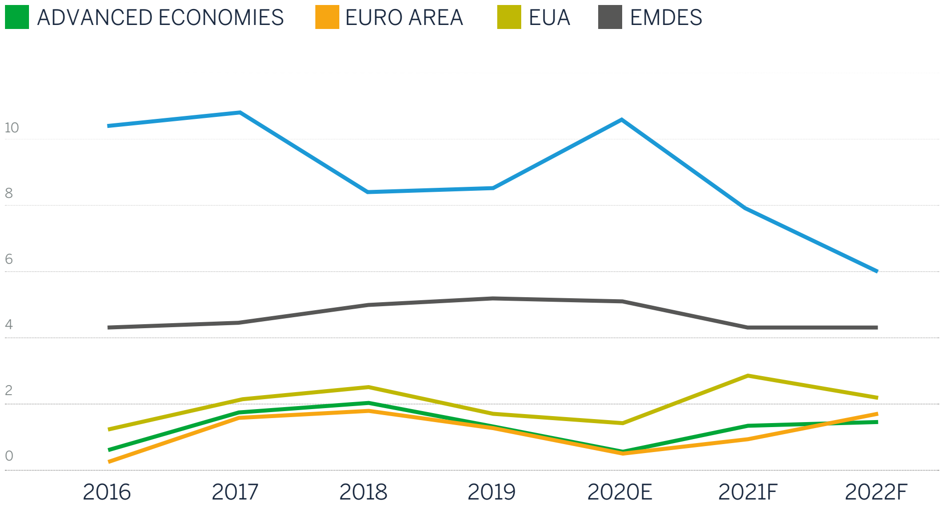
GDP EVOLUTION

	2020	2021
World Economy	-3,5%	5,5%
Developed economies	-4,9%	4,3%
Emerging Economies	-2,4%	6,3%

	2020	2021
Brazil	-4,5%	3,6%
USA	-3,4%	5,1%
Sub-Saharan Africa	-2,6%	6,3%
Latin America and the Caribbean	-3,7%	4,2%
ASEAN -5	-3,7%	5,2%
Eurozone	-7,2%	4,2%

INFLATION

Source: IMF WEO



For the **United States of America**, the International Monetary Fund revised economic growth from 4.3% to 3.4% in 2020 and from 3.1% to 5.1% in 2021, due to the prospect of a vaccination that will have a positive impact on the stock and commodities market.

The Government of the United States of America and the Federal Reserve (Fed) took a set of measures aimed at mitigating the impact of Covid-19 on the country, with the approval of an overall volume of 2.9 trillion dollars of tax stimulus. The Fed cut the basic interest rate twice in 2020 and created an unlimited bond-buying programme.

The **IMF** expects the economic recovery to continue, supported by the prospect of the end of the pandemic through vaccination, as well as the measures to support the economy announced by the government at the end of 2020 and the apparent adjustment of economic activity in contact-intensive activities. Also the Fed announced changes to its monetary policy strategy, moving to a flexible average inflation target of 2% over time, and an inflation rate for 2020 of around 1.5% is expected. These policies have shown a more immediate impact on Equity markets which, despite the adverse economic environment, have grown compared to the beginning of 2020, and on the fall of corporate spreads, mainly on credits with higher yield.

Nevertheless, the uncertainties associated with the pandemic cannot be ignored, namely the emergence of new infections by the end of 2020 (including new variants of the virus), renewed lockdowns in several economies and logistical difficulties in distributing vaccines.

In the **Euro Zone**, real gross domestic product (GDP) growth in 2020 recorded a historic contraction, with the estimate being -7.2%, however a recovery is expected in 2021 to 4.2%. Inflation is expected to reach 0.4% in 2020, which represents a decrease of 0.8 percentage points compared to 2019.

The European economy was one of the worst affected by the pandemic, and is estimated to have contracted by around 7.2% by 2020. However, the IMF predicts that economic recovery will begin as early as 2021, stimulated by the European Union's recovery package of 750 billion euros, which includes, for example, wage subsidies to maintain employment levels, extended unemployment cover and tax deferrals. The European Central Bank has also invested in an expansionist policy, mainly through the purchase of assets (such as public debt) and greater agility in refinancing the economy. These measures have helped keep European sovereign debt yields under control.

Asia was no exception to the effects of the pandemic on the global economy, although in a more moderate manner, having contracted by about 1.7%. However, a strong recovery is expected already in 2021 with a forecast growth of 8.0%.
In 2020, the evolution of the Asian economy was also strongly affected by the pandemic. For countries such as Japan, Singapore or South Korea, contractions in the order of 5.3%, 6.0% and 1.9%, respectively, are estimated.

Recoveries are already forecast for 2021 in most countries of the region. These recoveries are also leveraged by the "Regional Comprehensive Economic Partnership" agreement, which represents the world's largest trade agreement in terms of Gross Domestic Product, signed in November 2020.

In contrast to what happened in Asia and in most of the world's economies, China, where the pandemic originated, ended up showing a recovery much higher than initially estimated in the second half of 2020, which led to its GDP having an expected growth of 2.3%, but 3.7 percentage points less than in 2019 (6%). According to the IMF report, it is expected that for 2021 and 2020 the GDP of the Chinese economy will grow by 8.1% and 5.6%, respectively. China was one of the first countries in the world to recover from the economic crisis caused by the pandemic.

The outlook for **African economies**, as for several developing economies, remains precarious. According to the IMF estimate, growth in sub-Saharan Africa is negative, projected at -2.6% in 2020, recovering to 6.3% in 2021. The inflation rate for sub-Saharan Africa for 2020 is expected to be 10.6%, which is 2.1 percentage points higher than in 2019 (8.5%).

The IMF estimates that all developing economies are expected to decline compared to 2019. This is the result of a combination of factors such as the continued spread of the pandemic, the greater importance in these economies of sectors heavily affected by the pandemic (such as tourism), and high dependence on external financing, including remittances that have contracted sharply during periods of lockdown.

Also, the increasing frequency and intensity of climate-related natural disasters have led to heavy losses in the livelihoods of the population, which can cause lingering effects well after the incidents, examples being areas in East Africa, where heavy rains in late 2019 and early 2020 contributed to strong pests that put the region's food resources at risk.

OIL MARKET

In April 2020, the price of a barrel of Brent oil reached historic lows in its trading value due to the reduction in demand caused by the pandemic containment measures. OPEC's intervention resulted in the control of prices, and the year closed with values similar to those of the beginning of 2020.

Crude oil prices sank in March and April 2020 to record lows as the confinements resulting from the pandemic dampened demand. They have since cut their losses, but values have remained stuck near $40 a barrel. The International Energy Agency blames reduced air travel, which is said to have cut global oil demand by 8.1 million barrels per day, a large part of the responsibility in the price drop.

The barrel price rebounded in the second half of 2020 as China, the world's largest oil importer, came out of confinement earlier than other major economies and made record oil imports, becoming the "engine" for the recovery.

For 2021 Russia and Saudi Arabia have announced a more proactive stance on controlling oil prices through the informal OPEC+ group.

OIL PRICE EVOLUTION (SPOT PRICE - BRENT, DOLLARS/BARREL, 2020)

FOREIGN EXCHANGE MARKET

The year 2020 was considered to be a relatively stable year in terms of the variation of world currencies. The year will be fundamentally marked by the strengthening of the position of the US dollar as a consequence of the more accelerated recovery of the country's economic activity in relation to the main world economies.

	2015	2016	2017	2018	2019	2020
Exchange rate, end of period						
EUR/USD	1,09	1,05	1,20	1,15	1,12	1,23
GBP/USD	1,47	1,23	1,35	1,28	1,32	1,35
USD/JPY	120,32	116,90	112,69	109,58	108,55	104,20
USD/CNY	6,49	6,95	6,51	6,88	6,96	6,60
USD/ZAR	15,48	13,74	12,37	14,36	14,04	0,00
Annual % change						
EUR/USD	-10,23	-3,17	14,09	-4,40	-2,06	9,21
GBP/USD	-5,37	-16,29	9,53	-5,59	3,48	2,40
USD/JPY	0,52	-2,85	-3,60	-2,76	-0,94	-4,01
USD/CNY	4,63	6,95	-6,31	5,71	1,21	-5,19
USD/ZAR	33,75	-11,23	-9,94	16,08	-2,21	-100,00

Source: Reuters

> An upturn is expected in 2021 with the expansionary policies of Governments and Central Banks.

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Risks for 2021

MAJOR RISKS FOR 2021

While it is true that in the past the major risks to be considered were of various natures namely political and economic as the diplomatic tensions and protectionist measures respectively, in the current landscape the greatest risks are associated with the evolution of the Covid-19 pandemic crisis.

The IMF has revised upwards its global growth projections for 2021, largely on the back of stronger than initially forecast GDP figures. However, it points out that these projections are constrained in the following ways:

- Social distance will continue in 2021, but the improvement in standards safety and hygiene at work, and mainly the gradual extension of vaccination will bring transmission levels to low levels around the world by the end of 2022;

- The medium/long term impacts are as yet unknown and are dependent on various factors such as for example the number of bankruptcies and the possible lag in adjusting resource allocation;

- The expansionary policies of Governments and Central Banks are likely to continue. possibly by 2025, being that the crisis response measures already announced and implemented so far are valued at USD 6,000 billion;

- The average spot price per barrel of oil is estimated at $43.8 for 2021. A recovery in the prices of other commodities is also expected;

Africa

GDP DEVELOPMENTS	2020E	2021F	2022F
Angola	-5.0%	0.7%	2.4%
Gana	0.1%	4.8%	5.3%
Nigeria	-3.1%	0.9%	2.4%
Namibia	-7.8%	2.8%	3.2%
South Africa	-7.6%	4.6%	2.2%
Kenya	1.5%	5.7%	4.7%
Mozambique	-0.9%	1.8%	3.1%

Source: IMF

E= ESTIMATE; F = FORECAST

GANA

By 2020, the IMF estimates Ghana's GDP to have grown by 0.1%, making it one of the few countries to weather economic contraction after the IMF bailout programme ends in March 2020. The country remains heavily dependent on cocoa, gold and oil exports, leaving it vulnerable to volatility in commodity prices on international markets. The Government's long-term plan to develop other areas of the economy is therefore crucial to minimise this risk.

NIGERIA

According to IMF data, Nigeria's GDP will decrease by 3.1% in 2020. This contraction is a result of the pandemic and the collapse of oil prices, which represent more than 80% of the country's exports, and the sharp drop in emigrants' remittances, which in recent years have been higher than direct foreign investment and foreign development assistance combined.

NAMIBIA

Namibia recorded a GDP decrease of 7.8% in 2020, the fifth consecutive year of economic recession. Public debt reached 50.9% of GDP and the deficit recorded a value of 4.4% of GDP. This performance is closely related with the frequent droughts that have affected the country's agricultural productivity.

SOUTH AFRICA

South Africa was the African country most affected by the pandemic. In 2020, the South African economy, which was already showing signs of slowing down in 2018 and 2019, did not resist the impact of the pandemic containment measures and decreased by 7.6%.

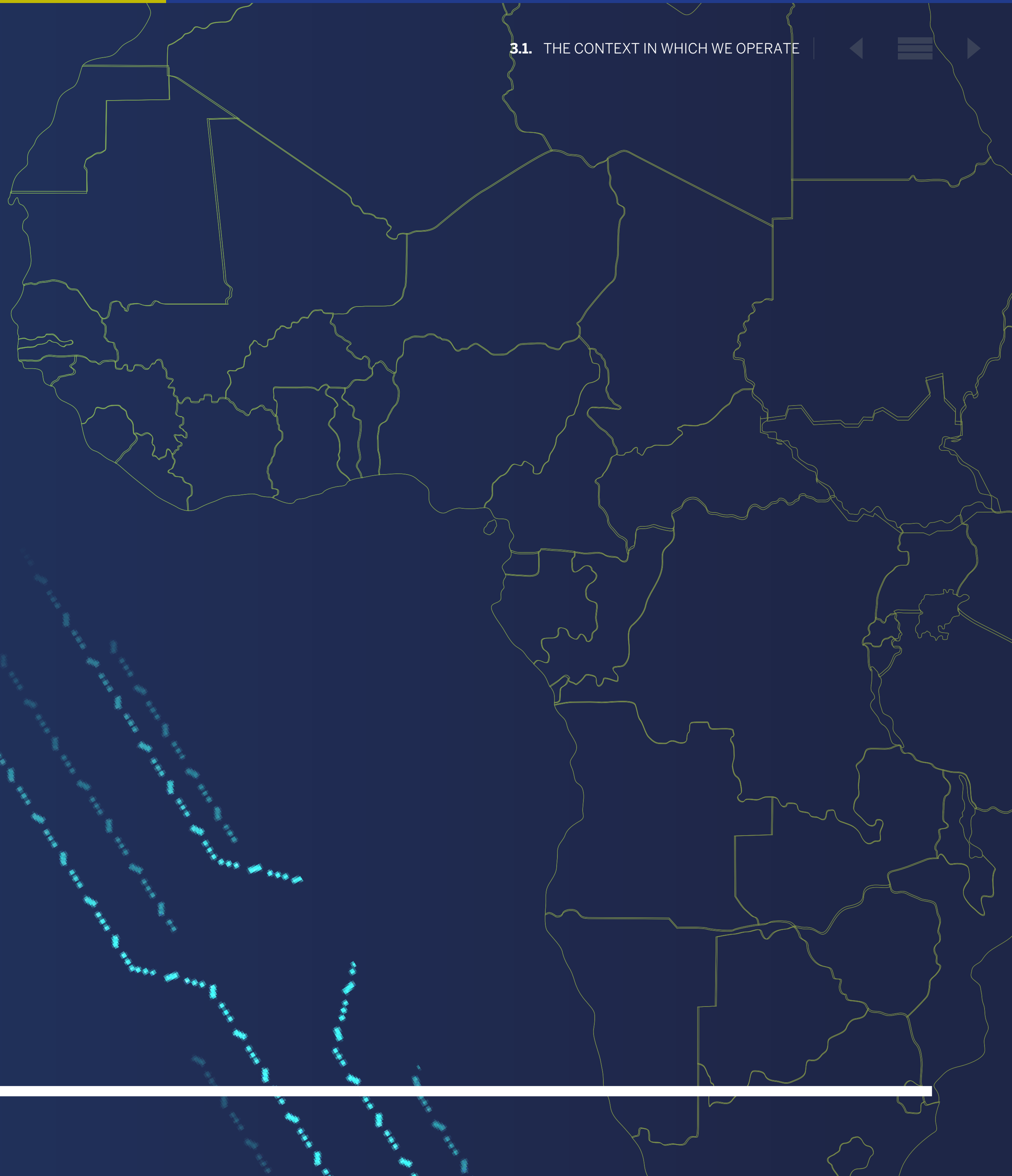
An outlook of economic recovery remains limited due to the uncertainty of the pandemic situation. Rating Agencies as Moody's, S&P and Fitch reduced the its views on South African debt sovereign in the course of 2020.

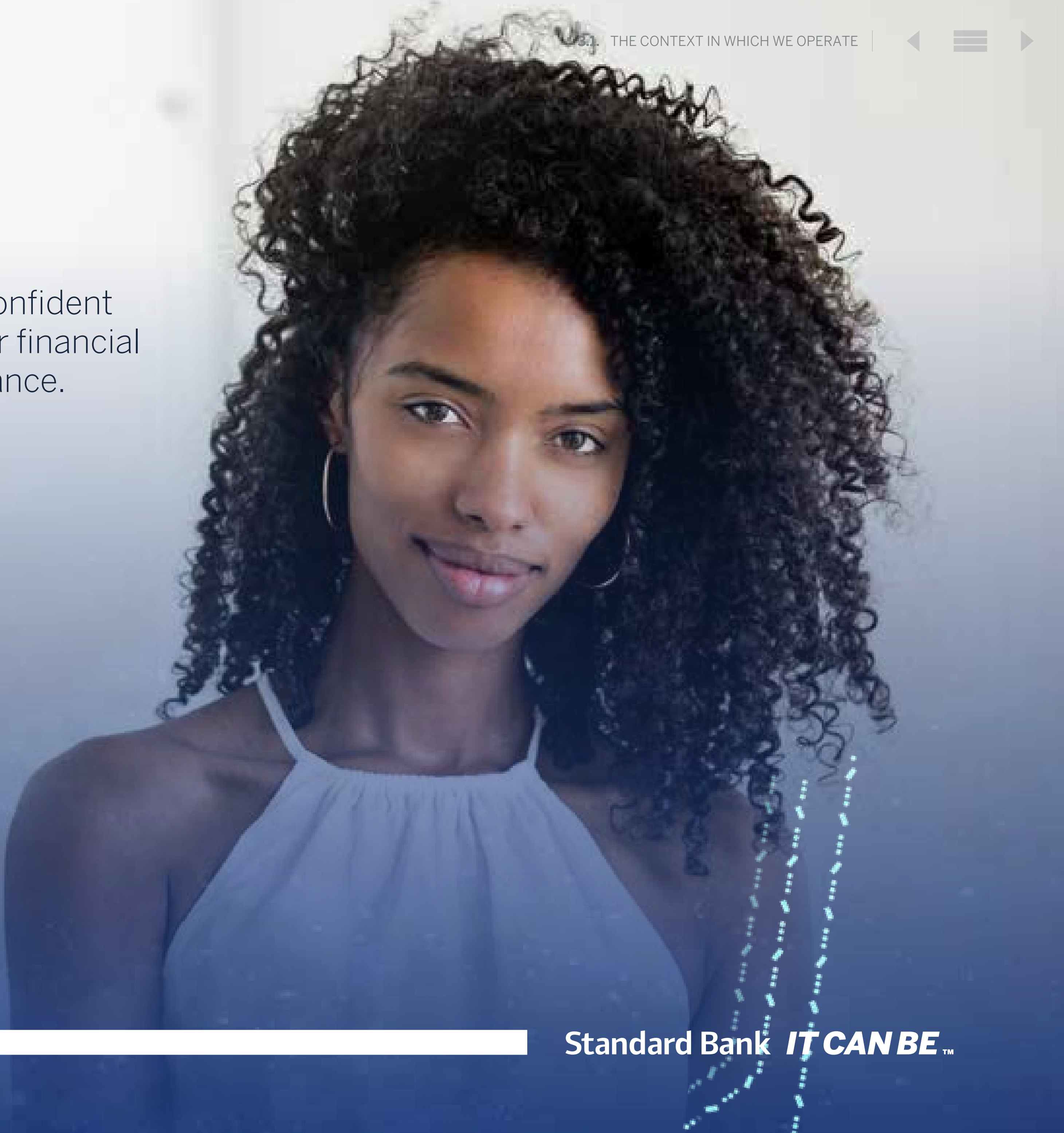
KENYA

Kenya recorded GDP growth of around 1.5% in 2020, passing Angola in 2019, becoming the 3rd largest economy in sub-Saharan Africa. Based on a long-term development plan, the country's main priorities are to increase the efficiency of the industrial sector efficiency, strengthen a universal health care, affordable housing and food security.

MOZAMBIQUE

Official IMF projections estimate the Mozambican economy to have shrunk by 0.9% by 2020, not escaping the impact of the pandemic. Mozambique has aspired to become the world's third largest exporter of liquefied natural gas since vast offshore reserves were found in 2010. However, low gas prices coupled with mounting public debt have delayed exploration and triggered a slowdown in the country's growth rate.





> We are confident about our financial performance.

Angolan Economy

Standard Bank of Angola remains confident about financial performance, however recognises that it will be a challenging year as 2020 was a year of economic recession and the forecasts for 2021 are also of recession. It is expected that the year 2021 will see a return to normality in terms of movement of people and goods with the distribution of the Covid-19 vaccine.

With the efforts made to meet the targets set by the IMF, it is expected that by 2022 there will be economic recovery and definitive control of the pandemic. It is expected that some public companies will be privatised, reducing the weight of the State in the national economy in order to attract foreign investment.

Main Indicators

(percentage change, except when indicated otherwise)	2018	2019	2020	2021	2022
Real Economy					
Real Gross Domestic Product	-2.0	-0.5	-5.0	0.7	2.4
Petroleum Sector	-9.5%	-6.6%	-7.0%	-6.2%	0
Non-oil Sector	1.0%	1.9%	-2.1%	2.0%	0
Consumer prices (annual average annual average)	19.70	17.11	22.17	20.97	15.65
Consumer Prices (end of period)	18.60	16.90	25.10	16.7	13.1
Gross Domestic Product (billion of Dollars	101.35	83.94	55.16	60.59	61.86
Central Government					
Total Revenue	21.5	19.3	20.5	20.4	20.1
D/q: Oil	13.7	11.5	12.2	11.6	11.1
D/q: Non-Petroleum	6.2	6.3	7	7.5	7.7
Total Expenditure	19.4	19.4	20.2	20.1	20
D/q: Current Expenditure	15	16.2	16.9	16.7	16.5
D/q: Capital expenditure	4.4	3.3	3.3	3.4	3.6
Overall Budget Balance	2.1	0.7	-4.0	-2.6	-2.1
Currency and Credit					
Money Supply (M2)	20.4	30.1	18.4	15.3	17.1
Private Sector Credit (% change in 12 months)	14.5	21.5	-7.5	13.6	13.8

(percentage change, except when indicated otherwise)	2018	2019	2020	2021	2022
Balance of Payments					
Trade Balance (Dollarsm)	15,5	12.9	6.2	11.0	8.6
Exports of Goods. FOB (Dollarsm)	41.4	35.2	21.0	27.4	26.8
D/q: Oil & Gas Exports (percentage of GDP)	38.3	34.3	35.2	33.5	32.1
Imports of Goods. FOB (Dollarsm)	25.9	22.3	14.9	16.4	18.1
Current Account Balance (percentage of GDP)	7.3	6.1	2.1	11.0	6.9
Gross International Reserves (end of period. million Dollars)	16.17	17.21	14.79	15.40	16.20
Net International Reserves (end of period. Million US$)	10 646	9 141	9 391	9 741	10 241
Debt (percentage of GDP)					
Total (Gross) Public Sector Debt Sector	77.1	93.2	126.8	112.4	109.3
Oil					
Oil production (thousands of barrels/day)	1 478	1 383	1 288	1 221	1 236
Oil and Gas Exports (thousands) million Dollars)	39.7	30.2	34.2	33.6	33.6
Angolan Oil Price (average, Dollars per barrel)	70,6	55	60	59	59

Overview

Angola is going through a period of recession, This is mainly explained by low levels of oil production and reduced dynamics of economic diversification, now accentuated by the impact of the pandemic.

Additionally, the Angolan economy is highly dependent on the evolution of oil prices - since this commodity represents a large part of exports and 51% of tax revenues for the State Budget - which reached historic lows in 2020, aggravating the country's economic situation.

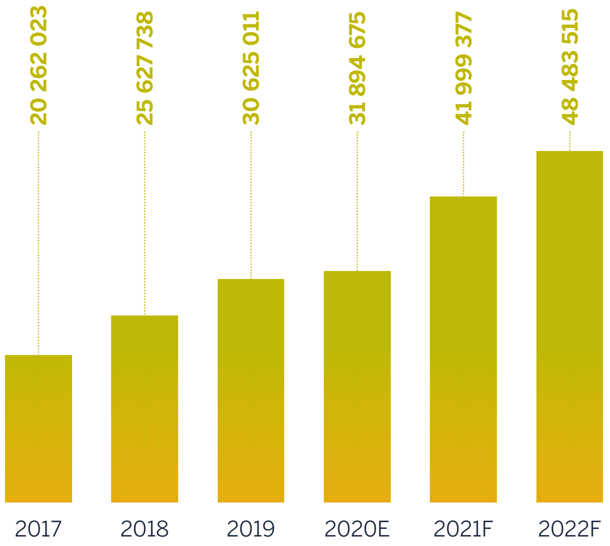
The recession scenario experienced in the country in recent years also leaves government institutions without the tools that other nations have used to combat the economic crisis caused by the pandemic, both at budgetary level where public debt (estimated at 127.8% in 2020) makes it difficult to use public spending as a stimulus, and at monetary level where the persistent inflationary pressure (22.2% in 2020) does not allow significant cuts in interest rates. Without much room for expansionist measures, the BNA focused on controlling liquidity in national currency through open market operations to stabilise the kwanza, while ensuring that companies would have access to adequate levels of liquidity through specific interventions.

With regard to economic growth, IMF estimates point to a contraction of activity in the order of 5.0% in 2020. It is projected that in 2021 the recession will continue with negative growth of 0.4% and finally in 2022 the Angolan economy will resume expansion in the order of 1.7%. An integral part of the strategy for the growth of the Angolan economy is the stimulation of the production sector and economic diversification, in addition to strengthening the implementation of the 2018-2022 National Development Plan.

EVOLUTION OF NOMINAL GDP

(MILLIONS OF KWANZAS)

Source: BNA



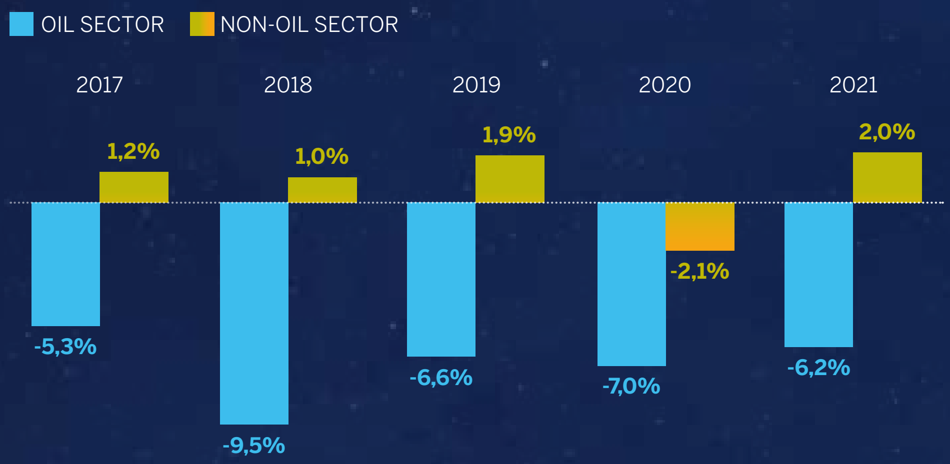
E= ESTIMATE; F = FORECAST

The current economic panorama, combined with the poor performance of the oil sector and the still weak economic structure, condition families income, the level of unemployment and the amount of public savings, which consequently inhibit consumption, production growth and investment.

The Angolan government has given special emphasis to the diversification of the economy, which has suffered in recent years from its high dependence on the oil sector, and to reducing external dependence in terms of food and industrial goods. Within this scope, the following initiatives are of note: the Support Programme to Credit (CAP), which has a duration of 3 years (2019-2022), and is intended for The Angolan Industrial Development Plan (PDIA), whose objective is to foster the development of Angolan Manufacturing Industry in a competitive and sustainable manner, and which involves the structural transformation of the sector, based on progressively more integrated development of the chains, combining key investments that allow for the use of resources in which Angola has comparative advantages, with investments in sub-sectors in which it is possible to create competitive advantages. This plan aims to time horizon 2025.

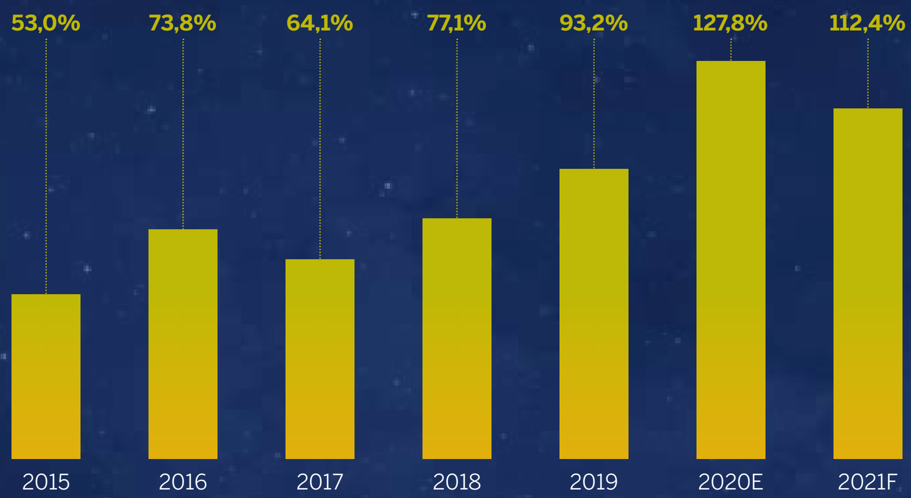
EVOLUTION OF OIL AND NON-OIL REAL GDP (% VS. THE SAME PERIOD LAST YEAR)

Source: IMF, Standard Bank Research



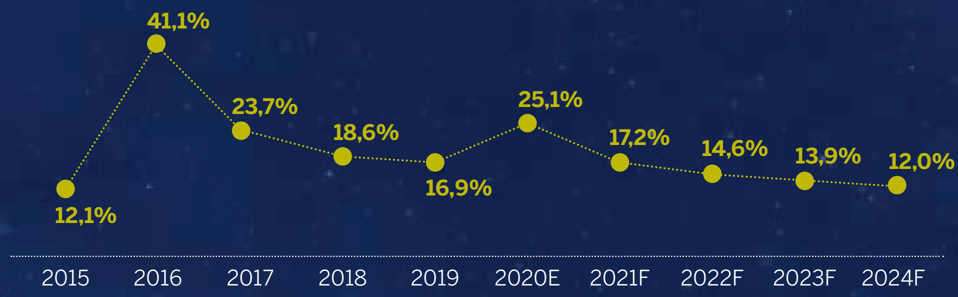
EVOLUTION OF THE PUBLIC DEBT (% OF GDP

Source: IMF, Standard Bank Research



INFLATION RATE (%)

Source: IMF



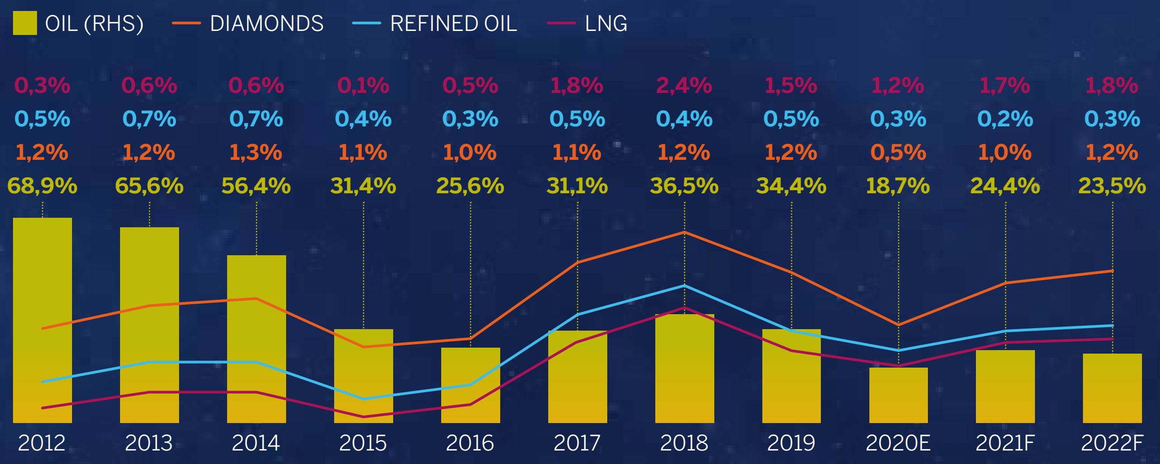
E= ESTIMATE; F = FORECAST

The shock in the oil market in 2020, due to the sharp reduction in world demand caused by measures to combat the pandemic, strongly impacted the growth of the economy.

The remaining sectors that make up the non-oil GDP also did not escape the impact of the pandemic, although not as significantly (-2.1% compared to the -7% for Liquefied Natural Gas (LNG)), largely due to constraints on the performance of the Market Services and Public Administrative Sector sectors, as well as by the underperformance of the diamond mining, metallic minerals and other minerals sector.

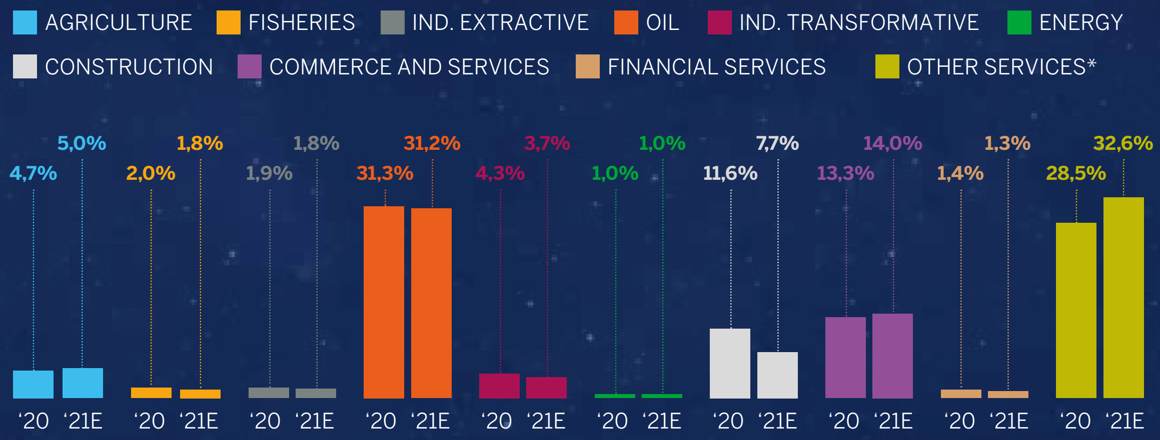
PRINCIPAL EXPORTS (BILLION DOLLARS)

Source: BNA, Standard Bank Research.



STRUCTURE OF GDP (% OF GDP)

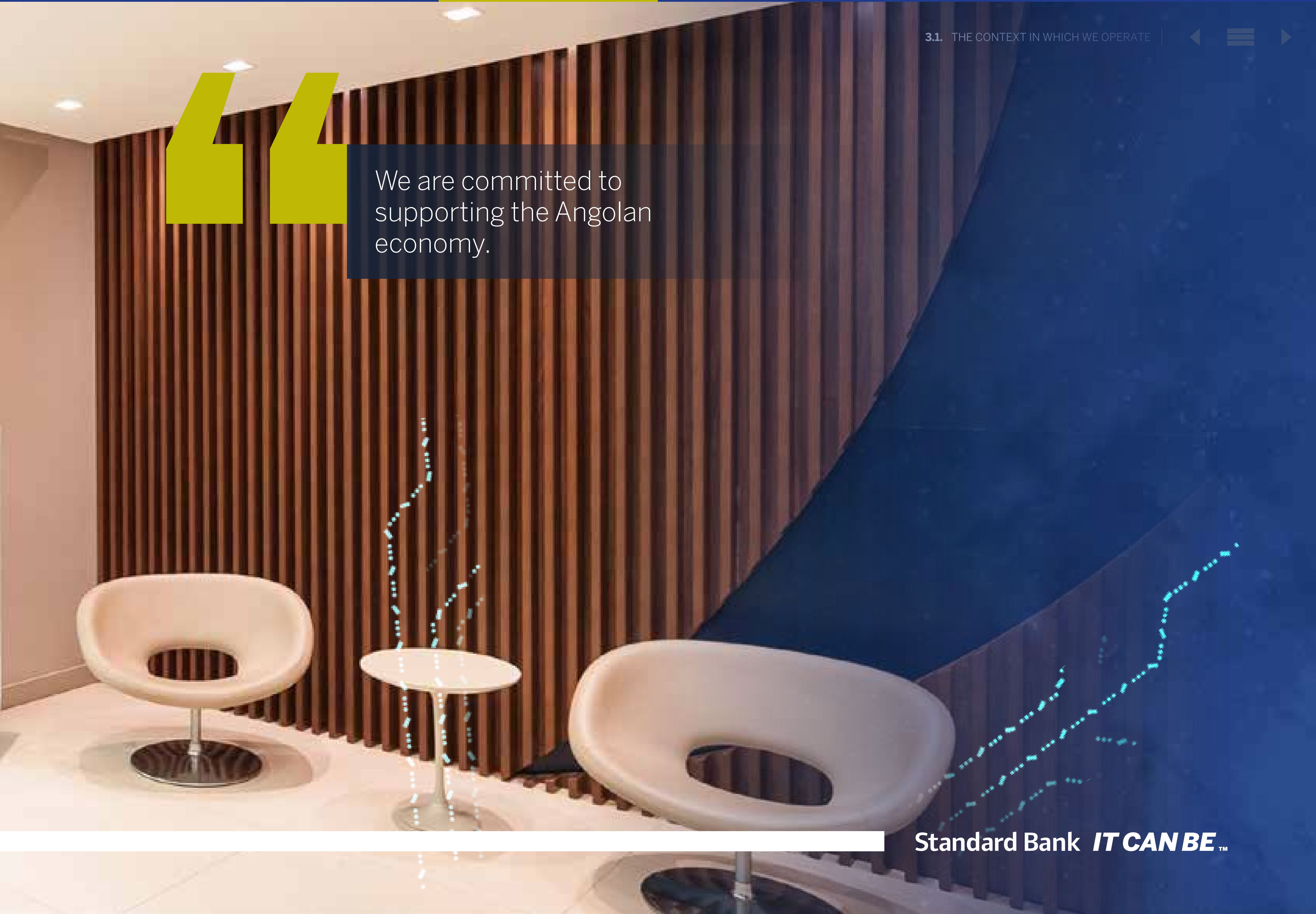
Source: BNA



*Other Services includes sectors of activity such as public administration and defence, real estate, transport, communication and other services.

E= ESTIMATE; F = FORECAST


Standard Bank



We are committed to supporting the Angolan economy.

Standard Bank IT CAN BE™

IMF key recommendations

01 PROTECT TAX SUSTAINABILITY AND FOLLOW STRICTLY TO THE TAX PROGRAMME

The Angolan government should implement additional tax consolidation, with tax and balance of payments financing needs to be covered through increased financial support from multilateral partners.

02 PROMOTING SUSTAINABILITY THE DEBT

The debt/GDP ratio has risen substantially, increasing by itself the underlying risks. Rigorous implementation of the tax consolidation strategy and a prudent debt policy will help preserve debt sustainability.

03 CONSOLIDATE THE MONETARY POLICY FRAME WORK AND THE FLEXIBLE EXCHANGE RATE REGIME

Despite considerable improvements in the foreign exchange market, the transition to greater flexibility is not yet complete. Monetary policy will have to remain restrictive in order to support a more flexible exchange rate regime, keep inflation under control and still support private sector development.

04 SAFEGUARDING STABILITY OF THE BANKING SECTOR

The national authorities have a strategy in place for restructuring the financial sector, also impacting the state's presence in this sector.

05 PRESS AHEAD WITH STRUCTURAL REFORMS AND IMPROVE GOVERNANCE

The authorities will need to continue to improve levels of governance, fight corruption and attract sustainable investment in order to improve the business environment and promote private sector-led growth.

Key risks identified by the IMF

01 DEPENDENCE ON THE OIL SECTOR

One of the critical factors for the future growth of the national economy will depend on the successful implementation of privatization programs, which will imply a new paradigm of development for the country, based on the active presence of the private sector in the main sectors of the economy and increasing the contribution of the non-oil sector to the development of the Angolan economy.

02 INVESTMENT, UNEMPLOYMENT AND INFLATION

The growth of the non-oil sector is key to the high levels of unemployment caused by the recent recession. Action plans targeted at the population will have to be designed and implemented action plans aimed at the young-adult population, managing job creation processes, insertion in the job market and income management in the different sectors of the economy.

03 CURRENCY IMBALANCES

In 2021, in line with the inflation target, work will continue on the new exchange rate policy that promotes the elimination of the imbalance, on the country's foreign exchange market. The aim is to strengthen the replenishment of international reserves and improve the efficiency of the currency allocation mechanism.

Tax Policy

In 2020, faced with the economic and sanitary challenges created by the pandemic, the Angolan government was forced to present a Rectifying Budget in order to accommodate the impact of the shock in the reference price of oil, as well as extraordinary measures to combat the pandemic, among which the following stand out:

Tax exemptions from value added tax (VAT) and customs duties on the goods imported under humanitarian aid and on donations.

VAT credit from raw materials and imported capital goods for the production of essential consumer goods.

Option of **deferred and interest-free** payment of social security contributions.

Price regulation for a list of medical products.

A 30% freeze on purchases of non- essential goods and services.

Reducing the number of ministries from 28 to 21.

Suspension of certain non- essential capital expenditure.

Decrease in travel and property investment.

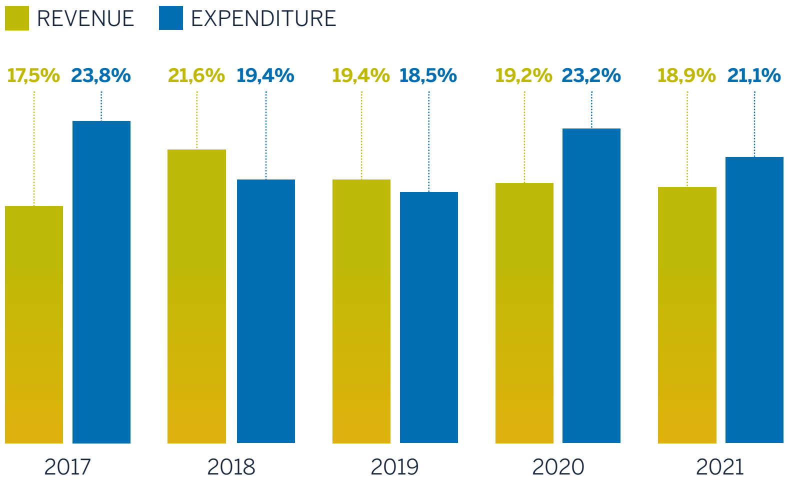
In order to safeguard its capacity to meet its obligations and service its debt, the Angolan government made use of the G-20 Debt Service Suspension Initiative. Additionally, it has also secured some debt restructuring operations with some of its main creditors.

Already in January 2021 the IMF Executive Board concluded the fourth review and approved the disbursement of a new tranche of the Extended Fund Program stating that "despite the challenges imposed by the pandemic, the Angolan authorities have demonstrated a strong commitment to sound policies under the IMF-supported arrangement. The robust policies adopted by the authorities have enabled Angola to cope with major external shocks, especially the decline in oil revenues, and to mitigate their macroeconomic impact while protecting the most vulnerable"

TAX FRAMEWORK: PUBLIC REVENUE AND EXPENDITURE

(% OF GDP)

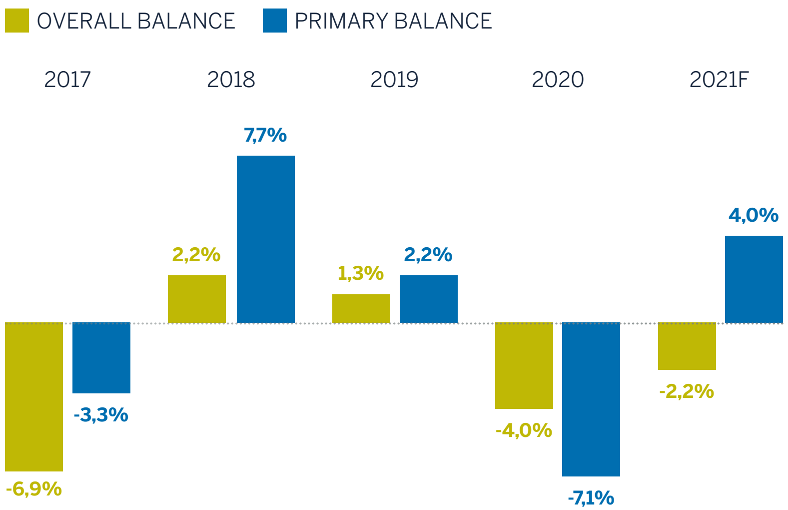
Source: Foundation Report: Proposed State Budget 2021.



TAX FRAMEWORK: OVERALL AND PRIMARY BALANCE

(% OF GDP)

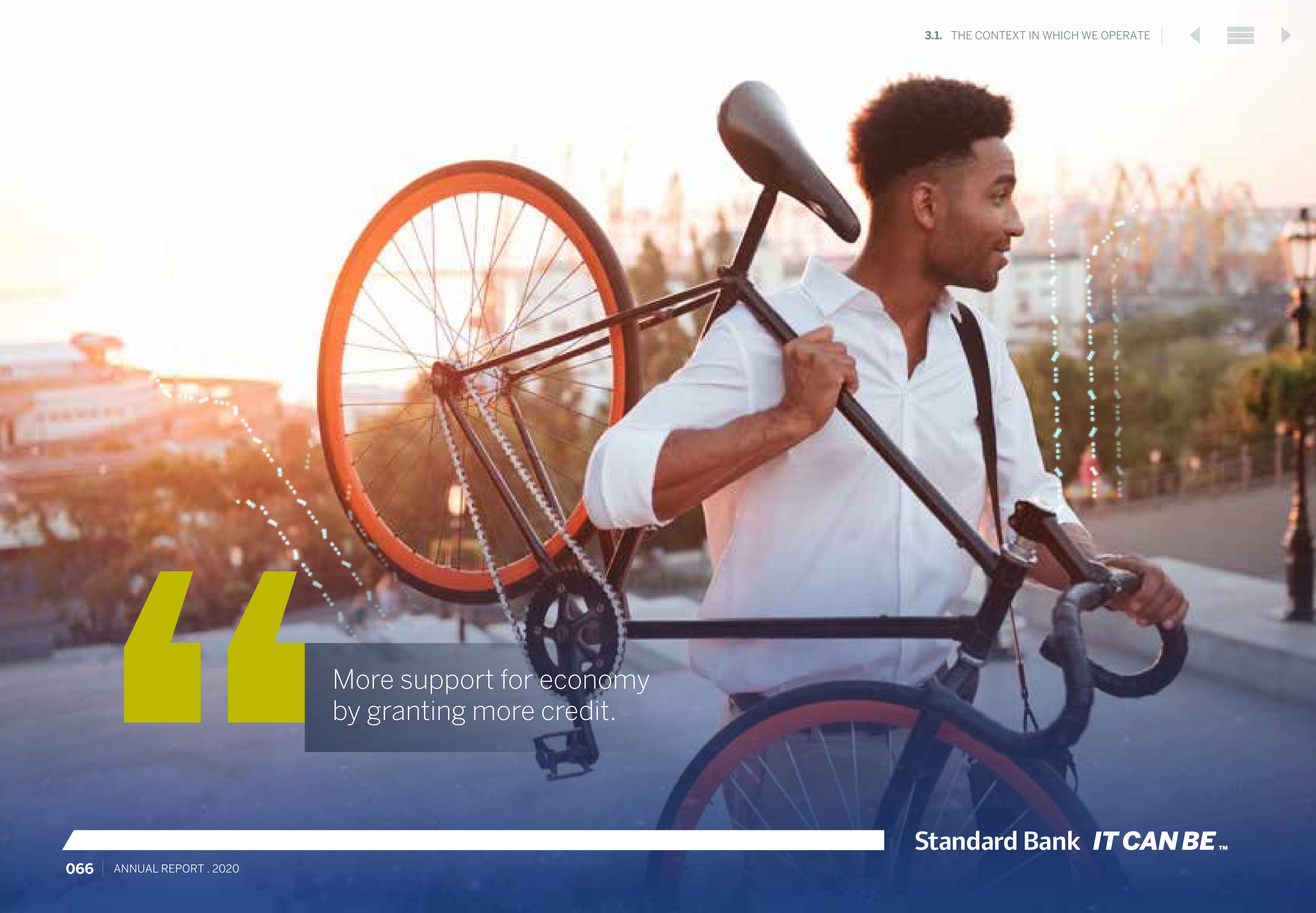
Source: Foundation Report: Proposed State Budget 2021.



In 2020 the Government presented a rectifying Budget in order to accommodate the tax imbalances caused by the pandemic. Thus, the downward trend of the Non-oil Primary deficit that was registered from 2017 to 2019 was interrupted, registering a non- oil primary deficit balance of 7.1% of GDP and an overall deficit balance of 4% of GDP.

For the year 2021, according to the tax projections, available up to the drafting of this report,for the 2021 General State Budget, it is estimated that an overall deficit balance of 2.2% of GDP and a primary surplus balance of 4.0% of GDP will be created, which shows the dimension of the impact of interest on tax expenditure.

In 2020, the dynamics of the debt stock will also have been influenced by the agreements to restructure the debt service profile with the main external creditors, under the Debt Service Suspension Initiative (DSSI), promoted by the G-20, which Angola joined, which led to a reduction in the volume of repayments projected for the year.



More support for economy by granting more credit.

Balance of Payments

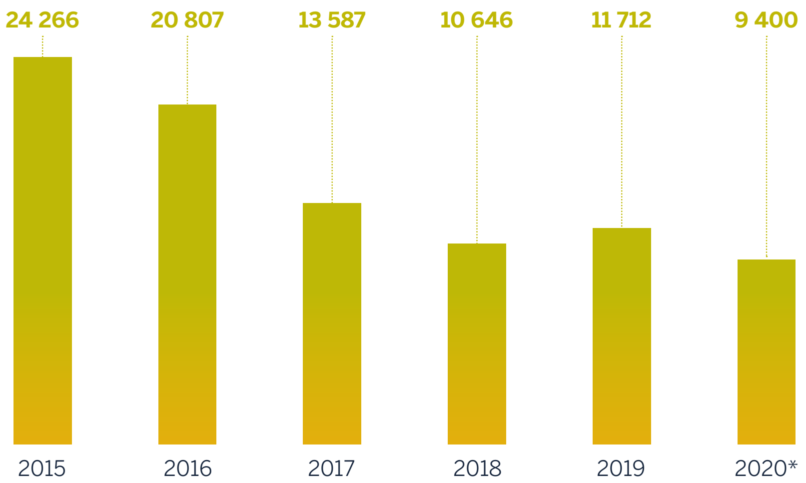
Regarding the objective of achieving external balance, the Executive has directed its work towards to optimize a stability and sustainability of account . The sustainability of the account involves boosting the trade, payments and transfers, so that Net International Reserves (NIR) maintain their appropriate and stable level.

In 2017 and 2018 there were deficit balances in the balance of payments, which led to the consumption of foreign reserves. However, in 2019, the country reversed the trend and accumulated foreign reserves, as a result of the occurrence of a surplus in the balance of payments. This surplus path of the balance of payments continued in the first quarter of 2020.

Nevertheless, due to the adverse international economic context caused by the pandemic, having been declared at the end of the first quarter of 2020, the balance of payments recorded, in the second quarter of 2020, a deficit balance in the order of US$ 1281 million, thus changing the surplus trend that had been registered.

It is important to continue to undertake initiatives that contribute to the maintenance and improvement of the surplus trend of the current account, verified until the first quarter of 2020. As such, the Government should continue the efforts that have been made to attract external financing at levels high enough to meet the needs of the economy, in order to avoid additional pressure on the RIL, since they reached a minimum of USD 9.4 billion in September 2020.

NET INTERNATIONAL RESERVES (MILLIONS OF DOLLARS)



* Preliminary data on September 2020. Source: BNA

Monetary and Exchange Rate

Monetary policy will continue its conservative stance towards resuming the disinflation process of the economy interrupted in 2020 by Covid-19, seeking to ensure liquidity levels in the economy aligned with the pace of growth rate of economic activity, preserving the purchasing power of incomes. In this way, monetary policy will also contribute to macroeconomic stability and to attracting private investment.

The trend of deceleration in the general price level seen in 2018 and 2019 is expected to be interrupted in 2020, reaching a cumulative inflation rate of 25.1% at the end of the period.

The interruption, in 2020, of the trajectory of deceleration of the accumulated inflation rate that had been registered since 2016, may be explained by the adoption of a moderately accommodative monetary policy, as well as by the passthrough effect of the exchange rate, in an environment of falling oil revenues driven by the impact of the pandemic crisis on the oil market, which led to the accumulated depreciation in the year 2020 of the Kwanza against the American Dollar of appreciably 35%, increasing from 482.2 Kwanzas/dollars to 649.6 Kwanzas/dollars.

For 2021, the forecasts indicate an inflation rate of 18.7%, at the end of the period, which reflects the direction of monetary policy, taking into account the objective of macroeconomic stabilisation

It is estimated that the exchange rate will close the year at around 724.7 Kwanzas/dollars.

The Monetary Policy Committee (MPC) announced several measures aimed at stabilizing prices in the economy, including the following:

Maintain the basic interest **rate,** BNA Rate, at 15.5%;

Maintain the interest rate on the marginal lending **facility,** with overnight maturity at 0%;

Reduce the interest rate on the marginal lending facility with a maturity of seven days from 10% to 7%**;**

Activate the marginal lending facility overnight liquidity facility by 100 billion kwanzas renewable quarterly, on a non-cumulative basis, throughout the 2020 financial year;

Introduce the custody fee on the excess liquidity of the commercial banks with the BNA (0.1%), and this measure came into force on 12 August;

Maintain the required reserve coefficient for national currency **at 22%;**

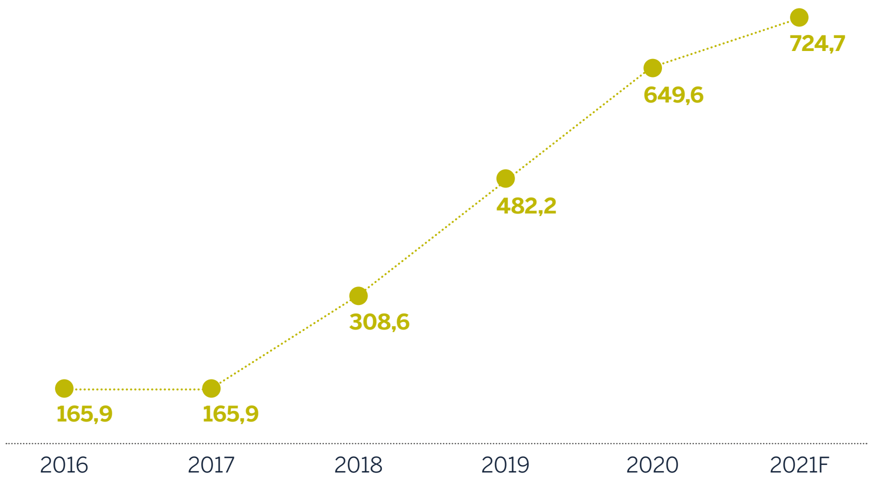
Increase by **two percentage points,** from 15% to 17% the coefficient of reserve requirements for foreign currency currency, with compliance with the the differential in national currency.

However, in view of the achievement of the inflation target and the further exchange rate regime, monetary policy is expected to be tightened from next year onwards, in order to resume the process of disinflation of the economy, a determining factor for economic growth.

Thus, the government and the BNA intend to guarantee the sustainability of external accounts and preserve the gains obtained from the elimination of the overvaluation of the national currency in in relation to the currencies of Angola's trading partners, with a view to ensuring the external competitiveness of the economy.

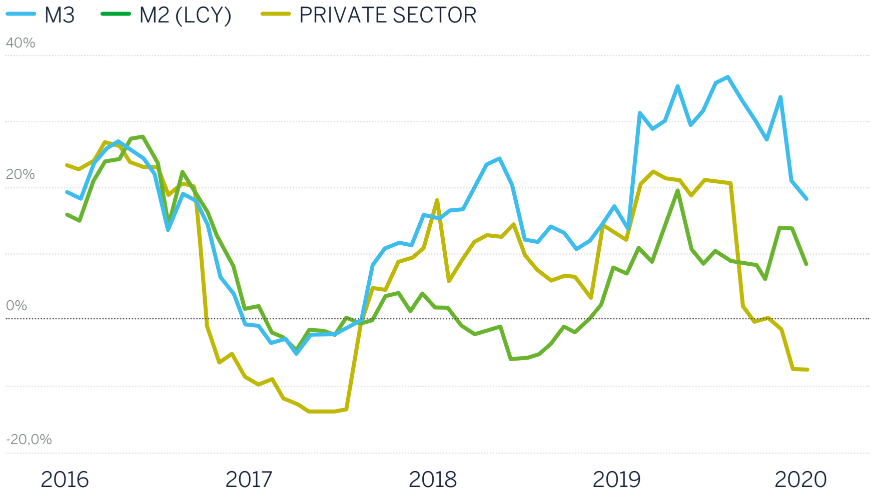
KWANZAS/DOLLAR EXCHANGE RATE

Source: BNA



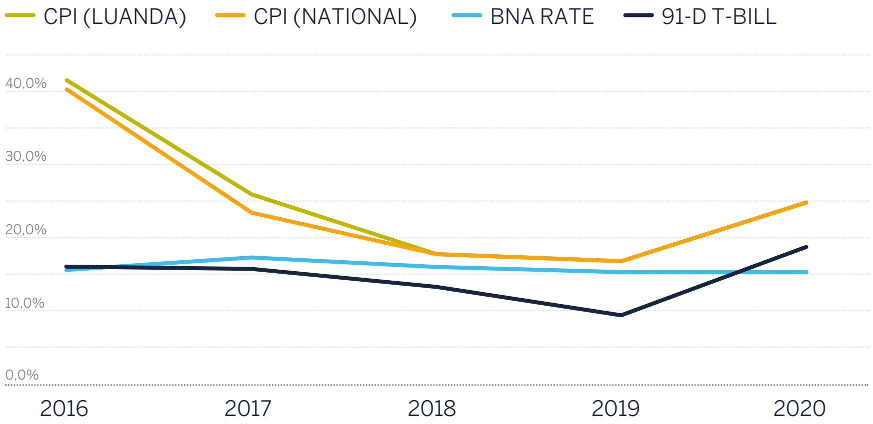
ANNUAL EVOLUTION (%) IN MONETARY AGGREGATES

Source: BNA



INFLATION AND INTEREST RATES (%)

Source: BNA, IMF WEO, Standard Bank Research.



E= ESTIMATE
F = FORECAST

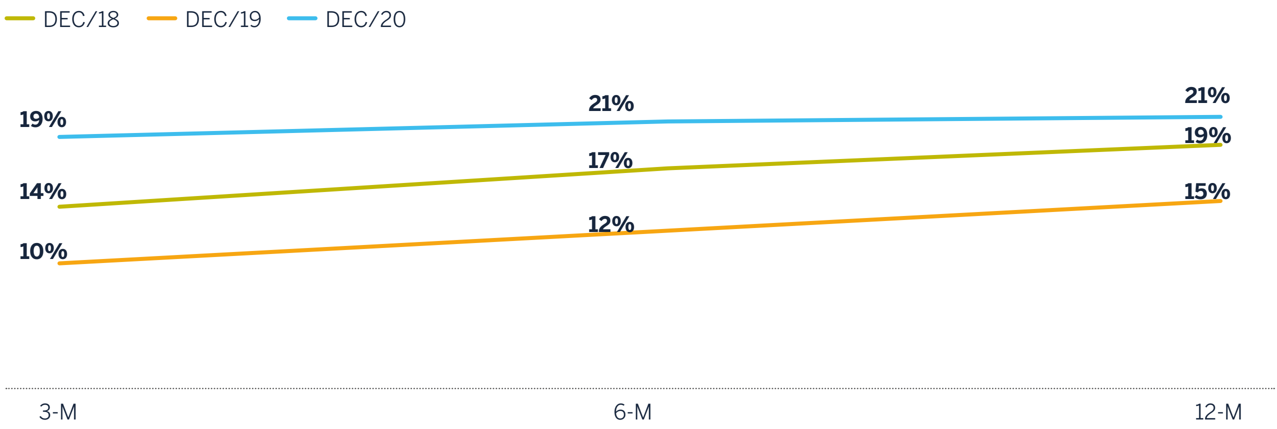
Banco Nacional de Angola maintained the basic interest rate throughout 2020, at 15.5%. The interest rate of the Overnight Standing Liquidity Absorption Facilities has remained zero (0%), since December 2017.

As for the money supply, the headings indicate a decrease in the monetary aggregates M2 and M3 of 8.5% and 18.4%, respectively, year-on-year, until November 2020. This reflects the economic downturn.

Considering the inflation target and the greater flexibility of the exchange rate regime outlined by the Executive, monetary policy should remain restrictive in 2021. However, coordination between monetary and tax policies will be necessary regarding liquidity management. However, coordination between monetary and tax policies concerning liquidity management will be necessary, especially considering the need to stimulate the economy in the post- pandemic period, within the budgetary constraints faced by the Government.

YIELDS EVOLUTION

Source: BNA



With regard to interest rates on public debt securities, in December, Treasury Bills (BT) rose by 5 p.p. for a maturity of 91days, 4 p.p. for a maturity of 182 days and 2 p.p. for a maturity of 364 days, to 19.00, 21.00% and 21%, respectively. Non-adjustable Treasury Bonds (OT) also registered increases, standing at 23.50% (+2.25 p.p.), 22.68% (+0.43 p.p.), 23.51%(+0.26 p.p.) and 23.90% (+0.90 p.p.), for maturities of 1.5 years, 2 years, 3 years and 4 years, respectively.

It should be noted that domestic funding is made up of 29.87% BT and the remainder OT. The latter registered greater incidence in the months of May and June, having reached a total of Kz 235.15 billion during the quarter and Treasury Bills totalling Kz 100.16 billion.

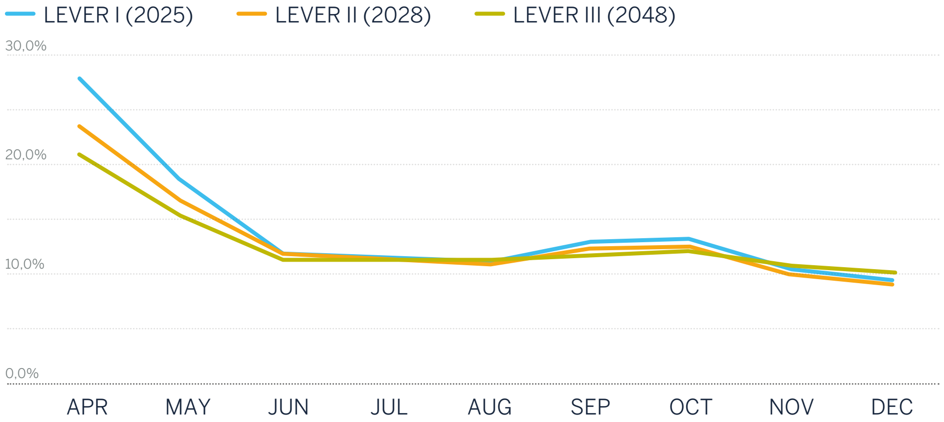
EUROBONDS

The Angolan economy was hit by a triple shock, with the pandemic health crisis, the collapse of oil prices on the international markets and the contraction of oil demand resulting from the contraction of the world economy. These factors were quickly reflected in the increase of Angolan Eurobond yields, with this increase indicating a temporary difficulty in accessing international capital markets. However, they recovered in the second half of 2020, in line with the evolution of the oil market.

It should also be noted that Presidential Dispatch 44/20 of 18th March authorized the issue of an additional US$3 billion in Eurobonds to meet budgetary costs.

YIELDS OF THE EUROBONDS (%)

Source: CMC



> The IMF has revised upwards the global growth projections for 2021.

3.2
THE NUMBERS WE HAVE REACHED

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The Numbers that We have reached

INDICATORS (MILLIONS OF KWANZAS)	2020	2019	VARIATION
TOTAL ASSETS	880 282	606 237	45%
CAPITAL ADEQUACY RATIO	38%	28%	10 p.p.
RETURN ON EQUITY	34%	40%	-6p.p.
LOAN TO DEPOSIT RATIO	20%	21%	-1p.p.
LOANS TO CLIENTS	143 075	93 404	53%
EQUITY	116 982	95 666	22%
CREDIT QUALITY COVERAGE OF IMPAIRMENT FOR CREDIT OVERDUE CREDIT (+90 DAYS) OVER CREDIT GRANTED	2% 1%	2% 1%	0p.p. 0p.p.
DEPOSITS	691 667	432 183	60%
NET INTEREST MARGIN	51 187	39 370	30%
COST-TO-INCOME RATIO	37%	39%	-2p.p.
PROFIT AFTER TAX	36 131	32 128	12%
CLIENTS	36 983	28 228	31%
EMPLOYEES	635	619	3%
POINTS OF REPRESENTATION	26	27	1
ATM'S	57	32	25

3.3 VALUE PROPOSITION

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OUR VALUE PROPOSITION

Following the Group's guidelines, the SBA also stands out for its intrinsic values, fundamentally based on integrity, honesty, transparency and consistency. Our Culture is based on "how we do it", recognizing that "how we do it" is as important as "what we do".

The constant search for optimization of the Bank's operating performance, allows it to leverage the diversification of products offered, as well as the increase in the quality of what we offer, positioning ourselves with a service and a way of acting of rule and excellence.

The successful execution of our business strategy makes our Bank vigorous, capable of creating sustainable value for all our stakeholders over the long term.

Resources Allocation

The Bank applies a formal decision-making structure to optimally implement its resources.

STRATEGY

1. Is the investment or opportunity aligned with our strategy?

2. Does it create value for our Clients and support our ability to deliver integrated financial service offerings?

3. Does it boost Angola's growth?

NO

YES

CAPACITY

Is the investment or opportunity in line with our risk appetite and available resources, and can we deliver it through our expertise, processes and digital platforms?

NO

YES

VALUE

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

NO

YES

The investment or opportunity is evaluated taking into consideration of trade-offs between our resources.

The investment or opportunity will be classified as low priority, subject to a decisions' trade-off or even may not be approved.

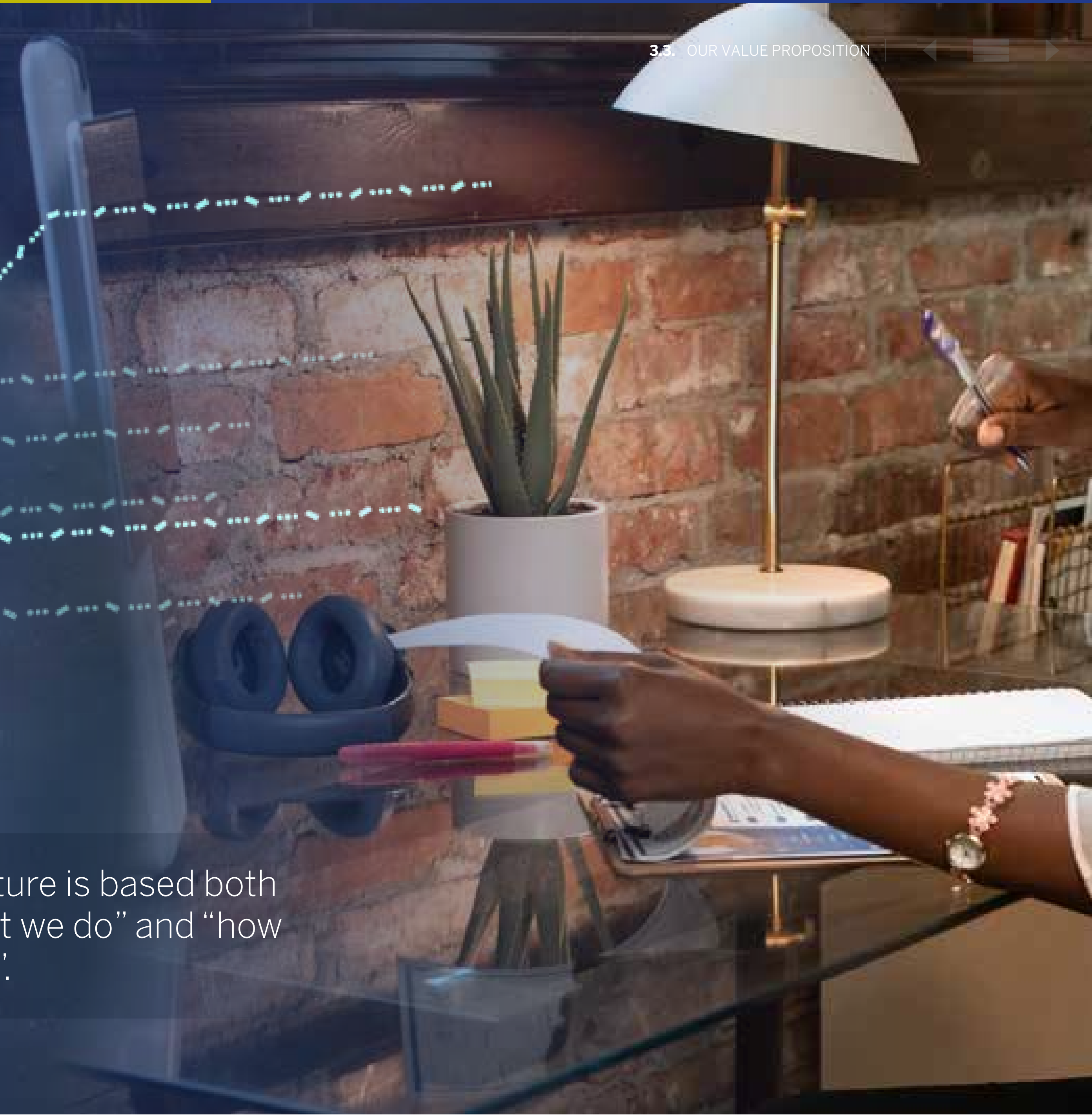
The Value Generated

INCREASING OF THE CLIENT BASE
Growth of our Client base through digital solutions, fostering financial inclusion.

EMPLOYEE TRAINING
Training our most valuable asset, empowering it with skills more suited to the Technological Future.

STRONG CAPITAL AND LIQUIDITY RATIOS
Maintain strong capital and liquidity in order to have the flexibility to manage uncertainty, change and enhance our growth.

SUPPORT DIVERSIFICATION AND GROWTH OF THE ANGOLAN ECONOMY
By providing finance to our Clients to foster diversification and growth of the Angolan economy.



> Our Culture is based both on "what we do" and "how we do it".

3.4
OUR STRATEGY

OUR STRATEGY

Our Strategy its Client oriented, sustained by the purpose of providing simple and relevant solutions, in order to bring added value to our Clients.

The Standard Bank Group is present in several countries, with a wide coverage, with a special focus on Africa, with many Clients and Employees, so it requires a clear focus in order to meet our strategic objectives.

We defined three strategic focuses, the main areas of action, articulating our expectations and aspirations for each one, in 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, who are responsible for their execution.

OUR PURPOSE

The reason why we exist

"Africa is our home, we boost your growth"

OUR VALUES

Our values serve as the basis for the definition of the Bank behavior and qualities

| Being proactive
| Betting on the growth of our people
| Constantly raising the bar
| Teamwork
| Respect among all for everyone
| Meeting our Clients' Needs
| Maintain high levels of integrity

A NOSSA VISÃO

What we aspire to achieve

To be the leader in services to and in Angola and the in African continent , delivering exceptional and value-added Client experiences.

OUR CULTURE

Our purpose, vision, values and approach are in line with our culture.

Our culture comprises characteristics necessary to achieve our strategy and is underpinned by the principle of doing the right business, the right way.

Our Strategic key focus areas

WHAT WE NEED TO RUN OUR STRATEGY

They allow us to direct our efforts, enabling us to prioritize and allocate our resources.

Our Execution Structure

WHEN WE NEED TO EXECUTE

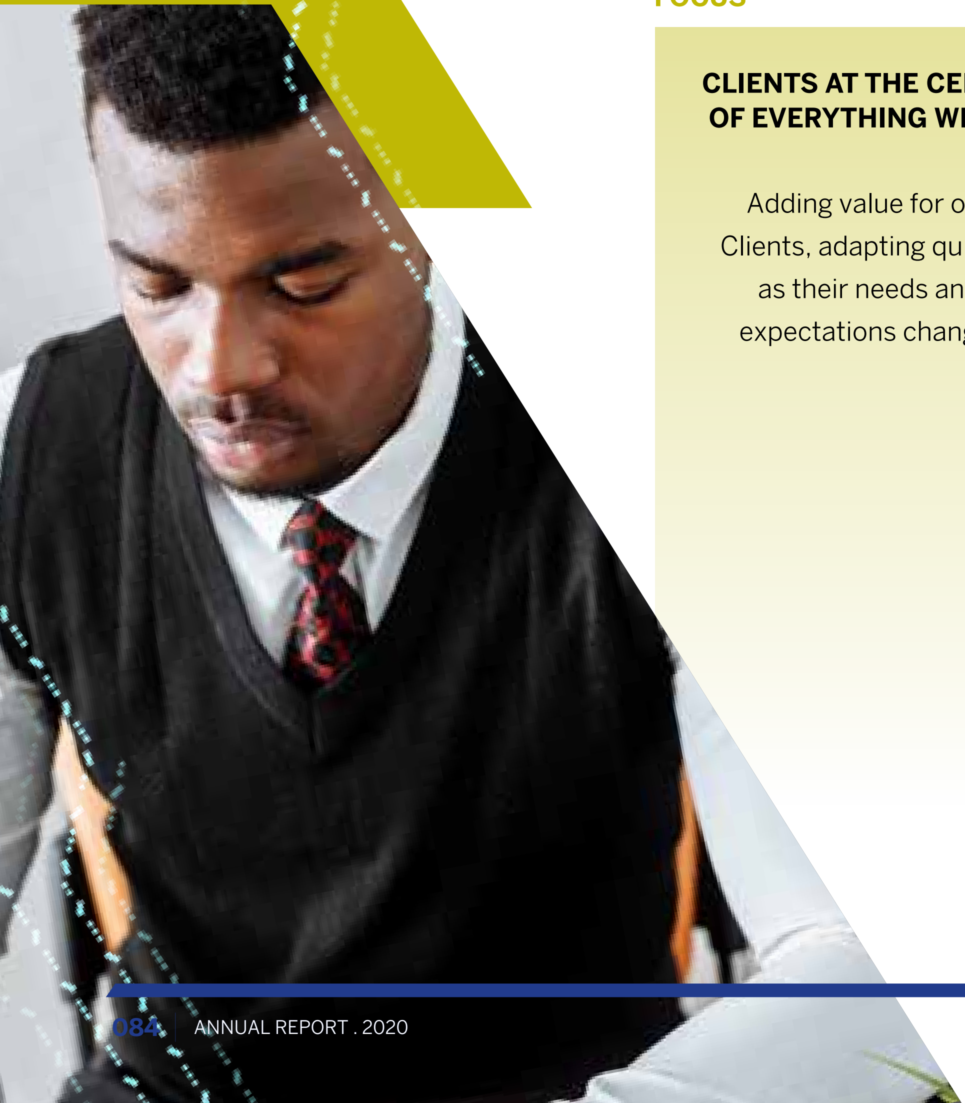
Allows expectations to be set so that lines of business can plan and deliver short-term priorities and medium to long-term aspirations.

Our Strategic value drivers

HOW WE MEASURE THE EXECUTION OF THE STRATEGY

It allows progress against medium-term targets to be measured.

Our Strategic Pillars



CLIENT FOCUS

CLIENTS AT THE CENTRE OF EVERYTHING WE DO.

Adding value for our Clients, adapting quickly as their needs and expectations change.

PEOPLE AND CULTURE

Employee Performance is directly associated with the degree of satisfaction of the Bank's Clients.

THE Employees ARE THE BANK'S MAIN ASSET.

The Bank invests continuously in empowering its workforce, developing skills, creating new opportunities and guaranteeing health and well-being at work.

DIGITALIZATION AND INNOVATION

A greater digital experience for Clients and Employees.

THE DIGITALIZATION OF OUR PRODUCTS AND PROCESSES IMPROVES THE WAY WE SERVE OUR CLIENTS AND Employees.

Digitization makes it possible to create personalized experiences in real time, safe and digitally relevant for Clients and Employees.

CLIENT FOCUS

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

| **Re-imagining** the Client experience

| **Anticipating** Clients' future **needs**

| Promoting **financial inclusion**

PEOPLE AND CULTURE

| The Bank regards its Employees as one of its **most important assets** for the execution of its strategic objectives, recognizing that the training and performance of its Employees are directly linked to the degree of Client satisfaction. These are the following strategic objectives:

| Developing **Angola's future leaders**

| Being an **agile** and constantly learning **organization**

| Digital **DNA**

DIGITALIZATION AND INNOVATION

| Commitment to digitalization **is fundamental to adapt the Bank's best practices, services and products to** an more agile society. This commitment involves developing digital channels and reformulating internal processes, as well as adapting new technologies that challenge the traditional form of relationship between Bank and Client.

| Driving **Digital Transformation** by digitalization of the core to improve operational and Client and Employee experience.

| Diversify the Bank's products, **investing in new disruptive** services, **more evolved** than those offered in traditional banking, in order to increase the probability of retaining Clients

To create differentiating and disruptive **banking services**, integrating players in the market, to provide Clients with end- to-end services in a unique ecosystem

Our Execution Structure

OUTLOOK 1 | SHORT TERM | **MANAGING THE PRESENT 2021**

| Deliver a consistently excellent experience to our Clients;
| Accelerating digitalization to meet Client needs;
| Support the growth of our Employees and prepare them for future skills needs;
| Continue to deliver returns to our shareholders.

OUTLOOK 2 | MEDIUM-TERM | **BEING READY FOR THE FUTURE 2022 - 2025**

| Ensuring that the Client is at the center of everything we do;
| Using digital technology and human labor to offer innovative services and products;
| Remodeling our infrastructure to remain relevant and competitive in the digital age.

OUTLOOK 3 | LONG-TERM | **CREATING THE FUTURE > 2025**

| Being a truly human and digital bank;
| **Truly human:** to provide solutions and opportunities necessary for our Clients and Employees to achieve growth, prosperity and fulfilment;
| **Truly digital:** to be a digital and data-driven organization to better serve our Clients.

Our strategic value drivers

CLIENT FOCUS

- Increase the active Client base;
- Improving Client satisfaction;
- Optimize awareness of the Standard Bank brand in Angola.

To provide an exceptional experience to our Clients by putting them at the center of everything we do.

EMPLOYEES

- Ensure that appropriate succession plans are in place for all key functions;
- Improve Employee satisfaction and increase the % of retention.

Keep Standard Bank of Angola as an attractive place to work.

RISK & CONDUCT

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

Getting the right deals done right

FINANCIAL RESULTS

- Increase Shareholder remuneration and optimize cost management;
- Ensure the sustainability of revenue growth.

Deliver Value to all our stakeholders

ECONOMIC AND SOCIAL ENVIRONMENT

- Contribute to job creation and the development of the entrepreneurial fabric;
- To make a difference in our community, acting with the neediest sections of the population.

Create and maintain an organization based on common values.

AFRICA IS OUR HOME.

As our purpose is "Africa is our home, we drive its growth", our Strategy is therefore Client oriented, based on the purpose of providing simple, relevant and value-adding solutions for our stakeholders.

THE OPERATIONALIZATION OF A STRATEGY

04

Standard Bank IT CAN BE™

4.1 FOCUS ON THE CLIENT

The Bank's main priority is to enable Clients to have a unique and personalized experience by creating solutions centered on their needs and increasingly digital, imagining their experience, anticipating future needs, investing in financial inclusion and digitalization.

CORPORATE AND INVESTMENT BANKING (CIB)

The Corporate and Investment Banking (CIB) Division of the SBA corresponds to the Corporate Investment and Corporate Banking Division.

CIB continues to be seen as an accessible, caring, efficient and empathetic business segment by Clients. The commitment to Clients is reflected daily in every interaction.

CIB develops comprehensive solutions adapted to the specific needs of each transaction and each Client, having a team of professionals specialized in various markets such as Oil and Gas, Energy and Infrastructures, Industry and Retail. It has a strong market position in the Major Companies field and continues to be increasingly closer to the Public Sector, committed to support the Angolan Government programs for the development of the country.

In this challenging period, CIB sailed well helped by its capital position, adequate liquidity, and stable deposit franchise. Several of the initiatives that were implemented during the year, following the strategy defined by the Bank, have helped to achieve a better position in these difficult times. The teams have deliberated, created and executed new strategies and ways of working so that they are adequate and appropriately prepared to get back to on-site work on the return to normality. The CIB remains confident of emerging from the current economic downturn with a much stronger Bank.

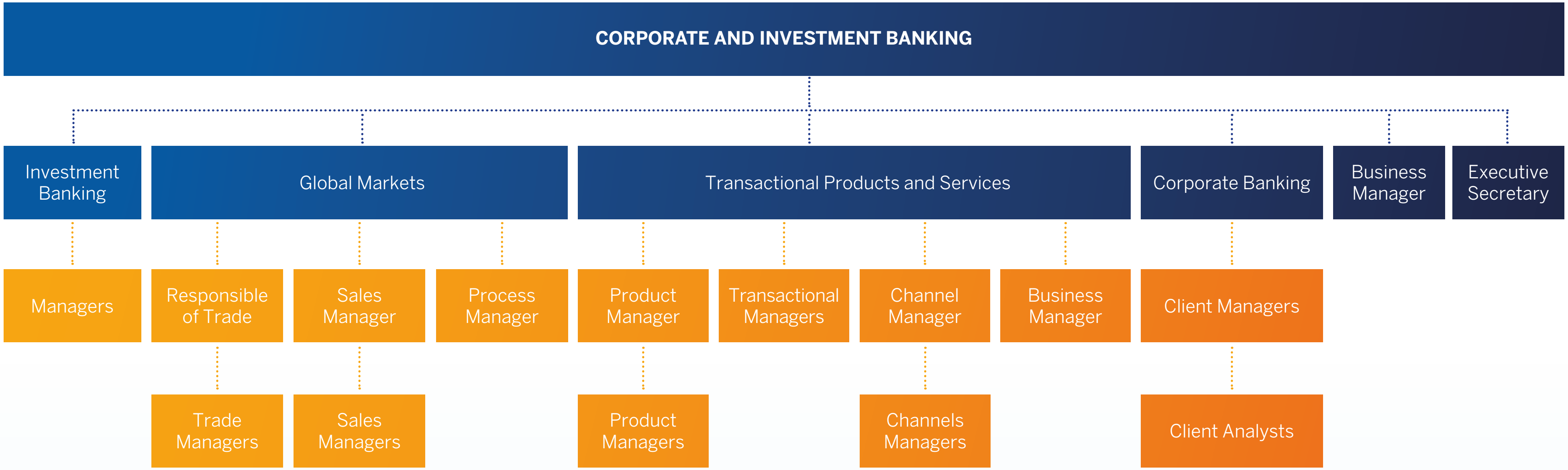
CIB thanks all Employees for their spirit and determination during the ups and downs of 2020. Together we have worked to transform and build a winning Bank. We also thank all our clients and partners for their confidence in our products and services, and their willingness to partner with the SBA in a long-term relationship of growth.

Our success is built upon the success of our Employees, Communities and Environment.

Standard Bank IT CAN BE™

CIB’s Organizational structure

CIB continues to believe that long-term success depends on the advancement of Employees, communities and protecting the environment. The Bank continues to invest in identifying and developing the talents and capabilities of its Employees, increasing transparency and reinforcing a culture of meritocracy, which is based on performance.



CIB Offer

CIB continues to invest in each of the pillars of the defined strategy. It continues to enhance the Client experience through skilled people, innovative products designed according to the needs of its Clients.

CORPORATE BANKING

The Large Corporate Banking Division's mission is to attract and accompany Corporate Clients. The SBA has a team specialized in the various economic markets which, combined with the Group's regional presence and experience credentials, allows it to provide its Clients with extensive knowledge of the market and support the growth of their businesses.

INVESTMENT BANKING

The Investment Banking Division offers its clients a full range of solutions, from operationalizing and underwriting long-term financing to structuring complex and specialized products. Our services include: Structured Finance, Leveraged and Acquisition Finance, Project Finance, Financial Restructuring, Financial Advisory and Corporate Finance, Mergers and Acquisitions, Capital Markets Debt and Real Estate Finance.

The SBA Investment Banking Division offers to its Clients a diversified offer of Consulting and Financing solutions. Employees belonging to this area are specialized in high growth emerging markets high growth emerging markets, acting in mergers and acquisitions, capital restructurings and empowerment and capacity building agreements. Additionally, they participate in Client projects, real estate developments and in obtaining acquisition financing for acquisitions, as well as advising on structuring, setting up, and underwriting capital markets operations.

TRANSACTIONAL BANKING

The Transactional Banking Division offers transactional products and services, which that aim to add value to the business to its Clients' business. Clients have been been gradually using the information provided the SBA to meet their cash management challenges. The Bank strives to continuously introduce solutions that allow better liquidity management, as well as an increasingly more efficient circulation of funds.

GLOBAL MARKETS

The SBA Global Market offers its Clients trading activities, solutions for mitigating exchange and credit risk mitigation solutions and the risk associated with commodities traded on the stock exchange, such as crude oil. The main guidelines of this offer are committed to the formulation of investment strategies adjusted to the risk profile of each Client. The SBA is in a privileged position to provide client-focused treasury services and products, both in standardized and customized products, supported by a solid knowledge of emerging markets, particularly the African markets. Additionally, this Division is responsible for the interaction and execution of orders from orders allocated to the capital markets, typical of trading activities.

The SBA's Global Market provides trading, sales, structuring and risk management solutions for clients across the African continent and in selected financial markets. In addition to foreign exchange, commodities, equity, credit, fixed income and debt instruments, the Bank provides market research, trading services, analysis and new financial products in various asset classes.

The main products and services made available by the CIB are:

CORPORATE AND INVESMENT BANKING

Corporate Banking

- Origination, follow-up and management of the relationship with Clients of large companies

Investment

Financing

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

Advisory

- Company Appraisals
- Mergers & Acquisitions
- Capital Market Debt
- Capital Raisings
- Rating Advisory

Transactional Banking

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

Global Markets

- Foreign exchange spot and forward
- Foreign exchange options
- Banknote Transactions
- Global Market Research
- Public Debt Instrument
  - BT
  - OT indexed and non-indexed
- Indexed Deposits

Products | **Services**

2020 CIB Performance

Despite the adversities, caused by the pandemic context, the CIB segment remained committed to the pillars of the business strategy and quickly adjusted its priorities to meet the challenges of 2020. Thus, the CIB segment achieved positive results, both in terms of banking product and in terms of assets under management, largely driven by the positive performance of the Investment Banking and Global Market areas, as well as greater proximity and team spirit between the business units and the support areas.

The CIB, recorded at the end of 2020, a profit after tax of about 34.6 billion Kwanzas, 9% above the result reported in 2019 despite the negative impact of impairments for credit and the increase in costs resulting from the pandemic situation.

In terms of total assets, there was a 41% increase compared to 2019, standing at 780 904 million Kwanzas. This increase was driven by a better conduct of the process of attracting new business, a greater focus on project execution, better synergy between the business and support areas, and a greater understanding of the Angolan market. Results were also influenced by the government's program to privatize public institutions, the program of letters of credit for the food sector by the National Bank of Angola (BNA) and the Ministry of Commerce, and the implementation of new rules for import of goods and services by the BNA. CIB's return to Shareholders was 78%, in line with the previous year, which reflects the business's capacity to add value to the Bank, from its own resources and its Shareholders' funds. The efficiency ratio stood at 24% at the end of 2020. Despite the 36% increase in operating income, there was a 45% increase in operating costs, increasing the efficiency ratio by 2 p.p. year-on-year. It should be emphasized that, despite of the unexpected and unbudgeted expenses resulting from the resulting from the pandemic, the CIB maintained the costs under control.

CREDIT

Loans granted to CIB Clients in 2020 represented 69% of the Bank's total portfolio, reaching the level of 96,568 million Kwanzas. This amount represents an increase of 49% compared to 2019, mainly justified by the disbursements of approximately 32.326 billion Kwanzas under Notice no. 10/20 of the BNA, evidencing CIB's commitment to its Clients and the Angolan Government, contributing to the growth of the real economy and to Angola's socioeconomic development. Additionally, the granting of a sales mandate under the Angolan Privatization Program contributed to this growth.

On the other hand, in 2020 there was a decrease in bank overdrafts of 36% compared to 2019. Throughout 2020, the CIB area maintained the quality level of the loan portfolio granted, with no overdue loans or Clients in default, which reflects an adequate risk management in line with the Bank's policies and procedures.

As in the previous year, in 2020 the CIB loan portfolio is spread across different sectors of the business fabric. However, there were significant changes in the weight of some activity sectors - the "Oil and Gas" market no longer has the largest weight in the portfolio, with the "Consumer Goods" sector taking this position with 61%, followed by "Industries and Infrastructures" with 18%, "Oil and Gas" with 13% and "Miscellaneous" with 8%.

In 2020, Standard Bank of Angola approved documentary credit operations totaling 45.578 million kwanzas for its Clients in the CIB segment, which is equivalent to an increase of 620% year- on-year.

DEPOSITS

In 2020, the CIB had a total of 419 Clients, which represents an increase of 18% compared to 2019. This growth was possible due to the effort and dedication in attracting new Clients and reactivating existing Clients.

The CIB presented in 2020 a total of 544 462 million Kwanzas in deposits, which represented an increase of 57% compared to 2019. The hard work of the CIB teams, with Clients, was fundamental for the defense and increase in the level of deposits. This increase was also driven by the increased issuance of letters of credit, in the first quarter of 2020, the greater availability of foreign currency, which enabled an increase in cross-border transactions and, consequently, the attraction of deposits, the existing gap between demand and supply of foreign currency in the market and the ability to maintain the liquidity of maturing securities, in the last quarter of the year under review.

The growth in deposits was influenced by the increase in deposits in local currency, cross selling between the Bank's various products and the application in term deposits. Deposits in local currency amounted to a total of 347 552 million Kwanzas, an increase of 111% compared to 2019. The volume of deposits in foreign currency, recorded a total of 196 910 million Kwanzas, corresponding to an increase of 8%, resulting essentially from the devaluation of the national currency.

Demand deposits recorded a 104% increase in 2020, when compared to 2019, totaling Kwanzas 411,015 million, representing 75% of the deposit portfolio. Term deposits recorded a 2% increase compared to 2019, a total of 133 447 million Kwanzas.

LOCAL CURRENCY DEPOSITS

347 552 MILLION KWANZAS

↑ 111%

FOREIGN CURRENCY DEPOSITS

196 910 MILLION KWANZAS

↑ 8%

DEMAND DEPOSITS

411 015 MILLION KWANZAS

↑ 104%

TERM DEPOSITS

133 447 MILLION KWANZAS

↑ 2%

BANK PRODUCT

At the end of 2020, the CIB recorded a banking product of 64,709 million Kwanzas, 35% above that recorded in 2019. This positive evolution occurred due to the increase in securities, increase in loans to Clients and due to foreign exchange results. The foreign exchange results had an increase compared to the previous year as there was an increase in the purchase of foreign currency due to the BNA measure in which Banks can buy directly from the Oil and Gas agents as of January 2020. Another factor that contributed to the growth in operating income was that the SBA had a long position that generated income with the exchange rate devaluation that occurred in the first half of 2020.

These situations combined with the business' capacity to quickly adjust to this new reality, ensuring continuity of commitment to its Clients, the Bank's willingness to support the Government's program to diversify the economy and increase domestic production, the liberalization of the foreign exchange market, allowing commercial banks greater access to foreign currency, and consequently an increase in cross-border operations, the strategic adoption of a long position thus benefiting from the continued devaluation of the local currency throughout the year.

In 2020 the SBA traded a total of USD 3.4 billion as a result of the liberalization of the foreign exchange market.

FOREIGN EXCHANGE AND SECURITIES

The volume of financial assets traded was slightly down on 2019, however we still ended the year among the four banks with the highest volumes traded. We were very interventive with the main stakeholders on issues related to regulation, implementation of new products and of new products and operational issues, always to raise our market to the level of international standards.

In 2020, the Bank maintained an active participation in the promotion of the secondary market, following up on the performance achieved during 2019 by intermediating 68.6 billion Kwanzas of sovereign debt securities, which compares to 96.8 billion Kwanzas of intermediation in 2019.

CAPITAL MARKET

The year 2020 presented economic challenges to which the capital markets sector was no exception. Standard Bank of Angola has been able to demonstrate resilience in the face of adversity, and this is evident in the presence that the Bank has in the capital market, remaining among the four most active members in the Stock Exchange for the fifth consecutive year, based on the volume of financial assets traded. Compared to the same period in the previous year, the amount of transactions carried out on the Stock Exchange by Standard Bank of Angola registered an increase of 51.7%, reaching a total of 231.2 billion Kwanzas, corresponding to a market share of 19.48%.

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

It should be noted that at the end of 2020 there was a 48% reduction in the stock of Debt indexed to the exchange rate, the instrument with the highest volume of transactions

Strategy for 2021 of the CIB

Standard Bank of Angola is ambitious and aims to be the leading Corporate and Investment Bank in Angola and Africa. The strategy is to combine expertise in specialized products, high local intervention capacity and global distribution reach to provide appropriate, customized and relevant solutions to our Clients.

In 2021, we intend to continue investing in the pillars of our strategy:

CLIENT FOCUS

Increase the Client base, create solutions beyond financial services and accelerate opportunities in some sectors of the national economy. Collaborate with the commercial and business segment to capture opportunities from large local companies and support the entire Client value chain in Angola. It is also the objective to distribute business risk efficiently, maintain focus on execution and continue to provide excellent service to our Clients.

PEOPLE AND CULTURE

Leading committed and empowered teams, demonstrating the culture of a winning team culture (courage confidence, "hunger to win"), remaining true to their commitment to their people. Ensure that the performance results of Employees are aligned with the business strategy, taking new work dynamics, including the context of remote working.

DIGITALIZATION AND INNOVATION

To be an efficient and modern institution that simplifies, stabilizes, and eliminates IT architecture risk through system resilience. Continue to prioritize technology and digital initiatives, thus ensuring focus on investments. In 2021 we intend to launch agent banking, thus providing alternatives to our Clients in various banking operations and we will digitalize our Trade process with a view to increasing efficiency in the back-office and improving Client service.

PERSONAL AND BUSINESS BANKING (PBB)

The Personal and Business Banking (PBB) segment, which encompasses retail banking and and small and medium-sized companies, adopted an agile and resilient organizational model to address all the needs of our clients and partners and to create solutions aligned with their creation of solutions aligned with their demands.

In an increasingly strict and disputed market, the capacity to support the Client from a transversal perspective, i.e., supporting their basic financial service needs, but also the more complex ones, which require advice and a more personalized follow-up, becomes a fundamental factor to enable the construction of a sustainable and lasting relationship.

As a benchmark banking financial institution, the SBA has been providing an increasingly wide range of products and services to its Clients (for example: credit, savings, investments, insurance products, counselling, among others) always with the objective of not only attracting new Clients, but also of fundamentally maintaining (and improving) the partnership relationship with them.

Throughout tax 2020, the PBB segment invested in its digital channels by launching a new Internet and Mobile Banking platform (the SB24) that allows, as the most relevant functionality in the initial product launch phase, our Clients to request international transfers from the application itself, for family help or for travel reasons. On the other hand, in terms of Financial Inclusion, it launched the Bank Agents project in order to operationalize a proximity banking model more aligned with the segment of the unbanked and underbanked population, by enabling the execution of transactions more efficiently, simplified access to the products and services offered by the bank, and a user-friendly Client experience.

PBB Organizational Structure

Private Banking

Business Banking

Ecosystem Business Development

Business Development and Client Offer

PBB offer

PBB offers a range of banking services that help people and businesses prosper, living up to our motto "Angola is our home and we empower its growth". Our range includes products and services designed to support commercial, small and medium-sized companies, as well as the public sector and non-governmental organizations across 6 provinces in our country, where we currently have a presence.

PAYMENT METHODS

Issue of debit and credit cards, internet and mobile banking, ATM and Automatic Payment Terminals Automatic Payment Terminals (TPAs) for merchants.

CREDIT PRODUCTS

The SBA continued to finance home loans, car loans, consumer credit, amongst others, structured products and differentiated short term solutions and medium/long term for individuals and companies.

In 2020, the Bank launched an instant credit product called CrediJá. This allows disbursements to be made in three clicks be made available immediately in the Client's account, in a completely completely digital, without any paper and without the need for notarial documents.

In an initial phase, although available only to pre-qualified Clients, we are to initiate a process of massification of supply.

INSURANCE

Short and long-term insurance for individuals (life, health car, travel, property multi-risk and group redundancy protection plans) and companies (collective health transport, asset, property and accidents at work).

SAVINGS

Time deposits and savings accounts for individuals and companies, in national and foreign currency.

In 2020, an innovative product called Swaip & Poupa. Based on the Multicaixa debit card, when used to make a payment at an Automatic Payment Terminal (POS), the Client chooses the amount to save among pre-defined values and this amount is deducted automatically from the current account and credited to the savings account with every use of the card, thus earning interest.

TRANSACTIONAL PRODUCTS

Transactional products for cross-border trade, foreign exchange, payments and liquidity management solutions.

DIGITAL TRANSFORMATION

The year 2020 was the beginning of a new focus for PBB, more centered on the needs of its increasingly demanding Clients in these new times, using technological effective, in terms of response and efficient in terms of cost optimization.

Considering the pandemic scenario, the change of habits and behaviors of society forced an additional effort so that businesses, in addition to are able to continue to adequately serve their Clients in this new context, they had to reinvent themselves completely and guarantee their sustainability.

In this scenario, the process of Digital Transformation process if as absolutely essential for institutions to be able to react quickly to a new paradigm of social distance, work-from-home and remote interactions, all this from of the comforts of home, but safeguarding the same level of execution and delivery of products and services.

In the SBA this process is synonymous with defining the journey of digital transformation focusing on Client centric solutions and business scalability, guaranteeing alignment with the Group's general objectives, and the adopted technology standards.

This process also aims to guide and monitor all operationalization features and essential cultural changes in every step of this digital transformation.

CLIENT EXPERIENCE

In line with one of its main pillars of action, the SBA continued its strategy of putting the Client first by using a number of instruments, such as: reports of complaints made, interactions with our representatives who interact directly with Clients and some satisfaction surveys.

The compilation and analysis, both quantitative and qualitative, of data collected above enables two main objectives to be achieved: understanding whether what is being done is in line with Client needs and aligning objectives accordingly; providing new ideas and paths that can be taken in order to enrich the catalog of products and services, with the addition of a truly innovative new offering.

Another part of the process of improving the Client experience has to do with defining Client journeys, a methodology that allows us to get to know better who the SBA Client really is, what their socio-cultural characteristics are and what their needs are. This work allows us, above all, to segment Clients through some metrics that then allow us to design an offer of products and services that actually meet their needs. Finally, by mapping the Client's entire journey, from the moment their need appears until the moment it is fully satisfied by our offer, this also allows us to identify new business opportunities, with new partners, within an ecosystem concept where there are always multiple interactions between various stakeholders that can be monetized by the Bank.

BANKING AGENTS

Angola has around 32 million inhabitants and banking is estimated to reach 40 percent of the country's adult population, with 1,500 bank branches across the country that are supported by a network of 3,000 ATMs and 65,500 POS's.

These figures show a challenging scenario for the expansion of the commercial network of Banking Financial Institutions, which need to understand the habits of the population in the different provinces as well as find the best way to communicate with their potential Clients.

In tune with the recent BNA's initiatives and Angolan Government's efforts, there is an increasingly pressing need for banks to invest in Banking Agents' networks. They are networks that make it possible to leverage other institutions' existing representation points, transforming them into representatives of the financial system.

This process, roughly speaking, allows banks to exponentially increase their points of representation, leading to a more democratised access to the traditional financial system. This way, it's possible to offer products and services in places closer to the Client's daily routine without the heavy institutional image that conventional bank agencies transmit to a more informal and not so financially literate public.

Recognizing the relevance of this process for society and fully committed to creating a disruptive concept, the PBB began, in 2020, the process of designing and implementing its network of Banking Agents, the "Ponto Azul" (Blue Point). With a simple premise, the strategy allied to this initiative will be focused on two main pillars:

- **Increase in the points of representation** in all the provinces of the country, in order to create a brand brand that is recognized, available, convenient and close to Clients, so that going to the bank is aquick and uncomplicated experience.

- **Adequate offer of products and services,** designed to serve the interests and needs of a segment which, for the most part will be the first contact with the banking system, so that simple simple products with adequate commissioning are required.

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

PLATFORM STRATEGY

The pipeline business model, centered on building an offer around a product which is then marketed, although successful and fundamental in the more than 150 years of history of the Standard Bank Group, is now facing new challenges as Clients seek to interact with their institutions at any time and in any place.

Allied to an increasingly VUCA (or VICA in Portuguese - Volatile, Uncertain, Complex and Ambiguous) world, this business model brings challenges for institutions to be able to adapt to these new times, in a fast, agile and aligned with Clients' interests, not to mention the enormous costs associated with the imperative of scaling the support structures so that they can sustain the increase in Clients, in order to maintain the quality of service.

To better serve our Clients, the Standard Bank Group is currently moving to a platform business model, which places the Client at the heart of the business and allows him/her to become not only a consumer of the financial services offered by the bank, but also a service provider (both financial and even non-financial), creating more added value, within a concept of economy of scale, creating a new ecosystem that is very appealing to other partners and those interested in taking part, thus allowing the Bank to monetize these new interactions that are created without there being a great effort to build support structures, since producers and consumers become responsible for guaranteeing the quality of these transactions, with the bank playing only the role of mediator.

The most visible component of this new strategy is the Bank's new digital channel, the SB24, which in an initial phase is revealed as the new internet and mobile banking offer, however in the future is intended to move into the role of the Client's focal point of contact with the Bank, where the Client may have access, both as consumer and supplier, to an offer of financial and non-financial products and services, fully integrated with the Bank's network of partners and with a user experience designed around the needs and feedback of the Clients.

DIGITAL CHANNELS

The role of the conventional bank branch is undergoing a moment of transformation, as with the new reality technological solutions are more valued.

This transition, as well as the arising of fintechs - new technology companies with a financial nature, young, agile and without the weight of legacy systems, which specialize in offering a user experience completely different from that offered by banks, where simply and immediately the consumer has access to an interface that "talks to him" - creates a new paradigm where banks are being forced to offer new digital channels that are easy to use, remote and accessible at any time, without the limitations imposed by legacy systems and day- closing processes that make the channels unavailable.

In this context, Standard Bank is investing heavily in its digital channels, improving existing ones and adopting new ones:

- **ATM:** in 2020 the SBA proceeded to install 25 ATMs, a clear commitment of the Bank to be closer to the Clients and to mitigate the current difficulties that the population (bank- and unbanked) are feeling when using this channel, which is clearly under-represented in the country;

- **SB24:** New generation of internet and mobile banking channels, lived in November 2020, marks the beginning of digital channels that are simpler and more accessible remotely at any time and in any place;

- **Cash Deposit Machines (CDM):** Cash deposit machines represent our effort on the diversification of digital channels, allowing one of the most common operations carried out in the Bank's agency to be automated and offered in a self-service format.

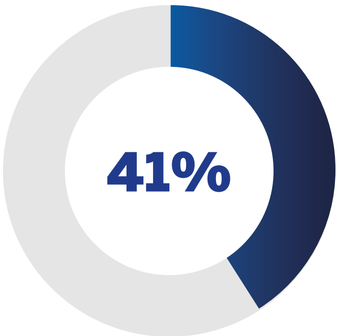
This a moment of transformation in which we are investing strongly in digital channels.

2020 PBB performance

In 2020, the PBB proved to be resilient and irreducible, recording a 41% year-on- year growth in net operating income, substantially driven by the 188% increase in net interest income, as a direct result of the increase in the Client Credit portfolio.

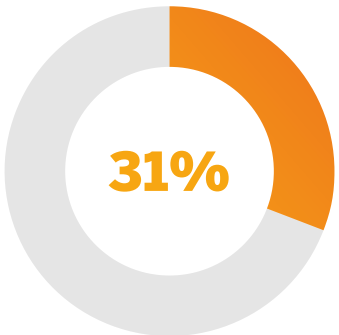
The overall performance of the SBA's Net Promoter Score (NPS), the metric that measures Client satisfaction levels towards the SBA, has been steadily increasing year on year due to our focus on Clients' experience strategy. In 2020 an increase of 12 points was then observed, reaching a positive NPS of 23.

GROWTH IN OPERATING INCOME



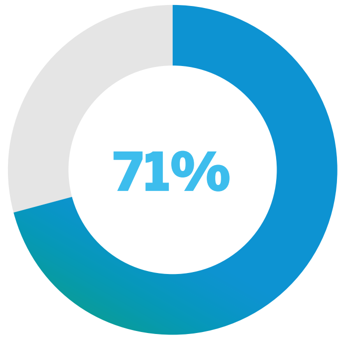
18 720
Million of Kwanzas

INCREASE IN ACTIVE CLIENTS



36 564
Active Clients

GROWTH IN CLIENTS' DEPOSITS



147 206
Millions of Kwanzas

CREDIT

The PBB seeks to support the promotion of the national economy and improve the quality of people's lives through the granting of credit. This support has been cross to all sectors and companies, with special emphasis on to small and medium-sized enterprises in agriculture, livestock breeding, fisheries, and the production of essential goods.

Based on its Client-focused strategy, PBB provides both basic and and more complex financial solutions, which require a higher degree a higher degree of expertise and personalized advice, which is crucial to building a lasting relationship between the Bank and its Clients.

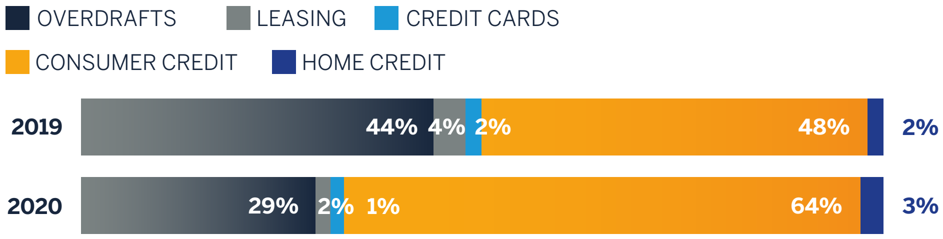
The PBB increased net credit substantially, by 64% year-on-year. In the range of credit products offered by the Bank, for the second consecutive year, there was an exponential increase in consumer credit (+100%), evidencing the sustained focus on fostering the national economy and without neglecting the Notice no. 10/20 of the BNA.

The excellent performance, both in terms of deposits and credit granted, allowed the transformation ratio to remain at 30%.

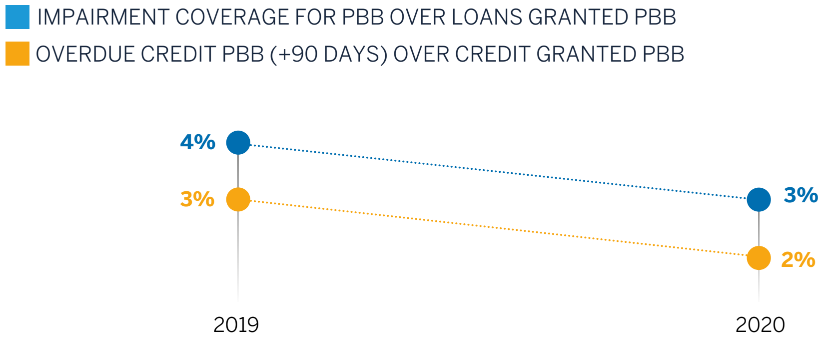
The levels of credit default (+90 days) were stable, with a rate of around 2%, well below the market benchmark which is above 15%, once again demonstrating the rigor and selectivity in what credit granting is concerned.

CREDIT BY CLIENT SEGMENT (MILLIONS OF KWANZAS)

EVOLUTION OF CREDIT PRODUCTS (IN %)

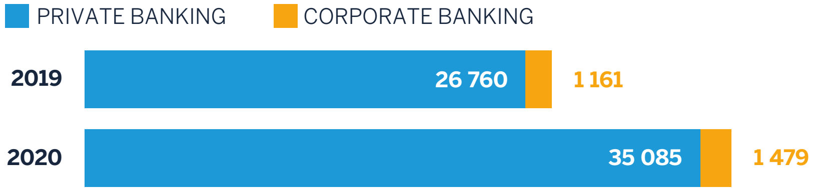


QUALITY OF THE LOAN PORTFOLIO (IN %)



DEPOSITS

The Client base of the PBB segment recorded a 31% growth in the number of active Clients, which increased from 27 921 Clients in 2019 to a total of 36 564 Clients in 2020. This increase is a true translation of the trust that our Clients place in the Standard Bank brand, as well as the excellence of the services provided by our most valuable asset - our Employees.



In 2020, Client resource-taking totaled 147.206 million Kwanzas, an increase of 71% over the same period last year, which demonstrates the market's confidence in the solidity and rigor of our Financial Institution.

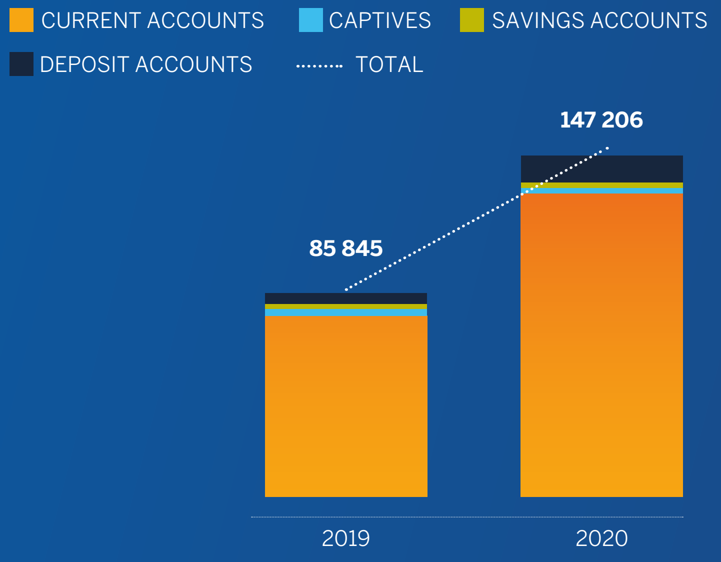
The PBB continued its policy of diversifying its product offer and presenting an increasingly competitive price list. The increase in Client resources was intrinsically associated with the increase in the active Client base, strategies for retaining and protecting these resources with attractive rates, increased offer of products, without neglecting the impact of the currency devaluation on foreign currency deposits.

The Bank continues to have an important presence in the Angolan business fabric. Despite the impacts of the pandemic, in the Corporate Clients segment (small, medium and others), the SBA continues to position itself as a strategic partner, driving greater involvement with Corporate Clients, registering a 36% increase in the volume of deposits, which represents 53% of total PBB deposits.

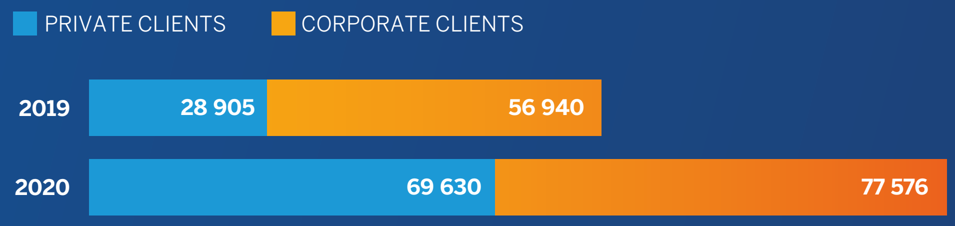
Client resources in the individual Clients segment stood at 69 630 million Kwanzas - an increase of more than 100% year-on-year, thus reducing the concentration of the corporate segment from 66% in 2019 to 53% in 2020. To this end, the major investment in digitalization, in qualified service through our various service points, in the offer of products aligned with the needs of our Clients and in an ever-greater commitment to financial inclusion.

Regarding the distribution of the deposits obtained according to the currency contracted, the concentration of deposits in local currency continued, representing 65% of the total portfolio, an increase of 5.6 percentage points year-on-year. The net amount of deposits in foreign currency reached 51 690 million Kwanzas, an increase of 37% compared to 2019. It should be noted that the SBA maintains its commitment to move its Clients' foreign currency accounts, without any restriction, provided that compliance with the law and the regulations in force is verified.

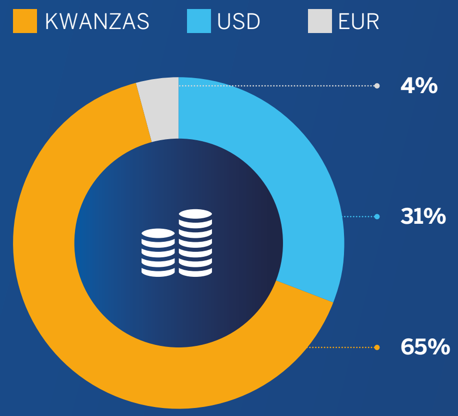
DEPOSITS BY PRODUCT (MILLIONS OF KWANZAS)



DEPOSITS BY TYPE OF CLIENT (MILLIONS OF KWANZAS)



DEPOSITS BY CURRENCY



Standard Bank IT CAN BE™

CARDS, ATMS AND TPAS

The increase in the Client base in itself is the representation of our Clients' confidence in our brand and the excellence of theservicesweofferand which,consequently,contributed to an increase in the number of active cards, ATMs and POSs in Angola.

There was a growth of 26% in the total number of active cards (debit and credit) grew 26% in comparison with the year on year, to 41,084.

Active debit cards grew by 30%, ending the year with a total of 38,429 active cards. As a result of this increase, the penetration rate (number of active debit cards cards per number of active cards) stood at 94%.

At the same time, the number of active credit cards decreased by 17% compared to the same period the previous year.

About the number of active POSs, there was a 68% increase, and the average daily number of operations carried out through POSs increased by 27%, as a result of the increasing use of these terminals by Clients and the business focus on this kind of product.

In 2020, 57 ATMs remained operational, with there was an increase of 25 ATMs compared to 2019.

IN 2020

41 084
Active Cards

2 398
POSs

38 429
Active Debit Cards

57
ATM's

2 655
Active Credit Cards

97,6%
Operational Indicator

94%
Debit Card Penetration Rate

7,5%
Down- time for lack of money bills

The increase in the Clients base reflects our Clients' confidence in our brand.

Standard Bank IT CAN BE™

PBB Distribution channels

The SBA continues to ensure that the products and services that constitute its value proposal are made available to its Clients, not only through digital channels, but also through a branch network distributed throughout Angolan territory.

At this level, the Bank is committed to promoting its products in a simple, transparent and close way, offering an excellent service and reinforcing the preference of its Clients.

MAIN CHANNELS

SBA is present in 6 provinces (Luanda, Cabinda, Namibe, Huíla, Benguela and Huambo), with a commercial network made up of 24 physical channels:

- 18 Agencies (decrease of 1 agency compared to 2019)
- 3 company centers
- 1 service post (decrease of 2 posts compared to 2019)
- 2 private suite

ADDITIONAL CHANNELS

To complement the physical network, the SBA (and the PBB segment in particular) also provides its Clients with Client Contact Centre (CCC) services, On-line SMEs and has initiated the Banking Agent project.

> Our performance comes from our strategy, but it is fundamentally **the way we execute it** that differentiates us from other Financial Institutions.

CLIENT CONTACT CENTRE (CCC)

The SBA provides a Client Service line, the main objective of which is to bring the Bank closer to its Clients by providing information on the Bank's products and services, responding to the needs and clarifications arising from their daily banking operations and analyzing any complaints. In 2020 the Client Contact Centre incorporated the Outbound capacity with the aim of further improving the experience and quality of service that we provide to our Clients.

42 148
Calls received in 2020

2019: 32 104

87%
Effectiveness rate in 2020

2019: 93%

18 176
Emails received in 2020

93%
Client satisfaction rate in 2020

throughout the 2020 financial year, the SBA answered several calls and e-mails from its Clients and potential Clients, having registered an increase in the number of calls received of about 24%. This increase is fundamentally explained by an increasingly robust Client base, but also by a set of potential Clients increasingly interested in the range of products and services that the SBA offers.

PME ON-LINE

As a complement to the Client Contact Center (CCC) and to offer a more personalized service to the Small and Medium Enterprises segment, PME On-line is a single point of contact, accessible by telephone and e-mail.

The banking professionals involved in this service facilitate account opening, advise on investment solutions, facilitate transactions, provide payment and receipt options, advise on insurance solutions and ensure the processing of various requests.

This service is characterized by its:

CONVENIENCE

- Banking professionals accessible through phone and e-mail
- Resolution of miscellaneous requests and feedback on real time and without the need for the Client to visit a branch

SIMPLICITY

- Requests and banking services performed by telephone and e-mail
- Easy and fast contact with the bank manager

PROFESSIONAL ADVICE

- Banking professionals who provide advising to Clients on banking products and services and solutions that meet their needs

Bank statements via e-mail

Information on account balances

Account **activation**

Registration on digital banking platforms and mobile Banking

Password unlocking in electronic banking

Data Confirmations and letter of good repute

Application for a debit card

Cheque **Request**

Data **Update**

Resolution of requests various

We seek to build long-term relationships and offer innovative solutions.

Standard Bank IT CAN BE™

2021 PBB Strategy

The PBB strategy segment is based on the execution of a business model that always puts the Client first, seeking to build long-term relationships and offer innovative solutions that add value both to the private lives of our Clients and to the constitution and growth of their businesses.

We prioritize the quality of the service provided to our Clients, and ongoing investment in the training of our teams, through customized training programs that cover everything from leadership and communication skills to technical and behavioral skills.

In addition, we have invested significantly in electronic channels for our Clients,to allow a more efficient dynamic in the transactions carried out with their preferred financial institution and to make available to them more agile and simplified products and services, appropriate to the urgency and speed that characterize the daily life of people and companies.

CLIENT FOCUS

Understanding Client needs and offering a service of excellence that guarantees quality and satisfaction will continue to be the vectors of activity in 2021. The Bank will continue to build and redesign processes, products and channels that add value to our clients to meet their needs.

For this reason, in 2021 we will be continuing projects such as the Bank Agents (Blue Point) to be closer to our Clients. We will also have our first digital branch and we intend to present to the market a renewal of our business model by adopting a Platform concept.

This work allows us to better serve our our Clients, adding value to everyone from retail banking to commercial banking.

The Bank will continue to develop its relationship with its Clients, looking at the its ecosystems aiming at gaining a better understanding of their entire Value Chain to be able to offer effective solutions and financial advice tailored to to Clients' needs.

Looking at ecosystems, both Individual Clients and Corporate Clients, will help in the growth of our Client base and in the mastery of their real needs and identification of new business. This will allow us to connect Clients and partners in a way that will give rise to new opportunities within our network, provide a means to execute transactions and receive payments, and enable a continuous improvement process, closer to Clients.

To be able to serve our Clients with excellence

PEOPLE AND CULTURE

and efficiency, SBA Employees need to be fully engaged with vision and strategy of the entire organization, collaborating organization, collaborating and working in multidisciplinary teams.

The Bank continues to invest consistently in consistently invests in the development and training of its Employees, providing training programs for its teams.

In 2021 we want to be a more digital and agile bank. For this reason we offer several learning tools to our Employees to facilitate their personal and professional development, thus stimulating a learning culture.

We want our SBA Employees to be the best bank managers/technicians in the market.

DIGITALIZATION AND INNOVATION

The improvement of the Bank's internal systems and processes, together with the development and maintenance of new platforms that aggregate internet banking services, mobile banking and mobile money will continue to merit the Bank's attention throughout 2021.

With Clients presenting a DNA increasingly geared towards innovation and digitalization, this new dynamic will certainly play a key role in the Bank's positioning and results.

Our commitment is to continue to provide innovative financial solutions to our clients to be the main digital bank in Angola.

More than a bank, we are an organization focused on serving our Clients.

Standard Bank IT CAN BE™

WHAT HAVE WE DONE FOR OUR CLIENTS?

We are a financial services organization in transition to become a digital platform services organization. That means we need to serve our Clients with a new perspective.

We must be where our Clients are, on the digital platforms where they buy, socialize and do business. We must play a bigger role in our Clients' lives, putting them at the center of how we structure ourselves - walking alongside them and providing the solutions they need beyond traditional banking, insurance and asset management.

Main 2020 Campaigns and Events

CHANGE OF THE OFFICIAL TAGLINE FROM "MOVING FORWARD " TO "IT IS POSSIBLE"

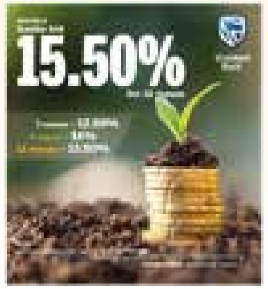
In recent times, we have moved forward, facing challenges and achieving successes. And it was this path that showed us that there are no impossibilities. The ability to fight for what we believe in has allowed us to build a future for all of us where dreams become reality and where ideas become projects, making the (our) world change, in a positive way. This is Standard Bank's capacity for transformation that we transmit to everyone with our new signature: **It is possible.**

ACCOUNT EASY SAVINGS

With the aim of encouraging savings, we promoted the "Poupança Fácil" (Easy Saving) account from 50,000kz for private Clients and 1,000,000kz for companies with an interest rate from 5.4% on a 15-day deposit to 14.4% in 1 year.

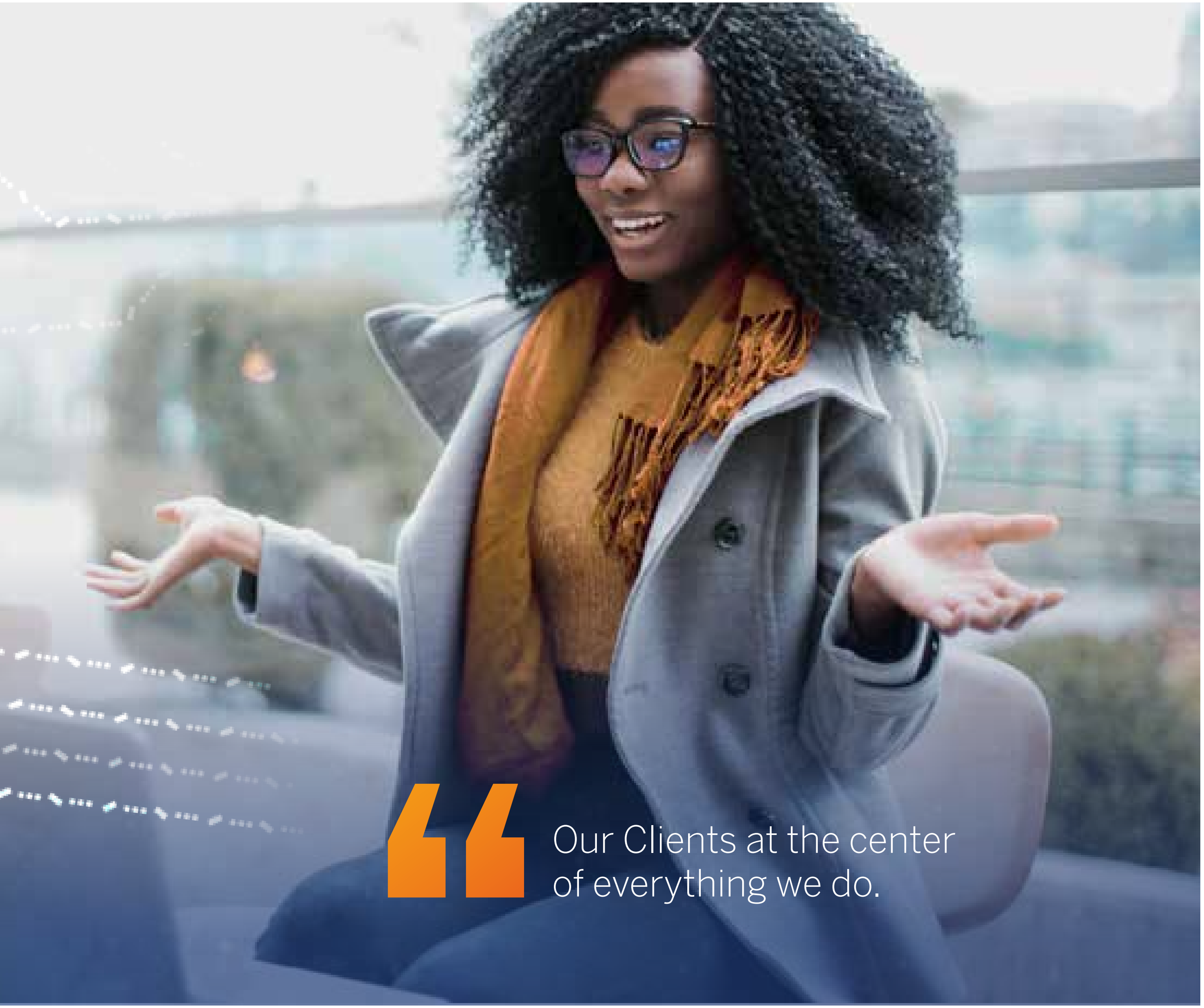
SPECIAL CREDIT CARD CARNIVAL

For the 2020 Carnival season we offered a bonus on the Credit Card limit for all Clients. You have up to 750 000Kz available on the Visa Gold Credit Card and 1 200 000Kz for the Visa Platinum Credit Card to use abroad in February and March.



DEPOSIT CAMPAIGN DEPOSIT 15.50%

In the context of the pandemic at that time, there was a decrease in the movements made by Clients. In order to help them to capitalize on the unused funds, we created a campaign for a term deposit with a minimum value of 300,000Kz with an interest rate of up to 15.5% and flexibility as to the period of maturity of the deposit between 3, 6 or 12 months.



CREDIT IN 3 CLICKSS

"CrediJá" (CreditNow) is a fast credit solution to help in personal emergencies, take advantage of special offers, unexpected health expenses, hosting unplanned party or other emergent expenses. Online subscription: no need to go to the Branch. The desired amount is deposited immediately; Does not involve filling in paperwork; no need to provide proof for its purpose. Loan period is flexible from 1 to 12 months maximum; No mandatory wage domiciliation.

WAGE PROTECTION

Because we know that the future is uncertain, we have created insurance to safeguard our Clients' tomorrows. Wage Protection Insurance guarantees the insured person's income in the event of death or involuntary redundancy.

SWIFT GPI

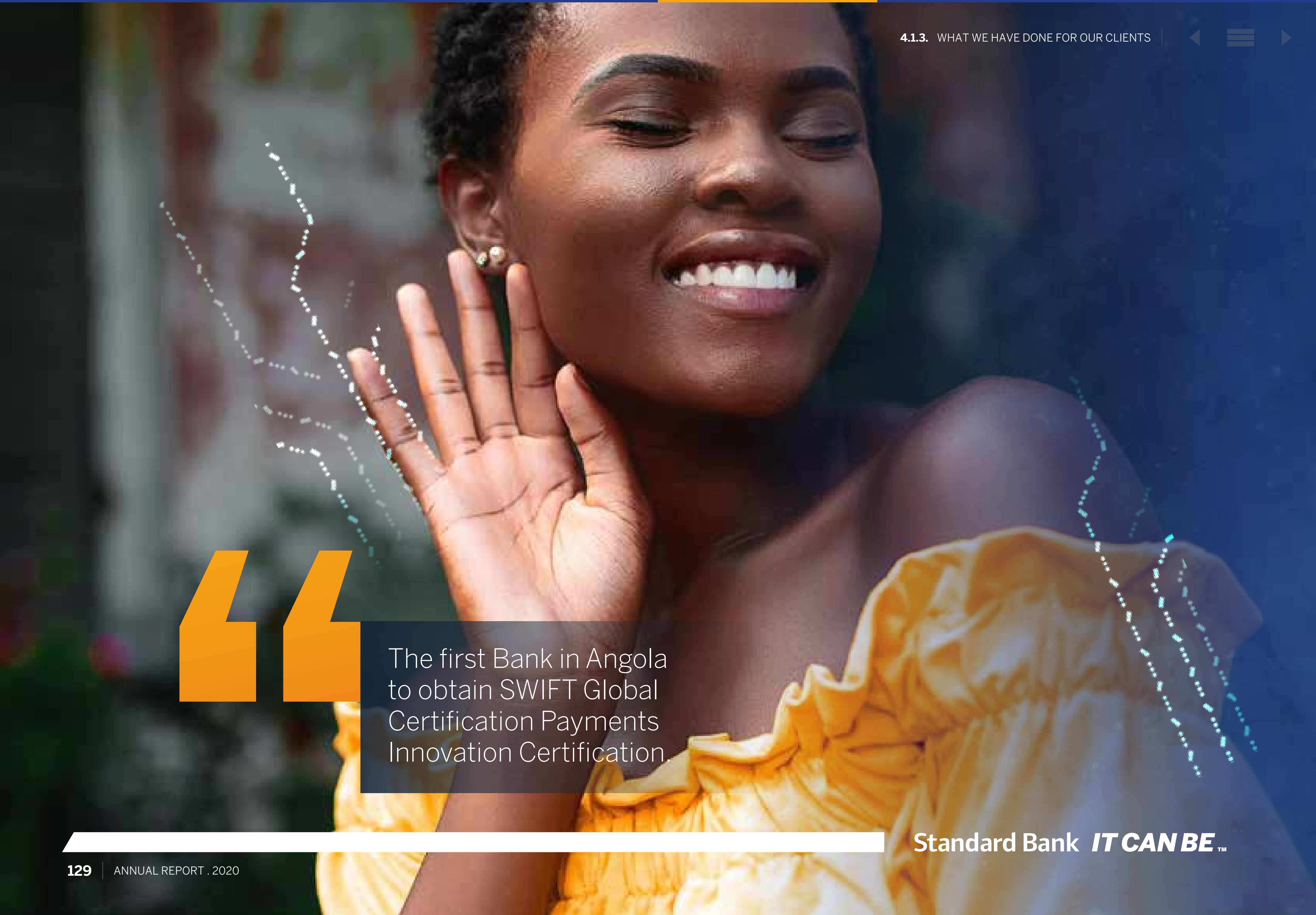
We are the first bank in the Angolan market to obtain SWIFT Global Payments Innovation (GPI) Certification and to be certified as a GPI Member. We guarantee greater security, transparency and speed in local and international payments without compromising compliance obligations and market, credit and liquidity risk requirements. What are the benefits for Clients? Increased security and transparency regarding local and international payments, thus improving the Client Service experience. GPI allows for faster payments; through the usage of GPI Tracker, our Operations team is able to ensure that payment requests are resolved on the same day.

CREDIT CARD CAMPAIGN

In order to promote the domestic use of the credit card, we developed several communications to reinforce consumption moments for this product, as well as the possibility of using the card in TPA in Angola.

CHRISTMAS TERM DEPOSIT CAMPAIGN

The Christmas Term Deposit campaign offers the chance to win various prizes, including a Toyota Avanza 0km car, 1 Smart Tv Samsung Led 49", 1 IPhone X 256gb, several vouchers for supermarket purchases and a 16.5% interest rate. To participate it would be necessary to make a term deposit, with a minimum value of 550.000kz or more to compete for the 1st prize (the Toyota avanza car) or with a minimum value of 50.000kz to compete for the remaining prizes. The competition was valid until 31.01.21 and the draw for the prizes is scheduled for May 2021.



> The first Bank in Angola to obtain SWIFT Global Certification Payments Innovation Certification.

App Store

Play Store

LAUNCHING OF THE NEW INTERNET AND MOBILE BANKING MOBILE BANKING - SB24

The new Internet and Mobile Banking platform that will change your digital experience has arrived: The SB24. An innovative application that allows you to do all banking transactions without going to the Bank. You can now request a loan from home, replace your cards and access other features such as queries, transfers, payment of services and much more. Download now the application for your Smartphone or Tablet.

Together, it is possible! #sb24 #épossível #maisqueumbanco #StandardBank

For more information:

standardbank.co.ao

923 190 888

10TH ANNIVERSARY OF STANDARD BANK OF ANGOLA

Because we are in a time of pandemic, the 10th anniversary was celebrated from a distance with a few actions:

- Offer of a souvenir to the Clients who visited the branches on this date;
- Congratulations card to Clients who celebrate with us the 10th anniversary of Standard Bank of Angola;
- “Live” concert by Ary for Bank’s Employees;
- Official change to the new positioning “ É Possível”;
- 10 Social Responsibility actions to support homes vulnerable people.

ECONOMIC BRIEFING - DIGITAL WEBINAR (EVENT)

The Economic Briefing is a discussion forum on the main economic indicators affecting Angola and Africa in general, where we always have high representatives of the country’s main Financial Institutions, regulators, state bodies, investors among other reference figures. The Forum began in 2019, tutored by Standard Bank Group Economists and has sometimes featured a special guest panel. Since then, it has become a flagship event. Due to the pandemic, the year 2020 led us to move to the Webinar format, which despite the lack of personal interaction, exponentially increased the number of participants and the scope of the event.

With Standard Bank the future and innovation start in the present.

Standard Bank IT CAN BE™

Sponsorships

PARTNERSHIP WITH THE AMERICAN CHAMBER OF COMMERCE

Standard Bank sponsored Conference in partnership with the American Chamber of Commerce in Angola (AMCHAM - Angola). This event included the Export-Import Bank of the United States (EXIM). The Conference aimed to promote conditions so that companies from both countries can collaborate in a more consistent manner.

BANKING FORUM 10TH EDITION

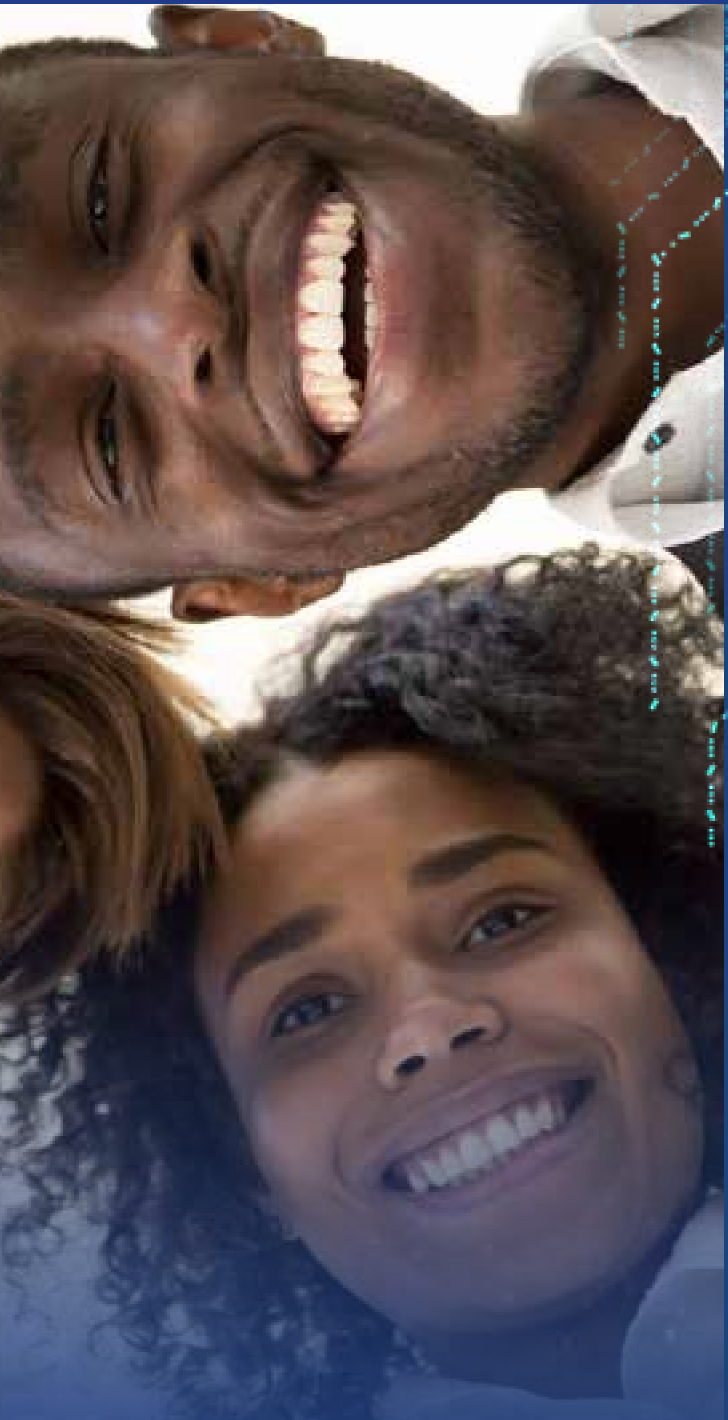
Standard Bank sponsored the 10th Edition of the Banking Forum which had as its theme "The Role of Banking in Lending to the Economy in Times of Crisis". This initiative aimed to promote a wide debate on the role of banking institutions in these times of crisis, and the strategy of Angolan Banks to respond to this challenge.

2ND EDITION OF "CONVERSATIONS WITH DIRECTION"

Standard Bank sponsored the 2nd edition of "Conversas com Rumo" (Conversations with Direction) which counted with the presence of the Governor of BNA, Dr. José de Lima Massano as of Keynote Speaker, where he answered the question "What is the Financial System that we want for Angola".

CONFERENCE ON MINING

Standard Bank sponsored another Conference promoted by AMETRADE and the Angolan Government on the Mining Sector. In this event, some topics were addressed such as: the attractiveness of the investment climate in the extractive industries that govern the exploration and development of mineral resources in Angola, and also the development of political and regulatory frameworks, tax and institutional policies that encourage investment for the continued growth of natural resources and related infrastructures in Angola.



4.2
PEOPLE AND CULTURE

The Bank regards its Employees one of its most important assets in the execution of its strategic I. objectives. We continue to invest in the development of leaders in Angola, providing a training of our Employees have a DNA that is increasingly more digital.

Standard Bank IT CAN BE™

PEOPLE AND CULTURE

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

Although with an extremely challenging economic context, the results achieved during 2020 reflect the success of the Bank's investment on its Employees. To this end, the People and Culture Department (PC) plays a fundamental role, through a relevant set of initiatives whose main purpose is to improve levels of satisfaction and motivation among the Bank's Employees.

Indeed, we can only grow as an Organization if we work together to achieve this goal. The strategy we have defined acts on three levels: attracting, developing and retaining talent. In this way, the Bank's focus is geared towards promoting and valuing its Employee ensuring that they are trained and motivated to provide the best service to our Clients. In the short to medium term, our ambition is to be leaders in the financial sector in Angola and Africa. To achieve this, it is necessary to attract strategic Clients and businesses and build their loyalty by offering a varied and differentiated range of high- quality financial products and services. In this way, the Bank uses its most important asset, its Employees, to ensure service excellence and quality.

In 2020, we kept the focus on our Employees

01
DEVELOPING OF THE TALENT PROGRAMME

02
IMPLEMENTATION OF AN EXTENSIVE TRAINING PLAN

03
IMPLEMENTATION OF PROGRAMMES FOR NEW GRADUATES

04
AWARDING OF SCHOLARSHIPS FOR COURSES WITH ACADEMIC STRAND

05
IMPLEMENTATION OF THE TRAINING PLAN AND BUDGET TRAINING

06
INCENTIVE TO USE THE MEDICAL POST AT THE “BLUE CARE” BANK

07
WORKSHOPS ABOUT ORGANIZATIONAL CULTURE

08
INCREASE IN THE INVESTMENT ON THE HEALTH PLAN

09
ADVANCED BUSINESS BANKING PROGRAM FOR EXPERIENCED EMPLOYEES

Department for People and Culture

The PC of the SBA is responsible for the recruitment, selection and admission of Employees, as well as for the management of the life cycle of the Bank's Employees. Any recruitment action and consequent admission, requires the full involvement and prior approval of the Board People and Culture. The PC has a strategy aligned with that of the Standard Group Bank, and throughout 2020 continued to support the business units in pursuing of its objectives. In its strategy for 2021-2022, the PC aims to prioritize the development of a proposal of added value for the Employees.

MAIN RESPONSIBILITIES

- Managing the recruitment process of the SBA, namely, hiring new Employees, managing internal mobility and managing the departure of Employees;
- Developing and retaining the Bank's Employees by managing Employee training, talent management and plans for Employee retention and/or succession;
- To manage the remuneration and benefits, namely the processing of wages and allowances and the attribution of benefits to Employees;
- To monitor the process of performance evaluation, wage review and the awarding of bonuses to Employees.

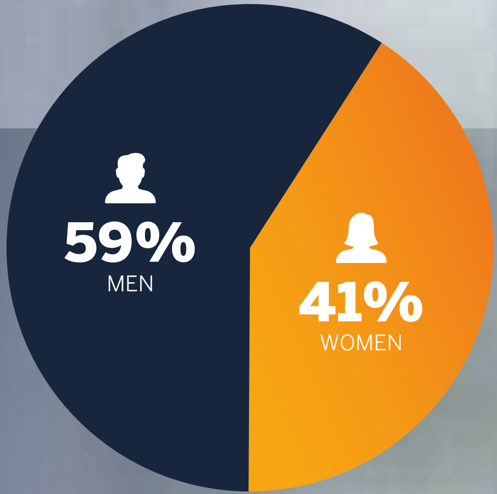
People and Culture in 2020

TOTAL EMPLOYEES

635
2020

619
2019

606
2018

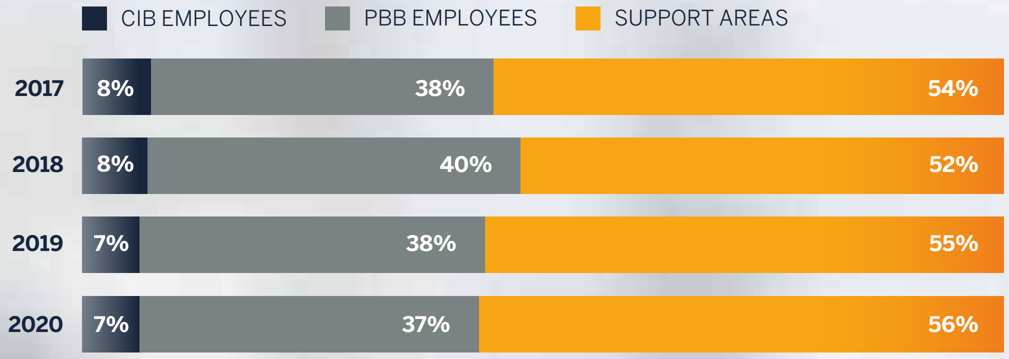


EXCO

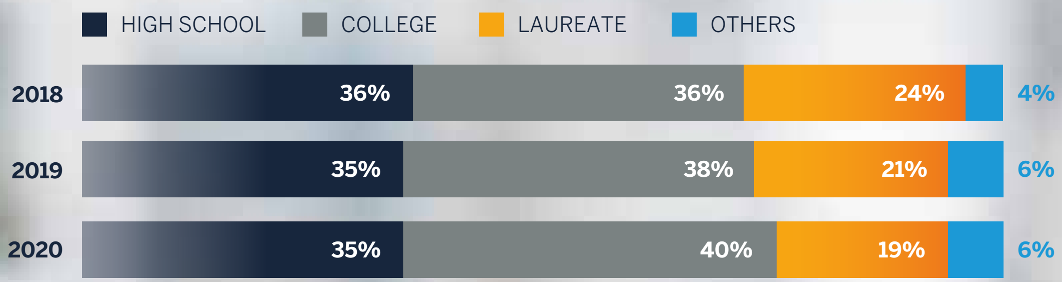
55%
MEN

45%
WOMEN

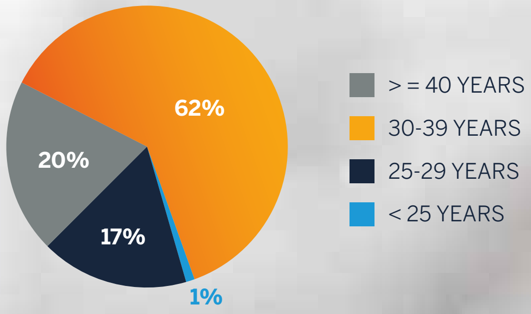
EVOLUTION OF THE NUMBER OF EMPLOYEES BY BUSINESS UNIT



LEVEL OF EDUCATION OF EMPLOYEES



AGE GROUPS



NATIONALITY

95% ANGOLAN

5% OTHER

AGEING

48% > 6 YEARS YEARS

28% 0-3 YEARS

24% 4 - 6 YEARS

Action Principles

In 2020, we continued to focus on the development of a young and highly qualified team, which takes excellence in service to our Clients as its main objective. In order to maintain its mission of supporting the Bank's growth through the training and development of its Employees, the People and Culture Department is governed by the following principles:

CONTRIBUTE TO THE DIGITALIZATION OF LABOUR FORCE

Promoting a more digital culture;

Encourage the use of more digital and technologically advanced tools;

Ensure the quality, security and protection of Employee data;

Adoption of Cloud- oriented work tools, allowed the SBA to adapt to the pandemic context easily and quickly.

REINFORCEMENT OF CULTURE STANDARD BANK

To reduce barriers between leadership promoting contact between and hierarchical lines in the Bank's them, management, promoting contact and technologically more between both, where they can serve as inspiration for all Employees;

Reinforce the importance of keeping the Client at the center of the Bank's security and Culture;

Contribute to a competitive work environment, where Employees can Adoption of Cloud-oriented feel relaxed and accepted.

PROMOTION OF DEVELOPMENT AND TRAINING

Promote training sessions through e- learning;

Strengthen the culture of continuous learning;

Ensure the certification of Employees when carrying out training sessions recognized in the financial sector.

SUPPORT FOR INTERNATIONAL MOBILITY

Supporting Employees with an interest in be part of their journey in the Bank in a different geography, facilitating and collaborating to the increase of these initiatives;

Providing opportunities of growth and development for Employees still in the onboarding phase.

CELEBRATION AND ACKNOWLEDGEMENT OF SUCCESSES

Encouraging a culture of high performance, recognizing the successes and victories of our Employees;

Developing compensation models, linked to the performance, in order to to encourage and recognize improvement performance.

CONTINUOUS IMPROVEMENT OF THE EMPLOYEE EXPERIENCE

Ensure that all Employees have the Client as a priority;

Encourage constructive feedback moments, where Employees can speak and be heard;

Act in such a way that the Employees of the Bank are proud of the work they do on a daily basis and ensure their their motivation.

Training and Development

The SBA's success depends on the quality of its Employees, especially those in key positions. As such, attracting and retaining the best candidates is fundamental to the Bank's development and performance. Additionally, the integration and promotion of the best talents undoubtedly contributes to the medium/ long term success of our Institution. With this in mind, the SBA has invested heavily in training the Bank's Employees.

19
CLASSROOM TRAINING

482
ON-LINE TRAINING

858
HOURS OF TRAINING IN THE ROOM

605
TRAINED EMPLOYEES

Highlights of 2020

Implementation of an extensive **Training Plan**

Continuation of the Organizational **Culture Workshop**

Continuation of the **Recent Graduates Program**

Implementation of the **Welcome Program**

Coaching Program

“Digital Lab” Online training

Workshops **on Health Insurance**

Continuation of the **Executive Master in Banking Management**

Implementation of a new Talent Management philosophy

Accelerate Program - Phase IV

“Degreed” - Implementation of an online digital platform that integrates different training and development solutions

Automating the back office, and we have implemented tools that will allow us to reduce complexity in IT and in the bank.

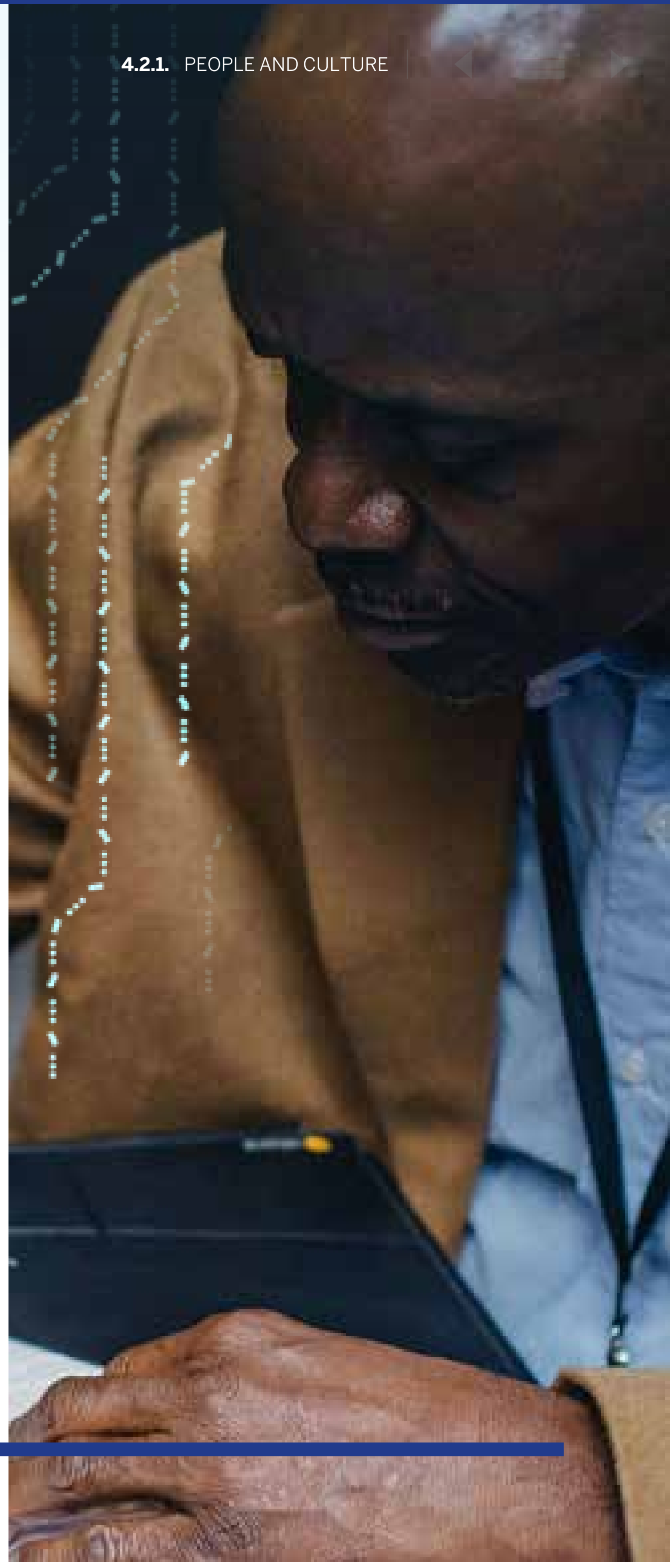
Fostering **of a learning culture**

Agile methodology in the way we work. But we were furthermore, we gave training to several management teams we created a team of change agents who is being trained and that it will help the bank to accelerate this process.

Implementation of the wellbeing program for Employees, divided into two components:
- Well-Being **Workshops** for Employees
- Psychological and emotional **assistance** to Employees and dependents

Integration of Recent Graduates into Standard Bank’s Employees

Communication strategy focused on **work-life balance**



Priorities for the Year 2021

- Focus on development of Employees on online platforms
- Focus on development of competences called “Future skills”.
- Continuation of the holding of Workshops on Health Insurance
- Continuation of Conducting Workshops about Covid-19
- Continuation of the the Recent Graduates Programme

> In 2021, we will continue to invest in training our Employees.

Covid-19: We protect Our Employees

The safety of our Employees is our highest priority and we have therefore made every effort to ensure compliance with the rules of Hygiene, Safety and Health at Work. Therefore, and in order to reduce the risk of contagion among the Bank's Employees, **we have adopted the following measures:**

- Instruction of **daily self- assessment record** by all Employees who have to do face-to- face work
- Availability of regular **communications** on the current situation in the country and the measures to be implemented in response
- **Creation of an application** that effectively allows the reporting of the place of work
- **Measurement of the body temperature** of all Employees who provide face-to- face work
- **Reduction** of the face-to-face workforce
- Distribution of **biosafety material** to all Employees (masks, disinfectant gel, gloves, etc.)
- **Providing training on the spread** of Covid-19 and related security measures
- **Implementation of rotating schedules** to reduce the transmission chain
- Distribution of **individual kits** for immunity boosting
- **Ensure the mandatory use of masks** in all Facilities
- **Creation of conditions** for our Employees to work remotely
- **Biweekly decontamination** of all the Facilities
- **Ensure that the social distance** between each workstation is being respected

Employee Events

TOWNHALL - APPROACH THE BANK'S STRATEGY AND UPDATING SOME THEMES

Regular meetings at the Bank with the aim of updating and clarifying Employees on important issues such as business growth, social responsibility actions in progress and other strategic issues such as the pandemic and its impact on the personal and professional life of Standard Bank of Angola Employees.

CEO TALKS – INNOVATION

Initiative with the participation of of the CEO, for the purpose of to encourage and make Employees aware of the the culture of innovation that is being put in practice at the Bank. The creation of an innovation laboratory, the combination of Artificial Intelligence and behavioral economics are a winning formula which will bring customization and segmentation and will be key to Standard Bank of Angola's success.

2ª SESSÃO CULTURA *AGILE*

With the growth of organizations and the daily demands for results, new challenges have arisen in the field of project management in various areas. The market has become more demanding, making it necessary to deliver more value to Clients and to respond quickly to changes, reducing costs and increasing the efficiency of projects and business.

- Agile Culture Session
- Agile Culture - Masterclass
- Agile Culture - Discovering Design Thinking

TOMORROW - MARK OF EXCELLENCE 2019-2020

Annual event with the purpose of recognizing and rewarding Employees who stand out for their competence in the performance of their duties. It is an occasion when the organization hires a cultural promoter, usually a musician, to bring dimension and joy to the Bank's Employees.

FITNESS CLASS PARTICIPATES IN GYM CLASSES

Due to the long daily periods of sedentary activity and thinking about the physical and mental well-being of the Employees, the Bank organized fitness classes online, in which from home the Employees exercised their body and mind.

10 YEARS STANDARD BANK

By 2020, although constrained by the pandemic,wecelebrate our 10th anniversary, because we believe that our people represent us to clients and society. They are the key to achieving our purpose as a financial institution. These initiatives also reflect our clear intention to maintain a diverse, inclusive and healthy environment that stimulates the power of transformation people.

LAUNCH OF THE NEW LOOK INSTITUTIONAL WEBSITE

The world is constantly changing, and it is important for Standard Bank of Angola to adapt to and accompany these transformations. We believe that in the face of this reality it is essential to evolve and innovate. Thinking with this in mind, we started the process of updating our website with the objective of turning it more modern, visually appealing, more intuitive and with a language oriented to our Clients.

AFRICAN WOMEN'S DAY

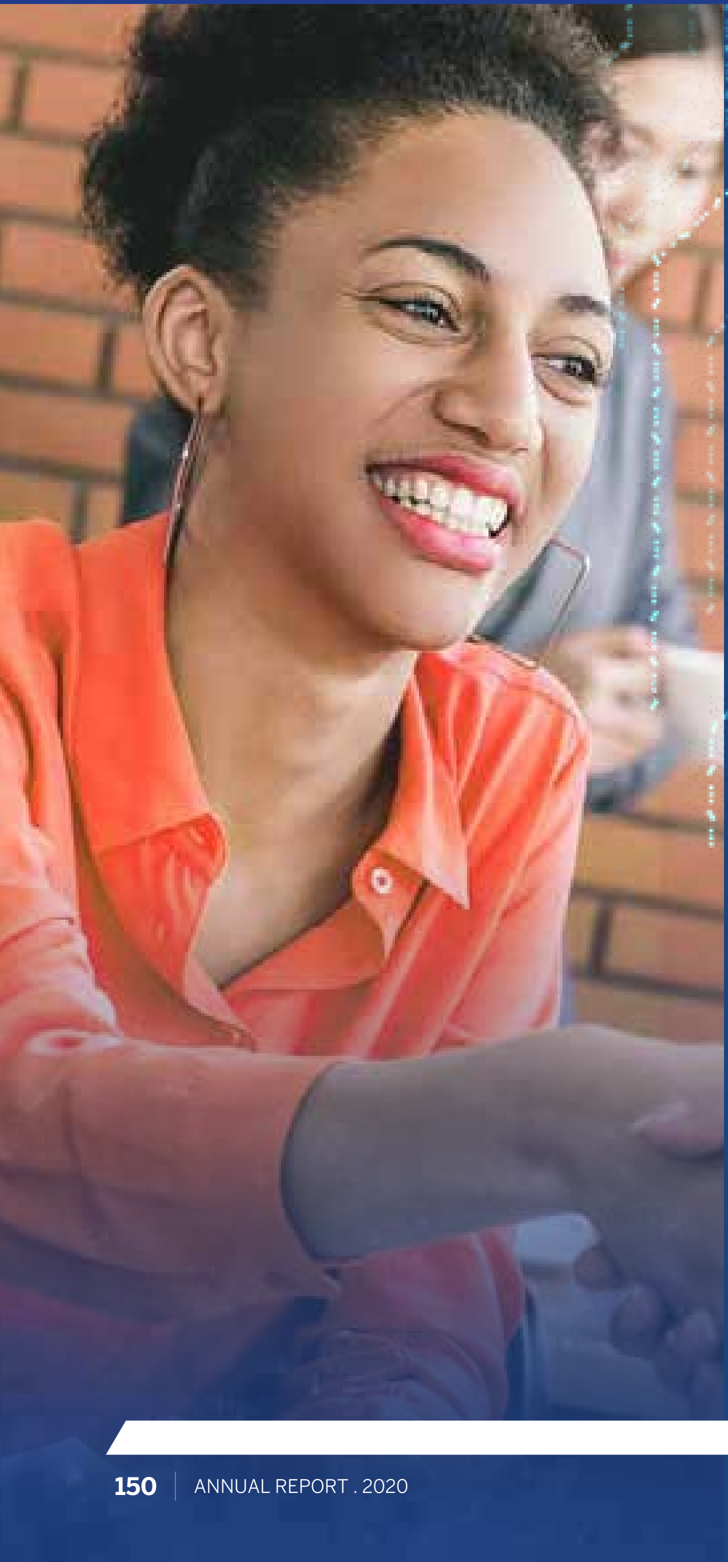
As an institution founded in Africa and an active part of society, we make a point of honoring African women, promoting awareness of the recognition of the dignity of women, taking on concrete policies and commitments that promote and enable every woman to speak out and recreate the world in which we live.

BRIGHT IDEAS - INTERNAL COMPETITION TO PROMOTE CREATIVITY AND CAPITALISATION OF EMPLOYEES' IDEAS

As an innovation-oriented Bank, and with a growing commitment to an agile culture, we created an internal competition to promote and capitalize ideas. With this initiative, we intend to encourage the creative spirit of our Employees and thus find internal solutions that enable and contribute to Standard Bank of Angola being a differentiating institution in the Angolan market.

> In a constantly changing world we adapt, we evolve and innovate.

Standard Bank IT CAN BE™



4.3 RISK AND CONDUCT

Effective management of risks, Employees, market and conduct reflects high ethical standards and responsible business practice. Our license to operate is based on this trust, rigor and proximity to all our stakeholders.

Standard Bank IT CAN BE™

INTERNAL CONTROL SYSTEM

As a national and international benchmark financial institution, the Bank follows best market practices, and all our operations are guided by soundness and trust.

SBA's robustness and sustainability is guaranteed by the alignment with the best national and international internal control practices, which in synergy aggregate a wide range of control policies, procedures, and processes. The transparency of our way of operating is clearly visible in our Clients' sense of confidence.

> More than a Bank, a connection of trust.

Overview

In recent years, the SBA has made a continuous investment to develop a robust and efficient Internal Control System that ensures the execution of its operations and effectively add value for our Clients. By increasing the effectiveness of control processes and procedures, the Bank has strengthened its financial solidity and perfected its internal control system.

Currently, and aligned with its strategy, the Bank is investing in the digitalization and automation of its processes, to promote greater operational efficiency. As an example, within the scope of the internal auditing process, an IT auditor was contracted to support the implementation of computerized auditing processes, and investments are being made in the training of all Employees in the auditing area on matters of data analysis and carrying out audits through automated processes and advanced data analysis systems. The genesis of this evolution is at the base of one of the Bank's strategic priorities, "Digitalization and Innovation".

With the objective of managing and mitigating potential risks that may arise during its activities, the Bank's Internal Control System complies with the principles established in BNA's Notice 2/13 of BNA, as well as tuned with the best international practices in Internal Control Systems and Corporate Governance.

The SBA's Internal Control System comprise functions that define 3 lines of defense: i) Employees, Management and Governing Bodies, ii) Compliance and Risk Management, and iii) Internal Audit. In an articulated manner these structures identify, evaluate, monitor, and communicate the potential risks inherent to the activity.
There are monthly Combined Assurance meetings to coordinate the activities of the three lines of defense, ensure that the scope of each area is fulfilled and that there is no duplication of efforts caused by the implementation of risk mitigation actions by the various areas with responsibility for the Bank's Internal Control system.

Internal Control Environment

The continuous monitoring and evaluation of the risks and of the internal control environment of the activities, ensures that the Internal Control System of the SBA is duly **aligned with the best international practices.**

INTERNAL CONTROL ENVIRONMENT

Organizational Structure

Organizational Culture

Strategic Planning

RISK MANAGEMENT SYSTEM

Risk Control

Risks Identification

Organizational Culture

Risks Follow up

INFORMATION AND COMMUNICATION

Management IT Systems

MONITORING

Self-evaluation

Internal Auditing

REPORT

Reports

- Compliance Contribution
- Risk Management Contribution
- Internal Auditing Contribution
- Board Global Opinion
- Combine Assurance Activity

In 2020, the SBA continued to implement and **improve its processes and policies**, within the scope of the 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.

The policies and processes established within the scope of the Bank's Internal Control System follow the principles established in BNA Notice no. 2/13, more specifically in Article 4 and Article 5. Also, within the scope of this Notice, the Bank's Internal Control System operates under 3 distinct lines of defense, **ensuringthe management and monitoring business risks of the Bank.**

PROCESSES AND POLICIES

The processes and policies in place complement the SBA's internal control strategies and systems which together:

- **Ensure** compliance with rules and regulations
- **Protect the** Bank's assets
- **Protecting** Clients
- **Prevent and detect** fraud and errors
- **Create an** increasingly robust reporting **system**
- **They ensure that** all transactions are **recorded in the** accounts, the which allows the preparation of reliable financial statements

LINE OF DEFENSE

1st All Employees, Directorates and Governance Departments

2nd Compliance and Risk Management

3rd Internal Audit

CONTROL FUNCTIONS

Board of Directors
QUARTERLY REPORT

Audit Committee
QUARTERLY REPORT

Risk Committee
QUARTERLY REPORTING

Executive Committee
MONTHLY REPORT

The functions and respective reports **ensure the development and continuous improvement of the activities** within the scope of the Internal Control System, increasing the Bank's effectiveness in minimizing potential losses arising from the existence of risks.

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

Internal Audit Function

The mission of the Internal Audit function is **to provide independent and objective assurance on the adequacy of governance and effectiveness of the controls implemented to manage and mitigate the risks associated with the Bank's activity**, as well as to provide internal "advisory" services with a view to introducing 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 of the area. Additionally, the internal audit function also reports to the Standard Bank Group internal audit group for issues of a technical and administrative nature.

RESPONSIBILITIES

Evaluate the Bank's governance processes, including the principles of ethics and conduct in place, with a view to safeguarding assets, protecting the Bank's reputation and the sustainability of the business and the organization

Performing an objective assessment of the effectiveness of the risk management, Internal Control System and the Compliance function

Check for opportunities to improve governance and risk management processes

Continuous analysis and evaluation the processes of the business areas and their control procedures

INTERNAL AUDIT ACTION PLANS

- Focus on the main risks resulting from the annual risk assessment in the Country, **aligned with Standard Bank Group's risk;**

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

- Ensuring that the audit plan for the Bank in Angola is coordinated with the Standard Bank Group's semi-annual/annual audit plan and with the business strategy, **contributing to the effort to meet strategic goals** and ensuring that all the associated Governance, Risk Management and Internal Control challenges are effective;

- **To ensure that the semi-annual/annual audit plan follows a dynamic and flexible process to address new business, processes and emerging risks**, including express requests arising from specific concerns or "consulting" regarding the robustness and adequacy of processes or procedures.

To control the degree of implementation, determine deviations and define corrective measures when necessary, **the Internal Audit team regularly follows up on the actions agreed** upon to solve the findings identified during the various audits.

Compared to 2019, **there was a reduction in the proportion of audits classified as unsatisfactory, as well as 86% of the risk culture of the audits were classified as proactive.** It should be noted that in 2020, the Bank closed 131 process improvement actions, compared to 69 that were closed in the previous year. The initiatives that contributed to no agreed actions being recorded, at 31 December 2020, include Management's strong focus on completing the implementation of all actions and recommendations , maturity of Combined Assurance, awareness sessions conducted by Combined Assurance, sessions to promote a "risk culture" held throughout the Bank.

Follow up Actions

71%

Of the audits carried out in 2020 had satisfactory ratings, compared to 45% satisfactory audits in 2019

9

Audits carried out in 2020, of which 2 with no rating assigned, compared to 11 carried out in 2019

15

Audits to be carried out in 2021. The Plan prioritizes 6 audits and for the remaining audits a quarterly risk assessment will be carried out to evaluate if the risk remains relevant to be audited

131

Improvements to processes implemented in 2020

4

Combined audits to mitigate Covid-19's eminent risks, namely, credit, fraud, compliance, business resilience, return to office, people, cyber and information.

Risk Management Function

The Risk Management function, as a secondary line of defense, **aims to ensure transversal and integrated management of the various risks that exist in the Bank**. The main purpose of the SBA is to minimize the impact of the various events, both of an internal and external nature. The SBA also monitors the current risks of its activity and others that may arise. The Risk Management is also responsible for defining the risk appetite, as well as ensuring that the management framework, its policies and standards are being adhered to.

According to its current structure, the Risk Department has under its direct responsibility Credit, Market, Liquidity and Operational Risks (including Business Continuity Management; Information Risk; Hedging Management (Collateral and Insurance); Compliance Risk and Fraud Risk). Conduct Risk has grown in importance and the SBA is implementing processes and procedures to manage this type of risk more efficiently. **The Risk Management function is supported by a number of Committees, which oversee the risks to which the Bank is exposed, namely the Assets and Liabilities Committee, Credit Risk Management Committee and the Risk Management Committee.**

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

“ Guarantee of Supervision.

RESPONSIBILITIES

The Risk Management responsibility includes defining the risk management structure of the Bank, underlying policies, approving the risks taken and providing an objective and complete view of the effectiveness of risk management, the first line of defense.

The main responsibilities of the role are:

- **Elaborate/collect models, methodologies, data and information,** internal and external, to support decision making and risk assessment;
- **Advising the business units and the Board** of Directors in relation to risk management policies and practices to adopt;
- **Define key indicators and** prudential **limits** for each type of risk;
- **Carry out periodic measurements of the Bank's various risks,** from both a quantitative and qualitative perspective;
- **Conduct stress tests** in order to determine the Bank's resilience;
- **Identify weaknesses in the risk management model** and formulate and implement the respective corrective measures;
- **Document the processes** associated with its intervention;
- **To monitor compliance with the limits** defined for the numerous risks, as well as the implementation of the risk management model;
- **Communicate transversally the risk profile assumed,** including the most emerging risks and respective mitigation actions;
- **Draw up periodic documents** regarding the risk profile and risk management model.

Compliance Function

The Compliance Function **is independent and autonomous**, issuing reports on the status of Compliance Risk Management tothevariousCommittees. Thisfunctionreportsatfourlevels, namely, (i) to the Executive Committee, through the submission of monthly activity reports; (ii) to the Risk Management Committee, through monthly reports; (iii) to the Board of Directors, through the submission of the quarterly activity report, intended for the Audit and Risk Committees, both sub- committees of the Board of Directors. Additionally, the Compliance Function reports to Standard Bank Group's Compliance.

The SBA Compliance Function **is organized according with the legal provisions and requirements mirrored in BNA Notices No. 1/13, No. 2/13 and Notice No. 14/20**. The SBA operates a "hybrid" Compliance Function, which incorporates core functions and business line functions. Within its Mandate, Compliance has been granted the authority to intervene in any transaction/project where there is reason to believe that there is a violation of legal or regulatory requirements, or a breach of internal policies. For this purpose, the Compliance Function has unrestricted access to all Employees of the Bank and to records reasonably required to support its function.

RESPONSIBILITIES

| **Establish and maintain a permanent record e up-to-date register of** internal and external regulations to which the institution is subject, identifying those responsible for their compliance and, in a timely manner, reporting non- compliance with laws and regulations or supervisory requirements to the Executive Committee, Risk Management Committee, Audit Committee and Board of Directors;

| **Require that** relevant **regulatory requirements** are incorporated into operating procedures manuals;

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

| **Be responsible for establishing a** compliance **culture** within the Bank, which contributes to the overall objective of prudent risk management of the Bank;

| To **evaluate the processes of prevention and detection of criminal activities,** including the prevention of money laundering, financing of terrorism and the proliferation of weapons of mass destruction, as well as to ensure legally due communications in this area with the competent authorities, namely the Financial Intelligence Unit ("FIU");

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

| **Ensure that the Compliance Department and Bank Employees receive continuous training** to guarantee 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 in view of the following:

- Surveillance within the scope of the Fight against Money Laundering, Terrorist Financing and Proliferation of Weapons of Mass Destruction;
- Market Conduct;
- Conflict of Interest Management;
- Data Privacy;

To meet the requirements of the BNA and other regulatory bodies regarding the implementation of a compliance culture, the SBA continues to adopt a zero tolerance approach to non- adherence to mandatory compliance training and non- compliance with policies and procedures.

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

Regulatory and Advisory

The Regulatory and Advisory Function has as its main responsibilities:

- **Follow up on responses and processes** with the regulatory bodies, namely, National Bank of Angola (BNA), Capital Markets Commission, Angolan Agency for Insurance Regulation and Supervision, Competition Regulatory Authority and Data Protection Agency;
- **Ensure awareness, updating and development of** new legislation impacting on the Bank's activities;
- **Guarantee the protection of the confidentiality** of Clients' information;
- **Deliver internal training** in relation to Compliance policies considered high risk;
- **Assuring** consumers' **rights of defense;**

- **Carry out** Privacy and Data Protection Impact Analysis;

- **Manage regulatory universe** (and respective 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;

- **Provide regulatory advice to** Business Units and support areas;

- **To ensure the adequacy** (customization) of the policies to the legislation in force;

- **Ensure compliance with the rules** on (i) data privacy, (ii) conflict of interest, (iii) external commercial interests, (iv) personal transactions, (v) market abuse and all policies inherent to the Compliance function approved and published.

Legislative Alert

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

The table below provides information **on the number of regulations** issued by Regulatory Bodies during 2020 that impact the Bank:

BNA (INSTRUCTIVES/ GUIDELINES/NOTICES AND CIRCULARS)	CMC (INSTRUCTIONS AND REGULATIONS)	OTHER ENTITIES (INSTRUCTIVES/ GUIDELINES/NOTICES AND CIRCULARS)
44	3	26

Monitoring Function

BNA Notice no. 2/13 on the Internal Control System defines, among other responsibilities, that the Compliance function is responsible for: a) establishing processes for detecting and assessing the risk arising from failure to comply with the legal obligations and duties of the Institution, as well as correcting the deficiencies detected. In this context, monitoring is a fundamental element of Compliance risk management and periodic reviews must be carried out to ensure that SBA adequately meets legal and internal requirements. Thus, the Monitoring area of the Compliance Department is responsible for conducting monitoring activities according to the risks identified. **These monitoring activities include 3 types of analysis:**

ROUTINE OVERHAULS

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

- Completion of Compliance training for all Employees;
- Declaration of accounts of trading accounts Employees trading
accounts to ensure that excessive trading is limited and conflicts is limited and conflicts of interest avoided;
- Register and processes of “gifts” and “entertainment”;
- Declaration of external commercial interests.

IN-DEPTH OVERHAULS

These planned reviews focus on testing the adequacy and effectiveness of controls to ensure adherence to applicable legislation, rules, policies and standards. The controls must be sufficient to mitigate the risk.

AD HOC REVIEWS

Ad hoc reviews are specific, which may arise because of internal events (material breach, new or increased business initiatives, loss of Employees, for example) or external (areas of new concern regulatory concerns/focus of management, including sanctions actions). These reviews are not planned and need to be considered based on the responsiveness of the priority.

Routine Monitoring

COMPLETION OF TRAINING BY ALL EMPLOYEES

In 2020, Compliance adopted a new method of "liaison" with the Bank's various areas, with bi-monthly reports issued for the business units and for those areas with the highest number of Employees and, consequently, most likely to have someone with outstanding or incomplete training. This approach generated good results, as the overall quarterly average completion rate was 96%, 1% above the minimum competency level required.

EXTERNAL BUSINESS INTERESTS

During the latter half of 2019, the Function was active feedback to the Group about the testing of a new "External Business Interests" declaration system and in January 2020, the new system was successfully implemented in all countries in the Africa Region. The Monitoring Function worked on awareness raising communications about the system as well as to remind all Employees of the obligation to declare "External Business Interests" in accordance with the External Business Interests Policy. By the end of 2020, 97% of all Employees had completed their Declaration of "Outside Business Interests".

GIFTS AND ENTERTAINMENT

Statistics from previous years show that most declarations for "Gifts" occur in December and January and the rest of the year are mainly submitted for "Entertainment". The year 2020 saw a decrease in declarations for both "Gifts" and "Entertainment". This may have been caused by the restrictions imposed by the Covid-19 State of Emergency and State of Calamity, to which the country was subject for most of the year.
Finally, as part of Standard Bank Group's overall objective to improve the reporting processes and systems designed to monitor compliance of Employee conduct, the Monitoring Function participated in the system test supporting the "Gifts" and "Entertainment" Statements. This new system was launched in August 2020.

PERSONAL ACCOUNT TRADING

As noted above, the Standard Bank Group implemented several process and systems improvements in 2020 to monitor Employees' declarations of conduct, which resulted in the launch of a new "Personal Account Trading" Declaration system. The "Personal Account Trading" system is housed on the same platform as the external "Declaration of Business Interests" and was launched in September 2020.

The Monitoring Function conducted awareness-raising activities to enable Employees to be aware of this system and to make their "Trading of personal accounts" declarations.

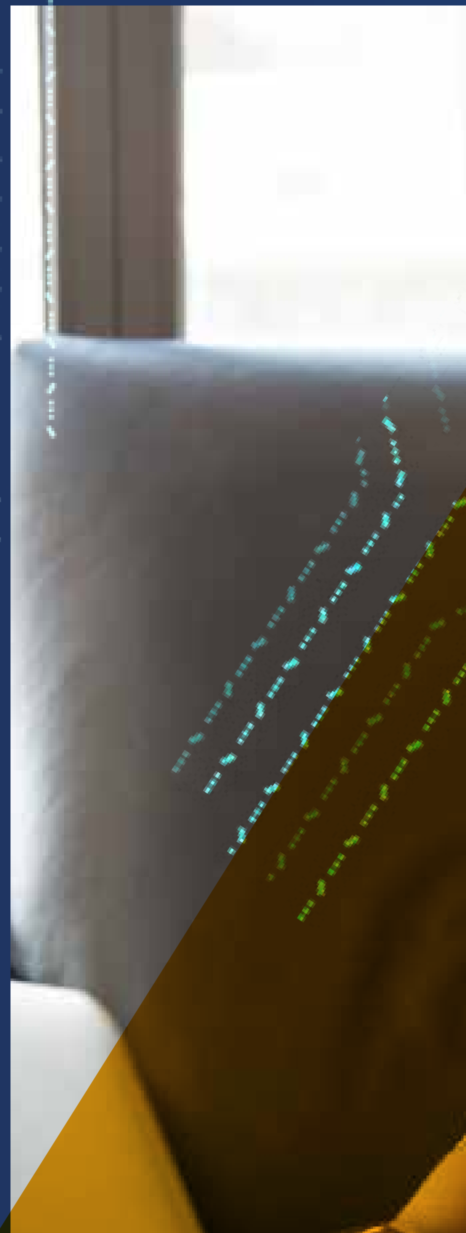
FIGHTING MONEY LAUNDERING, TERRORIST FINANCING TERRORISM AND THE PROLIFERATION OF WEAPONS OF MASS DISTRIBUTION

Law 5/20, of January 27, establishes that financial institutions must adopt and implement measures to prevent and detect criminal activities, including the prevention of money laundering, terrorism 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").

- Ensure that a risk-based approach is adopted in assessing the Bank's compliance risk profile;
- Ensure that the Bank's Employees receive continuous training, have the technical knowledge and understand and comply with the regulatory framework applicable to the Bank, to better prevent and combat BC/ FT/PADM to which the Bank is exposed;
- Implement adequate processes and procedures to manage and investigate money laundering alerts, terrorist financing, sanctions and PEPs.

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

- Provide strategic direction/guidance, governance and oversight to respective business units on all matters related to BC/FT/PADM Prevention and Sanctions;
- Expert advice on BC/ FT/PADM Prevention and Sanctions for all bank Employees;
- Effectively managing a dynamic team of analysts with a predominant focus on Client and payment analysis, enquiry functions, suspicious activity, reputational risk, sanctions and business advice on risks associated with Clients prior to establishing any commercial or business commercial or business relationship;



BC/FT/PADM Risk Management

KNOW YOUR CLIENT (KYC)

The SBA has implemented a strict KYC policy, which covers knowledge of the Client, its activity and the origin of the respective funds. For as well as being an effective measure in combating ML/FT/PADM activities, it also enables the the Bank to understand the general obligations and needs of its Clients.

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

The adoption of demanding KYC measures is not intended to prohibit potential Clients from establishing a commercial relationship with the Bank or carrying out transactions, but rather to apply measures that mitigate the potential risks of ML/FT/PADM to which the Bank may eventually be exposed. An approach based on risk monitoring allows the Bank to focus on the Clients and operations that potentially present the greatest risk, enabling efficient prevention and detection of operations or activities that may configure the practice of ML/FT/PADM. However, this does not mean that relationships not identified as high risk are ignored.

HIGH-RISK CLIENTS SUBMITTED TO THE COMMITTEE IN 2020

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

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

SECTOR	NEW CLIENTE	ACCOUNT MAINTENANCE	APPROVED	PENDING ADDITIONAL EVALUATION
PRIVATE BANKING	29	17	40	6
BANKING FOR MEDIUM-SIZED COMPANIES	21	9	18	12
BANKING OF LARGE COMPANIES	15	41	36	20

Operational Systems to Prevent Money Laundering and and Terrorist Financing

Over the years, the Bank has invested in optimizing the operational systems that support the BC/FT/PADM, ensuring the filtering and continuous monitoring of transactional activity and the behavior of the Bank's Clients. In this sense, these monitoring systems identify, based on predefined parameters and risk scenarios persons, entities, transactions and behavior that are and behavior, enabling a timely and effective detection of activities and effective detection of activities and transactions that may represent the practice of CB/ FT/PADM.

MONITORING OF CLIENT TRANSACTIONS

In the period in reference the Bank identified, based on the transaction monitoring tool, called Nice Actimize, a total of 4 551 alerts of suspicious transactions, of which 3 748 were closed as not suspicious and 291 closed as suspicious, which required validation of the transactions by the Compliance Department for a decision. In addition to the above, 417 suspicious alerts related to sanctions and 1 193 alerts identified as Politically Exposed Persons (PEPs).

COMMUNICATIONS TO THE FINANCIAL INFORMATION UNIT

In accordance with the legislation on CB/ FT/PADM, as part of the reporting obligation, the Bank identified and communicated to the FIU 10 188 cash transactions, as well as 106 operations suspected of being related to money laundering practices, essentially by executing transactions outside the financial profile initially declared by the Clients.

International Sanctions and PEP Lists

The SBA, as well as the Standard Bank Group, recognizes the sanctions regime and performs continuous monitoring - Client Due Diligence - through its systems, both at the level of payments and in its account opening processes. For the implementation of the process, the following international screening lists of sanctioned entities are recognised:

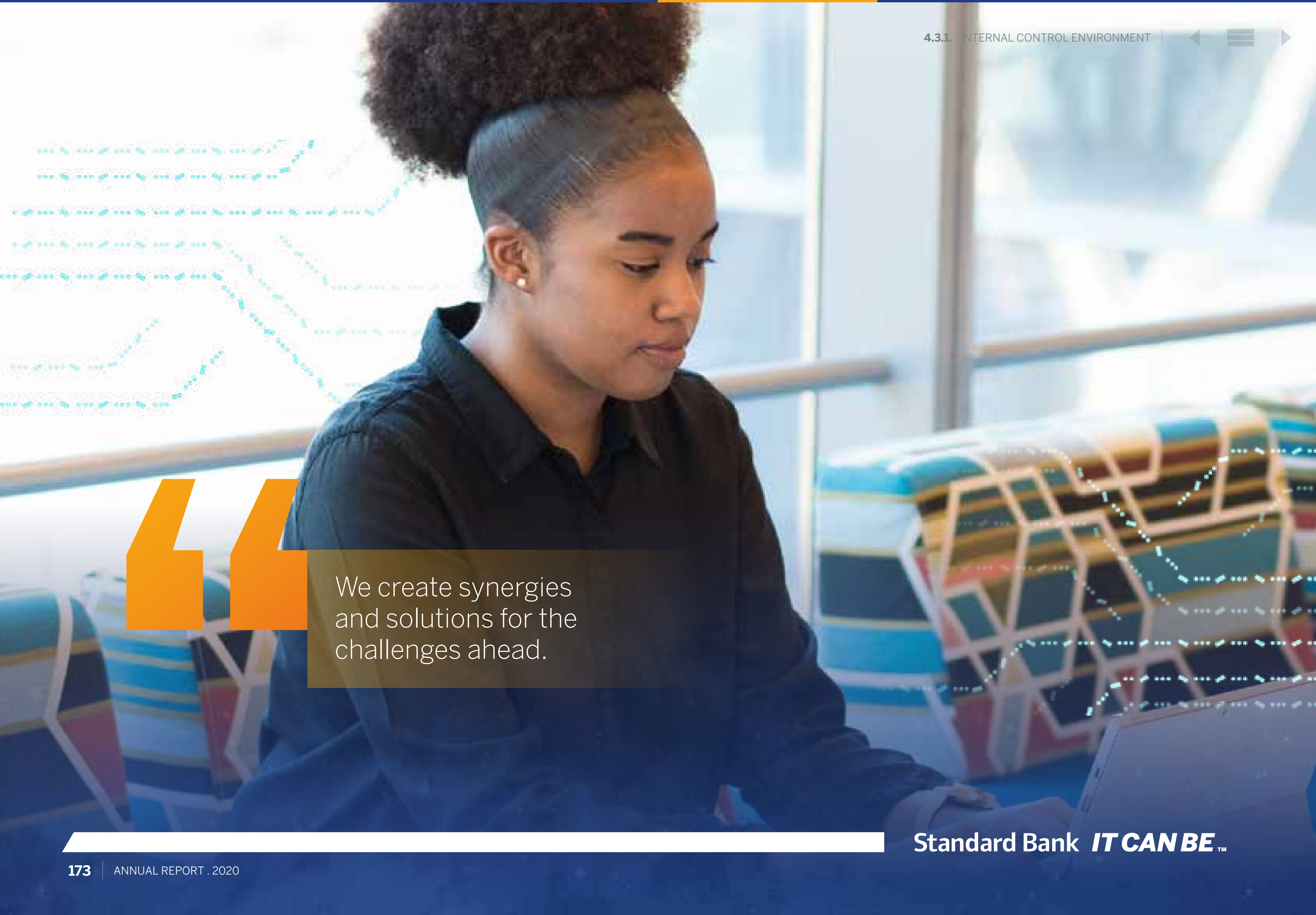
| **HMT:** Her Majesty's Treasury (UK)
| **EU:** European Union
| **OFAC:** Office of Foreign Assets Control (US)
| **UNSC:** United Nations Security Council
| **MINEFI:** French Ministry of Economics, Finances and Industry

This recognition does not rule out the inclusion and recognition of another list that the Angolan State may consider, nor the fact that the SBA takes into consideration the list of local PEPs in its assessments.

Policies and Manuals

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

- **COMPLIANCE RISK MANAGEMENT** POLICY
- **COMPLIANCE** MANUAL
- **COMPLIANCE RISK MANAGEMENT GOVERNANCE** POLICY
- **CONFLICT OF INTEREST** POLICY
- POLICY ON **FOREIGN TRADE INTERESTS**
- **PERSONAL** TRANSACTIONS
- **GIFTS AND ENTERTAINMENT** POLICY
- **DATA PRIVACY** POLICY
- **STRICTLY NECESSARY INFORMATION** POLICY
- **CHINESE WALLS** POLICY
- **SANCTIONS CONTROL** POLICY **FINANCIAL AND COUNTER-TERRORIST FINANCING**
- **MARKET** ABUSE
- **SAFEWATCH** PROCESS
- POLICY TO **PREVENT THE FACILITATION OF TAX EVASION**
- **COMPLIANCE** RISK MATRIX **FOR CBC/FT**
- **KYC APPROVAL** PROCESS
- POLICY **AGAINST MONEY LAUNDERING AND TERRORIST FINANCING FINANCING OF TERRORISM - CBC/FT**
- RULES ON **FINANCIAL SANCTIONS AND COMBATING THE FINANCING OF TERRORISM**
- PROCESS FOR **REPORTING SUSPICIOUS TRANSACTIONS**
- MINIMUM STANDARDS FOR **ESTABLISHING RELATIONSHIPS WITH CORRESPONDENT BANKS CORRESPONDENTS**
- PROCESS FOR **REVIEWING DD/ TRANSACTIONAL PENALTY WARNINGS**
- **TRANSACTION REPORTING** PROCESS **ABOVE THE EQUIVALENT OF USD 15 000**
- **ENHANCED DUE DILIGENCE** MANUAL **TO COMBAT MONEY LAUNDERING CAPITAL AND TERRORIST FINANCING - CBC/FT**
- GUIDELINES ON THE **UNIVERSE OF REGULATORY COMPLIANCE RISK AND COMPLIANCE RISK MANAGEMENT PLAN**
- MINIMUM **DATA PRIVACY** STANDARDS
- **WATCH** LIST **AND SHORTLIST** POLICY



We create synergies and solutions for the challenges ahead.

Investigation and Fraud Risk

Aligned with the Standard Bank Group Architecture work program, in November 2019 the Group Fraud Risk and Investigation Unit began a process of transferring its reporting line from the Group Risk Department to the Group Compliance Department. This cycle was terminated on 31 August 2020, giving rise to the integration of the Fraud Risk and Investigation Unit into the Group Compliance Department from the beginning of September 2020. The Fraud Risk and Investigation Unit in the country will continue to report functionally to the Group's Investigations Manager.

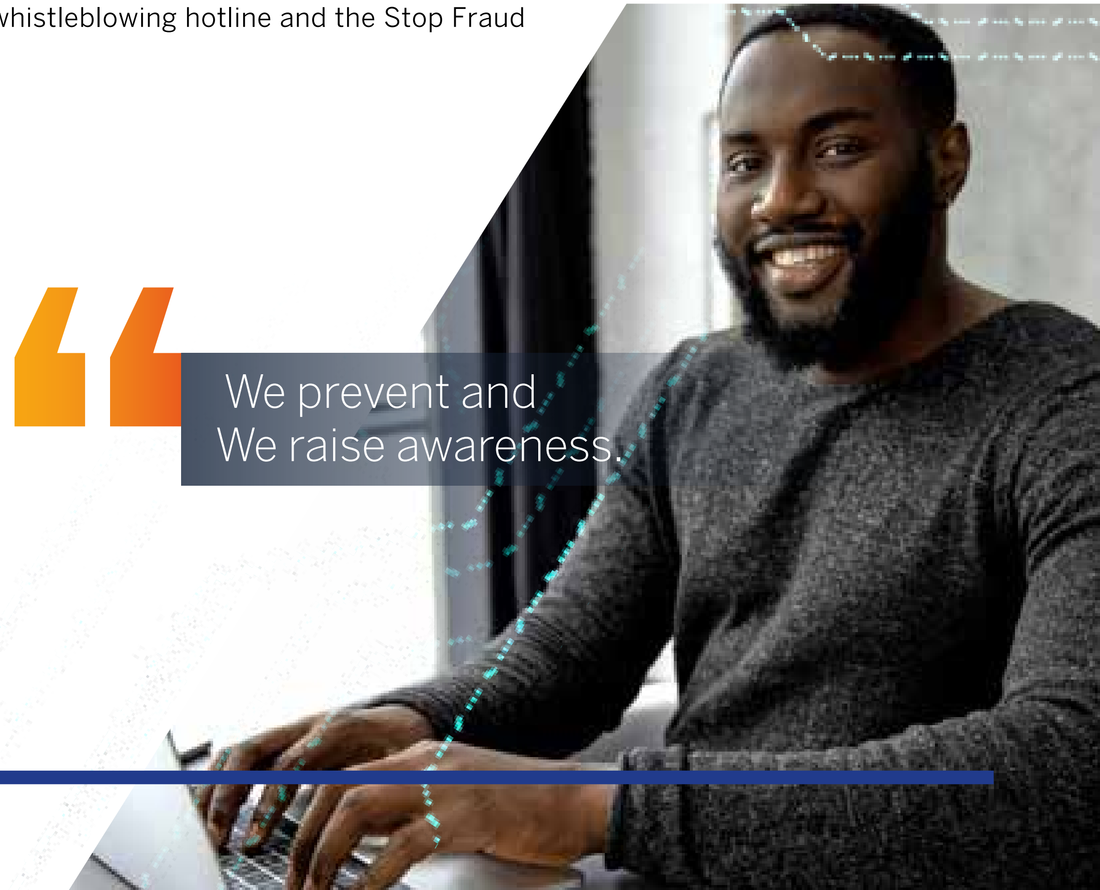
The objective of this change is to create synergies and solutions for the challenges ahead, as well as to continue to be relevant in terms of service provision to the business units.

RESEARCH

In terms of activity, claims amounting to 283.2 million Kwanzas were submitted to the Fraud Risk and Investigation Unit at the end of December 2020, of which 61% resulted from an external fraud incident perpetrated by a Client who benefited from weaknesses in our system, while the remaining claims are related to debit card transactions that were not recognized by our Clients.

PREVENTION AND AWARENESS-RAISING

In terms of awareness-raising sessions, in the period from January to December 2020, the Fraud Risk and Investigation Unit held a total of 52 sessions that resulted in the participation of 561 Employees where general concepts of fraud prevention and detection were transmitted. In parallel, the Fraud Risk and Investigation Unit continues to carry out prevention campaigns through internal communication, encouraging Employees' awareness of new fraud trends, a whistleblowing hotline and the Stop Fraud program.



COMPLIANCE SUMMARY OF 2020/2021 INITIATIVES AND PROJECTS

NITIATIVES	STATUS	VALUE	COMMENTS
Create a panel in the workflow tool, so that that the members of the High Risk Committee have access to the files to be examined by the Committee	In Progress	Improving the approval process for high-risk Clients	Work in progress
Automating legislative alerts	In Progress	Digitalization	The aim of these initiatives is to improve the response time of communication of the new regulations while allowing Employees to focus on more strategic issues
Make available key legislation and regulations as well as legislative alerts on the Bank's intranet	In Progress	Client Centralization	Create a repository of key legislation and summaries of legislative alerts to allow easy consultation by relevant internal stakeholders (BUs and FCs)

TRAINING

During the 2020 financial year, the following training sessions, **organized by the Compliance Directorate, were delivered through Microsoft Teams:**

DATE	THEME	TARGET AUDIENCE
May	AML Master Class	All Bank Employees
June	Induction Compliance	New Collaborators
July	Induction Compliance	New Employees at the Compliance Department
July	Gifts & Entertainment	Employees at high risk of using the policy (PBB; CIB; Ops; Procurement; Marketing)
August	Compliance Conduct Policies	Risk Management Committee

MODEL FOR RISK MANAGEMENT

Standard Bank of Angola adopts an Holistic conscious approach and transversal to risk management, continuously assessing current and emerging risks to which is exposed, thus adopting an attitude of rigor and transparency. Our risk appetite and exposure is reviewed regularly, in response to changes in the operational context.

Our main risks are intrinsically linked to the nature of our business. Managing them effectively is essential to protecting the interests of our clients and shareholders and creating shared value for our various stakeholders.

Constant changes in the industry and operating environment give rise to emerging risks whose potential impact on the Bank's strategy and operations must be understood and managed. These risks are discussed in the Management and Governance Committees, allowing us to act to mitigate their impact, both financial and reputational. Indeed, the SBA has appropriate internal processes in place preparing the Bank to react appropriately to emerging risks. Going forward, we will continue to improve the consistency of the process for identifying and materializing these risks. We intend to improve our ability to transform risk knowledge into concrete actions in order to strengthen the risk culture throughout the Bank.

The different types of risks, both current and potential, are identified, assessed, monitored, and mitigated on a regular basis and, consequently, periodic reports are produced, assessing the materiality of the risks detected. These reports not only comply with the Bank's internal requirements, but also with the impositions established in the Standard Bank Group risk policy.
In accordance with the Bank's structure, the Board of Directors is ultimately responsible for the Bank's risk management system, supported by each Director responsible for their line of action, ensuring appropriate design and operability of controls, based on Standard Bank Group requirements and guidelines, and taking into account BNA Notices no. 1/13 and no. 2/ 13.

The main risks contemplated in the Risk Management Model are the following:

RISK

- MARKETING
- REPUTATION
- CREDIT
- COMPLIANCE
- OPERATIONAL
- LIQUIDITY
- INTEREST RATE

The Bank's Risk Management Model operates transversally across the business and support and support areas of the SBA. As such, there is a fully defined structure that facilitates communication between the various Bank's various stakeholders and allows the efficiency in processes and procedures risk mitigation.

Governance and Risk Management Structure

The SBA has an organic structure based on advanced risk management, preserving the independence of the function and maintaining the necessary proximity to the business areas where the risk originates. In accordance with the Group's structure, the CEO is the chief executive officer of the Risk Management System of the Bank, ensuring adequate design and operability of controls, based on the Group's requirements and guidelines and taking into account BNA Notices no. 1/13 and no. 2/13. The Director, in charge of Risk Management, supports the Chief Executive Officer (CEO) in perform its responsibility and is part of an independent body, responsible for the Bank's Risk Management Function, with the main objectives of supervising and evaluating the Risk Management System and advising the Board of Directors on Risk matters.

Risk Management Model and Organization

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

Within the scope of the Risk Management Model, the first line of defense consists managing the Business and Support Units. This line is responsible for the Bank's risk management, where the assessment, evaluation and measurement of risks is an ongoing process which is integrated into the day to day business activities.

The responsibilities of the second line of defense comprise the definition of the risk management structure and policies, providing oversight and independent information for the executive management through the Risk Management Committee of the SBA, and to the Board of Directors, through the Credit Committee, the Risk Management Risk, and the Assets and Liabilities Committee. The risk management functions of the business units aim to implement the risk management policy in the business units, to approve risks within specific mandates and to provide an independent overview of the effectiveness of risk management by the first line of defense.

The third and final line of defense provides an independent evaluation of the adequacy and effectiveness of the overall risk management framework and risk management structures and reports to the Board of Directors through the Audit Committee.

Universe of Risk

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

STRATEGIC RISKS

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

NON-FINANCIAL RISKS

Non-financial risks normally exclude those risks that can be quantified and measurable risks, such as market, credit and liquidity risks. These types of risks are of a complex nature and sometimes present overlap between them, such as is the case of conduct risks, counterparty, cyber risks, among others.

FINANCIAL RISKS

Unexpected changes in external markets, prices, rates and supply and demand for liquidity. The financial risks include credit, market and liquidity risks.

Cycle of Life of Risk

The various risks a bank is exposed to are managed throughout the risk life cycle. The process of risk management includes rigorous quantification of risks under normal conditions and stress scenarios. The risk management model of the SBA is based on identification, assessment, monitoring and mitigation of current and potential risks on an ongoing basis.

IDENTIFICATION

The risk identification activities have specific defined techniques and are based on the availability of updated and correct information. In this sense, a risk detection strategy and inherent processes have been defined. The processes are developed by analyzing the information collected from the various areas and taking into consideration the risk indicators and limits of the SBA.

EVALUATION

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

FOLLOW-UP

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

MITIGATION

Following the risk communication procedures, the appropriate controls are defined, implemented and executed for their mitigation, allowing the adoption of corrective measures in the face of external or internal factors.

Risk Appetite

Risk appetite is the level of tolerance or type of risk that the Bank is willing to assume in the pursuit of its financial and strategic objectives, reflecting its capacity to bear losses and continue to meet its obligations, both in a normal scenario and in adverse conditions. To ensure increased profitability and sustainable growth, it is essential to guarantee an association between the risk appetite and the strategy defined by the Bank.

For 2020 the risk appetite covers three different levels:

LEVEL I: RISK APPETITE DIMENSIONS

- Regulatory capital
- Economic capital
- Stressed earnings
- Liquidity

LEVEL II: RISK APPETITE DIMENSIONS, BY RISK TYPE

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

LEVEL III: PORTFOLIO LIMITS BY TYPE OF RISK

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

The **SBA managed its risk appetite metrics within the defined limits**, but where this is not possible the situations were managed by the respective monitoring committees in order to bring them back within tolerance limits.

Typology of Risks

As previously mentioned, and inherent to its activity, the Bank faces a relevant set of risks daily, over which it dedicates permanent attention and control.

The SBA conducts annually a comprehensive assessment of the risks to which it is exposed to identify the risks that require greater attention and monitoring due to their potential impact on strategic objectives. The Bank analyses the main factors that generate risk and applies controls so as to minimize their impacts in the event of an unfavorable event. The main risks identified in tax year 2020 were: Credit; Regulatory; Technology; Cyber and Information; Execution; Counterparty; Business interruption; Conduct; and Fraud.

Access to the Bank's information is a topic that requires due attention, considering the significant increase in the use of private mobile devices within organizations. Considering the imminent risk and the need to protect information, proactively **the Information Systems Directorate implemented in 2020 several security solutions such as:**

REMOTE VULNERABILITY UPDATES

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

PHISHING CAMPAIGNS

A tool was introduced to **measure the degree of susceptibility to phishing cyber-attacks**. The solution allows targeted emails to be sent to Employees and automatic registration for phishing trainings.

FRAUD

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

PENETRATION TESTS

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

Permanent attention and control of risks.

MARKET RISK

Market risk is the risk of a change in the fair value, effective market value or results of a portfolio of financial instruments, caused by adverse movements in market variables (e.g. share, bond or commodity prices, exchange rates exchange rates, interest rates, credit spreads, recovery rates correlations and volatilities implied by market variables). **The identification, management, control, analysis, and reporting of risk are classified as follows:**

TRADING RISK

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

EXCHANGE RISK

It has its genesis in the **change in the future fair value of cash flows**, with different levels of financial exposure, due to changes in the underlying exchange rate.

EQUITY INVESTMENT RISK

This risk arises from the **volatility of stock prices**, with greater or lesser liquidity, due to systemic and non-systemic conditions.

Governance

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

The ALCO sets market risk policies to ensure that the measurement, reporting, monitoring and management of market risk associated with the Bank's operations **follow a holistic governance structure**. The ALCO reports to the Executive Committee (EXCO) and the Risk Management Committee of the Board of Directors.

Risk management in Angola is under the tutelage of Standard Bank Group to ensure that **the Group's standards are respected and that the minimum requirements are achieved.** The Risk Management Unit, which is independent from trading activity and reports directly to ALCO, controls market risk exposures arising from the Bank's activity. This unit monitors exposures and excesses daily, reporting to ALCO on a monthly basis and to the Risk Management Committee of the Board of Directors on a quarterly basis.

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Market Risk Policies

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

MARKET RISK MANAGEMENT STANDARD

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

BACKTESTING PROCEDURE

The Bank has defined backtesting procedures and these must be carried out in conjunction with the Market Risk Policy, to which they are associated.

VaR PRINCIPLES

The SBA has central principles that should be used in the calculation of VaR and in the elaboration of the corresponding reports aimed at trading activities, and are applicable to existing and newly implemented VaR engines

STRESS TESTING PROCEDURE

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

Techniques to measure and control Market Risk

1/7 DAILY CURRENCY POSITION

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

2/7 VAR BACKTESTING

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

3/7 VALUE-AT-RISK (VAR) DAILY

VaR is a technique that estimates the potential losses that could occur as a result of market movements over a specific period of time and with a predetermined probability. The limits defined for VaR and for measuring the level of risk are stipulated for all market risks to which the Bank is exposed. To arrive at quantitative measures for market risk, the SBA uses the historical VaR approach under normal market conditions. This methodology considers observable historical market data and, implicitly, data correlation. For operations where there are considerable non-linear positions, this type of calculation is more rigorous than variance/co-variance, because it explicitly takes second and third order effects into account.

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

4/7 STRESS TESTING

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

5/7 POINT VALUE 01 (PV01)

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

6/7 OTHER MARKET RISK MEASURES

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

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

7/7 MONITORING AND REPORTING

Market risk control and monitoring is done on a daily basis by the Business units, monthly by ALCO and quarterly by the Risk Committee.

EXCHANGE RISK

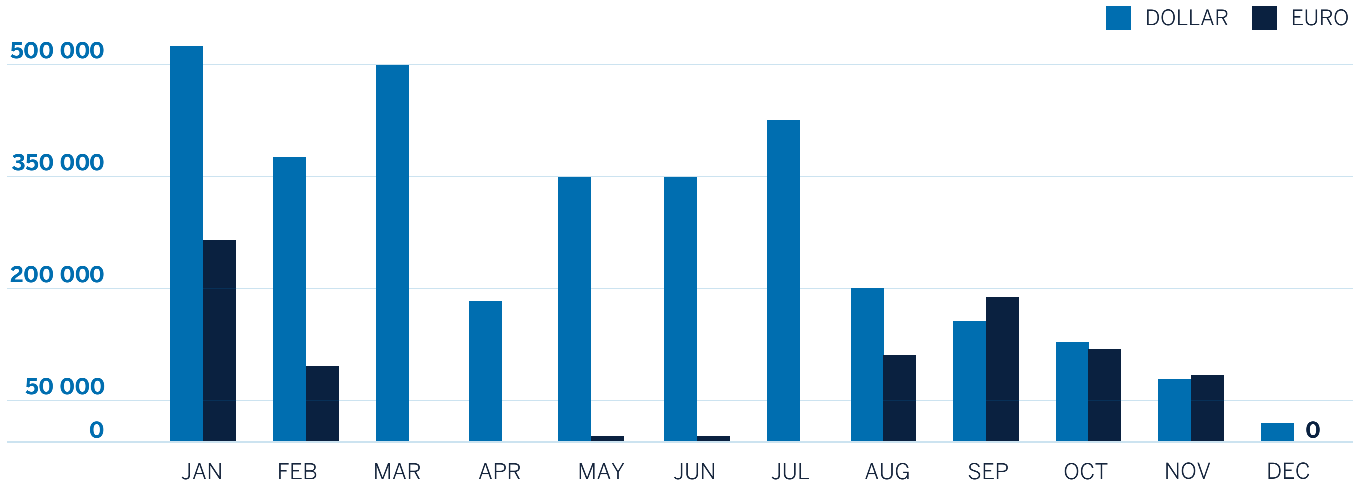
The Bank's foreign exchange positions arise mainly from trading activities foreign exchange exposures, which are governed by position limits approved by ALCO in accordance with the Standard Bank Group's market risk policy. These position limits are subject to review at least annually and foreign exchange exposures are monitored daily by the market risk function and reviewed monthly to ensure they meet the risk appetite approved by the Committee. The graph below presents the behavior of the Kwanza/USD exchange rate during 2020.

AVERAGE MONTHLY EXCHANGE RATE (KWANZAS/DOLLARS)

Source: BNA

BNA DIVISION SALES VOLUME (IN MILLIONS)

Source: BNA



2020 in Analysis

01 **Optimization** of the current front office system configuration by upgrading the trading system;

02 **Analysis, validation, maintenance and reporting** of all data in the scope of the SBA market risk.

CREDIT RISK

Credit risk corresponds to the probability of the counterparty's actual default and is one of the most relevant risks of the Bank's activity. Given its materiality, the formalization of policies procedures, methodologies, tools and systems, becomes vital to ensure the Bank's financial stability and solvency. Credit risk takes on particular importance in a hostile macroeconomic environment , due to the importance given to the admission of new operations, the monitoring of credit portfolios and their monitoring and mitigation of any emerging risks. The year 2020 was an unprecedented year, with the global impact of the Covid-19 pandemic. For this reason there was constant analysis of the SBA credit portfolio, and frequent reviews of the risk assumed were undertaken to ensure that the impact of the pandemic was managed appropriately. In 4 September 2020, Fitch downgraded Angola's long-term foreign currency sovereign rating from B- to CCC. Shortly thereafter, Moody's followed the downgrade of Angola's long-term foreign and local currency issuer ratings from B3 to Caa1 and changed the outlook to stable. Consequently, the impact of these downgrades on the portfolio, namely on the sovereign positions held by the Bank, was reviewed.

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

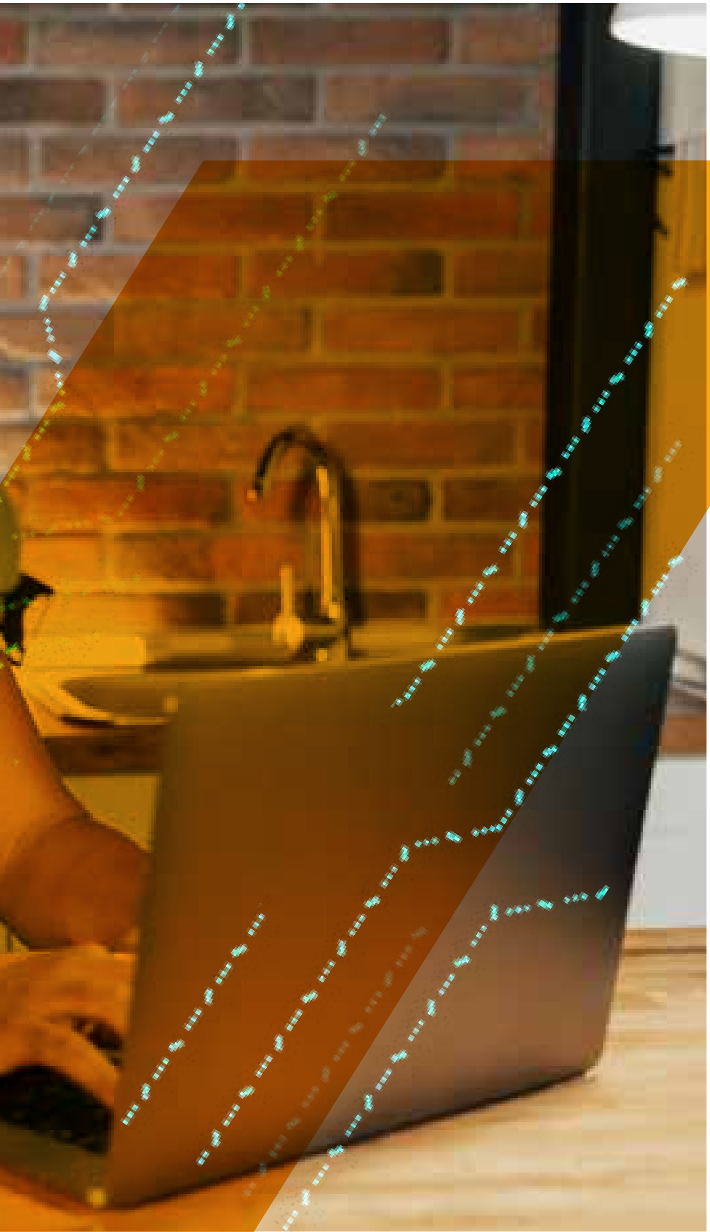
- **Use of internal** rating and scoring **systems** appropriate to the different business segments and use of a portfolio monitoring model for early detection of potential default risk;

- **Solid structure of risk** analysis and assessment covering integrated processes for the daily monitoring of credit exposures;

- **Exclusive dedication of structural units** for credit recovery in default situations;

- **Regular monitoring of** the evolution of the portfolio.

The Bank determines risk limits according to its total exposure to credit risk and capital absorption, relative to the total capital available for all counterparties, to avoid credit risk appetite and concentration. These limits must be complied with in the measures for granting and managing the credit portfolio.



Governance Model

In order to ensure adequate risk management, the defined credit risk management model, supported by a matrix organization, is integrated in the general control structure of Standard Bank of Angola Standard Bank of Angola's general control structure, involving all levels that intervene in the taking of risk decisions by means of the attribution of functions, use of procedures, decision circuits and tools which clearly delimit responsibilities. procedures, decision circuits and tools that clearly delimit responsibilities.

The Bank's credit risk management governance model includes the Credit Governance Committee, the Credit Risk Management Committee, the Credit Committee and the Watchlist and Overdue Credit Committee.

Credit Policies

The SBA is governed by the Standard Bank Group policy that establishes and defines the management principles and methods used in the identification, monitoring and reporting of credit risk. The Standard Bank Group policy is transversal to all Business Units, legal entities and support functions with activities related to credit risk management and defines:

- **Processes and principles of assessment** and measurement of credit risk
- **Delegation of authority and powers** in credit risk management
- **Definition** of the main responsibilities
- **Report** structure to be used

Credit Risk Factors

CREDIT RISK ASSESSMENT

The SBA assigns a risk notation to each Client through scoring and rating models that allow assessing, qualitatively and quantitatively, the probability of default. The basis for this assessment is a matrix used by the Standard Bank Group, which **is equivalent to the international matrices** of the External Credit Assessment Institutions (ECAI) rating agencies.

As for the approval levels, they are quantified, taking into consideration the counterparties' risk classes, and a risk classification is attributed to them with the exposure or risk limit allocated. Additionally, **the SBA has defined credit evaluation models for attributing the risk** level for the corporate Client segment, taking into consideration the expert opinion of the Credit Analyst and aligned with internal policies and procedures.

VALUATION OF MORTGAGE COLLATERAL

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

CREDIT APPROVAL

To ensure that the qualified persons and Committees fulfil their duties, the delegation of powers is defined in the Bank's credit standard. In this way the operational efficiency of the granting, account management and collection function of the credit departments is optimized. While the appointment of each person to a particular position is in force, the powers are granted on an individual basis. The policy also clarifies that **regular tests are to be carried out every 2 years** to ensure that credit mandates are allocated to suitably qualified Employees.

IMPAIRMENTS FOR LOANS AND ADVANCES

The SBA calculates credit impairments using an internal model **in accordance with IFRS9, adopted in 2018**. This model enables the probability of default of the portfolio (PD or Probability of Default) and its percentage of loss (LGD or Loss Given Default) to be identified. For each Client presenting a default equal to or greater than 90 days, an analysis is performed that determines the fair value of the loan portfolio, considering the current value of the estimated future cash-flows.

CONCENTRATION RISK

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

CREDIT RISK MONITORING AND REPORTING

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

Stress Tests

Each Client é individually assessed in a unfavorable macroeconomic scenario and the possible impacts on performance in terms of its credit quality. These tests are a key support tool for business processes: **(i)** financial and strategic planning; **(ii)** capitalmanagement planning; **(iii)** liquidity planning and management; **(iv)** updating and defining risk appetite; **(v)** identifying and proactively mitigating risks through dynamic limits.

Analysis/ country impact on portfolios risk

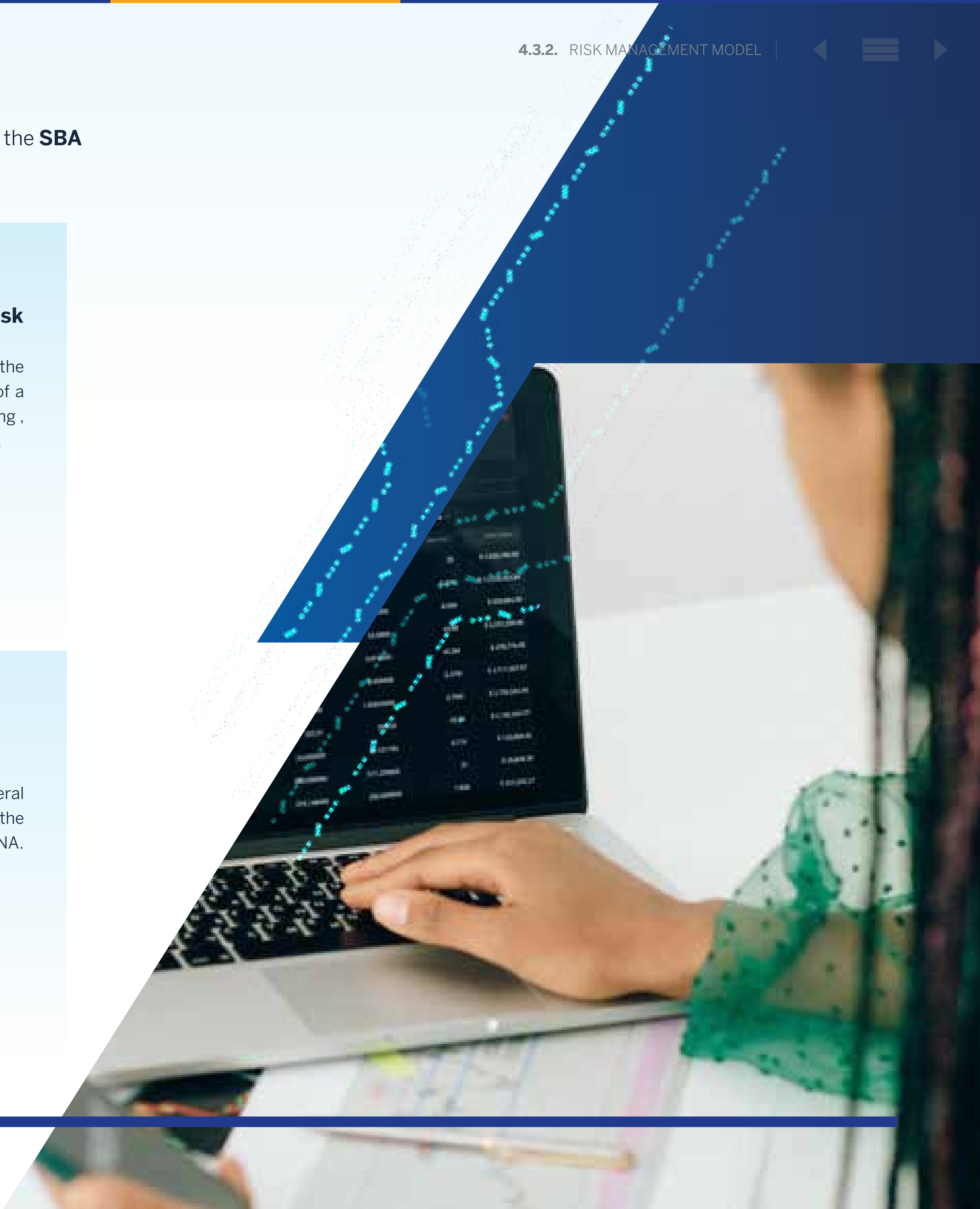
Foresees which Clients in the credit portfolio, in the event of a drop in the country 's risk rating , will have a negative impact.

Contract management

Continuously monitors the terms and conditions of the contracts signed.

Evaluation collateral

Updates the mortgage collateral valuations, in line with the guidelines stipulated by the BNA.



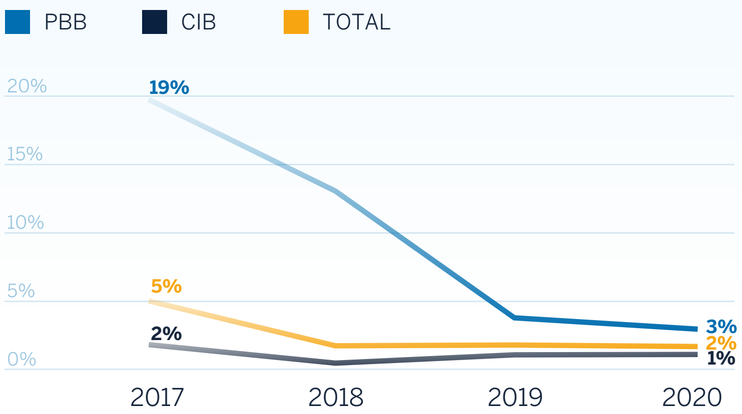
Credit Quality

The level of provisioning of the SBA's loan portfolio remained at 2% in 2020, unchanged from 2019. This result reflects the maintenance of the level of defaults, resulting from the adoption of preventive risk measures and the revision of the Bank's credit risk appetite **to combat the adverse macroeconomic context.**

It should be noted that the individual loans portfolio has a relatively higher associated risk than the corporate segment, however it has been registering an **increasingly lower impairment coverage value**, reaching 6.9%, compared to 7.7% in 2019.

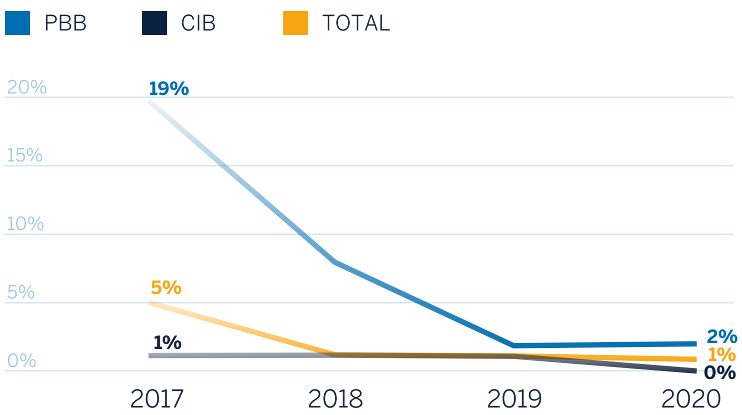
At the same time, the ratio of defaults over 90 days of the loan portfolio remained at 1% in 2020. Having observed stability in the segment of individuals in the ratio of defaults over 90 days, it remained the same in 2020 as in 2019 at 0.33%. These values resulted from a **continuous assessment and appropriate risk management by the Bank.**

COVERAGE OF THE CREDIT PORTFOLIO
Source: Financial Statements 2020



CREDIT IMPAIRMENT / TOTAL GROSS CREDIT

DEFAULT LATER THAN 90 DAYS
Source: Financial Statements 2020



CREDIT OVERDUE FOR MORE THAN 90 DAYS / TOTAL CREDIT GROSS

Exposure to Credit Risk

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

DEFAULT RISK

- Unlikely to pay the amount due on the due date or shortly after this one, without the counterparty resorting to divestments of securities (based on objective evidence);
- When the counterparty has been a debtor for more than 90 days.

PERFORMING LOANS

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

NON-PERFORMING LOANS (NPL)

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

The table below defines the Bank's rating scale and ensures alignment with the Bank's credit policies

	CLASSIFICATION	QUALITY CREDIT	MOODY'S INVESTOR SERVICES	STANDARD & POOR'S	FITCH
1 - 4	Investment	Monitoring Normal	Aaa, Aa1, Aa2, Aa3	AAA, AA+, AA, AA-	AAA, AA+, AA, AA-
5- 7			A1, A2, A3	A+, A, A-	A+, A, A-
8 - 12			Baa1, Baa2, Baa3	BBB+, BBB, BBB-	BBB+, BBB, BBB-
13 - 21	Sub-Investment		Ba1, Ba2, Ba3, B1, B2, B3	BB+, BB, BB-, B+, B, B-	BB+, BB, BB-, B+, B, B-
22 - 25		Monitoring Next	Caa1, Caa2, Caa3, Ca	CCC+, CCC, CCC-	CCC+, CCC, CCC-
Failure to fulfil obligations	Failure to fulfil obligations	Failure to fulfil obligations	C	D	D

OPERATIONAL RISK

Operational risk is defined as the risk of losses incurred as a result of inadequacy, or failure in internal processes, people, systems or from external events. At the SBA the various sub-types of operational risk are managed and monitored by the Operational Risk Department. **These sub-types include Tax, Insurance, Legal, Information, Technology, Business Continuity and Financial Crime Control Risks.**

GOVERNANCE

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

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

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

- BUSINESS CONTINUITY MANAGEMENT AND INFORMATION RISK
- THE COMMISSION'S RISK MANAGEMENT OF THE EXECUTIVE COMMITTEE
- RISK MANAGEMENT COMMITTEE OF THE BOARD OF DIRECTORS

Operational Risk Department

- RISK OF INFORMATION
- LEGAL RISK
- RISK OF COMPLIANCE RISK
- MODEL RISK
- RISK OF TECHNOLOGY
- RISK CIBERNETIC RISK
- TAX RISK
- RISK OF BUSINESS INTERRUPTION
- RISK OF PEOPLE AND CULTURE
- RISK OF FINANCIAL CRIME
- THIRD-PARTY RISK
- ENVIRONMENTAL AND SOCIAL RISK
- RISK OF ACCOUNTING AND FINANCIAL
- PHYSICAL ASSETS RISK

We adopt the best international practices for risk mitigation.

Operational Risk Policies

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

- Incident management
- Risk Controls Self-Assessment System (RCSA)
- Key Operational Risk Indicators (KRI or Key Risk Indicator)
- Risk scenario analysis

Robust Risk Management.

The Function of Operational Risk

The operational risk function has been gaining increasing prominence in the financial sector, given its importance in the face of potential negative impacts resulting from damaging management.

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

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

INCIDENT MANAGEMENT POLICY

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

KEY RISK INDICATORS (KRI)

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

RISK CONTROL SELF-ASSESSMENT

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

RISK SCENARIO ANALYSIS

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

2020 review

There are several key topics that have shaped the operational risk function over the past year:

- Carrying out an analysis and assessment of suppliers considered relevant suppliers, in order to assess their capacity to respond in terms of business continuity management of their business, the treatment of information as well as their controls at the level of physical and electronic security;

- Approval and implementation of new platforms and remote access to support remote working;

- Implementation of the new Operational Risk Management (RMP) system, as well as the automation of the key risk indicators for Corporate Corporate Banking;

- The Bank's pandemic response plan was activated to continue to guarantee services to our Clients;

- Implementation of a solution robotics (Nala), a risk virtual assistant. Nala is the first digital digital Collaborator of Integrated Operational Risk with the function of effectively enabling access to information, providing a unique user experience, collaborate, troubleshoot and support the support the Risco community;

- Conducting awareness-raising campaigns on financial fraud prevention;

- All the conditions have been created to remote working to reduce the risk of contamination, with 60% of the Bank's capacity working from home. Some Employees working in rotation and teams distributed the Bank's different facilities;

- Carrying out awareness-raising campaigns on pandemic prevention measures;

- The Management Committee was set up to monitor the developments of the pandemic, make decisions on the best prevention measures and safeguard the health of its Employees.

INTEREST RATE RISK

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

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

GOVERNANCE

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

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

Interest Rate Risk Management

REFIXING RISK

It arises at the time of divergences between residual maturities and/ or maturities of refixing of the interest rate on financial instruments.

YIELD CURVE RISK YIELD CURVE

Whenever there are unforeseen changes on the yield curve (interest rate) that have adverse consequences on the income or economic value of the Bank. Unlike the risk of refixation risk, the latter admits the possibility of the possibility of non-parallel This is, therefore, a refinement of the approach compared to the previous one.

INDEXATION RISK

Consequence of imperfect correlation between the fees received and paid in the different instruments, which otherwise have similar refixing characteristics, by relying on different indexing factors.

RISK OPTION

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

We invest in the present
to benefit the future.

Principles of Interest Rate Risk Management

SENSITIVITY ANALYSIS OF THE ECONOMIC VALUE

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

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

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

Currently, the risk appetite alert of the economic value of the SBA is 20% of the sum of core capital (Tier 1) and supplementary capital (Tier 2).

GAP STATISTICAL ANALYSIS

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

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

SENSITIVITY ANALYSIS OF NET INTEREST INCOME

To quantify the Bank's expected exposure to interest rates, a dynamic and forward-looking forecast of the interest margin. To do this, to determine the impact these changes may have on future interest margin, an approach involving a reinvested balance sheet and forecast interest rate scenarios is required. To calculate the impact of interest rate changes on the interest margin and market prices of instruments in the banking book instruments, at least a 12-month forecast should be considered. This analysis allows not only for the dynamic interaction of payments and interest rates, but also captures the impact of embedded and explicit options.

MEASUREMENT OF INTEREST RATE RISK INTEREST IN THE BANKING BOOK **UNDER NORMAL MARKET CONDITIONS**

Exposure to interest rate risk in the banking portfolio in the optimistic, expected, and downward scenarios must be quantified and reported to ALCO on a monthly basis. These scenarios should be specific to the type of currency, whether domestic or foreign, and rely on possible changes in interest rates in the short term that that may occur due to increases or cuts in reference rates by the BNA and/or BNA and/or changes in market interest rates in the short term.

RISK MEASUREMENT OF INTEREST RATE IN THE BANKING BOOK **FOR THE PURPOSES OF STRESS TEST MACROECONOMIC**

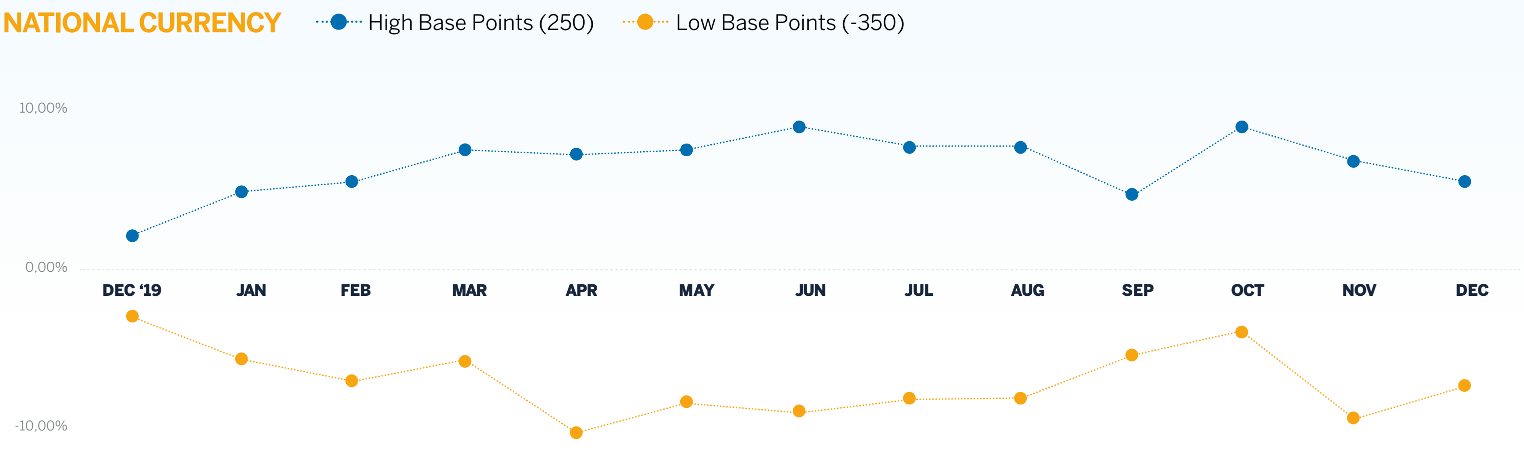
Considering the terms required by the governance regime oof the SBA, the macroeconomic stress tests should be conducted at least at least once a year.

MEASUREMENT OF INTEREST RATE RISK IN THE BANKING BOOK UNDER **ADVERSE MARKET CONDITIONS**

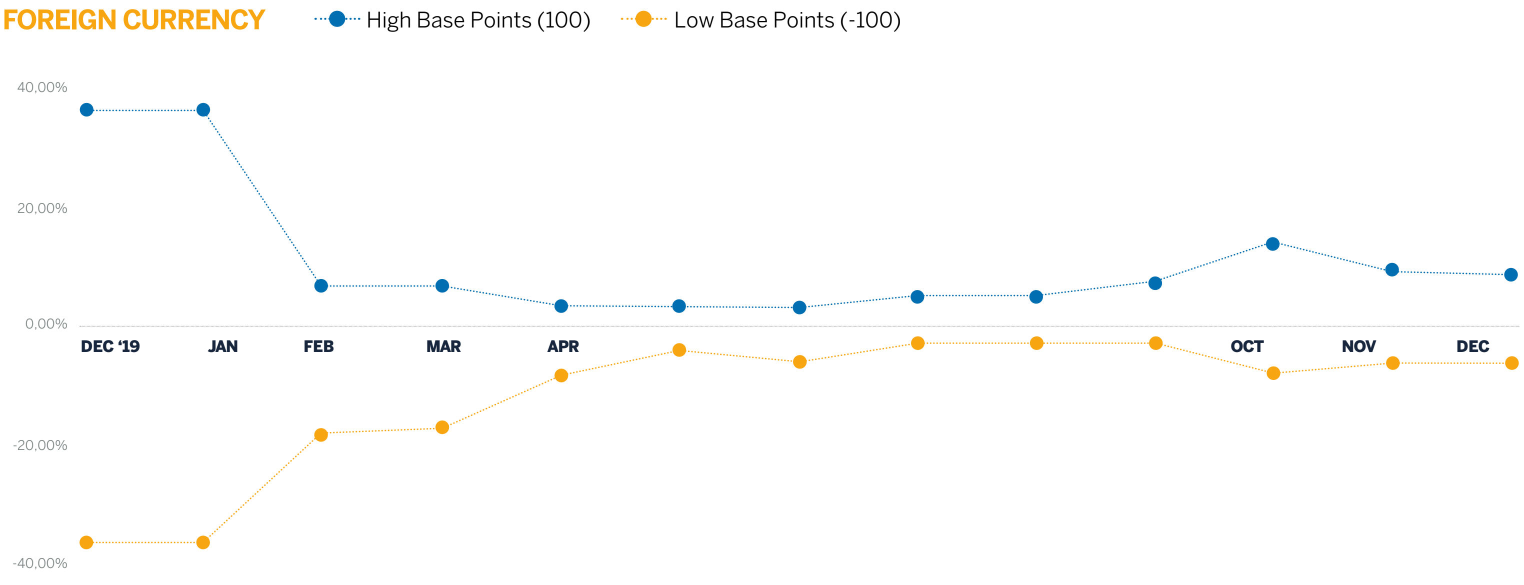
Monthly quantification and reporting to ALCO of exposure to interest rate risk in the banking book under adverse market conditions. For this analysis, parallel shocks interest rate shocks (up and down) are applied to assets and assets and liabilities, with a tolerance limit of a maximum negative tolerance limit is a maximum negative change equal to 10% of the 12-month prospective interest margin. The guiding principle is that the interest rate shock must reflect a reasonably unusual and adverse rate environment that is significant enough to capture, in addition to the delta, the effects of embedded options and convexity existing in the Bank's assets and liabilities.

Interest Rate Impacts

NATIONAL CURRENCY



FOREIGN CURRENCY

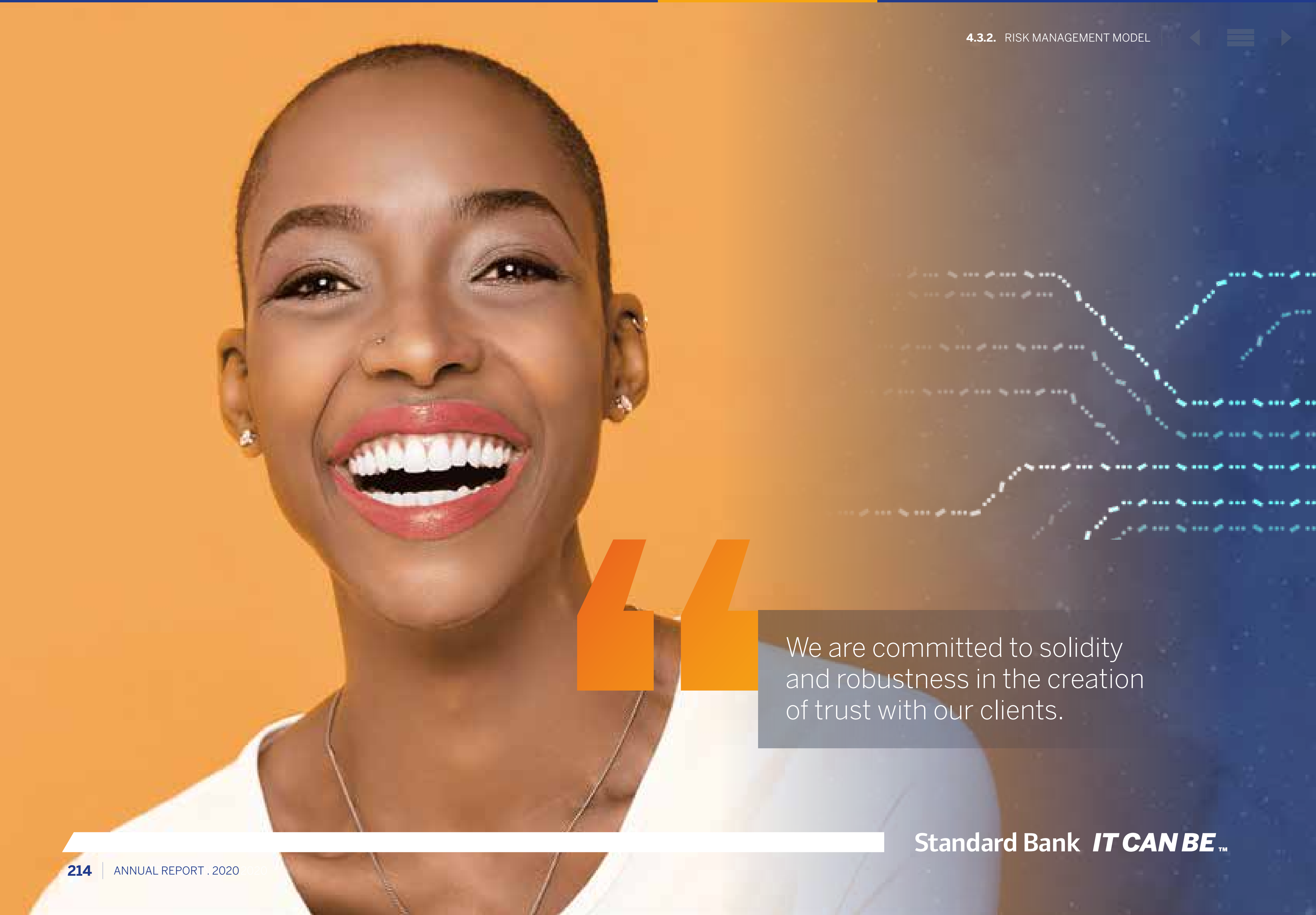


According to these graphs, in 2020, the cumulative impact of interest rate sensitive instruments on the Bank's regulatory capital was within the 20% limit in both domestic and foreign currency, in this case the US (which remains the only foreign currency whose items exposed to interest rate risk represent more than 5% of the banking portfolio).

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

From in accordance with the requirements of the South African regulator, the expected cash flows of assets and liabilities are grouped in the respective time band taking into account the refixing date (for floating rate instruments) or contractual maturity (for fixed rate instruments) and this allows the determination of the interest rate gaps for each of the time bands.

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



We are committed to solidity and robustness in the creation of trust with our clients.

Standard Bank IT CAN BE™

LIQUIDITY RISK

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

FUNDING LIQUIDITY RISK

It represents the risk of the Bank's lenders withdrawing or not renewing their financing.

MARKET LIQUIDITY RISK

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

LIQUIDITY RISK MANAGEMENT

Tactical liquidity management (short term)

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

Structural liquidity management (long term)

- Ensuring appropriate balance sheet structure
- Determination and application of the behavioural profile
- Long-term cash flow management
- Indication of long-term funding requirements
- Fund Transfer Price Guarantee (FTP)

Contingent liquidity risk management

- Monitoring and management of early warning indicators
- Establishment and maintenance of a formal plan liquidity contingency
- Performance of liquidity stress tests regular and analysis of the various scenarios

The Bank's liquidity management was set up to ensure comprehensive and broad liquidity risk management to ensure compliance with prudential ratios and minimum internal requirements (in both domestic and foreign currencies).

For each material currency (when total specific deposits in this currency exceed 5% of total Client-related liabilities) its tolerance limits, risk appetite alerts, monitoring elements and additional requirements are calculated.

GOVERNANCE

As previously mentioned, in the SBA it is the responsibility of the ALCO to establish the guidelines for liquidity risk management in order to provide adequate and timely management of receipts and payments.

To this end, TCM takes responsibility for liquidity risk management, monitoring and measuring the liquidity risk to which the Bank is exposed and reports the results to ALCO.

PRINCIPLES OF LIQUIDITY RISK MANAGEMENT

- Liquidity stress and scenario testing;
- Management of the structural liquidity mismatch;
- Long-term financing ratio;
- Maintenance of minimum levels of liquid assets;
- Restrictions on the concentration of deposits;
- Stress tests and scenario analyses.
- Liquidity Contingency Plans;
- Transformation ratio of deposits in local currency;
- Transformation ratio of deposits in foreign currency;
- Dependence on the interbank market;
- Intra-day liquidity management;
- Collateral management;
- Daily cash flow management;
- Funds Transfer Pricing (FTP); | Financing Plans;
- Quantification of financing risk.

LIQUIDITY RISK PROCEDURE

Liquidity Risk Standard

Determines and defines the procedures that the SBA assumes liquidity risks, as well as the framework for governance, identification measurement, monitoring, management, and reporting in a consistent and uniform manner.

Liquidity Risk Policy

Establishes the liquidity risk management principles the Bank, in accordance with the liquidity risk procedure defined by the Standard Bank Group.

The Creation Methods Document of the behavioral profile vis-à-vis liquidity risk is used for the analysis of liquidity risk analysis, and aims to identify a maturity profile of assets and liabilities for liquidity risk analysis.

MANAGING THE STRUCTURAL LIQUIDITY MISMATCH

Its objective is to measure the Bank's liquidity, through the differences between cash inflows and outflows, within different time bands (assuming a maturity ladder limited to 12 months).

The measurement of this liquidity is done through cash flows adjusted to the behavioral profile of assets and liabilities. According to their probability of maturity, these are framed in the various time bands.

To highlight potential liquidity risk, anticipating liquidity risk, disparities between the cash inflows and outflows, the analysis of the structural mismatch analysis is carried out regularly.

For this purpose, the Bank's liquidity position is assessed through the net cumulative mismatch, in each time band, as a percentage of total client-related liabilities - through the aggregate cash flow outflows subtracted from the aggregate inflows in each time band.

In order to restrict this mismatch the different time bands, the Bank time bands, the Bank defines internal limits.

LIQUIDITY CONTINGENCY PLAN

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

Additionally, it aims to serve as a pre-planned response mechanism to manage potential adverse situations. It incorporates the various elements which enable the Bank to identify, assess, communicate, and answer an event of a liquidity crisis so the Bank can have access to a rapid, and effective response during periods of liquidity crisis.

Once reviewed by the TCM and approved by the ALCO, the plan must be formally acknowledged and adopted by the Board of Bank's Board of Directors.

"Guarantee of Adequate Liquidity.

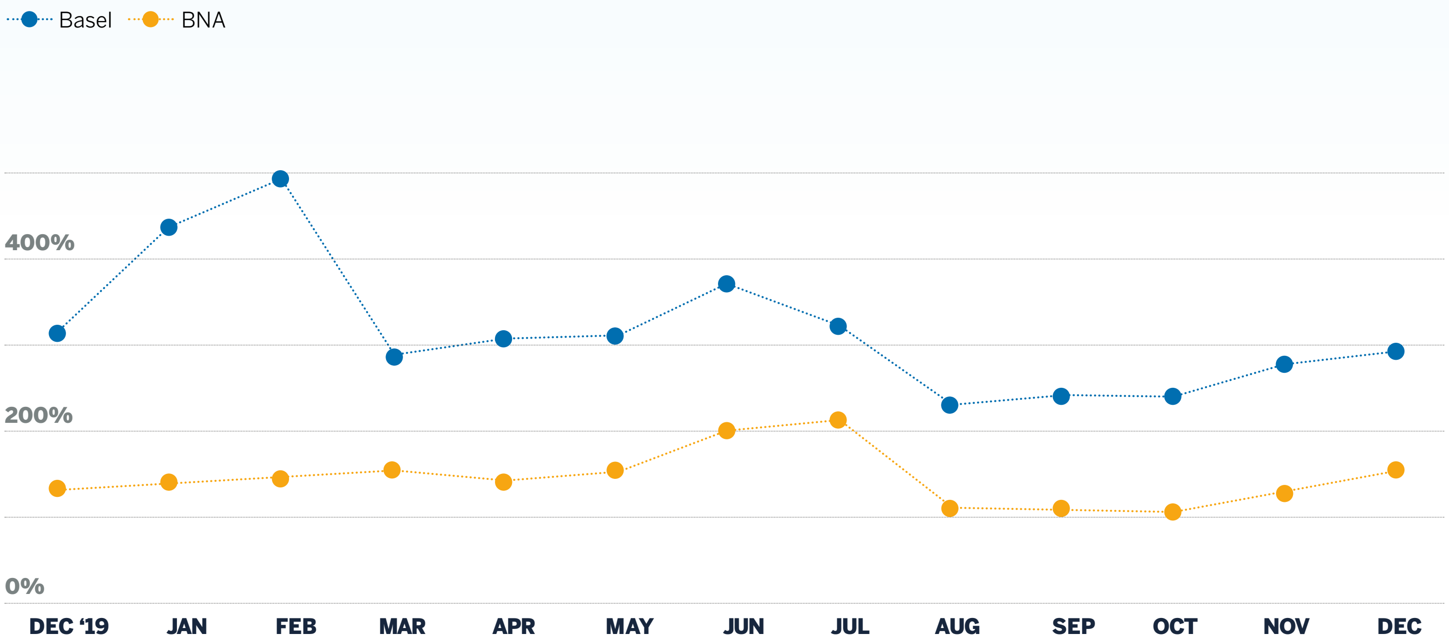
2020 review

MONITORING BNA AND BASEL III LIQUIDITY RATIO

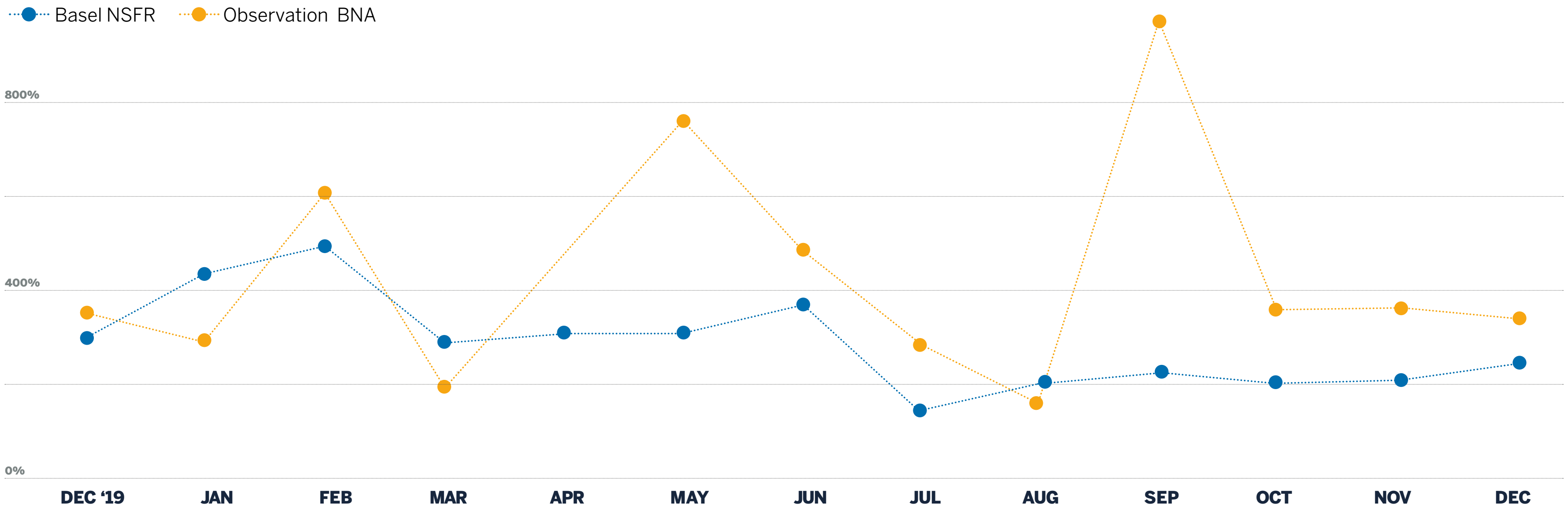
The reporting of liquidity ratios must be made to the BNA, in accordance with local legislation, and to the South African regulator, in accordance with Basel III.

In the Basel III, the objective of the liquidity coverage ratio is to promote the resilience of short-term liquid assets, by recognizing the value of the securities in full in its calculation method. On the other hand, Angola's law goal is to ensure that the Bank holds sufficient liquid assets to meet its short-term liquidity needs, through the ratio between liquid assets and the difference between cash outflows and inflows.

LIQUIDITY RISK: BNA AND BASEL III



OBSERVATION RATIO: BNA AND BASEL NSFR



The Bank reports the observation ratio in accordance with BNA Instruction no. 19/16. In addition, it calculates the Net Stable Funding Ratio (NSFR) in accordance with the Basel III framework, both for balance sheets in local and foreign currency, for reporting to the Group. The graph above shows the variation of both SBA ratios over the year 2020.

According to the BNA, the Bank should reach 100% in observation ratio. However, in accordance with internal policies, the Bank more than guarantees these limits in both ratios, applying appetite limits of 105%.

The following are the internal principles with the highest influence on the activity of liquidity management of the Bank:

LIQUIDITY STRESS TEST AND SCENARIO ANALYSIS

Performing internal liquidity stress tests to identify possible sources of liquidity crisis and ensure that current exposures are within tolerance limits and within the Bank's defined risk profile. These include systemic and Bank specific scenarios (individually and combined where possible).

Both stress tests and scenario analysis are based on historical and hypothetical episodes and should always comply with applicable regulatory requirements.

Although the Bank monitors the liquidity ratio daily, according to BNA Instruction no. 2/17, the Bank must conduct stress tests annually to have effective and efficient risk management and safeguard liquidity, as well as support in the process of capital and liquidity planning and management and others.

To this end, a scenario analysis is carried out by applying the results to the Bank's balance sheet to assess how potential variations would affect liquidity ratios in a future perspective.

The following table illustrates the liquidity position at the end of December 2020 and future liquidity positions after changes in the balance sheet resulting from the scenarios identified.

STRESS TEST RESULTS

	Kwanzas	Dollars
Liquidity Ratio / Dec 2020	155%	124%
Liquidity ratio stress / Dec 2021	105%	109%
Liquidity ratio stress / Dec 2022	128%	118%
Liquidity ratio stress / Dec 2023	121%	116%
Tolerance limit	100%	100%
Appetence	105%	105%

In view of the above, we can see that the liquidity ratio will continue to be well above the tolerance limit (100%) and the appetite (105%), which means, that in a stress scenario the Bank would still be able to honor its obligations in the respective periods 2020 and 2021, as a result of effective liquidity management and the internal and external policies that oblige the Bank to maintain the minimum liquid assets that correspond to the net outflows in atypical scenarios both in the market and in the Bank itself.

MAINTENANCE OF MINIMUM LEVELS OF LIQUID ASSETS

To maintain prudential requirements and internal stress testing, the Bank maintains a portfolio of liquid assets and can thus protect against unexpected disruptions in cash flows.

The aggregate value of the SBA's unencumbered net assets, at the closing prices of the day less a forced sale discount, must always exceed the greater of 5% of the Client-related liabilities and also, the prudential limit imposed by the regulator.

The table below shows the net assets (millions of Kwanzas) of the Bank on 31 December 2020:

	Kwanzas	Dollars
Cash (notes and coins)	7 365	1 502
Deposits at central banks	109 358	28 482
Deposits at central banks	-	67 775
Investments in central banks and other credit institutions (up to 1 month)	32 880	44 237
Securities in the trading book	45 195	-
Total net assets (TAL)	**161 918**	**141 995**
Minimum (TPRC x5%)	**14 306**	**11 375**
TAL/ TPRC	**57%**	**62%**
Total Client Related Liabilities (TPRC)	**286 121**	**227 498**

Our main goal is to maintain the excellence of the service provided to the Client.

REPUTATION RISK

Reputation risk is the actual or potential damage to the Bank's image that may harm the profitability and sustainability of its business. Such damage may result from a breach of trust or business relationships by Clients, Counterparties, Shareholders, Investors or Regulators, and may adversely affect the Bank. The SBA has defined values and a code of ethics which provide guidance on behaviors and decision-making that assist in the management of reputational risk.

The main objective of the SBA is to maintain the focus on excellence of the service provided to the Client and to drive constant improvements in the Client experience. In this sense, there is a constant concern with the dimension of reputational risks.

To ensure that activities with a potential impact on Clients are aligned with the Bank's internal procedures, an internal guide with the associated procedures and legislation is adopted.

In this way, the SBA manages the reputational risk situations to which it is exposed, minimizing negative stakeholder perceptions. Amongst the various methods of reputation risk management, the Bank's Code of Ethics is essential to mitigate reputation risk and is a reference point for all Bank Employees. The Executive Committee is ultimately responsible for compliance with the Code of Ethics.

Focus on Service Excellence.

GOVERNANCE

There is a specific area responsible for reputation risk management, in line with the Bank's concern for its reputation with Clients, Suppliers, Counterparties, Shareholders, Investors and Regulators.

This area seeks to identify potential situations with an impact on the Bank and promotes various activities to ensure adequate management of reputational risk.

In addition, this area also manages complaints, guaranteeing an effective resolution through the identification of the cause and respective action plans, so that there are no recurrences, thus ensuring ongoing Client satisfaction.

The Bank aims to know and continuously satisfy its Clients' needs and contribute to the elimination of the reputational risk that may be associated with the quality of the services. Based on the strategies of the various departments and segments, several mechanisms were created and implemented in 2019 that make it possible to monitor and assess the various activities and services provided.

THE MAIN PILLARS OF REPUTATION RISK MANAGEMENT

Code of Ethics

To ensure that its Employees act in accordance with the Bank's principles and values of the Bank, there is a Code of Ethics. This document is presented to all Employees as part of the induction program.

Brand Awareness

The Institutional Relations area manages the SBA brand, identifies, and assesses any news that involves the Bank's name and can impact its activity and/or reputation. In this way, the Bank can act efficiently in the face of any events that involve, in a less positive manner, the name of the brand.

Complaints Management

As providing excellent Client service is a key aspect of the Bank's strategy, special attention is paid to the management of complaints, identifying and following up the causes of the complaint and ensuring compliance with the deadline for reply and resolution established in Notice no. 12/16 of the BNA.

Quality of Services

The Service Quality area of the SBA has as its main focus, to provide a positive experience to our Clients, every time they interact with us, managing to positively exceed the Client's expectations and expectations and guarantee a service of excellence.

The Voice of the Client

For the Bank to provide a service of Excellence we need to listen to the Voice of the Client. The SBA has mechanisms to evaluation of Client Satisfaction. This assessment is carried out annually and allows us to needs, ambitions and concerns. Associated to this evaluation system, a platform is implemented to manage all complaints and service requests.

Through analysis of the data from the above-mentioned systems, action plans are drawn up for each situation in order to ensure the non-existence of recurrences and consequently reduce exponentially the exponentially reduce the probability associated with the reputational risk of the services provided by the Bank.

Transaction methods and systems

Evaluation of the efficiency and effectiveness of the various transaction systems, namely:

- Process Automation;
- Redefinition of SLAs, prioritizing the Clients' needs;
- Turn Around Time (TAT) Metrics;
- Stimulating the use of the available digital platforms and associated services through of campaigns aligned with the business areas and the Bank's strategic priorities.

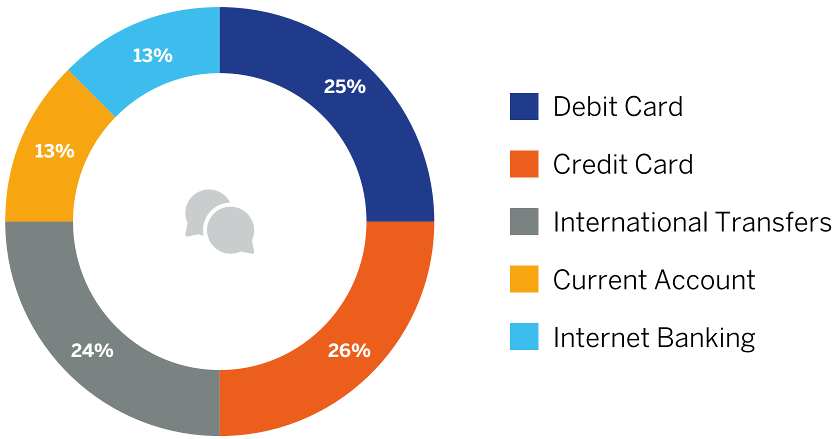
Complaints, service requests and enquiries

Through complaints and/or service requests, human, procedural, and technological failures are identified, allowing for the identification of opportunities for improvement. Through this identification, it is possible to implement alternatives in collaboration with all parties involved.

Efficiency of the systems

- Analysis of the operationality of the systems of the Bank (uptime and downtime);
- ATM operation analysis;
- Follow-up and monitoring of all service requests and complaints in the Service Cloud/ QRM system.

2020 REVIEW
TOP 5 COMPLAINTS BY PRODUCT



The figures presented below provide the clear perspective of the quality of service provided by the SBA, where the total number of complaints has a weight of 2% in the total universe of Clients.

36 872
Active Clients

825
Total Complaints

Weight of **2,2%**

We base our actions on communication, transparency and trust.

Standard Bank IT CAN BE™

COMPLIANCE RISK

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

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

The objective of the Compliance function is achieved by adopting a risk-based approach allowing the Bank to identify, manage and effectively mitigate compliance risk. In parallel internal procedures adopted by the SBA, regular and transparent communication, based on mutual trust with regulatory bodies, is an asset in the management of this risk.

GOVERNANCE

The organizational structure of the Compliance Department has been designed to support the Bank's Board of Directors in managing compliance risk.

This Division proactively supports the Board of Directors and the Business Units to ensure that all business activity is conducted in compliance with the required requirements and adopts a constructive, pragmatic and independent approach, interacting actively with other risk areas, as well as with other Business Units.

Governance is not only limited to compliance with legal requirements, but also requires a rigorous and robust system where guidelines and indicators are defined for measuring the risk associated with the development of banking activity in its various events.

In these terms, there is effective assurance of risk management and adherence to legal requirements, as well as good banking practices and compliance with the Bank's Code of Ethics.

MANAGEMENT OF COMPLIANCE RISK

As with the Group, Standard Bank Angola, for compliance risk there is continuous monitoring **on different action fronts:**

- Monitoring of business areas;
- Alignment of internal policies with the legislation and regulations in force;
- Monitoring of prudential reporting;
- Continuous communication to the regulatory authorities;
- KYC Monitoring and High Risk Clients;
- Document management (correspondence).

The SBA Compliance Department has implemented the procedures manual on the Compliance Risk Universe Methodology, whose aim is to assist the said Department in managing regulatory risk and compliance risk management plans.

According to the respective manual, the Regulatory Compliance Risk Universe (UR - phase 1), must be conducted through a workshop with the Business Units, during which Compliance agrees and confirms with the relevant Units the applicability of the Compliance requirements determined for the Business Unit, the category and risk classification of each of the Compliance requirements.

In a subsequent phase, another workshop is held to complete the Compliance Risk Management Plan (CRMP - phase 2) on Compliance requirements that have a high-risk rating, with the aim of documenting the temporary or interim control measures (e.g. manual procedures) that will mitigate Compliance risks until the final controls, such as automated systems, are implemented.

RISK SCALE ON THE IMPACT OF DEFAULT

The scale with the different levels of risk relating to default is shown below.

HIGH RISK

| Potential loss due to fines (direct or indirect) for breach of legal obligation, damage resulting in impacts requiring a long recovery period; | Significant changes to the system;

| Excessive costs and penalties;

| Suspension or loss of the Bank's license, written warning from the Regulator, fines or severe penalties (e.g. 10% of annual turnover), serious reputational damage.

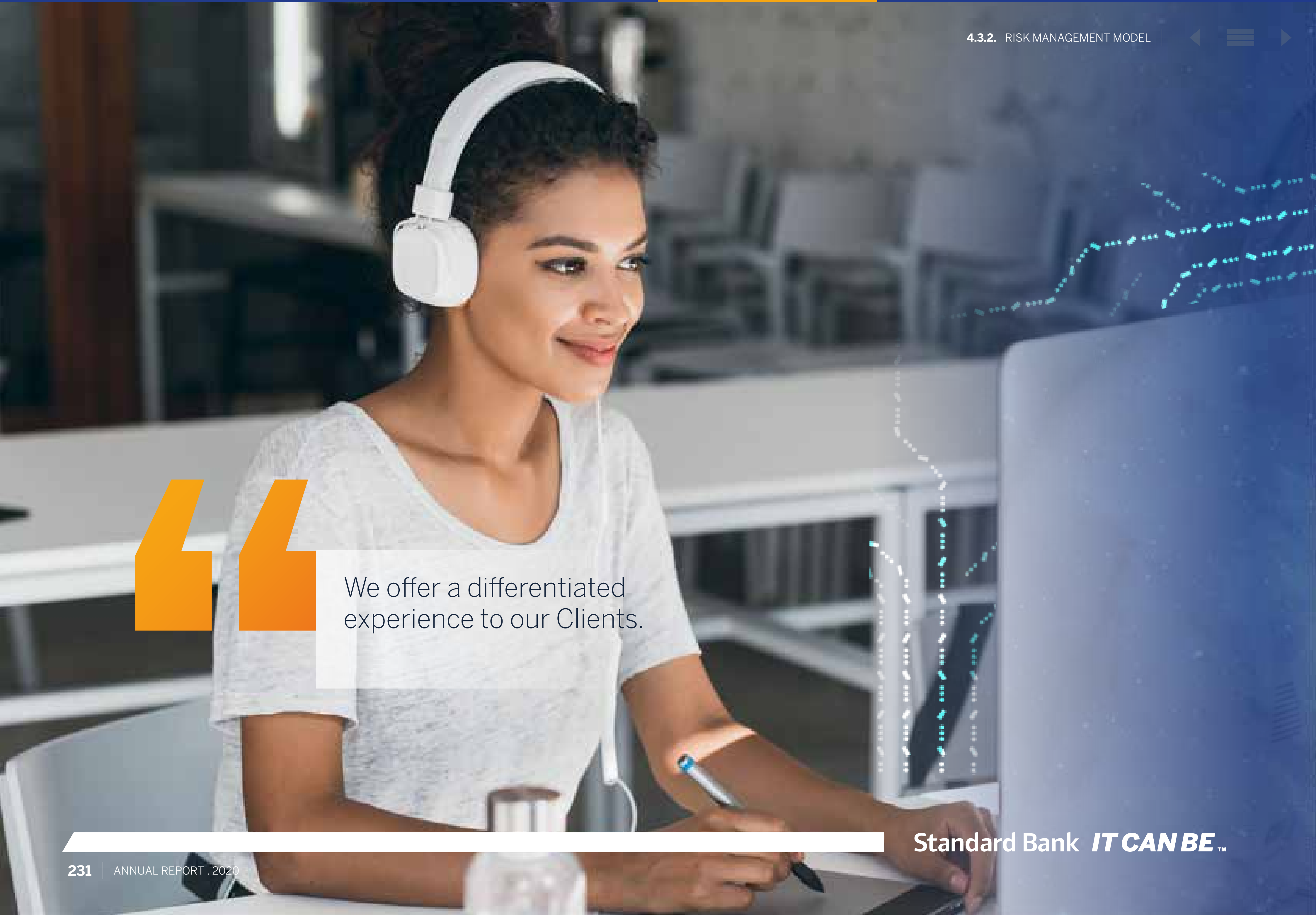
MEDIUM RISK

| Potential loss due to fines (direct or indirect) for breach of compliance significant or material regulatory;

| Difficult recovery or implementation of changes, written reminder from the regulator, significant fines or penalties, significant reputational damage.

LOW RISK

| Potential loss due to fines (direct or indirect) because of the low regulatory compliance, minimal easily recoverable costs, minor reputational damage.



We offer a differentiated experience to our Clients.

Standard Bank *IT CAN BE*™

Focus for 2021

The SBA highlights a set of dimensions to be addressed **in 2021 within the scope of the risk function:**

Implement a system of automatic classification of the information produced, to guarantee that sensitive information is not shared with undue persons.

Implementation of the third party risk management system and assessment of suppliers to assess their resilience and to consistently review and assess suppliers considered relevant.

Focus on automation of manual processes, such as Impact Analysis and the Business Continuity Plan, to better manage Business Resilience.

Continually review and improve the Bank's insurance **structures** to ensure they remain relevant and fit for purpose.

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

Establish an independent health, hygiene and safety function to manage evacuation exercises and assist in mitigating business continuity risks.

In 2021, we will continue to build a safer financial world.

Standard Bank IT CAN BE™

4.4

SOLID FINANCIAL RESULTS

The delivery of sustainable returns to our Shareholders depends directly on the satisfaction of our Clients regarding investments made, satisfied Employees and the effective and efficient management of risk and conduct.

OUR INDICATORS

For the SBA, the creation of value for our Shareholders is intrinsically associated with the creation of value for the society in which we operate.

Overview

The SBA in 2020 recorded a net profit of 36.1 billion Kwanzas, showing a 12% increase over the previous year. Despite the particularly challenging context that occurred in the 2020 financial year, with the pandemic affecting all economies globally and seeing oil prices at significantly low levels, the SBA managed to excel and achieve the best result since its creation in 2010.

The increase in net income for the 2020 financial year resulted essentially from the growth in operating income, by approximately 22,323 million of Kwanzas, which made it possible to offset the increase in costs for the year, of about 18 599 million Kwanzas, essentially associated to structure costs (mainly, Employees costs and third party supplies and services - about 7.030 million Kwanzas) and the recognition of additional impairments (about 10 223 million kwanzas) on the Bank's financial assets, resulting from the deterioration of Angola's rating.

Growth in net operating income, of about 22 323 million Kwanzas, resulted from the improvement in the bank's net interest margin, by about 11 818 million Kwanzas, and in the supplementary margin, by about 10 505 million Kwanzas. The improvement in net interest income was essentially explained by the increase in interest received from loans and advances to Clients, while the positive evolution of net interest income was essentially leveraged by the improvement in foreign exchange results.

As a result of efficient liquidity management and Client confidence, the Bank's resources (deposits) increased by 60%, which allowed for an increase in operating income (up 37% compared to 2019), as well as the possibility of granting more credit and making investments in other financial assets.

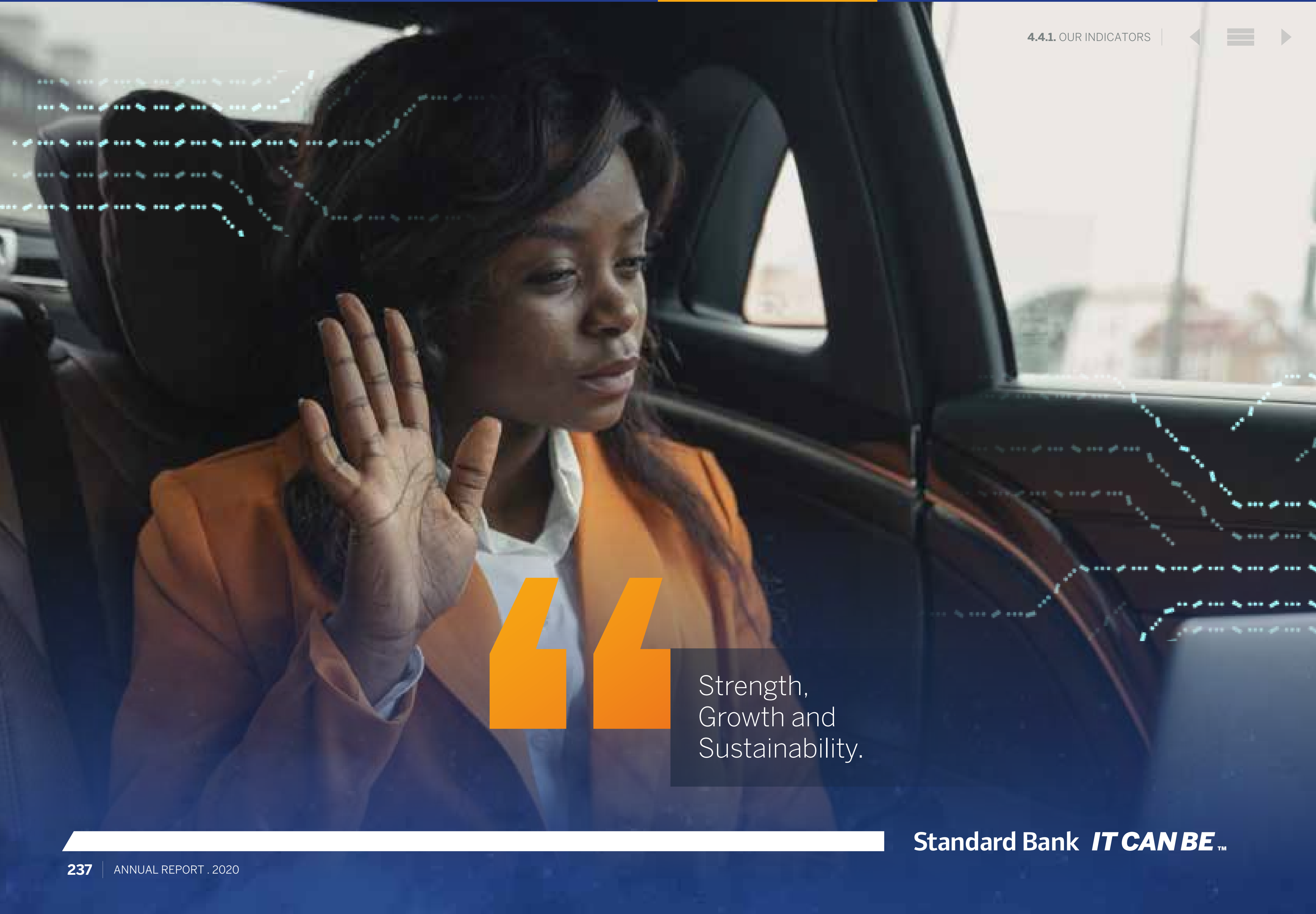
In terms of credit granted by the Bank, we witnessed a growth in the loan portfolio, from around 49 billion Kwanzas, compared to 2019, corresponding to growth of 53%, which materialized in new loans and in the growth in the number of Clients, always based on an effective risk management policy, which enabled credit quality levels to be maintained, with the default rate remaining at 1%.

The SBA continues to show optimize efficiency levels through investment in technology and automation of processes, focused on the development of innovative solutions for Clients based on a digital experience.

Return-on-Equity decreased by 6 p.p. to 34%, compared to the previous year, as the result for the year, although better than in 2019, did not follow the evolution of the Bank's equity (further strengthened in its reserves and retained earnings).

Due to the mentioned evolution, the solvency ratio also presents a positive evolution of 10 p.p. in relation to the previous period, reaching a value of 38% in 2020. It should be noted that this value is considerably higher than the solvency limit required by BNA, which corresponds to 10%.

In view of the results shown, we conclude that 2020 was another year of growth and affirmation for the Bank, which maintained its motto: Strength, Growth and Sustainability.



Strength,
Growth and
Sustainability.

Standard Bank IT CAN BE™

Our accounts

In a particularly demanding economic environment, marked by the devaluation of the kwanza, devaluation of the oil price, high average inflation (25.1%) and with an economic crisis at a global level largely due to the pandemic, Standard Bank of Angola obtained, thanks to the quality of its management, a net profit of 36 131 million Kwanzas.

CREDIT GRANTED[1] (THOUSANDS OF KWANZAS)

FINANCIAL INVESTMENTS (THOUSANDS OF KWANZAS)

DEPOSITS (THOUSANDS OF KWANZAS)

FINANCIAL MARGIN (THOUSANDS OF KWANZAS)

COMPLEMENTARY MARGIN (THOUSANDS OF KWANZAS)

PROVISIONS AND IMPAIRMENT (THOUSANDS OF KWANZAS)

OPERATING EXPENSES (THOUSANDS OF KWANZAS)

TAXES ON RESULTS (THOUSANDS OF KWANZAS)

NET PROFIT (THOUSANDS OF KWANZAS)

1– Loans gross of impairment

Balance Sheet Analysis

The results achieved by the Bank in 2020 are quite positive and map a path of solid growth. We witnessed a very significant raising of funds, which allowed us to have liquidity and conditions to invest in financial assets, namely credit, securities and investments, and to grant credit.

On the other hand, the deposit portfolio of Standard Bank of Angola showed notable growth and was little influenced by the global macroeconomic context.

BALANCE

	(thousands of Kwanzas)			(thousands of USD)		
BALANCE	**31.12.2020**	**31.12.2019**	**Variation**	**31.12.2020**	**31.12.2019**	**Variation**
Asset						
Availabilities	212 701 958	261 768 454	-19%	327 433	537 546	-39%
Deposits with central banks and other credit institutions	142 266 522	5 582 824	2448%	219 005	11 461	1811%
Financial assets at fair value through profit or loss	1 824 677	30 884 139	-94%	2 809	63 404	-96%
Financial assets at fair value through other comprehensive income	89 032 526	72 318 198	23%	137 057	148 467	-8%
Investments at amortised cost	235 843 696	108 653 890	117%	363 058	223 064	63%
Loans to clients	140 309 033	91 504 620	53%	215 992	187 857	15%
Fixed assets	46 297 659	30 397 686	52%	71 271	10 527	577%
Other assets	12 006 267	5 127 483	134%	18 482	62 406	-70%
Total Assets	**880 282 338**	**606 237 294**	**45%**	**1 355 106**	**1 244 732**	**9%**
Liabilities and equity						
Resources from central banks and other credit institutions	894 112	1 573 938	-43%	1 376	3 231	-57%
Resources from customers and other loans	691 667 486	432 183 355	60%	1 064 753	887 262	20%
Debt securities issued	4 745 970	4 745 970	0%	7 306	9 743	-25%
Financial liabilities at fair value through profit or loss	214 709	-	-	331	-	-
Provisions	2 796 343	1 818 026	54%	4 305	3 732	15%
Current tax liabilities	2 918 522	2 059 764	42%	4 493	4 229	6%
Subordinated debt	19 553 301	14 756 220	33%	30 100	30 294	-1%
Other liabilities	40 509 524	53 434 271	-24%	62 360	109 699	-43%
Total Liabilities	**763 299 967**	**510 571 544**	**49%**	**1 175 024**	**1 048 190**	**12%**
Equity capital						
Share capital	9 530 007	9 530 007	0%	14 670	19 565	-25%
Reserves and retained earnings	71 321 276	54 008 054	32%	109 792	110 353	-1%
Net profit or loss	36 131 088	32 127 689	12%	55 620	66 624	-17%
Total Shareholders' Funds	**116 982 371**	**95 665 750**	**22%**	**180 083**	**196 542**	**-8%**
Total Liabilities and Shareholders' Funds	**880 282 338**	**606 237 294**	**45%**	**1 355 106**	**1 244 732**	**9%**

BALANCE SHEET ANALYSIS

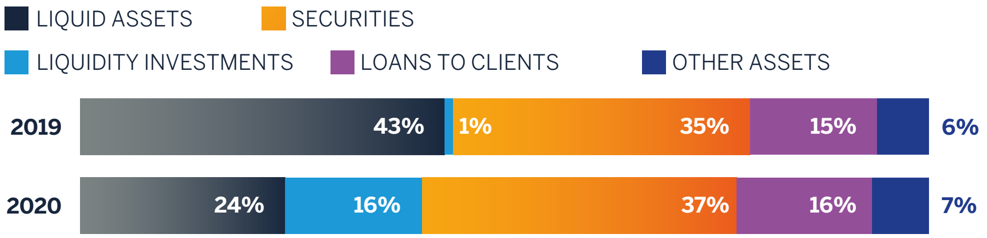
On 31 December 2020, the SBA's net assets totaled 880 282 million Kwanzas, registering an increase of 45% compared to the same period of the previous year, resulting from the increase in the items of financial investments, net credit and securities, which showed a positive variation of 2 448%, 53% and 54%, respectively.

The growth in loans granted was the result of the good performance in capturing Client funds, demonstrating the consolidation of the SBA brand and the confidence of Clients in the Bank's management. This growth in the loan portfolio also denotes the Bank's clear commitment to financing the economy and boosting the economic diversification underway in the country. Additionally, by BNA's Notice no. 10/2020, the Bank allocated an amount of 46 945 million Kwanzas to the real sector.

Regarding to the securities heading, a positive variation of 54% was recorded compared to the 2020 financial year, a major contribution to which was made by the increase in financial assets at fair value through other comprehensive income, which recorded an increase of 23% compared to 2019 and the investments at amortized cost which recorded an increase of 117% compared to the same period in the previous year.

To this extent, 37% of the Bank's assets are made up of securities, with continued investment in the sovereign debt of the Republic of Angola. It should also be noted that cash and cash equivalents and financial investments account for 40% of the SBA's assets. The Bank's efficient management of liquidity and investments is one of the driving forces behind the high profitability of the Bank.

ASSET MIX



Client funds are the main source of funding and in the 2020 (financial year) registered an increase of 60%, rising from 432 183 million in 2019 to 691,667 million Kwanzas in 2020. The ratio of transformation in LCY of deposits into credit during 2020 was set at 29%, 3 p.p. below the previous year. Total liabilities showed an increase of 49% over the previous year, reaching 763.3 billion Kwanzas compared to 510.572 million Kwanzas recorded in 2019.

More active Clients.
More business.

SECURITIES PORTFOLIO

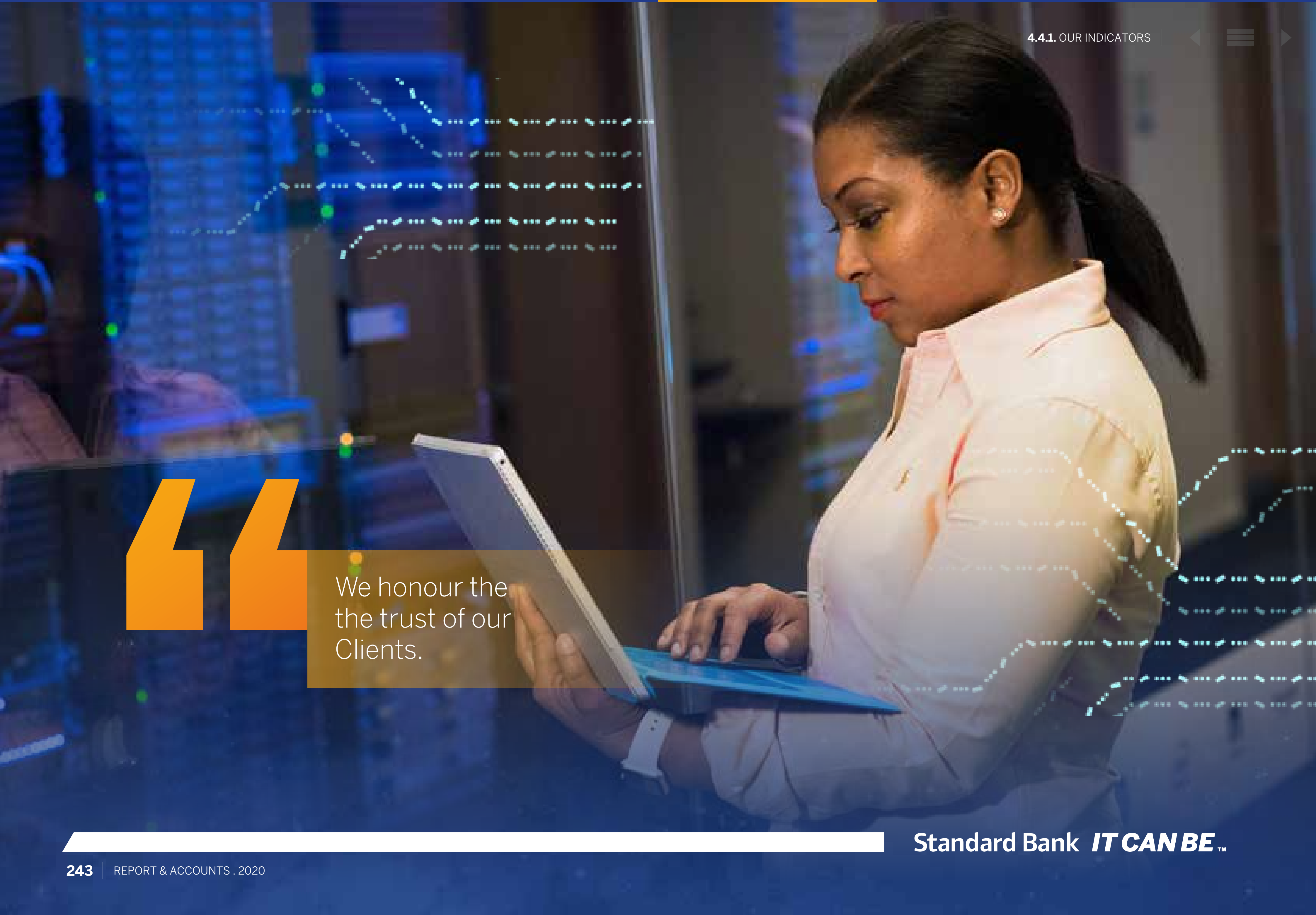
	Yields		Milhares de Kwanzas			Thousands of USD		
Financial assets at fair value through profit or loss	**2020**	**2019**	**2020**	**2019**	**Var**	**2020**	**2019**	**Var**
Treasury Bonds	7.25%	7.13%	1 353 257	30 828 275	-96%	2 083	63 290	-97%
Derivative Financial Instruments	n.a.	n.a.	399 876	-	-	616	-	-
EMIS Participation	n.a.	n.a.	71 544	55 864	28%	110	115	-
Financial assets at fair value through other comprehensive income								
Treasury Bills	n.a.	n.a.	22 114 771	19 288 092	15%	34 043	39 598	-14%
Treasury Bonds	15.65%	13.47%	66 917 755	53 030 106	26%	103 013	108 869	-5%
Investments at amortised cost								
Treasury Bills	n.a.	n.a.	131 118 462	3 316 531	3853%	201 844	6 809	2864%
Treasury Bonds - US Dollar	5%	5%	36 012 597	30 119 808	20%	55 438	216 255	-74%
Treasury Bonds - Kwanzas	15.07%	13.69%	68 712 637	75 217 551	-9%	105 776	216 255	-51%
Total								
Treasury Bills	-	-	153 233 233	22 604 623	578%	235 887	46 407	408%
Treasury Bonds	-	-	172 996 246	189 195 740	-9%	266 310	388 414	-31%
Derivative Financial Instruments	-	-	399 876	-	-	616	-	-
EMIS participation	-	-	71 544	55 864	28%	110	115	-4%

A relevant component of the SBA's assets (37%) is represented by securities, as a result of the limited investment options existing in the country.

The Bank's securities portfolio is characterized by the following types: 53% in Treasury Bonds and 47% in Treasury Bills. An analysis of the SBA's securities portfolio shows that the Bank increased the

its total volume of securities by 54% compared to the previous year, registering in 2020 an amount of 326 229 million Kwanzas, which represents an excess of liquidity due to the raised resources.

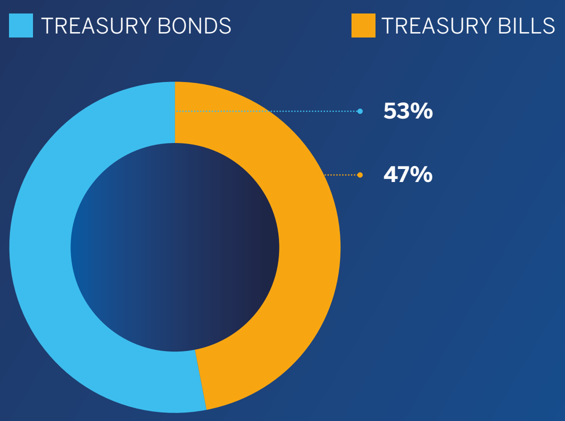
The growth of the portfolio was supported by the purchase of treasury bills in local currency. The amount of treasury bills available grew 578% over the previous the previous year, reaching 153 233 million Kwanzas.



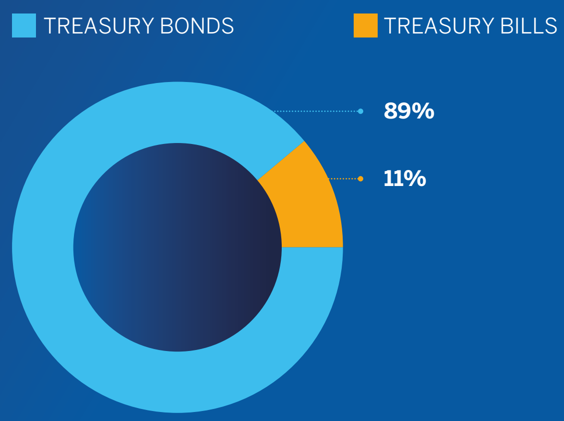
> We honour the the trust of our Clients.

Standard Bank IT CAN BE™

2020



2019



SECURITIES BY RESIDUAL MATURITY

Thousands of Kwanzas

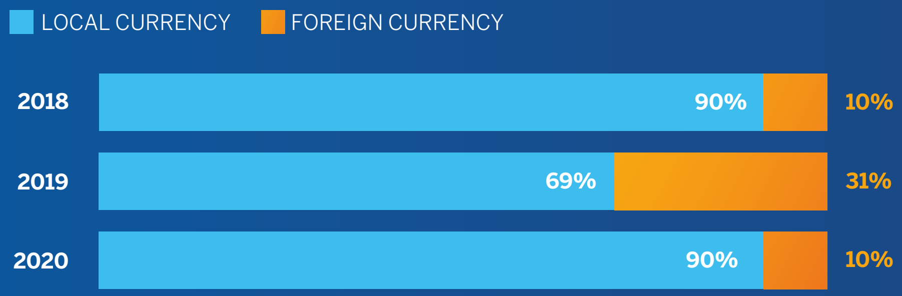
	1-3 MONTHS	3 MONTHS TO 1 YEAR	1-5 YEARS	TOTAL
Financial assets at fair value through profit or loss				
Treasury Bonds	23 351	1 329 906	-	1 353 257
Financial assets at fair value through other comprehensive income				
Treasury Bills	13 350 188	8 764 583	-	22 114 771
Treasury bonds in local currency	10 802 995	4 361 755	51 753 005	66 917 755
Investments at amortised cost				
Treasury Bills	49 294 226	81 824 236	-	131 118 462
Treasury Bonds	8 156 287	28 690 648	67 878 299	104 725 234
TOTAL	81 627 047	124 971 128	119 631 304	326 229 479

CREDIT

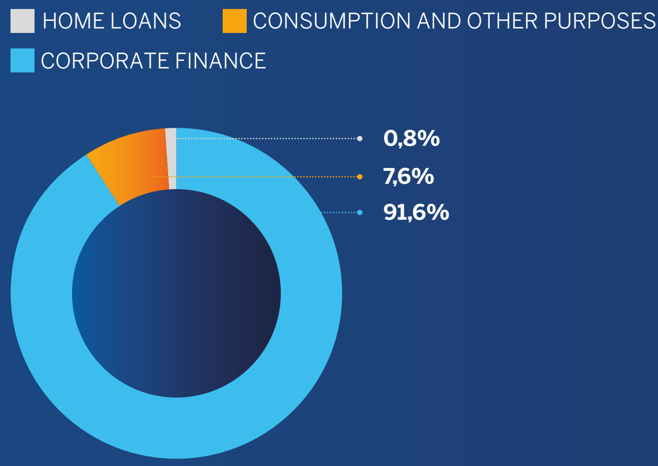
	Thousands of Kwanzas			Thousands of USD		
	2020	2019	Variation	2020	2019	Variation
Outstanding lending operations	142 134 946	92 513 356	54%	218 802	189 933	15%
Credit operations in default	939 752	890 255	6%	1 447	1 822	-21%
TOTAL LOANS	**142 134 946**	**93 403 611**	**52%**	**218 802**	**191 737**	**14%**
Impairment Losses	-2 765 665	-1 898 991	46%	-4 257	-3 899	9%
NET LOANS	**139 369 281**	**91 504 620**	**52%**	**214 545**	**187 838**	**14%**
Guarantees provided	24 435 726	15 025 128	63%	37 616	145 444	-74%
Letters of credit	14 172 410	26 778 191	-47%	21 817	30 846	-29%
Unused credit limits	77 374 898	29 042 026	166%	119 111	54 975	117%
THIRD-PARTY LIABILITIES	**115 983 034**	**70 845 345**	**64%**	**178 544**	**59 623**	**199%**
PROVISION FOR GUARANTEES AND COMMITMENTS	**-502 662**	**-138 570**	**263%**	**-774**	**-284**	**172%**
Credit Quality						
Non-performing loans / Total loans	1%	1%	0%	1%	1%	0%
Overdue loan impairment coverage for loans and advances	34%	47%	-13%	34%	47%	-13%
Overdue loan impairment coverage for loans and guarantees and commitments assumed	42%	36%	6%	42%	36%	6%
Total credit coverage by specific provisions	2%	2%	0%	2%	2%	0%
Total credit coverage by total provisions	2%	2%	0%	2%	2%	0%

LOAN GRANTED

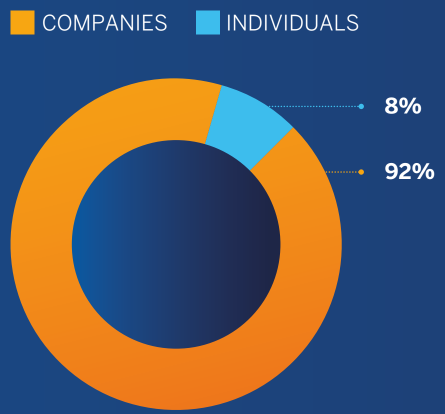
In 2020, loans granted, net of provisions for impairment losses recorded a 53% increase over the previous year, rising from 91 505 million Kwanzas to 140 309 million Kwanzas, of which 46 945 million Kwanzas were granted under BNA's Notice no. 10/2020. In parallel, the composition of the loan portfolio by currency showed a substantial decrease 21 percentage points in the amount of foreign currency loans to the detriment of local currency, as well as a significant increase in the value of credit operations in local currency.



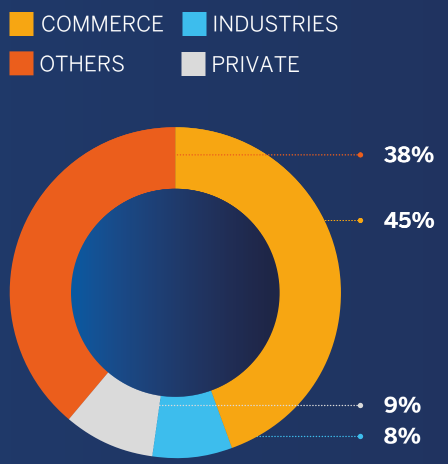
CREDIT GRANTED BY PRODUCT



CREDIT GRANTED BY TYPE OF CLIENT



CREDIT GRANTED BY SECTOR OF ACTIVITY



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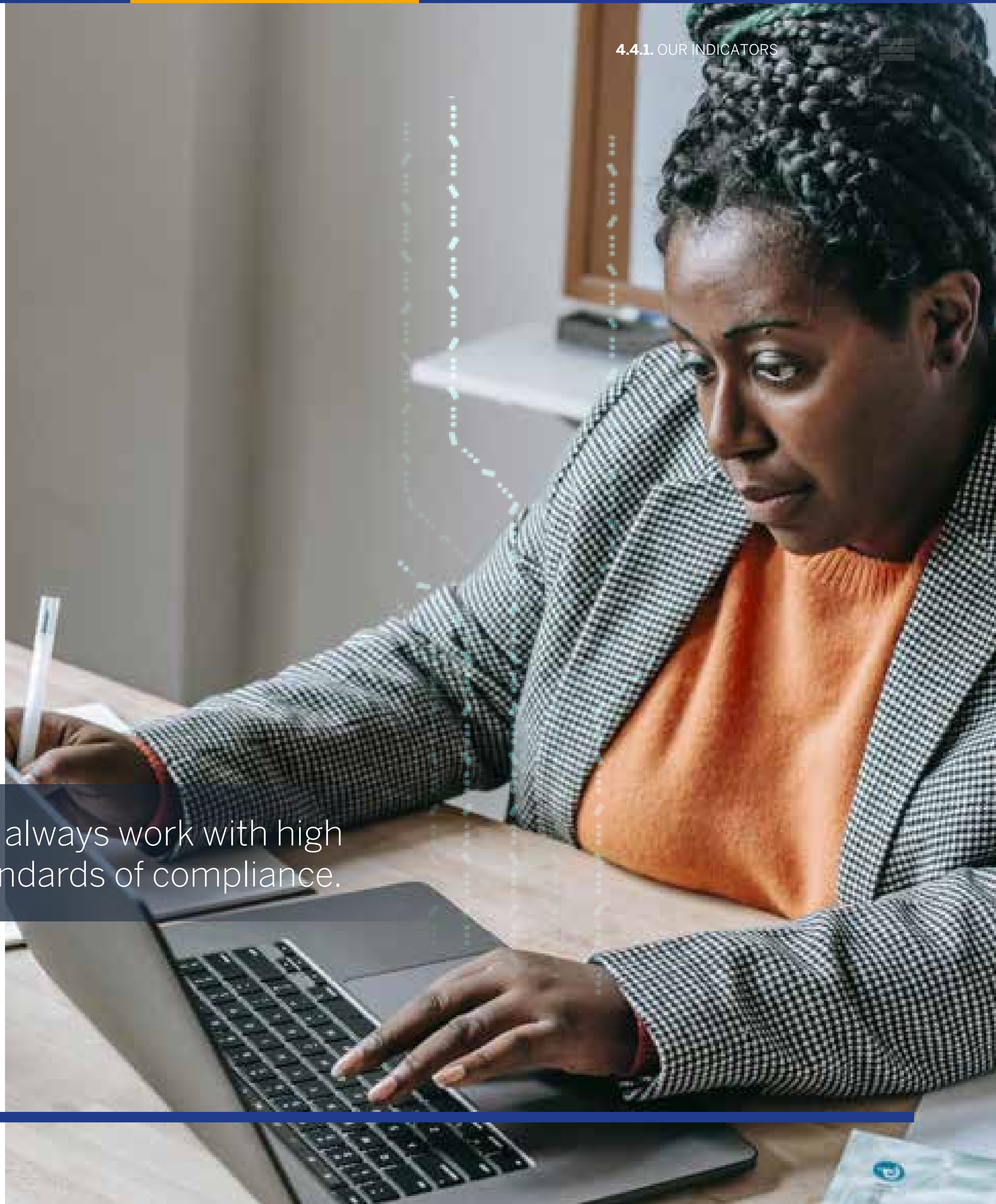
CREDIT QUALITY

The SBA adopts conservative internal policies regarding credit concession, namely at the level of risk analysis of Clients and guarantees received, given the macroeconomic context that potentiates the growth of the default level.

The volume of overdue loans in the Bank's total portfolio has remained at acceptable values for the current context, although, duly offset by an adequate level of impairment losses. Similarly to last year, non-performing loans in 2020 totaled 940 million Kwanzas (1% of the total loan portfolio) which compares with 890 million Kwanzas in 2019 (1% of the total loan portfolio).



> We always work with high standards of compliance.

OVERDUE CREDIT DEVELOPMENT[1]

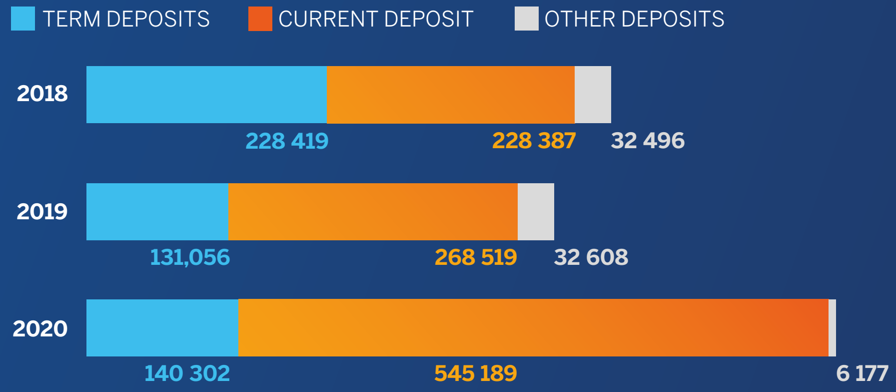
1 Overdue loans with more than 90 days/ gross loans.

As can be seen, the default ratio has remained stable over the last three years, which has demonstrate the efficient risk management carried out by the SBA and the quality of its loan portfolio.

CLIENT FUNDS - DEPOSITS

Regardless of the macroeconomic panorama and the current monetary policy, the SBA's deposit portfolio showed growth of 60%, as a result of continued Client confidence and efficient liquidity management. In terms of composition, demand deposits (545 189 million Kwanzas), represented the largest volume of the portfolio, a proportion of 79% of total Client deposits.

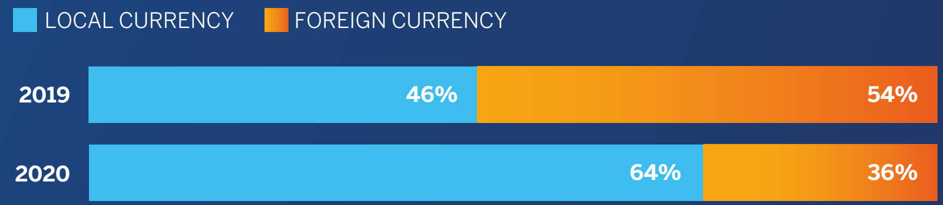
With regard to time deposits, there was an increase of 7% in relation to the same period of the previous year. Therefore, the Bank recorded total deposits of 691 668 millions of Kwanzas.



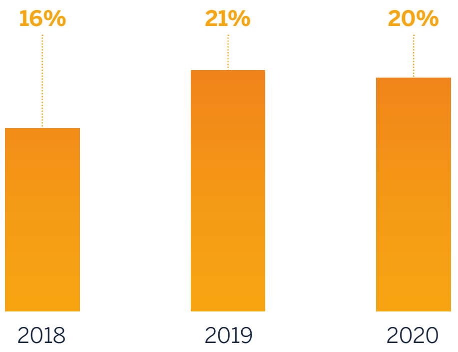
With regard to Client Resources, which are stable funding, there was a 60% increase, the majority of which is explained by the growth in deposits in national currency.

In 2020, there was a decrease, in percentage terms, of deposits in foreign currency compared to deposits in national currency, setting the amount of deposits in national currency at 444 billion Kwanzas (which represents a weight of 64% in total deposits). In turn, deposits in foreign currency represented 36% of the total, amounting to 247 billion Kwanzas.

CLIENT FUNDS BY CURRENCY



TRANSFORMATION RATIO



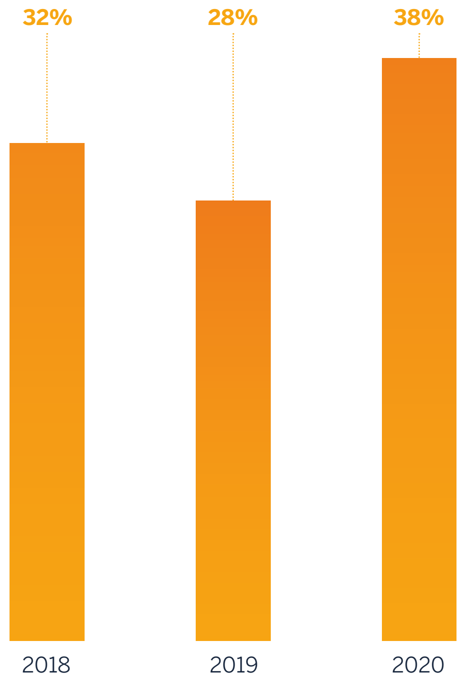
Own Funds

REGULATORY OWN FUNDS

Total equity on 31 December 2020 reached 116 982 million Kwanzas, representing a 22% increase over the previous year. This record is essentially due to the strength of reserves and retained earnings, which reinforce the solidity and position of the Bank in the financial sector. Regulatory capital increased from Kwanzas 78 146 million in 2019 to Kwanzas 131 301 million in 2020.

SOLVENCY RATIO

The regulatory solvency ratio calculated in accordance with Notice no. 02/2016, was 38% at the end of 2020, up 10 percentage points from the previous year. In addition, this value remains significantly above the limit of solvency of 10% required by the National Bank of Angola.



INCOME STATEMENT

The Bank's high levels of profitability in a challenging macroeconomic scenario is a reflection of the strength of its financial structure, and prudent management. The improvement observed in net operating income and the continuous concern to keep cost-to-income below 50% were the result of the bank's strategy centered on the Client, liquidity management and cost optimization.

The results achieved in 2020 were the reflection of high standards of operational efficiency and effectiveness and the recognition of the Standard Bank Brand, which reflects the solidity, experience and innovation of the Institution, even in an adverse macroeconomic context.

	THOUSANDS OF KWANZAS			THOUSANDS OF DOLARS		
INCOME STATEMENT	**31.12.2020**	**31.12.2019**	**Variation**	**31.12.2020**	**31.12.2019**	**Variation**
Interest and similar income	58 189 274	45 876 918	27%	89 577	95 136	
Interest and similar charges	(7 001 950)	(6 507 252)	8%	(10 779)	(13 494)	
Net interest margin	**51 187 324**	**39 369 666**	**30%**	**78 798**	**81 642**	**-3%**
Results from financial services rendered	8 201 100	7 217 695	14%	12 625	14 967	
Net gains / (losses) from financial assets and liabilities held at fair value through profit or loss	262 184	1 559 304	-83%	404	3 234	
Net gains / (losses) from financial assets at fair value through other comprehensive income	-	(1 529)	-100%	0	-3	
Foreign exchange gains and losses	26 717 618	13 504 978	98%	41 129	38 109	
Other operating income	(2 939 268)	(543 923)	440%	(4 525)	-1 128	
Net operating income from banking activity	**83 428 958**	**61 106 191**	**37%**	**128 430**	**136 821**	**-6%**
Proceeds from banking and insurance activity						
Personnel costs	(18 193 365)	(13 721 175)	33%	(28 007)	(28 454)	
Third party supplies and services	(10 646 649)	(8 088 585)	32%	(16 389)	(16 773)	
Depreciation and amortisation for the year	(1 808 057)	(1 941 930)	-7%	(2 783)	(4 027)	
Provisions and impairments	(13 465 131)	(1 762 035)	664%	(20 728)	(3 654)	
Profit before income tax	**39 315 756**	**35 592 466**	**10%**	**60 523**	**83 913**	**-28%**
Tax on profit or loss	(3 184 668)	(3 464 777)	-8%	(4 902)	(7 185)	
Net profit	**36 131 088**	**32 127 689**	**12%**	**55 620**	**76 728**	**-28%**

RESULTS ANALYSIS

Despite the challenging macroeconomic context, characterized by the world economic crisis caused by the pandemic, low oil price levels, devaluation of the national currency and oil prices, the SBA maintained the robustness and solidity of its net income, registering a figure of 36 131 million Kwanzas.

Banking income showed a value of 83 429 million Kwanzas, representing a 30% growth in net interest income and a 48% growth in the supplementary margin respectively in in relation to 2019. Income from loans and securities stood at 58 189 million (+27%), which significantly influenced the performance of Net interest income, which amounted to 51 187 million Kwanzas. The growth of net interest income was greatly impacted by the results of foreign exchange operations, which increased by 98%.

In 2020, operating costs rose 29% to Kwanzas 30,648 million, heavily influenced by the increase in personnel costs and third-party supplies and services, which rose 33% and 32%, respectively, as a result of the increase in the bank's Employees from 619 in 2019 to 635 in 2020. Additionally, there was an inflation rate of 25.1% in the Angolan economy, which was reflected in the increase in operating costs.

In 2020, the Bank's cost management continued to be the object of special attention through the strengthening of its governance model and constant concern with maintaining cost-to-income, which registered a value of 37% in 2020, representing an improvement of 2 p.p. relative to the same period in the previous year.

CONTRIBUTION TO THE ROE

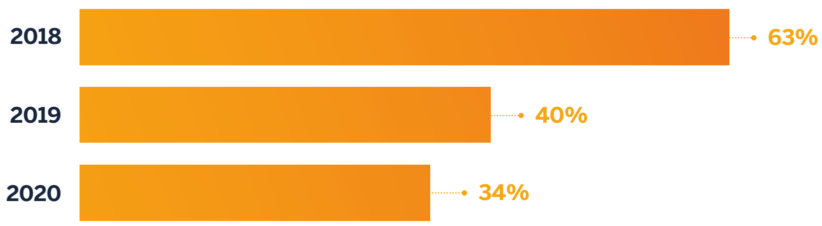
The Return-on-Equity, which stands at 34%, fell by 6 percentage points compared to the previous period, essentially due to the impairments that the Bank had to record in financial assets at amortized cost.

Regardless of the figures recorded, the 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 38% places the SBA on the right path to growth and solidity. The capacity to remunerate its Shareholders and the constant adoption of the best risk management practices are also proof of trust and of an adjusted governance model.

The table below shows the weight that each identified item has on the invested capital.

	2020	2019
Net interest margin	**48%**	**49%**
Net trading and fair value adjustment income	0%	2%
Net gains from financial services	8%	9%
Net gains from available-for-sale financial assets	0%	0%
Net foreign exchange results	25%	17%
Other net operating income	-3%	-1%
Income from banking activity	**78%**	**76%**
Structural costs	**-29%**	**-29%**
Provisions and impairment	-1%	-2%
Operating income	37%	44%
Income tax	-3%	-4%
Net profit	34%	40%

EVOLUTION OF THE ROE



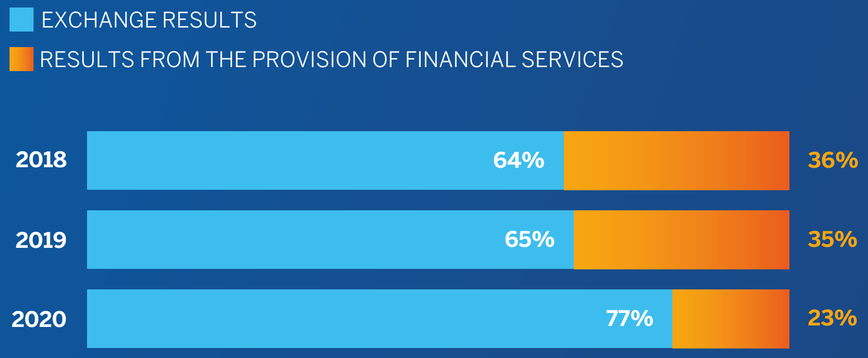
FINANCIAL MARGIN

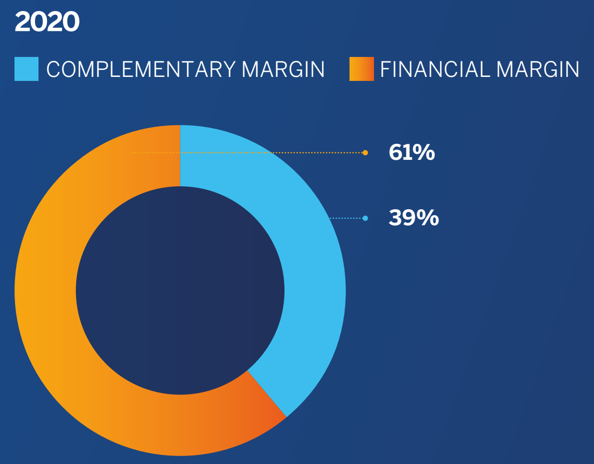
	thousands Kwanzas			thousands USD		
	2020	2019	Var	2020	2019	Var
Income from securities	37 316 757	35 097 330	6%	57 445	72 783	-21%
Income from loans and advances	19 325 221	8 137 263	137%	29 749	16 875	76%
Other interest and similar income	1 547 296	2 642 325	-41%	2 382	5 480	-57%
Income from financial instruments assets	**58 189 274**	**45 876 918**	**27%**	**89 577**	**95 137**	**-6%**
Costs from deposits	5 130 108	4 634 277	11%	7 897	9 610	-18%
Other costs and similar charges	1 871 842	1 872 975	0%	2 882	3 886	-26%
Financial liabilities costs	**7 001 950**	**6 507 252**	8%	**10 779**	**13 496**	-20%
Financial margin	**51 187 324**	**39 369 666**	**30%**	**78 798**	**81 641**	**-3%**

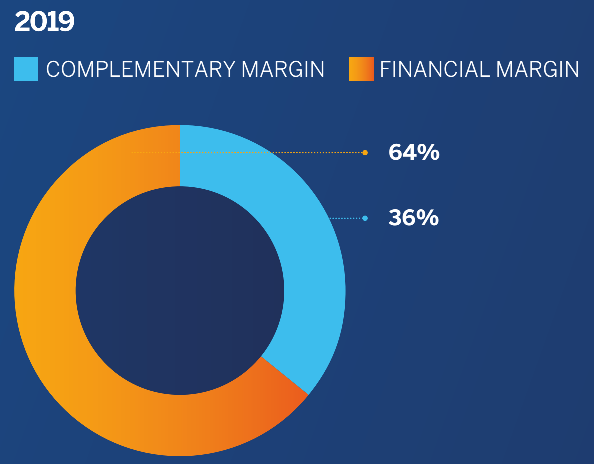
The improvement in net interest income was essentially due to the increase in income from loans and advances, as loans and advances to Clients increased by 53% compared to 2019.

COMPLEMENTARY MARGIN

	thousands Kwanzas			thousands USD		
	2020	2019	Var	2020	2019	Var
Results from financial services rendered	8 201 100	7 217 695	14%	12 625	14 967	-16%
Exchange rate gains	26 717 618	13 504 978	98%	41 129	31 236	32%
Other results	-2 677 084	1 013 852	-364%	-4 121	-1 128	265%
Complementary Margin	**32 241 634**	**21 736 525**	**48%**	**49 633**	**45 075**	**10%**







RATIO OF COMPLEMENTARY MARGIN IN FOREIGN EXCHANGE EARNINGS TO GROSS INCOME

The increase presented in the result of foreign exchange operations of 98%, with a total of 26 718 million Kwanzas compared to the same period the previous year, arises not only from the increase in the SBA's market share in currency auctions, but also from the result of the devaluation of the Kwanza against other foreign currencies. However, the ratio between net interest income and net operating revenue increased by 3 percentage points to 39%, as net interest income increased slightly more than net interest income.

ORGANIZATIONAL EXPENSES

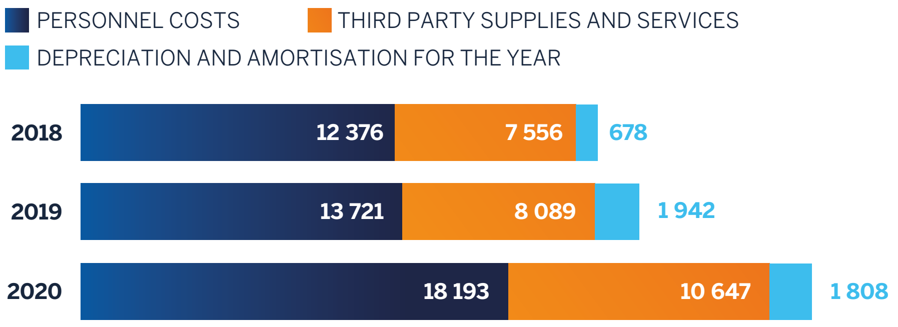
The cost-to-income figure improved by 2 p.p. to 37% in 2020, however, the SBA remains highly focused on optimizing this indicator and keeping the figures at competitive levels.

During 2020, total structural costs, which is the sum of Employees costs, third-party supplies and services and depreciation and amortization for the year amounted to 30,648 million Kwanzas, therefore representing growth of 29%, exceeding the 23,752 million Kwanzas recorded in 2019. This increase is mainly explained by the increase in Employees costs, as a result of the Bank's strong commitment to its Employees, as well as the increase in third-party supplies and services.

The increase of the Bank's Employees to 635 and the application of a very competitive remuneration policy, combined with strong investment in training and the well-being of Employees, contributed to Standard Bank of Angola recording total Employees costs of 18.193 million Kwanzas in 2020. This figure reflects an increase of 33% compared to the previous year and represents 59% of Standard Bank of Angola's total costs.

	thousands of Kwanzas			thousands USD		
	2020	2019	Var	2020	2019	Var
Personnel costs	18 193 365	13 721 175	33%	28 007	28 454	-2%
Third party supplies and services	10 646 649	8 088 585	32%	16 389	16 773	-2%
Depreciations and Amortizations	1 808 057	1 941 930	-7%	2 783	4 027	-31%
Overheads	**30 648 071**	**23 751 690**	**29%**	**47 180**	**49 254**	**-4%**
Cost-to-income	**37%**	**39%**	**-2%**	**37%**	**39%**	**-2%**

STRUCTURAL COSTS (MILLIONS OF KWANZAS)



PROVISIONS AND IMPAIRMENTS

The Bank recorded provisions and impairments at 13 465 million Kwanzas while in 2019 was 1 762 million Kwanzas. This situation occurred due to the recognition of impairments on financial assets at amortized cost, due to the worsening of the long-term foreign currency sovereign rating by Fitch and Moody's.

TAXES

In line with Standard Bank Group practices, the Bank has a tax strategy that determines the framework by which tax obligations must be met. Standard Bank of Angola adopts a prudent approach in tax matters, with the aim of mitigating any unexpected financial consequences and, of course, protecting its reputation.

It should be noted that in 2020 there were several changes of a tax nature with an impact on the Bank's activity. In 2020, the SBA recognized an estimated industrial tax of approximately 3,185 million Kwanzas, 8% lower than the estimate for 2019. It corresponds to an effective rate of 8% (2019: 10%) resulting mainly from deductions related to tax benefits on income from securities and others.

PROPOSAL FOR THE APPLICATION OF RESULTS

The Board of Directors proposes, under the terms of paragraph f) of no. 2 of article 71 , in conjunction with paragraph b) of number 1 of Article 396, both of the Companies Act (approved by Law no. 1/04, of February 13 with subsequent amendments), and under the terms of article 30 of the Articles of Association, that the profit after tax for the 2020 financial year, in the amount of 36,131,087 717.55 Kwanzas, be applied as follows:

a)16,258,989,472.90 Kwanzas for distribution to the shareholders, in proportion to their respective shareholdings, as dividends;
b) The remainder to retained earnings.

Regarding the proposal in **a)** and considering the legal proceedings underway, namely proceeding no. 12-A/2020/SENRA, affecting the ultimate beneficiary of AAA Activos, Lda, and, consequently, the shareholding held by it in the Bank's capital, which was seized by the National Asset Recovery Service on 8 September 2020, and entrusted to IGAPE - Instituto de Gestão de Activos e Participações do Estado (Management of State Assets and Participations), as trustee, pursuant to Law no. 2/2014, of 10 February, the Board of Directors proposes that the dividends relating to the aforementioned shareholding of AAA Activos, Lda. be retained by the Bank until the legal proceedings are terminated and it is clarified who is entitled to receive them.

36 131 087 717,55 KWANZAS
PROFIT AFTER TAX

16 258 989 472,90 KWANZAS
DIVIDENDS DISTRIBUTION

19 872 098 244,65 KWANZAS
RETAINED EARNINGS


STARS
We build a
Solid Future.
Standard Bank IT CAN BE™

4.5

OUR IMPACT ON SOCIETY

The Bank remains committed to conducting its business in a sustained manner and with inclusive economic growth in Angola. To achieve this, we must ensure that through our clients, projects and partnerships, we create positive impacts on the lives of Angolans. These considerations are at the front and center when we make business decisions.

STRATEGY

Standard Bank of Angola is consistently and continuously committed to the social dimension, seeking to have an effective impact on communities, in particular on the most underprivileged segments of the population.

The areas of education and teaching, health and entrepreneurship were elected as determining pillars for promoting the development of the people to ensure social stability and the consequent expansion of the brand.

Our Social Responsibility

Faced with the current global picture imposed by the pandemic, Blue Heroes redefined its model of action to better respond to the numerous challenges.

In 2020 various donations were distributed in needy communities, reception centers and hospitals to minimize the situations of need identified. To help to prevent Covid-19 in all donations, hygiene and cleaning, disinfection and biosafety products were always distributed, as well as leaflets and posters with instructions to prevent coronavirus.

We base our missions on integration and respect for all stakeholders. We donate much more than what is seen. We encourage, inspire and instill values. We value all the time invested and adjust the availability of those who are willing to work with social responsibility and take a little bit of themselves to those who need it most.

heróis de azul
Standard Bank

It is a project of social responsibility created by Standard Bank of Angola, with the aim of to bring together volunteers from different areas and levels of action to support the communities, meet the its basic needs and improve quality of their lives, giving them tools, opportunities and stimulate development. With its main focus in the areas of Education and Teaching, Health and Entrepreneurship, pillars that are determinant for the promotion of society.

Standard Bank of Angola created the "Heróis de Azul" ("Heroes in Blue") project and has consistently and continuously invested in the social dimension, seeking to have an effective impact on communities, in particular on the underprivileged segments of the population.

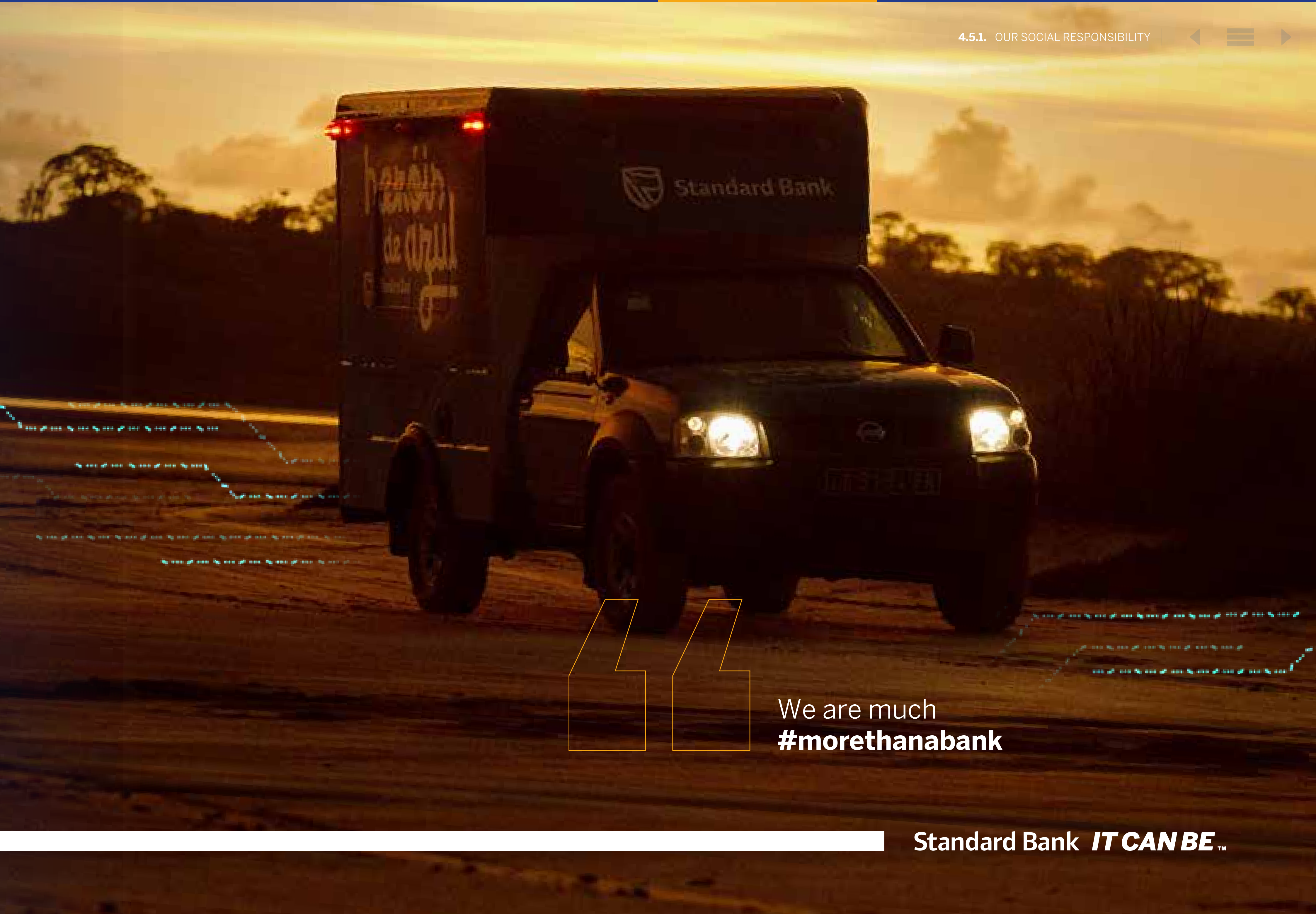
BEING LOCALLY RELEVANT

APPEAL TO THE HEARTS OF OUR PEOPLE

MAKING A DIFFERENCE IN OUR COMMUNITY

INVOLVE AND INSPIRE OUR CLIENTS AND PARTNERS IN A COMMON GOAL

INSPIRING EMPLOYEES TO BE HEROES IN BLUE



We are much
#morethanabank

Social Responsibility Actions

DELIVERY OF MISCELLANEOUS GOODS AND FOOD BASKETS

Standard Bank of Angola (SBAO), through its project "Heróis de Azul", continues to support the needy. In 2020, it initiated a program to strengthen social solidarity actions in support of the neediest, which included donations of various essential goods.

The donations consist of various goods, in particular basic food basket products, hygiene, cleaning and disinfection products, as well as personal protection equipment and leaflets with information on the coronavirus and prevention measures. This program mainly benefited some reception centers and communities in the province of Luanda, namely in Viana, Nova Vida, Zango, Cacuaco, Rangel and Barra do Kwanza.

TRAINING, COMMUNICATION AND COMMUNITY ENGAGEMENT AGAINST COVID-19

In partnership with the National Directorate of Public Health and the University of Belas, we promoted an action on Risk Communication and Community Engagement , to train the "Heróis de Azul" on prevention against Covid-19 with a focus on cutting the chain of the new coronavirus. With the knowledge acquired, the activists have acted in a safer and more effective way.

VISIT AND COLLECTION OF WATER SAMPLES IN THE NGOMBE MUXIMA COMMUNITY

In Ngombe Muxima there is only one water extraction point for a community of over 200 inhabitants. The population travels more than 2 kilometers to obtain the necessary liquid. "Heróis de Azul" has been supporting this community, with emphasis on the donation and installation of bio filters, as well as the training of community leaders in their correct use to combat many diseases caused by poor water quality.

10TH SBA ANNIVERSARY 10 DESTINATIONS

To celebrate the ten years of Standard Bank of Angola, the "Heróis de Azul" selected 10 destinations that benefited from the Bank's support. In September, we directly impacted more than 1,000 lives, with various donations and to communities, shelters and hospitals. Not everything we give away is visible. We encourage, inspire and instill values.

Balance until 2020

33 773
IMPACTED LIVES

792
VOLUNTEERS

85
ACTIONS

72
PARTNERSHIPS

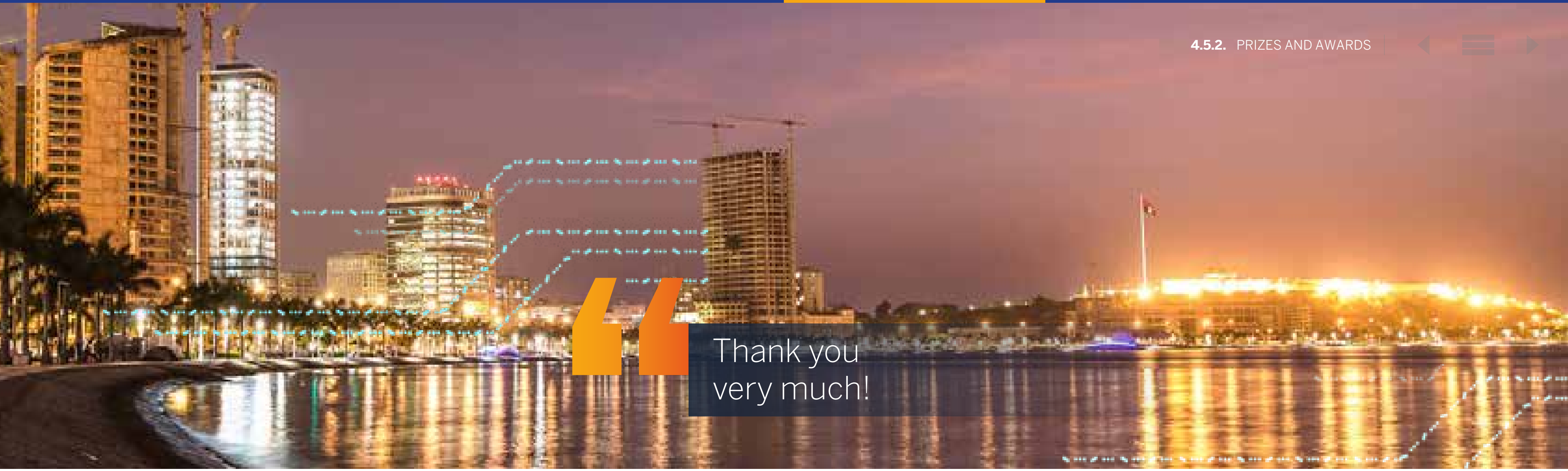
AWARDS AND HONORS

The awards obtained in 2020 are recognition of the commitment and of the continuous efforts of Standard Bank of Angola in the improvement of useful, clear, transparent and objective information disclosed to our our Clients. The manner in which we identify and address the needs of our Clients differentiates us in a positive way and makes us even more aware of our responsibilities to the sector and the general community.

BANK OF THE YEAR IN ANGOLA
2020
The Banker

BEST INVESTMENT BANK IN ANGOLA
2020
Global Finance

BEST FOREIGN EXCHANGE BANK
2020
Global Finance



BEST INVESTMENT BANK IN ANGOLA

2020

Banker

BEST QUALITY OF SERVICE IN ANGOLA

2020

Assertys

1º ANGOLAN BANK

CERTIFICAÇÃO DO SWIFT GLOBAL PAYMENTS INNOVATION (GPI)

1º ANGOLAN BANK

GPI MEMBER CERTIFICATION

LOGICAL AND CONSISTENT STRUCTURE

Our Corporate Governance model favors the distribution of responsibilities, based on a logical and consistent structure, where the Board of Directors has a fundamental role in supervising risk and defining strategy.

05

CORPORATE GOVERNANCE

Standard Bank *IT CAN BE*™

GOVERNANCE MODEL

The internal structure of the SBA takes into consideration the inherent characteristics of its activity, with Corporate Corporate Governance is one of the central columns of the Bank given its responsibility in the execution of the regulatory framework, facilitating strategic decision-making and reconciling of the interests of all stakeholders.

According to the defined governance model, the Bank favors the distribution of responsibilities, based on a logical and consistent structure, where the Board of Directors has its key role in supervising risk and defining strategy, ensuring compliance with the regulatory framework.

The Bank also provides for the delegation of powers to the Executive Committee and to Committees of the Board of Directors, while retaining effective control and ultimate assurance of all decisions. The culture of the SBA recognizes that "how we do it" is as important as "what we do".

We promote transparency, accountability and empathy.

Standard Bank IT CAN BE™

Guiding Principles

The SBA has adopted a Corporate Governance model appropriate to its organizational processes, current management and the risks inherent to its activity, in line with the applicable 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 SBA's governance model provides for the delegation of powers to the Executive Committee and to (internal) Board Committees, always maintaining effective control and ultimate responsibility for all decisions.

The guiding principles of the SBA's corporate governance policy comply with the requirements of the regulations of the National Bank of Angola (BNA), as well as the requirements of the Capital Market Commission and the General Tax Authority, and are also aligned with the guiding principles of the Standard Bank Group, to which it belongs, in order to ensure the maintenance of the best practices in these matters:

01

To promote transparency, responsibility and empathy in the management of relationships with stakeholders, to ensure that our Clients are treated fairly and consistently;

02

To generate a positive impact on society, the economy and the environment through our activity;

03

Comply with high regulatory and governance standards, including those of the Standard Bank Group;

04

To instill a culture of ethics and risk awareness.

BNA's Notices no. 1/19 and no. 2/19 established the fundamental principles of Corporate Governance and Internal Control for Financial Institutions, defining a set of practices regarding capital structure, strategy, corporate organization model, transparency of organic structures, risk management policies, remuneration and conflict of interests.

The Corporate Governance model is composed of the following mechanisms:

Policies governing Shareholders' participation in the Bank, with those governing the exercise of their statutory rights being of particular relevance;

Policies of the Board of Directors, its Committees e the Executive Committee;

Internal procedures containing a set of principles and concrete rules of action, which are contained in the code of conduct;

Organization chart allowing a clear segregation of functions and responsibilities of the different bodies. The distribution of the areas of responsibility of each executive director is carried out in order to ensure segregation between business, support and control functions;

Instruments used to improve the information provided to Shareholders (with emphasis on the Annual Report and Accounts and the Bank's institutional website) and processes aimed at making this information accurate, complete and timely, including everything linked to the relationship with the Supervisory Board and External Auditor.

The SBA's Corporate Governance framework is aligned with the principles defined for Angola and aligned with the principles of the Standard Bank Group, in order to provide a clear strategy and be agile in responding to the challenges that are placed before it, an example is the best practices implemented:

- To identify strategic opportunities in accordance with its approved risk appetite, taking into account sound and prudent management;

- Promote an effective internal control environment in order to avoid financial losses or reputational damage;

- Always bear in mind the ethical principles that govern the SBA and the Group, in order to achieve the best deals without reputational risk.

Organisation chart

INTERNAL AUDIT, LEGAL AND COMPLIANCE

Internal Audit Department

Juridical Direction

Compliance Office

- Regulatory
- Monitoring
- Combating money laundering

RISK, EXCHANGE CONTROL AND FINANCIAL

Risk Office

- PBB Credit
- CIB Credit
- Operational Risk
- Market Risk
- Liquidity and Capital Risk
- Fraud Investigation and Risk
- Governance

Exchange Control Department

Financial Direction

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

MARKETING, PEOPLE AND CULTURE AND INNOVATION

Marketing Office

- Social Responsibility and Communication
- Digital Marketing
- CIB Maketing
- PBB Marketing
- Culture and People Departement
- Recruitment
- Training

Shared Services

Support to Business and Support Areas

- Labor Relationships
- Innovation Directions
- Digital Transformation
- Innovation

PBB, CIB, SERVICE AND RECOVERY CREDIT RECOVERY

CIB Direction

- Investment Banking
- Capital Markets
- Transactional Banking
- Corporate Banking
- PBB Direction
- Personal Banking
- Channel Banking

SME Banking

Client Journey

- Products
- Cards, Digital Channels and Payments

INFORMATION SYSTEMS AND OPERATIONS

Direction of Operations

- Production
- Internal Control
- Patrimony, Security and Logistics
- Projects, Architecture and Processes
- Transformation Management
- Client Service
- Business Integration

Direction of Information Systems

- Production Systems and Change Management
- Data Processing and Recovery
- Infrastructures, Network and Architecture
- Information Security
- Applications Development and Maintenance
- Agile Project and Digital Portfolio
- Data Services

Corporate Governance

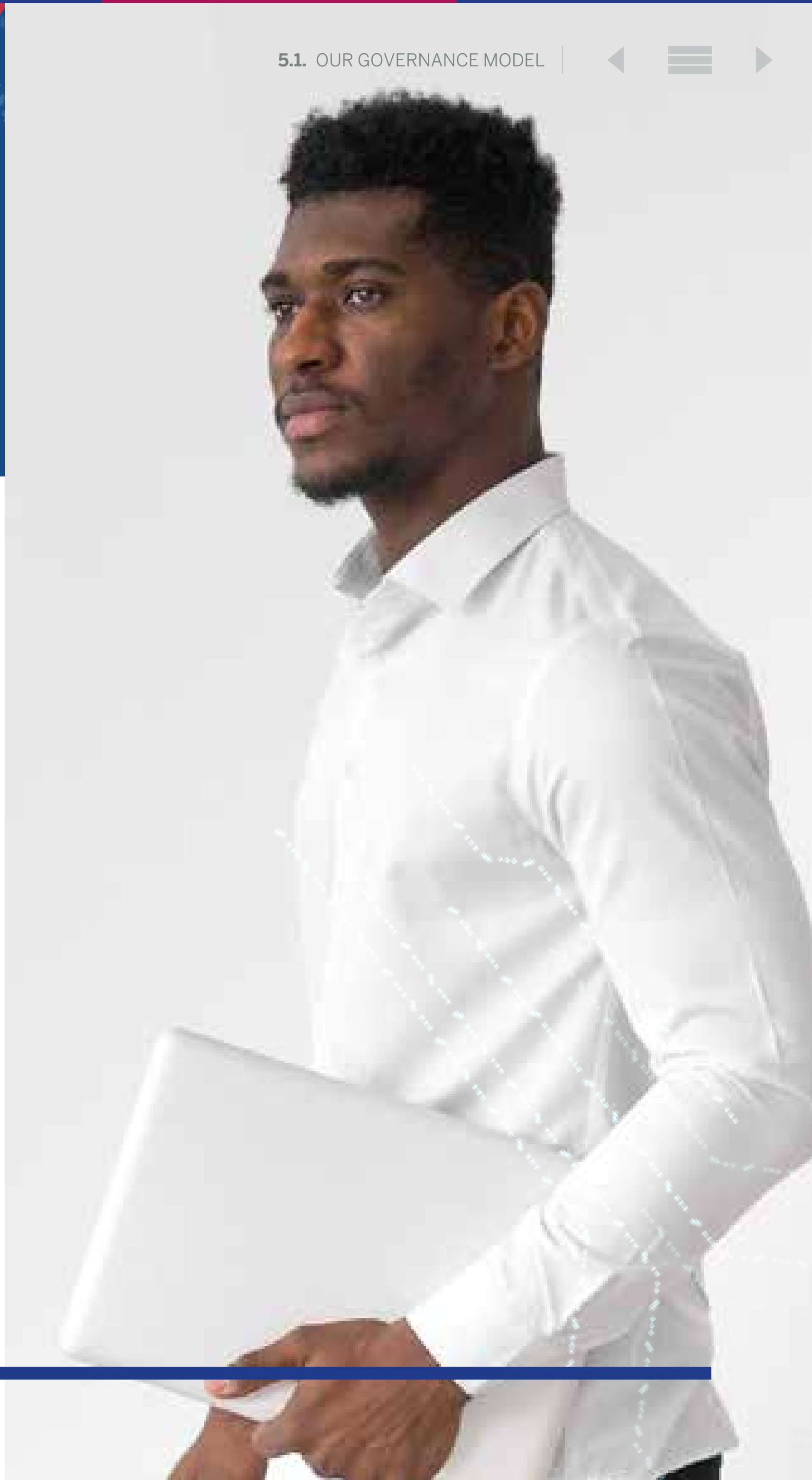
GENERAL ASSEMBLY	SUPERVISORY BOARD	BOARD OF DIRECTORS	EXECUTIVE COMMITTEE
		Audit Committee	Management and Enforcement Board
		Risk Committee	Assets and Liabilities Committee
		Credit Governance Committee	Risk Management Committee
		People Management and Culture Committee	Credit Risk Committee
		Information Systems Committee	People and Culture Committee
			Pricing Committee
			New Products Committee
			Projects Committee
			Purchasing Committee
			High Risk Client Analysis Committee
			Internal Financial Control Committee
			Client Experience Committee
			Data and Information Committee

The SBA was authorized to operate by Banco Nacional de Angola on 9 March 2010 and began operating on 27 September 2010.

The Bank's Share Capital of Kwz 9,530,006,500.00 (nine billion, five hundred and thirty million, six thousand and five hundred Kwanzas), is divided into 1,000,000 shares with a nominal value of USD 100 each, and is divided among three minority Shareholders (individual fiduciary persons of the Standard Bank Group) and two majority Shareholders, namely

- Standard Bank Group Lda - 50.1%.
- AAA Activos Lda. - 49%

It should be noted that the shares belonging to the shareholder AAA Activos Lda. were seized by the Attorney General's Office of Angola and the Institute for the Management of State Assets and Participations (IGAPE) was nominated trustee.



Main Focus Areas

01

Optimizing the Client experience, through disruptive and automatic processes and procedures, in order to increase their loyalty and retention;

02

To provide our Employees with better working conditions and continuously investing in their training, preparing all areas of the Bank for a digital future;

03

Align SBA best practices with international ones;

04

To make operational processes and a more vigorous risk management model, with the aim of effectively and efficiently mitigating the inherent risks to the Bank's operations;

05

To provide innovative and low-cost solutions to our Clients;

06

To implement more agile working methodologies that promote and dynamize innovation in the Bank;

07

Invest in the analysis of large volumes of data, in order to leverage the business and provide Clients with a wider range of offer of financial products and services.

Governing Bodies

In order to prevent conflicts of interest or situations of insider trading, the members of the Bank's Governing Bodies are governed by a Code of Conduct, which includes a set of rules and duties of confidentiality.

In addition to their high level of professional experience and technical skills , the members of the Governing Bodies are also recognized for their moral suitability, complying with the Bank's norms and standards.

The SBA's governance structure segregates roles and responsibilities between various Bodies of the Bank, namely the General Assembly of Shareholders, the Board of Directors and the Supervisory Board.

GENERAL MEETING

The General Meeting is the governing body made up of all the shareholders of the SBA and its functioning is regulated by the Bank's statutes. The Board of the General Meeting consists of a chairman and a secretary, who have a 4-year mandate. **The composition of the board of the General Assembly of Shareholders is as follows:**

Chairman of the Board of the General Assembly - To be appointed

Secretary of the Board of the General Assembly - Tatiana Isadora Faria Serrão, who currently works as a Partner in the Law Firm - Faria de Bastos & Lopes, Advogados Associados (FBL Advogados)

The General Assembly has as its competencies:

Election of the members of the Board of Directors, Tax Council and the members of the Board of the General Meeting;

Consideration of the annual report of the Board of Directors, including the analysis and approval of the financial statements, as approved by the Board of Directors and adoption of the appropriation of profits proposed by the Board of Directors, as well as the creation of the Company's reserves;

Approval of the remuneration of the members of the corporate bodies;

Deliberation on amendments of the Statutes;

Increase or decrease (including, without limitation, any total or partial repayment of share capital and payment to shareholders at the nominal value of the respective shares or part thereof, provided of the Company, provided that payment is made through distributable funds) of the capital of the Company, but subject to the stipulated in the Articles of Association;

Dissolution and liquidation of the Company;

Any merger or acquisition which involves the payment of an amount equal to or greater than to 25% of the Company's capital;

Any material change of the main activity of the Company at any given time.

BOARD OF DIRECTORS

The Board of Directors is the highest decision-making body with ultimate responsibility for control within the limits imposed by law and the Bank's statutes. It currently consists of 7 members who have been appointed by the General Meeting of Shareholders for 4-year terms. The Directors have unrestricted access to the management team and to information about the Bank, as well as to the resources necessary for the performance of their responsibilities.

President
Octávio Manuel de Castro Castelo Paulo

Non-Executive Director
António Caroto Coutinho

Executive Director
Luís Miguel Fialho Teles

Non-Executive Director
Carlos Manuel de São Vicente (ceased functions on 28 December December 28, 2020 by resolution of the General Meeting)

Non-Executive Director
Ivo Emanuel Neto de São Vicente (left office on 28 December 2020 by resolution of the General Meeting)

Executive Director
Eduardo Miguel Massena Clemente

Executive Director
Yonne Lizett de Queiróz de Castro

The Board of Directors is responsible for:

01

Responsible for the control and management of the Bank's business, within the the limits imposed by Law and by Articles of Association, with the day-to-day management of the of the Company is delegated to the Executive Committee;

02

The Bank's highest decision-making body with ultimate responsibility for governance.

Directors have unrestricted access to the management team and information about the Bank, as well as the resources necessary to carry out their responsibilities.

At the end of 2020 we were surprised by several news items in the Angolan press concerning one of our non-executive directors and ultimate beneficiary of the position of minority shareholder. These are news related to activities carried out by that non-executive director outside the Bank and with which the Bank has no relationship. These news and the related legal proceedings led to the non-executive director opting to suspend his functions at the Bank. By judicial determination, the shareholding of the minority shareholder was seized and deposited with IGAPE (the Institute for the Management of State Assets and Participations), to which the Attorney General's Office recognizes powers of management of the shareholding, including the possibility of exercising the voting rights inherent to it. In this context, a general shareholders' meeting was held on 28 December 2020, with the participation of IGAPE, which resolved the removal of the two non-executive directors appointed by the Bank's minority shareholder and, in replacement, the election of two new non-executive directors proposed by the same IGAPE.

The Board of Directors has carefully monitored the development of these facts, always with a view to protecting the interests of its Clients, our Employees and the Bank. These facts, which we reiterate, are unrelated to the Bank and its activity. In this context, the Board of Directors hopes that the situation regarding the minority shareholding in the Bank is clarified under the terms of the law and by the competent entities, the Courts, and hopes that normal shareholder relations may be resumed as soon as possible.

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 two Executive Directors. The Executive Committee meetings are attended by 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

The Executive Committee has the necessary or appropriate management powers to carry out banking activities 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 governing 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 two members, a Chairman and four Members, with a mandate of 4 years, and one Member yet to be appointed. Its operation and composition is governed by the provisions of applicable legislation and the Bank's Statutes.

President | Sérgio Eduardo Sequeira Serrão

Member | Fernando Jorge Teixeira Hermes

Member | Eduardo Quental Avelino Bango

Member | Donald Carmo Calunda Lisboa

The role of the Supervisory Board is to oversee the management of the Company, ensure compliance with the Law and the Statutes and verify the accounting and financial records.

EXTERNAL AUDITOR

The Bank's external audit is currently carried out by the audit firm PWC Angola, after four years of supervision by the audit firm KMPG Angola. In accordance with the applicable regulations, namely BNA Notice no. 4/14, and in accordance with the Standard Bank Group's guidelines, the Bank safeguards the independence and objectivity of its external auditors by selecting audit firms with international recognition, complying with internal independence and rotation requirements every 4 years.

Committees

	COMPOSITION	FREQUENCY OF MEETINGS	RESPONSIBILITY
BOARD COMMITTEES			
People Management and Culture Committee	• **Chairman:** Non-executive Director • **Members:** Administrator Non-executive and Director Executive.	Quarterly	• To analyze and approve the Bank's remuneration policy and to see to the appointment, assessment and remuneration of Employees; • Managing the human resources component, such as defining policies and procedures or appointing directors; • Accompany the evaluation component , define the recruitment politics and hiring.

	COMPOSITION	FREQUENCY OF MEETINGS	RESPONSIBILITY
Audit Committee	| **Chairman:** Non-Executive Director | **Members:** Member of the Supervisory Board and Director Non-Executive.	Quarterly	| Assisting in the fulfilment of obligations relating to the safeguarding of assets and assessment of the control system and ensure that the risks inherent to the Bank are adequately managed and monitored. | Review the Bank's financial situation and make recommendations to the Board of Directors on matters of a financial nature, risk, internal control fraud and relevant IT risks, as well as ensuring effective effective communication between the Board of Directors, management team, internal auditors, external auditors and and regulatory authorities.
Risk Committee	| **Chairman:** Independent Non-Executive Director | **Members:** Non-Executive Director and Director Executive.	Quarterly	| Ensure the quality, integrity and reliability of risk management, manage and control risk, in the following areas: – Advise the Board of Directors on the risk strategy – To oversee the implementation of the risk strategy – To oversee the risk management function
Credit Governance Committee	| **Chairman:** Independent Non-Executive Director | **Members:** Non-Executive Director and Director Executive.	Quarterly	| Ensure that there is effective credit governance and that that there is adequate management of the credit portfolio | Monitoring of credit granted | Effective control of credit risk, including country risk.
Information Systems Committee	| **Chairman:** Non-Executive Director | **Members:** Executive Director and Director No Independent Executive.	Quarterly	| Ensure that there is effective governance and management of technological risk, with special emphasis on the strategy of the SBA strategy.

	COMPOSITION	FREQUENCY OF MEETINGS	RESPONSIBILITY
COMMITTEES OF THE EXECUTIVE COMMITTEE			
Management and Enforcement Board	| **Chairman:** To be elected by vote by the members of the Committee and for a term of six months. | **Members:** Senior Managers/Technicians appointed by the members of the Executive Committee. This committee is purely operational in nature and any strategic issues concerning it should be referred to the Executive Committee.	Monthly	| Promote the implementation and execution of the guidelines and projects approved by the Executive Committee.
Assets and Liabilities Committee	| **Chairman:** ECP | **Members:** Finance, CIB, PBB and Risk Directors.	Monthly	| It aims to establish liquidity, market and exchange rate risk management guidelines.
Risk Management Committee	| **Chairman:** Executive Director | **Members:** ECP, Risk Directors, Finance, CIB, PBB, Operational Risk, Compliance, Operations, Information Systems, People and Culture, Legal, Transactional Banking.	Monthly	| Formulate risk strategies and develop policies risk management plan for approval by the Board of Directors Board of Directors, in accordance with the regulatory requirements in force; | Adopt the corporate principles and code of good banking practices in order to promote adequate 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 managed effectively in line with the risk levels/appetite approved by the Board.

	COMPOSITION	FREQUENCY OF MEETINGS	RESPONSIBILITY
Credit Risk Committee	| **Chairman:** Chief Risk Officer | **Members:** PCE, Chief Credit Officer PBB, Chief Credit Officer CIB, Director PBB, Director CIB For the purposes of fulfilling its duties and responsibilities, the Credit Risk Management Committee has the right to delegate responsibilities to sub-committees and/or individuals within clearly defined mandates and delegated authorities.	Monthly	| To establish and define the principles for the assumption of credit risk and the and general framework for a consistent and unified governance, identification, measurement, management and communication of credit risk.
Pricing Committee	| **Chairman:** CFO | **Members:** Directors of CIB, PBB, Information Systems, Compliance, Capital Markets, Transactional Banking, Risk.	Quarterly	| Define and review the Bank's pricing strategy, taking into account: – The products and segments in which the Bank intends to position itself; – Competition; – Credit risk; – All the constraints of the market.
New Products Committee	| **Chairman:** CFO | **Members:** Directors of CIB, PBB, Information and Communication Technologies Information, Compliance, Capital Markets, Banking Banking, Transactional, Risk, Business Development, Investment and Medium Businesses, Small and Medium Businesses Director, Channel Director, Product Director, Marketing Marketing.	Monthly	| Evaluation and approval of new products, channels and service proposals.

	COMPOSITION	FREQUENCY OF MEETINGS	RESPONSIBILITY
Projects Committee	| **Chairman:** ECP | **Members:** Executive Directors, Directors of Operations, Information Technology, PBB, CIB, Financial, Digital IT, People and Culture, TMO, Client Journeys and Services.	Monthly	| To ensure the alignment of the investment considered Change the Bank, in the areas of information and business systems with the strategic initiatives adopted by the SBA and, if relevant, by the Standard Bank Group. The Committee shall also ensure that the resulting projects are implemented according to the agreed parameters in terms of quality, cost, scope and deadlines, and that any deviations to the established parameters are adequately managed.
Procurement Committee	| **Chairman:** CFO | **Members:** Procurement Manager, Operations Directors, Information Technology, Legal, BPP, CIB and Risk.	Monthly	| To align proposals for the procurement of goods and services from third parties with Bank's short, medium and long-term objectives. | To ensure that all proposals, contract amendments and complaints are resolved following a fair and impartial procedure and that all proposals are subject to proper evaluation. | To ensure the alignment of the hiring and contracting strategies with the objectives of the Business.
High Risk Client Analysis Committee	| **Chairman:** Executive Director | **Members:** Directors of BPP, CIB, Risk, Legal and Compliance.	Weekly	| To approve relations with Clients when these may have implications for the Bank's reputation and ensure the review process is carried out for all relevant relationships, namely with Clients categorized as High Risk for the Bank, including politically exposed persons.

	COMPOSITION	FREQUENCY OF MEETINGS	RESPONSIBILITY
Internal Financial Control Committee	**Chairman:** CFO **Members:** CFO, Chief Information Systems Officer (CIO), Chief Operating Officer (COO), CIB Director and PBB Director.	Monthly	To assess the proportionality, efficiency and Bank's adequacy internal financial control, reducing for operational and financial risk.
Executive Committee for People and Culture	**Chairman:** ECP **Members:** Executive Directors, CIB Directors, BPP and People and Culture.	Monthly	To approve the remuneration policy of the Bank as well as the responsibility for appointment, evaluation and remuneration of Employees, monitor the component of periodic performance evaluations, recruitment policies, review and approve policies and procedures related to People and Culture.
Client Experience Committee	**Chairman:** Executive Director **Members:** Executive Director, Service Directors, CIB, BPP, Operations, Information Technologies, People and Culture.	Monthly	The objective is to have a global view of complaints, Client requests and breaches of agreed deadlines, service campaigns, training and events, in order to improve the organizational culture and consistently improve the Client experience with the Bank.
Data and Information Governance Committee	**Chairman:** Executive Director **Members:** Executive Directors, Directors of Information Technology, CIB, BPP, Compliance, Risk, Legal, Data Officer.	Monthly	It aims to establish the Data and Information Management Strategy as well as the priorities and decisions of system investments for the main programs.

Main Policies

CODE OF ETHICS AND CONFLICT OF INTEREST

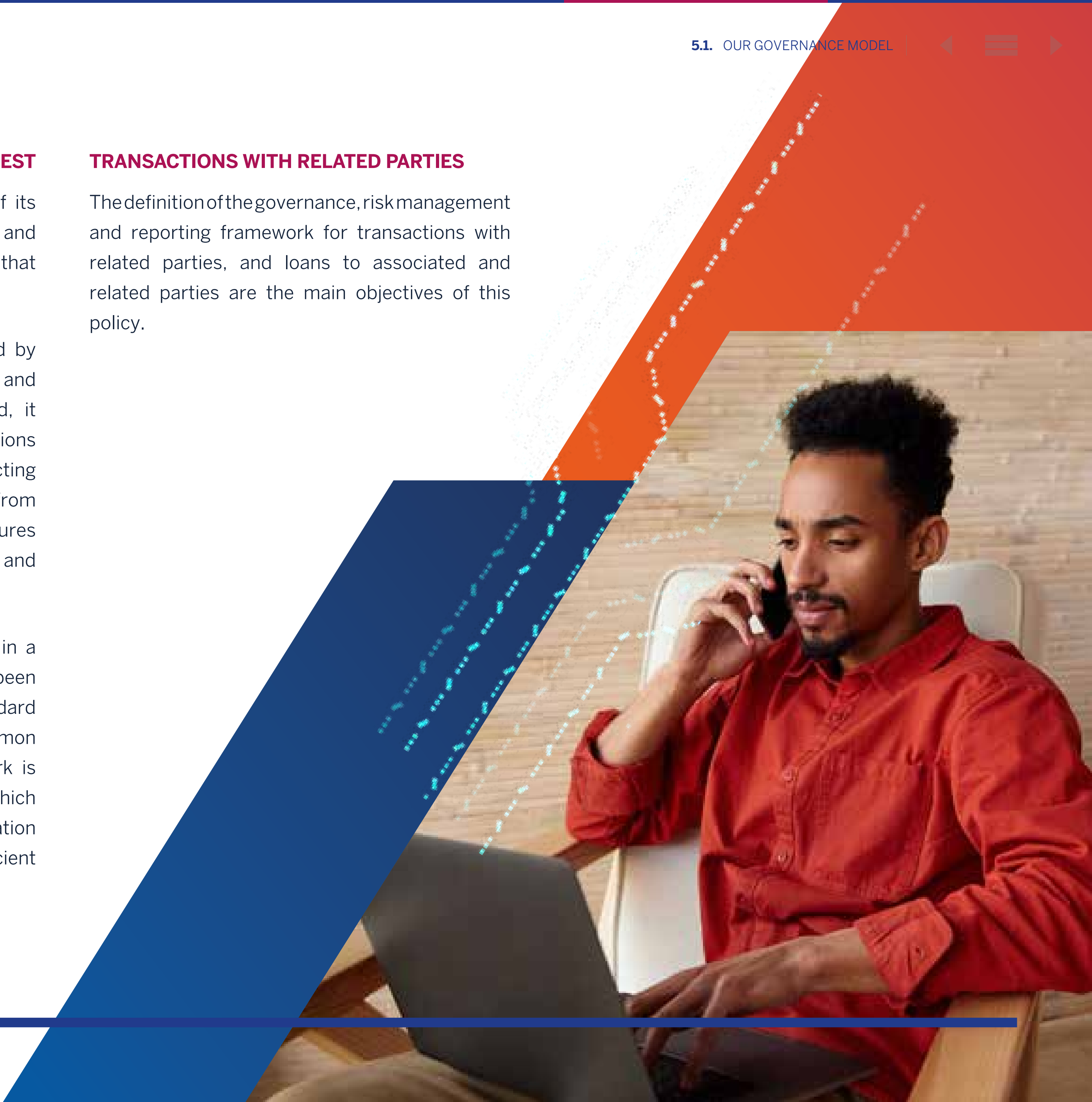
The SBA places the Client at the center of its activity, giving primacy to his interests and making the duty of loyalty to him, the pillar that defines its way of acting.

The conflict of interest policy implemented by the Bank is governed by the highest ethical and deontological standards. On the one hand, it seeks to identify, monitor and mitigate situations of potential conflicts of interest protecting the Bank, its Employees and its Clients from possible damage. On the other hand, it ensures strict compliance with the applicable laws and regulations.

In order to be able to conduct its activity in a coherent manner, common guidelines have been identified, such as the values vision and Standard Bank brand identity , which imply a common decision-making framework. This framework is more clearly defined in the Code of Ethics, which is designed to facilitate greater decentralization and consequent faster and more efficient decision-making at all levels of the Bank.

TRANSACTIONS WITH RELATED PARTIES

The definition of the governance, risk management and reporting framework for transactions with related parties, and loans to associated and related parties are the main objectives of this policy.



COMPENSATION AND BENEFITS POLICY

At the SBA, the remuneration and benefits policy is fundamental in the hiring and retention of the Bank's Employees, thus ensuring the motivation of its Employees and providing them with good remuneration and benefit opportunities. To ensure effective implementation of this policy, the following guiding principles are followed:

- Culture of responsibility and excellence, through individual performance, acquired skills, technical capacities and and demonstrated experience.

- The remuneration approach aims to attract and retain key key Employees, as well as motivating and rewarding excellent performance.

- Value of work, which is defined by the Bank on the basis of capacity, namely:

  (i) competence,

  (ii) technical capacity,

  (iii) experience and performance and

  (iv) position held at the different organizational levels.

- Respect for the principles of market remuneration, so as to ensure that differences relative to market value are supported and justified, and that remuneration practices guarantee adequate levels of competitiveness.

- Financial capacity of the institution.

- Guaranteed remuneration (fundamentally with regard to benefits), which is depends on the contribution of the Employees to achieving the Bank's objectives.

BOARD OF DIRECTORS

Executive Directors

At the SBA, the remuneration of the members of the Executive Committee has a mixed composition, i.e., it has a fixed component complemented by a variable component, determined according to the combination of various factors, such as:

- Individual performance of each Director referring not only to the previous year, but to consistency of performance in previous years.
- Overall performance of the Bank.
- Respect for the rules and regulations inherent to the activity developed by the Bank, as well as for the Code of Conduct.

Non-executive directors and members of the board of the General Meeting

- The non-executive directors of the Board of Directors are remunerated for the functions exercised by means of a fixed amount and attendance fees for meetings.
- The independent non-executive director receives a fixed remuneration directly defined by the Shareholders.
- The remuneration of the officers of the General Meeting corresponds to a fixed amount depending on attendance at meetings.

Supervisory Board

The remuneration of the members of the Supervisory Board corresponds to a fixed amount depending on their attendance at meetings. These amounts are approved by the Shareholders through a resolution of the General Assembly.

Remuneration of Governing Bodies

The remuneration of the Governing Bodies visions the compensation of their activities developed in the Bank directly.

The remuneration of the Governing Bodies includes Directors executives Non executives Total Tax Executive Total fixed remuneration, variable remuneration and long-term benefits, presented as the following.

(thousands of Kwanzas)

	Board of Directors					
	Executive Directors	Non-executive members	Total	Fiscal Council	Executive Committee	Total
31 December 2020						
Remunerations and other short-term benefits	510 603	88 611	599 214	15 322	735 654	1 350 190
Variable remuneration	287 473	14 730	302 203	3 846	251 014	557 063
Sub total	**798 076**	**103 341**	**901 417**	**19 168**	**986 668**	**1 907 253**
Benefits and other social charges	101 345	54 952	156 297	-	6 033	162 330
Total	**899 421**	**158 293**	**1 057 714**	**19 168**	**992 701**	**2 069 583**

FINANCIAL STATEMENTS AND NOTES

The financial statements relate to the year ended 31 December 2020. These statements were prepared in accordance with the historical cost principle, with the exception of assets and liabilities recorded at their fair value.

Standard Bank *IT CAN BE*™

06

FINANCIAL STATEMENTS AND NOTES

6.1 FINANCIAL STATEMENTS

Standard Bank *IT CAN BE*™

Balance

As at 31 December 2020 and 31 December 2019

(thousands of Kwanzas)

BALANCE	Notas	31.12.2020	31.12.2019
Asset			
Cash and deposits at central banks	4	147 520 430	92 935 245
Claims on other credit institutions	5	65 181 528	168 833 209
Deposits at central banks and other credit institutions	6	142 266 522	5 582 824
Financial assets at fair value through profit or loss	7	1 824 677	30 884 139
Financial assets at fair value through other comprehensive income	8	89 032 526	72 318 198
Investments at amortised cost	9	235 843 696	108 653 890
Loans and advances to customers	10	140 309 033	91 504 620
Other tangible assets	11	39 912 155	27 930 152
Intangible assets	12	6 385 504	2 467 534
Current tax assets	13	448 946	448 946
Deferred tax assets	13	1 150 917	911 944
Other assets	14	10 406 404	3 766 593
Total Assets		**880 282 338**	**606 237 294**
Liabilities and equity			
Resources from central banks and other credit institutions	15	894 112	1 573 938
Due to customers and other loan	16	691 667 486	432 183 355
Debt securities issued	17	4 745 970	4 745 970
Financial liabilities at fair value through profit or loss	7	214 709	-
Provisions	18	2 796 343	1 818 026
Current tax liabilities	13	2 918 522	2 059 764
Subordinated liabilities	19	19 553 301	14 756 220
Other liabilities	20	40 509 524	53 434 271
Total Liabilities		**763 299 967**	**510 571 544**
Equity			
Share capital	21	9 530 007	9 530 007
Revaluation reserves	22	(1 099 873)	863 518
Other reserves and retained earnings	22	72 421 149	53 144 536
Net profit		36 131 088	32 127 689
Total Equity		**116 982 371**	**95 665 750**
Total Liabilities and Equity		**880 282 338**	**606 237 294**

The following notes form an integral part of these financial statements

Profit and Loss Statement

For the years ended 31 December 2020 and 2019

(thousands of Kwanzas)

INCOME STATEMENT	Notes	31.12.2020	31.12.2019
Interest and similar income	24	58 189 274	45 876 918
Interest and similar charges	24	(7 001 950)	(6 507 252)
Net interest margin		**51 187 324**	**39 369 666**
Income from services and commissions	25	12 427 848	8 905 688
Fee and commission expense	25	(4 226 748)	(1 687 993)
Net gains / (losses) from financial assets held at fair value through profit or loss	26	262 184	1 559 304
Net gains / (losses) from financial assets at fair value through other comprehensive income	27	-	(1 529)
Foreign exchange results	28	26 717 618	13 504 978
Other operating income	29	(2 939 268)	(543 923)
Net operating income from banking activities		**83 428 958**	**61 106 191**
Staff costs	30	(18 193 365)	(13 721 175)
Third-party supplies and services	31	(10 646 649)	(8 088 585)
Depreciation and amortisation for the year	11 and 12	(1 808 057)	(1 941 930)
Provisions net of reversals	18	(1 072 034)	369 093
Impairment for loans and advances to customers net of reversals and recoveries	10	(943 413)	(904 016)
Impairment for other assets net of reversals and recoveries	4,5,6,9,14 and 22	(11 449 684)	(1 227 112)
Profit before income tax		**39 315 756**	**35 592 466**
Income tax	13	(3 184 668)	(3 464 777)
Net profit		**36 131 088**	**32 127 689**
Average number of ordinary shares issued		1 000 000	1 000 000
Basic earnings per share (in kwanzas)	32	36,131	32,128
Diluted earnings per share (in kwanzas)	32	36,131	32,128

The following notes form an integral part of these financial statements

Statement of Comprehensive Income

For the years ended 31 December 2020 and 2019

(thousands of Kwanzas)

STATEMENT OF COMPREHENSIVE INCOME	Notes	31.12.2020	31.12.2019
Net profit for the year		**36 131 088**	**32 127 689**
Other comprehensive income for the year			
Items that will not be reclassified to profit or loss			
Items that may be reclassified to profit or loss			
Debt instruments at fair value through other comprehensive income	8 and 22		
Changes in fair value		(2 113 755)	1 650 125
Transfer to results for impairment recognised in the period		150 364	(5 905)
Total other comprehensive income for the year		**(1 963 391)**	**1 644 220**
Total comprehensive income for the year		**34 167 697**	**33 771 909**

The following notes form an integral part of these financial statements

Cash Flow Statement

(thousands of Kwanzas)

CASH FLOW STATEMENT	Notes	31.12.2020	31.12.2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest, commissions and other similar income received		74 595 944	50 883 526
Interest, commissions and other similar costs paid		(11 047 768)	(8 245 141)
Payments to employees and suppliers		(29 245 766)	(21 809 760)
Other results		23 995 020	12 961 055
Cash flows before changes in operating assets and liabilities		**58 297 430**	**33 789 680**
(Increases)/decreases in operating assets:			
Loans and advances to central banks and other credit institutions		(136 623 460)	25 324 862
Financial assets at fair value through profit or loss		28 891 280	(22 003 574)
Financial assets at fair value through other comprehensive income		(18 661 704)	20 686 627
Investments at amortised cost		(140 353 296)	(14 924 545)
Loans and advances to customers		(49 753 281)	(38 495 505)
Other assets		(6 878 784)	3 749 589
Net cash flow from operating assets		**(323 379 245)**	**(25 662 546)**
(Increases)/decreases in operating liabilities:			
Deposits from central banks and other credit institutions		(679 826)	674 991
Deposits from customers and other loans		264 100 282	100 725 485
Other liabilities		(14 480 615)	29 396 933
Net cash outflow from operating liabilities		**248 939 841**	**130 797 409**
Net cash from operating activities before income taxes		(16 141 974)	138 924 543
Income taxes paid		(2 325 910)	(4 134 373)
Net cash from operating activities		**(18 467 884)**	**134 790 170**

(thousands of Kwanzas)

CASH FLOW STATEMENT	Notes	31.12.2020	31.12.2019
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of other tangible assets, net of disposals		(13 525 932)	(20 782 638)
Acquisitions of intangible assets, net of disposals		(4 221 605)	(1 394 341)
Net cash from investing activities		**(17 747 537)**	**(22 176 979)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend distribution		(12 851 076)	(1 807 114)
Net cash from financing activities		**(12 851 076)**	**(1 807 114)**
Variation in cash and cash equivalents		(49 066 496)	110 806 077
Cash and cash equivalents at the beginning of the period		261 768 454	150 962 377
Cash and cash equivalents at the end of the period		**212 701 958**	**261 768 454**
Cash and cash equivalents includes:			
Cash	4	9 680 332	7 674 412
Deposits at Central Banks	4	38 687 410	27 097 707
Deposits with Central Banks of a compulsory nature	4	99 152 688	58 163 126
Deposits with other credit institutions	5	65 181 528	168 833 209
Total		**212 701 958**	**261 768 454**

The following notes form an integral part of these financial statements

Statement of changes in Equity

For the years ended 31 December 2020 and 2019

(thousands of Kwanzas)

STATEMENT OF CHANGES IN EQUITY	Share capital (Note 22)	Revaluation reserves (Note 23)	Other reserves and retained earnings (Note 23)				Net profit	Total equity
			Legal reserve	Retained earnings	Other reserves	Total		
Balance at 31 December 2018	**9 530 007**	**(780 702)**	**3 238 624**	**20 546 759**	**1 209**	**23 786 592**	**32 322 509**	**64 858 406**
Another full income:								
Changes in fair value	-	1 650 125	-	(1 157 451)	-	(1 157 451)	-	492 674
Transfer to the income statement due to impairment recognised in the period	-	(5 905)	-	-	-	-	-	(5 905)
Net profit for the year	-	-	-	-	-	-	32 127 689	32 127 689
Total comprehensive income for the year	**-**	**1 644 220**	**-**	**(1 157 451)**	**-**	**(1 157 451)**	**32 127 689**	**32 614 458**
Reserve build-up	-	-	3 232 250	29 090 259	-	32 322 509	(32 322 509)	-
Dividend distribution	-	-	-	(1 807 114)	-	(1 807 114)	-	(1 807 114)
Other movements	-	-	-	-	-	-	-	-
Balance at 31 December 2019	**9 530 007**	**863 518**	**6 470 874**	**46 672 453**	**1 209**	**53 144 536**	**32 127 689**	**95 665 750**
Another full income:								
Changes in fair value	-	(2 113 755)	-	-	-	-	-	(2 113 755)
Transfer to the income statement due to impairment recognised in the period	-	150 364	-	-	-	-	-	150 364
Net profit for the year	-	-	-	-	-	-	36 131 088	36 131 088
Total comprehensive income for the year	**-**	**(1 963 391)**	**-**	**-**	**-**	**-**	**36 131 088**	**34 167 697**
Reserve build-up	-	-	3 059 133	29 068 556	-	32 127 689	(32 127 689)	-
Dividend distribution	-	-	-	(12 851 076)	-	(12 851 076)	-	(12 851 076)
Other movements	-	-	-	-	-	-	-	-
Balance at 31 December 2020	**9 530 007**	**(1 099 873)**	**9 530 007**	**62 889 933**	**1 209**	**72 421 149**	**36 131 088**	**116 982 371**

The following notes form an integral part of these financial statements

Angola is our home, we drive its growth.

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 capital Bank with head office at Condomínio Belas Business Park, Edifício Cuando Cubango, 8th floor, Talatona, Angola. The Bank was authorized to operate by Banco Nacional de Angola on March 9, 2010, and started its operational activity on September 27, 2010.

The Bank’s objective is to carry on banking business in the terms permitted by law, which includes obtaining resources from third parties in the form of deposits or other funds, which it combines with its own funds in order to grant loans, make deposits at Banco Nacional de Angola (BNA), invest in credit institutions, purchase securities and other assets for which it is duly authorised. It also provides other banking services and carries out various types of foreign currency operations.

In terms of shareholder structure, and as detailed in Note 21, the Bank is 51% owned by Standard Bank of South Africa. The principal balances and transactions with shareholders and other related parties are detailed in Note 33.

In December 2020 and 2019, the Bank ended the year with 18 and 19 branches open, respectively.

Note 2 – Accounting Policies

PRESENTATION BASES

Within the scope of the provisions of Banco Nacional de Angola Notice no. 05/2019 of 30 August, the financial statements of Standard Bank of Angola, S.A. are prepared in accordance with International Financial Reporting Standards (IFRS).

The IFRS comprise the accounting 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 31 December 2020.

The financial statements are expressed in thousands of kwanzas, the currency of the economic environment in which the Bank is located, rounded to the nearest thousand. They have been prepared in accordance with the historical cost principle, with the exception of assets and liabilities recorded at fair value, namely derivative financial instruments, financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income. Other financial assets and liabilities and non-financial assets and liabilities are carried at amortised cost or historical cost.

The exchange rates of kwanzas against currencies relevant to the Bank’s business were as follows on the reference dates below:

	2020	2021
USD	649.604	482.227
EURO	798.429	540.817

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

The Bank's financial statements as at 31 December 2020 were approved by the Board of Directors on 29 April 2021, and are pending approval by the General Meeting. However, the Bank's Board of Directors accepts that they will be approved without significant changes.

The accounting policies are consistent with those reported in previous years.

2.1. COMPARABILITY OF INFORMATION

The Bank has adopted IFRSs and interpretations of mandatory application for periods beginning on or after 1 January 2019. The accounting policies are consistent with those used in the preparation of the financial statements for the previous period.

2.2 LOANS AND ADVANCES TO CLIENTS

Loans and advances to Clients includes loans and advances originated by the Bank, which are not intended to be sold in the short term. Loans and advances to Clients are initially recorded at fair value and subsequently at amortised cost net of impairment. The associated transaction costs/income are part of the effective interest rate of these financial instruments recognised in Net interest income. The interest component is recognised in "Interest and similar income", based on the effective interest rate method and in accordance with the criteria described in Note **2.12**. In addition, commissions charged for loans are recognised in Net interest income over the life of the loans.

Loans and advances to Clients are derecognised from the balance sheet when

(i) the Bank's contractual rights in respect of respective cash flows have expired,

(ii) the Bank has transferred substantially all risks and rewards of ownership,

(iii) no twithstanding the fact that the Bank has retained some, but not substantially all, of the risks and benefits associated with holding them, the control over the assets has been transferred, or

(iv) when there is no realistic prospect of credit recovery , from a perspective, and for collateralised claims, when the funds from the realisation of the collateral have already been received, with the they are written off from assets.

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 constituting an impairment. This model aims to accelerate the recognition of impairment losses applicable to debt instruments held, whose measurement is at amortised cost or at fair value through other comprehensive income (OCI).

If the credit risk of a financial asset has not increased significantly since its initial recognition, the asset

A financial asset or liability will generate a cumulative impairment equal to the expected loss estimated to occur within the next 12 months.

If the credit risk has increased significantly, the financial asset will generate an accumulated impairment loss equal to the estimated loss expected to occur until its maturity, thus increasing the amount of impairment recognised.

Once the loss event has occurred (what is currently known as "objective evidence of impairment"), the accumulated impairment is directly allocated to the instrument in question, including treatment of the respective interest.

2.2.1.1 Expected Credit Loss (ECL)

ECLs are an estimate of the probability of credit losses.

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

- Probability of non-compliance Default or PD);
- Loss Given Default or LGD); and
- Exposure at Default or EAD).

These parameters are derived from internally developed statistical models, and other historical data derived from regulatory models, and are adjusted to reflect forward-looking information.

PD estimates are estimates at a given date, calculated on the basis of a statistical ratings model, and obtained using ratings tools created for the various categories of counterparties and exposures. These statistical statistical models are based on internally compiled data comprising both qualitative and quantitative factors. Where market data is available, this may also be used to derive the PD of large corporate counterparties. If a counterparty or exposure migrates between rating classes, this gives rise to a change in the associated PD estimate. DPs are estimated considering the contractual maturities of the exposures and estimated prepayment rates.

LGD is the magnitude of the probable loss if default exists. The Bank estimates LGD parameters based on historical recovery rates from cases against defaulting counterparties. The LGD models consider the structure, collateral, seniority of the dispute, counterparty industry and recovery costs of any constituent collateral o financial asset. For loans collateralised by real estate properties, loan-to-value (LTV) ratios are the key parameter in determining LGD. LGD estimates are calibrated for different economic scenarios and, for real estate loans, to reflect possible changes in property prices. They are calculated on an undiscounted cash flow basis using the effective interest rate as the discount factor. For Individuals and Small and Medium Enterprises, the assumption that LGD does not include recoveries on written-off contracts has been agreed for consistency purposes by the Standard Bank Group.

EAD represents the expected exposure in the event of default. The Bank derives the EAD from the current exposure to counterparties, and the potential changes to the amount under the contract, including amortisation, and prepayments. The EAD of financial assets corresponds to the gross amount held at default.

For off-balance sheet positions (undrawn unused limits, letters of credit and financial guarantees), the EAD considers the discounted value, as well as the potential future amounts that may be drawn down or amortised under the contract. For this estimate, the Bank considers the nominal value of the off-balance sheet positions multiplied by the Credit Conversion Factor (CCF) taking into account the risk levels presented in Table 2 of Notice no. 09/2016 of the National Bank of Angola, where positions with high risk are weighted at 100%, positions with medium risk are weighted at 20%, positions with medium/low risk are weighted at 20% and positions with low risk are weighted at 0%.

For Individuals and Small and Medium Enterprises, the unused limits used are considered by the impairment model as equity exposures.

2.2.1.2 Individual and collective analysis

For Individual Clients and Small and Medium Businesses, the Bank's impairment model for Stage 3 loans is carried out on an individual basis. For Stage 1 and 2 loans, it is carried out on a collective basis, grouping the portfolio by segment (Personal Banking or PB, Business Banking or BB and Private Banking or PVB) and by product (home loans, leasing, overdrafts, medium and long-term loans, credit cards and letters of credit).

For Large Companies and Investment Banking, 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)

Under IFRS 9, in determining that the credit risk (i.e. risk of default) has increased considerably on a financial instrument since its initial recognition and should therefore move from stage 1 to stage 2, the Bank considers reasonable and supportable information that is relevant and available without great cost or effort, including both qualitative and quantitative information, and analysis based on the Bank's historical experience, technical credit analysis and forward-looking information.

Firstly, the Bank identifies how a significant increase in credit risk has occurred for an exposure by comparing the probability of default (PD) for the remaining life of the contract at the reporting date, with the PD of the remaining life of the contract for this point in time that was estimated in the initial recognition of the exposure. In the Large Companies and Investment Banking segment the downgrade of the rating (three notes or one note, depending on the initial rating) assigned to the Client is an event for the identification of significant increase in credit risk.

Assess whether the credit risk credit risk has increased significantly since initial recognition of a financial instrument requires identifying the instrument's date of initial recognition. For some revolving credit instruments (eg credit cards and bank overdrafts), the date when credit was granted may be a long time ago. Modification of the contractual terms of financial instruments may also affect valuation.

2.2.1.4 Levels of credit risk (Stages)

The Bank allocates each exposure to a given credit risk level (Stage), between 1, 2 or 3, based on a variety of data that is predictively determined of default risk, and applying experienced credit judgment. Credit risk levels are defined using qualitative factors and quantitative factors that are indicators of default risk. These factors may vary depending on the nature of the exposure and type of client.

Credit risk levels are defined and calibrated so that the risk of default increases exponentially as the credit risk deteriorates. In this sense, the difference between default and credit risk at levels 1 and 2 is lower than the difference between credit risk at levels 2 and 3.

Each exposure will be allocated to its credit risk level upon initial recognition, based on available information about the client. All exposures are subject to constant monitoring, which may result in transfers from one credit risk level to another.

The Bank considers contracts more than 90 days past due in Stage 3. Additionally, it considers in Stage 2 contracts with more than 30 days delay, that have presented a significant increase in credit risk or contracts that are on whatchlist. The remaining contracts are considered in Stage 1.

For Stage 1 exposures, the measurement of ECL is 12 months (or its remaining period to maturity, if less than 12 months). For Stage 2 or Stage 3 exposures, the ECL measurement period is the entire lifetime of the exposure.

2.2.1.5 Temporal Structure of the DP

Credit risk levels will be a primary input for determining the term structure of PD in exposures. The Bank collects performance and default indicators on its exposures taking into consideration the geographical identifier, type of product and client, and 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 data collected and generate estimates of the PD for the remainder of the exposure period.

This analysis includes identifying and calibrating the relationships between changes in default rates and changes in key macroeconomic factors, as well as further analysis of the impact of certain factors (e.g. restructuring For most exposures, key macroeconomic indicators include GDP growth, benchmark interest rates and unemployment levels.

For industry and region-specific exposures, the analysis may be extended to the corresponding raw materials and/or property market prices.

2.2.1.6 Definition of default

Under IFRS 9, the Bank considers its 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 calling on the guarantees held (in the the existence of such guarantees); or
- O debtor is defaulted for at least 90 days of any material obligation material obligation of the contract to be performed with the Bank. In the case of bank overdrafts, a In the case of bank overdrafts, a default is deemed to exist when

(i) the borrower has exceeded o limit limit for more than 90 days, i.e, the borrower concerned has been unable to reduce the amount outstanding within this period within the recommended limit; or

(ii) the borrower is recommended a lower limit is recommended to the borrower and the borrower concerned has been unable to reduce the amount owed within 90 days to 90 days to a figure within the new limit recommended limit; or

(iii) The Bank extends credit to a person without authorised limit, whose credit is not pre paid within 90 days.

When verifying default, the Bank considers the following indicators:

- Qualitative: breaches of clauses or covenants contractual;
- Quantitative: state of non-compliance and the non-payment of another obligation of the same debtor to the Bank;
- Other indicators based from data developed internally or obtained externally.

The inputs to the assessment of when a financial instrument is in default, and its significance, may vary over time to reflect changes in circumstances.

Financial assets in default are considered Stage 3.

2.2.1.7 Prospective information

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

The Bank formulates a "base case" forward-looking scenario of relevant economic variables and a representative set of other possible scenario projections, based on advice from the Credit Risk Management Committee (CRMC), economic experts, and a variety of current and projected information considerations information. This process involves the development of two or more economic scenarios and consideration of the relative probabilities of each outcome. External information includes economic data and projections published by entities e monetary authorities in the countries where the Bank operates, supranational organisations such as the Organisation for Economic Co-operation 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 to other purposes, such strategic planning and budgeting. The remaining scenarios represent more optimistic or pessimistic outcomes. The Bank conducts periodic stress tests with more extreme shocks to calibrate and determine other representative scenarios whenever it deems appropriate.

The Bank identifies key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, estimates relationships between macroeconomic variables, credit risk and credit losses. These key drivers include interest rates, unemployment rates and GDP projections. Predictable relationships between key indicators, default and loss rates across financial asset portfolios have been developed based on analysis of historical data over the past 5 years.

The economic scenarios used are approved by the Credit Risk Management Committee (CRMC).

For Individuals and Small and Medium Enterprises, this forward-looking information is included in the ECL at Stage 2. For Large Corporates and Investment Banking, the forward-looking information is included in each client's rating model.

2.2.1.8 Curated financial assets

The Bank continuously analyses if the triggers that led contracts to the state of default (Stage 3) still exist. Contracts that have been in default for at least 6 months are kept in Stage 3, even if they no longer show evidence of impairment. If contracts have quarterly or more frequent 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 present criteria for a significant increase in credit risk.

2.2.1.9 Modified financial assets

The contractual contractual terms of a loan may be modified for a number of reasons, including changing market conditions, Client retention, and other factors not directly related to an actual or potential deterioration of the client's credit. An existing loan in which the terms have been modified through negotiation should be evaluated as to its possible derecognition. If the terms of the loan renegotiated loan are significantly different, it should be derecognised, and the renegotiated loan recognised as a new loan at fair value, calculating its new effective interest rate.

If the terms of the contract not are significantly different, renegotiation or modification not eligible for derecognition derecognition and the Bank recalculates the gross carrying amount at the modification date by discounting the contractual cash flows of the financial financial asset modified using the original effective interest rate of the asset. The difference between this carrying amount and the gross carrying amount of the original asset is recognised as a modification gain or loss. Any costs or fees incurred in connection with the modification adjust the carrying amount of the modified financial asset and are amortised over the remaining term 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 a comparison of the remaining life PD at the reporting date based on the modified terms, with the remaining life PD estimated based on data from the initial recognition and in the original terms of the contract.

The Bank renegotiates loans of Clients in financial distress (referred to as "restructuring activities") to maximize collection opportunities and minimize 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 all due diligence to make payments under the terms of the original contract and it is expected that the debtor will be able to meet the revised terms.

Revised terms typically include an extension of maturity, a modification of interest payment periods and changes to the terms of the contractual covenants of the loan. Both retail and corporate loans are subject to the Restructuring Policy. The Bank's Credit Committee reviews regular reports on restructuring activity.

For financial assets assets assets modified as a result of the application of the Bank's restructuring, the PD estimate reflects how the modification has improved the Bank's ability to obtain payment of principal and interest and past experience of restructuring activity in similar situations. As part of the process, the Bank evaluates the debtor's payment performance in accordance with the modifications to the contractual terms and considers various behavioural indicators.

Restructuring is usually a qualitative indicator of default and credit impairment, and expectations of restructuring are relevant in judging whether the increase in credit risk is significant. After restructuring, the Client needs to demonstrate good compliance for a period of time before the exposure is considered to be no longer in default and the PD is considered to have decreased such that the credit adjustment created is reversed and measured at an amount equal to the 12-month ECL (Stage 1).

As at 31 December 2020 and 2019, the Bank has no assets that have met these requirements for derecognition in the reporting period.

2.2.1.10 Definition of risk classes

In determining impairment losses for loans analysed on a collective basis, the Bank classifies its exposures into the following risk classes:

i) "Ordinary loan portfolio": loans which are running within the expected expected and have never been restructured / modified due to financial difficulties difficulties or loans that have never defaulted defaulted;

ii) "Cured loan portfolio (cured Client)": loans that have defaulted and have been cured (currently in force) due to the client's ability to make full repayment full repayment and re-establish the status of performance status;

iii) "portfolio of credit restructured loan portfolio (restructured) loan portfolio" means loans with original maturities that have been restructured or modified by the bank due to financial difficulties of the Client, resulting in the Client being able to provide full repayment in compliance with the modified terms / restructured terms of the contract.

2.2.1.11 Emergence period

The process of calculating the probability of default (PD) risk parameter is based on the segmentation defined by the Bank, with each segment representing a homogeneous group of Clients/operations. It is necessary to ensure that each segment for calculating PD is homogeneous with regard to its Clients and heterogeneous among them. In this way it is possible to ensure that the risk is managed homogeneously in the various segments of the portfolio, and so Clients with identical risk profiles will have identical probability of default.

The calculation of impairment for incurred but not reported losses depends on the definition of the emergence period, which corresponds to the period of time between the event of default and the observation of that default by the Bank.

The Bank has assumed a 12-month emergency period.

2.2.2 Collateral assessment process

Guarantees are evaluated 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 operational systems generate reports that allow monitoring the dates on which collateral revaluations should be made.

2.2.2.1 Credit-granting stage

Within the scope of credit operation approval conditions, whenever the need to obtain a guarantee from the Client is defined, if the type of guarantee or collateral identified implies a request for evaluation to define and validate its value, the Bank requests evaluation of the guarantee from duly certified external evaluation companies.

2.2.2.2 Credit monitoring phase

With regard to the process of periodic reassessment of collateral, based on the requirements of Notice no. 10/2014 issued by the BNA, namely with regard to the criteria that were defined for carrying out a new assessment of mortgage collateral, it was defined that the Bank will be responsible for identifying the collateral that is subject to revaluation and for triggering the respective process with external valuers.

The Bank requests, from suitable entities entities dedicated to this purpose, formal and triennial evaluations of industrial and commercial properties at least every two years, whenever the exposure represents a risk:

(i) An amount equal to or greater than one percent (1%) of the percent) of the total credit portfolio or equal to or more than 100 million kwanzas; or

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

(iii) Situations in which changes of other nature in market conditions conditions with a potential material impact impact on the value of the real estate assets and/or or on a group or more of real estate assets with similar characteristics.

Alternatively, in the event that the above conditions above are not met, the Bank requests valuations every 3 years, in line with Standard Bank Group Policy.

2.2.2.3 Credit recovery stage

Where relevant in the context of the recovery process and in order to determine the amount recoverable amount of credit through the enforcement of existing guarantees or to support a credit restructuring operation, the Bank may request the reassessment of the guarantees associated with the loans whenever it has a default of more than 90 days.

The valuation value of each type of guarantee is determined based on the specifics of each of these instruments, considering the following criteria:

(i) Properties

The assessment value that is considered to be

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

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

(ii) Pledge of time deposits

The value of the guarantee corresponds to the value of the deposit, as well as the respective interest (if are also pledged).

(iii) Other guarantees received

Concerning other guarantees received, namely pledges of equipment of brands and works of art, the market value is taken into account market value determined on the basis of an updated appraisal, with an antiquity of less than one year, to be carried out by an appropriate entity with specific competence taking into account the particular nature of each collateral received. É condition necessary condition for the evaluation of this type of guarantees, the validation of the ownership, safeguarding and operating conditions of the underlying assets. of the underlying assets.

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

If there is no valuation of the guarantee, or if the ownership and safeguarding of the assets cannot be guaranteed, the value of the guarantee received is not considered for purposes of calculating impairment losses.

Considering the difficulties inherent to a correct and careful evaluation of this type of guarantees received, the Bank has opted to follow a conservative approach and not consider them as credit risk mitigators, for the purpose of determining credit impairment.

2.2.3 Reversal of impairment

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. The amount of the reversal is recognised in the income statement.

2.2.4 Write-off of financial instruments

The write-off of financial instruments financial instruments is effected when there is no realistic prospect of realistic prospects of recovery, from an economic perspective, when these instruments are For collateralised loans, when the funds arising from the realisation of the collateral have already been received . This write-off is made through the use of impairment losses corresponding to 100% of the amount of the credits considered as non recoverable.

2.2.5 Letters of credit

The Bank reclassifies to Loans to Clients, against Other Liabilities, all the letters of credit for which it has already received all the necessary supporting documentation to make the contractually defined payments, since from that moment onwards the liability for the payments becomes effective. Therefore, the Bank's liability is recorded under the heading Other liabilities (Note 20), against the client's liability towards the Bank under the heading of Loans and advances to Clients (Note 10).

2.2.6 Securitized credit

Non-derivative financial assets with fixed or determinable payments, not quoted on a 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, namely, unlisted bonds and commercial paper, are initially recorded at fair value and subsequently at amortised cost net of impairment.

2.3 OTHER FINANCIAL INSTRUMENTS

2.3.1 Classification of financial assets

IFRS 9 provides an approach to approach to and measurement for financial assets that reflects the business model used to manage the asset as well as the characteristics of its cash flows.

IFRS 9 includes 3 main categories of financial asset classification: measured at amortised cost, measured at fair value through other comprehensive income (FVOCI) and measured at fair value through profit and loss (FVTPL).

The classification of financial assets financial is based on two determination criteria, namely:

(i) the contractual cash flow characteristics of the financial asset's

contractual cash flow characteristics and contractual cash flow characteristics and

(ii) the entity's business model for management of its financial assets.

A financial asset or financial 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 and loss in which the transaction costs are immediately recognised as costs for the year.

In accordance with IFRS 13, fair value is the price that would be received to sell an asset or paid to transfer a liability in a transaction between market participants at the measurement date. At the trade date or at the commencement of a transaction, fair value is generally the value of the transaction.

Business model assessment

The business model reflects the way the Bank manages its assets from a cash-flows perspective, i.e. whether the assets are managed with the intention of i) receiving contractual cash flows or ii) receiving contractual cash flows and cash flows from the sale of those assets. For these two types of portfolios, the Bank must assess and test whether the cash flows of the financial instrument correspond solely to payments of principal and interest on the principal amount outstanding ("solely payments of principal and interest" or SPPI test), i.e., whether the contractual cash flows are consistent with a basic loan contract, where interest includes only time value considerations.

The Group determines that a financial instrument should be classified and measured at fair value through profit or loss if it has a cash flow, credit risk and profit margin that is consistent with a basic credit agreement or if it has risk exposures or volatilities inconsistent with a basic credit agreement. If it does not is fulfilled any of the previous situations, the financial assets are recognised at fair value through profit and loss, as is the case of securities held for trading, which are managed with the objective 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 operation of those policies, including how management's strategy focuses on receiving contractual interest, maintaining a specific interest rate profile, matching the assets to the liabilities that fund them or realising cash flows through the sale of assets;
- The way in which the portfolio's performance is evaluated and reported to the Bank's management bodies management;
- The assessment of the risks affecting the performance of the business model (and the financial assets managed as part of that business business model) and how these risks

are managed are managed;

- The way in which the remuneration of the business managers depends on the fair value of the assets under management or the contractual cash flows received; and
- The frequency, volume and timing of sales in previous periods, the reasons for such sales, and sales, and expectations about future sales. However, information about sales should not be considered in should not be considered in isolation, but as part of an overall assessment of how the Bank the way the Bank sets objectives for the management financial assets and how cash flows are generated. cash flows are obtained.

Valuation of contractual cash flows in respect of exclusive receipt of principal and interest (SPPI)

In this assessment, "principal" is defined as the fair value of the financial asset at initial recognition. "Interest" is defined as the consideration for the time value of money, the credit risk associated with the amount outstanding, other risks and costs associated with the activity (eg, liquidity risk and administrative costs), as well as a profit margin.

When evaluating the contractual cash flows regarding the receipt of principal and interest, the Bank considers the contractual terms of the instrument, which includes analyzing the existence of situations in which they can modify the timing and amount of cash flows so that they do not comply with this condition, namely

- Contingent events that may modify the timing and amount of cash flows;
- Features that result in leverage;
- Prepayment and prepayment clauses extension of maturity;
- Clauses that may limit the right to claiming the cash flows in relation to specific assets (for example, contracts with clauses preventing access to assets in the event of default); and
- Characteristics that can change the time value of money compensation (for example, periodic resetting of interest rates).

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

- Debtors will be able to prepay without significant penalties;
- Market competition ensures that the rate interest rate is consistent across banks; and
- Regulatory protection structures or consumers require the Bank to treat consumers fairly.

All of the Bank's retail loans and certain fixed rate corporate loans contain features that allow for prepayment.

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

Additionally, an early advance payment is consistent with the SPPI criterion if the financial asset is acquired or originated at a premium or discount to its contractual value, the advance payment represents substantially the nominal contract amount plus accrued (but unpaid) interest, which may include reasonable compensation for the prepayment , and the fair value of the prepayment is insignificant at 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 within the business model whose objective is to hold the asset in order to collect contractual cash flows and the terms of its cash flows give rise to to receipts, on specified dates , related only to the principal and interest amount in force (SPPI).

These financial assets are recognized at cost when they are first recognised and are subsequently measured at amortised cost using the effective interest rate method. Interest is calculated using the effective interest rate method and recognized in the caption "Interest and similar income", in accordance with the criteria described in Note 2.12. Impairment losses are recognised in the income statement when identified.

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

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

- the financial asset is held within the scope of a business model where the objective is to collect its contractual cash flows and sell that financial asset, with the interest income continuing to affect profit or loss; and
- its cash flows give rise to receipts, on specified dates, related only with the prevailing amount of principal and interest (SPPI).

Financial assets at fair value through other comprehensive income are initially recognized at fair value, including transaction costs or income associated with the transactions and subsequently measured at fair value. Changes in carrying amount are recognised in other comprehensive income until the assets are sold or impairment losses are recognised, when they are recognised in the income statement, together with interest income and foreign exchange gains and losses. exchange differences , which are also recognised in the income statement.

On disposal of financial assets at fair value through other comprehensive income, the cumulative gains or losses recognised in other comprehensive income are recognised under "Net gains / (losses) from financial assets at fair value through other comprehensive income" in the income statement. Foreign exchange fluctuation on foreign currency debt securities is recorded in the income statement under "Foreign exchange results". Interest on debt instruments is recognised with based on the effective interest rate under the caption "Interest and similar income", including a premium or discount, when 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 fit into the above categories.

In addition, the Bank may irrevocably designate a financial asset, which meets the criteria to be measured at amortised cost or FVOCI, at fair value through profit or loss upon initial recognition if doing so eliminates or significantly reduces an inconsistency in the measurement or in recognition (accounting mismatch) that would otherwise result from measuring assets or liabilities or recognising gains and losses on them on different bases.

The Bank has classified "Financial assets at fair value through profit or loss" under the following headings:

a) Financial assets held for trading

The financial assets classified in this are acquired for the purpose of the objective of sale in the short term; at the time of initial initial recognition are part of a portfolio of financial instruments identified and for which there is evidence of a recent evidence of a recent pattern of short-term profit-taking short-term profit-taking pattern; or they meet the definition of a derivative (except in the case of a derivative (except in the case of a derivative classified as hedging).

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

This item includes debt instruments whose contractual cash flows do not correspond only to payments of principal and payment of interest on capital outstanding (SPPI).

c) Financial assets designated at fair value through profit and loss (Fair Value Option).

This item classifies the financial assets assets that the Bank opted to designate at fair value designated at fair value through profit or loss in order to eliminate the accounting mismatch.

Considering that the transactions carried out by the Bank in the normal course of its business are at 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 the transactions being recognised in the income statement upon initial recognition. Subsequent changes in the fair value of these financial assets are recognised in the income statement.

These assets are valued daily at fair value, taking into consideration the own credit risk and that of the counterparties to the transactions. In the case of bonds and other fixed-income securities, the book value includes accrued and uncollected interest.

Gains and losses resulting from changes in fair value are recognised under "Net gains / (losses) from financial assets and liabilities at fair value through profit or loss" in the income statement.

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

Derivative transactions are subject to credit risk analysis, and the respective amount is adjusted by a corresponding entry under the caption "Foreign exchange results" in the profit and loss statement.

2.3.2 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective, i.e. they are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the net assets of the issuer, such as equities. Investments in equity instruments are normally 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 set of investments is to hold them in the portfolio indefinitely for appreciation, they should be recognised in the category of financial assets at fair value through other comprehensive income and cannot be reclassified subsequently in the trading portfolio (irrevocable condition). Changes in fair value and the result of the sale of these securities are accounted for in other comprehensive income. Dividends are recognised in the income statement when the right to their recognition is attributed. Impairment is not recognised for equity instruments at fair value through other comprehensive income, with the respective accumulated gains or losses recorded under fair value changes being transferred to retained earnings at the time of derecognition.

2.3.3 Classification of financial liabilities

A financial instrument is classified as a financial liability when there is a contractual obligation for settlement to be made by delivering cash or another financial asset, independently from its legal form.

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

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

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

- Financial liabilities held for trading

In this caption are classified liabilities issued with the purpose of being repurchased in the short term, those that are part of a portfolio of identified financial instruments and for which there is evidence of a recent pattern of short-term profit taking or that meet the definition of a derivative (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 upon initial recognition if at least one of the following conditions is met:

- the financial liability is managed, measured and and reported internally at its fair value; or
- the designation eliminates or significantly reduces the accounting mismatch of transactions.

The Bank classifies its financial liabilities as measured at amortised cost, and the fair value of these liabilities is disclosed in these notes 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 accrued over the period of the operations and recognised in the caption "Interest and similar income". Financial liabilities at fair value through profit and loss are carried at fair value.

The gains and losses calculated on the repurchase of financial liabilities are recognised under "assets and liabilities at fair value through profit or loss" when they occur.

2.3.4 Initial recognition and subsequent measurement

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

2.3.4.1 Recognition and measurement at amortized cost

The amortised cost of a financial asset or financial liability is the amount at which a financial asset or financial liability is initially recognised, less principal receipts, plus or deducted accumulated amortisation accumulated amortisation, arising the difference between the amount initially recognised and the maturity amount, less any write-down for impairment losses.

2.3.4.2 Recognition and measurement at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a current transaction between market participants at the measurement date or, in its absence, the most advantageous market to which the Bank has access to perform the transaction at 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 quoted market price in an active market for that instrument. A market is regarded as active if there is sufficient frequency and volume sufficient volume of transactions to provide a price quotation on a constant basis.

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

2.3.4.3 Identification and measurement of impairment

In addition to the analysis of impairment on loans and advances to Clients, at each balance sheet date an assessment is made as to whether there is objective evidence of impairment for all the other financial assets not carried at fair value through profit or loss.

In accordance with IFRS 9, the Bank assesses periodically whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset, or group of financial assets, is impaired wheneverthere is objective evidence of impairment as a result of one or more events that occurred after their initial recognition, such as:

(i) for shares and other equity instruments, a instruments, a significant or prolonged significant decrease in their market value below cost, and

(ii) for debt securities, where that event (or events) has an impact on the estimated estimated future cash flows of the financial asset, or financial asset or group of financial assets that can be reasonably estimated.

For investments at amortised cost, the impairment losses correspond to the difference between the asset's carrying amount and the present value of estimated future cash flows(considering the recovery period) discounted at the financial asset's original effective interest rate and are recognised in the income statement. These assets are presented in the balance sheet net of impairment. If a variable interest rate asset, the discount rate to be used to determine the respective impairment loss is the current effective interest rate determined under the rules of each contract. Also regarding the investments at amortised cost, if in a subsequent period the amount of the impairment loss decreases, and this decrease can be objectively related to an event which occurred after the recognition of the impairment, this is reversed against the results of the year.

When there is evidence of impairment on financial assets at fair value through other comprehensive income, the potential loss accumulated in reserves is transferred to profit or loss. If, in a subsequent period, the amount of the impairment loss decreases, the previously recognised impairment loss is reversed through the income statement up to the acquisition cost if the increase is objectively related to an event occurring after the impairment loss was recognised, except in relation to equityinstruments, in which case the reversal is recognised in equity.

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 managing its financial assets.

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

During the current year, the Bank has not transferred any financial assets between categories.

2.3.6 Derecognition

The Bank derecognises its financial assets when all rights tofuture cash flows have expired. In a transfer of assets, derecognition can only occur when substantially all risks and rewards of the financial assets have been transferred or in which the Bank neither transfers nor retains substantially all risks and rewards and does not retain control of the financial assets.

The Bank derecognisesfinancial liabilities when they are cancelled, extinguished or expire.

2.3.7 Derivative financial instruments

The Bank may carry out derivative financial instrument operations as part of its activity, managing its own positions based on expectations of market developments or to meet the needs of its 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 or net investment hedges, understood as the part of the item hedged by the hedging instrument, should be the same as the coverage ratio that is used for management purposes.

When a derivative financial instrument is used to hedge foreign exchange arising from monetary assets or liabilities, nohedge accounting model is applied. Any gain or loss associated to the derivative is recognised through profit and loss, as well as changes in theforeign exchange risk of the underlying monetary items.

a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as hedges of fair value hedges that qualify as fair value hedges are recognised through profit and loss, together with with the changes in the fair value of the asset, liabilities or group of assets and liabilities to be hedged assets, liabilities or group of assets and liabilities to be hedged for the risk being hedged. If the hedging relationship ceases to comply with meets the requirements for hedge accounting accounting requirements, the derivative financial instrument is transferred into the trading category and hedge accounting is discontinued, thereafter (the adjustment made to the carrying amount of a hedging instrument in which the effective interest rate method is used, is amortized through profit or loss for the period until its maturity and recognized in the item "Interest and similar income"). If the hedged asset or liability corresponds to a fixed income instrument, the accumulated gains or losses due to variations of the interest rate risk associated to the hedged item until the discontinuance of the hedge are amortised through profit or loss for the remaining period of the hedged item.

b) Cash flow hedge

Changes in the fair value of derivatives that

Cash flow hedges are recognised in the statement of cash flow hedges are recognised in equity - cash flow cash flow reserves - in the effective part of the hedging relationships. Changes in the fair value of the changes in the fair value of the ineffective portion of the hedging hedging relationships are recognised in the recognised in the statement of profit and loss as they occur. The cumulative gains or losses recognised in equity are are reclassified to the income statement the periods in which the hedged item affects profit or loss. When the hedging instrument is derecognized, or when the hedging relationship ceases to meet the requirements for hedge accounting or is revoked, the revoked, the income statement, recorded at fair value with the variations reflected in profit and loss.

2.4 OTHER TANGIBLE ASSETS

2.4.1 Recognition and measurement

Other tangible assets are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets (acquisition cost, equipment installation cost, customs clearance costs and import taxes on fixed assets, and other additional costs associated with the purchase of fixed assets).

Works on rented buildings are capitalised as own assets of the Bank, and are depreciated between the shorter of their useful life and the lease term of the respective contracts.

2.4.2 Subsequent costs

Subsequent costs are recognised as separate asset only if it is probable that future economic benefits will flow to the Bank. Expenditure on maintenance and repair is recognised as a cost asit is incurred in accordance with the accrual principle.

2.4.3 Depreciation

Land is not depreciated. Depreciation is calculated on a straight-line basis, over the following periods of expected useful life:

	Number of years
Self-service properties	50
Works on rented property	4 a 7
Equipment	
Furniture and material	4 a 8
Machines and tools	4 a 10
IT/ATM equipment	3 a 6
Transport equipment	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 should be recognised whenever the net book value of the asset exceeds its recoverable amount. Impairment losses are recognised in the income statement, and are reversed when the events that gave rise to them cease to exist (impairment losses are reversed up to the limit of the amount that the assets would have if no impairment loss had been recognised).

The recoverable amount is determined as the higher of its net selling price and value in use, the latter being calculated by the present value of the estimated future cash flows expected to be derived from the continuing use of the asset and from its disposal at the end of its useful life.

2.4.4 Leases (IFRS 16)

The Bank adopted IFRS 16 on 1 January 2019, replacing accounting standard IAS 17 - Leases, which was effective until 31 December 2018. The Bank has not early adopted any of the requirements of IFRS 16 in prior periods.

This standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, being the lessee Client) and the owner (supplier). The core principle of this standard is that, the lessee and the owner, should recognise all rights and obligations arising from lease arrangements, in the balance sheet.

From the owner's perspective, leases continue to be classified as operating leases or finance leases. From the lessee's perspective, the standard introduces an individual lessee accounting model, whereby a right-of-use (ROU) asset together with a lease liability for future payments should be recognised for all leases with a term of more than 12 months, unless the underlying asset is of low value.

2.4.4.1 Exemptions from recognition

In addition to the scope exclusions above, a lessee may elect not to apply the recognition and requirements of IFRS 16 on:

- Short-term leases - leases which, at the commencement date, have a lease term 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-dependent assets and less than ZAR 250 000 for dependent/combined assets, under the Policy policy.

2.4.4.2 Recognition and measurement

At the commencement date the lessee shall recognise a right-of-use asset and a lease liability.

	INITIAL MEASUREMENT	SUBSEQUENT MEASUREMENT
Right-of-useassets	Cost (initial measurement of lease liabilities) plus initial direct costs.	Cost Model: Cost less accumulated depreciation and accumulated impairment. The asset of ROU is depreciated over the shorter of the lease term and the term of the lease and the useful life, unless it is probable that the lessee will exercise a purchase option, in which case we should use the useful life.
Liabilities from lease	At the present value of future lease payments. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If not, use the lessee's incremental borrowing rate.	A lessee shall measure a lease liability as follows lease liability as follows: • increase the book value to reflect interest on lease liabilities; • reduce the book value to reflect the payments made.

Lease payments comprise:

- Fixed payments (including fixed payments in substance, less any lease incentives receivable);
- Variable rental payments that depend on an index or rate;
- Amounts expected to be paid by the lessee under residual value guarantees;
- The exercise price of a purchase option, if it is reasonably certain that the lessee will exercise that option; and
- Payments of penalties for termination of the lease, if the term of the lease reflects that the lessee exercises the option to terminate the lease.

As it is not possible to easily determine the interest rate implicit in the lease (paragraph 26 of IFRS 16), the lease payments are discounted at the lessee's incremental borrowing rate which incorporates therisk-free interest rate curve (swap curve), plus a risk spread of the Bank, applied over the weighted average term of each lease contract. For the fixed-term contracts, this date is considered as the end date of the lease, for the other contracts without term, the period in which the lease will be in force is evaluated enforceability. In assessing enforceability, the particular clauses of the contracts as well as the legislation in force concerning Urban Leases are taken into account.

It is subsequently measured as follows:

- By increasing its carrying amount from so as to reflect the interest thereon;
- By the decrease in its carrying amount of so as to reflect lease payments.

The carrying amount is remeasured to reflect any revaluations or changes in the lease as well as to reflect the revision of fixed lease payments in substance and the revision of the lease term.

The Bank revalues a lease liability (and calculates the respective adjustment related to the asset under right of use) whenever:

- there is a change in the lease term or in the valuation of a call option on the underlying asset, in which case the lease liability is remeasured remeasured by discounting the revised lease 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 a change in an index or rate used to determine to determine those payments, in which in which case the lease liability is remeasured, discounting the revised lease payments using an unchanged discount rate (unless the change in the lease payments (unless the change in the lease payments results from a change in interest rates, in which case a revised a revised discount rate); and
- a lease is changed but that change to the lease is not accounted for as a separate a separate lease, in which case the lease liability is remeasured remeasured by discounting the revised lease revised lease payments using a revised discount rate. revised discount rate.

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

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

- In the income statement:
  - — recording under "Net interest income" the interest expense interest expense related to lease liabilities;
  - — recording under "Other administrative expenses" the amounts of the amounts relating to short-term leasing short-term rental contracts and leasing contracts leasing of low value assets; and
  - — recording under "Depreciation and amortisation" of the cost of depreciation of assets under right of use.
- On balance:
  - — recorded under "Other tangible assets", by the recognition of assets under right-of-use use; and
  - — recorded under "Other liabilities" at the value of the of the lease liabilities recognised.
- In the cash flow statement, the item Cash flows from operating activities - Cash payments to Employees and to Suppliers includes amounts relating to short-term rental contracts and lease contracts of low value assets and the caption (Increase)/Decrease in and the item (Increase)/decrease in other liability accounts includes amounts amounts related to payments of capital shares of the lease liabilities, as lease liabilities, as detailed in the Statement of cash flows.

Impact from the point of view of the landlord

Under IFRS 16, lessors classify leases as finance or operating.

2.5 INTANGIBLE ASSETS

Intangible assets are only recognised when (i) they are identifiable, (ii) it is probable that they will produce future economic benefits and (iii) their cost can be reliably measured. The acquisition cost of intangible assets comprises (i) the purchase price, including costs related to intellectual property rights and fees after deduction of any discounts and (ii) any costs directly attributable to preparing the asset for its intended use. After initial recognition, the Bank measures its intangible assets under the cost model.

2.5.1 Software

The costs incurred with the acquisition of software from third parties are capitalised, as are the additional expenses incurred by the Bank to implement it. These costs are amortised on a straight-line basis over their estimated useful lives of 3 to 5 years.

2.5.2 Expenditure on research and development projects

Costs directly related to the development of computer 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 internally generated intangible assets.

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 will continue to generate economic benefits, and have an indefinite useful life and therefore are not amortised.

2.6 SECURITIES LENDING AND REPURCHASE AGREEMENT TRANSACTIONS

Securities sold with a repurchase agreement (repos) for a fixed price or for a price which is the same as the sale price plus interest inherent to the term of the operation are not derecognised from the balance sheet, but are classified and valued in accordance with the accounting policy described in Note 2.3. The corresponding liability is recorded under amounts payable to other credit institutions or to Clients, as appropriate. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest rate method.

Securities purchased under agreements to resell (reverse repos) at a fixed price or at the purchase price plus lender's return are not recognised, being the purchase price paid recorded as loans and advances to banks or Clients, as appropriate. The difference between purchase and resale price is treated as interest and accrued over the life of the agreements using the effective interest rate method.

2.7 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

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

Associates are entities over which the Bank has significant influence but not control over its financial and operating policies. The Bank is presumed to have significant influence when it holds the power toexercise more than 20% of the voting rights of the associate. If the Bank holds, directly or indirectly, less than 20% of the voting rights, it is presumed that the Bank does not have significant influence, except where such influence can be clearly demonstrated.

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

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

2.7.1 Impairment

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

2.8 NON-CURRENT ASSETS HELD FOR SALE (IFRS 5)

The Bank classifies under 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 the realisation of its book value through a sale transaction which should be very likely to occur within a year.

These assets are initially measured at the lower of their fair value net of selling costs and the carrying amount of the loan at the date the asset is sold or given away.

The fair value is based on the market valuewhich is determined based on the expected sale price obtained through periodic valuations performed by external experts.

The subsequent measurement of these assets is the lower of their book value and the corresponding fair value, net of selling costs, and they are not subject to depreciation. If there are unrealised losses, these are recorded as impairment losses against results for the year.

2.9 TAXES ON PROFITS (IAS 12)

Income tax recognised in the income statement includes the effect of current and deferred taxes. Income tax is recognised in the income statement, except when related to items recognised in equity, which implies its recognition in equity. Deferred taxes recognised under equity stemming from the revaluation of assets at fair value through other comprehensive income and cash flow hedging derivatives are subsequently recognised in the income statement at the moment the gains and losses that originated them are recognised in the income statement.

2.9.1 Current Tax

Current tax corresponds to the value calculated in relation to taxable income for the year, using the tax rate in force or substantially approved by the authorities on the balance sheet date, and any adjustments to tax payable in respect of previous years.

2.9.2 Industrial Tax

On 31 December 2020, the Bank issubject to an Industrial Tax, being considered a Group A taxpayer for tax purposes and currently subject to a tax rate of 35% under the terms of Law 26/20 of 20 July, which amends the Industrial Tax Code, approved by Law 19/14 of 22 October.

Under the terms of the above-mentioned Law, an increase in the period for carrying forward tax losses to 5 years was also stipulated, as well as, among others, changes were made to the tax treatment of exchange rate variations and the tax deductibility of provisions, in order to determine that impairment losses on guaranteed loans are not deductible for tax purposes, except for the non-secured part.

Under Law 19/14, which approves the Industrial Tax Code in force on 1 January 2015, the Bank is subject to provisional assessment in a single instalment to be made in the month of August, calculated by applying a rate of 2% on the income derived from financial intermediation operations, ascertained in the first six months of the previous tax year, excluding income subject to Income Tax on Application of Capital, regardless of the existence of taxable income during the financial year.

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

The Industrial Tax Code determines that income subject to Capital Gains Tax ("IAC") is deducted for the purposes of determining the taxable profit for Industrial Tax purposes, and the IAC is not a tax deductible cost.

Income from Treasury Bonds and Treasury Bills issued by the Angolan State after 1 January 2013 issubject to Capital Investment Tax (IAC) at the rate of 10% (5% in the case of debt securities admitted to trading on a regulated market and which have a maturity of three years or more) and Business Income 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 on securities purchased or issued at a discounted value. discounted value. Income subject to IAC are excluded from Industrial Tax. Industrial.

2.9.3 Deferred Tax

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

Deferred tax liabilities are recognisedfor all taxable temporary differences except for goodwill, not deductible for tax purposes, differences arising on initial recognition of assets and liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the future, and the Management is able to control the timing of their realisation.

Deferred tax assets are recognised when it is probable that future taxable profits will be available to absorb deductible temporary differences for tax purposes (including reportable tax losses).

The Bank offsets deferred tax assets and liabilities, as established in IAS 12 - Income Taxes, paragraph 74, whenever:

(i) has a legally enforceable right to offset current tax assets and current tax liabilities; and

(ii) the deferred tax assets and liabilities relate to income taxes levied by the same (ii) the deferred tax assets and liabilities relate to income taxes levied by the same authority on the same taxable entity or different taxable entities which intend to settle current tax liabilities and current tax liabilities and assets on a net basis, or realise the assets and settle the liabilities simultaneously, in each future period in which the deferred tax liabilities or liabilities or deferred tax assets are expected to be settled or recovered.

2.9.4 Capital Gains Tax (IAC)

Presidential Legislative Decree No. 2/14 of 20 Octoberin force since 19 November, has revised and introduced several legislative amendments to the IAC Code one, following the Tax Reform project.

The IAC is generally levied on income from the Bank's financial investments, is withheld at source by the BNA and the respective income is excluded fromtaxation under Business Income Tax. For these reasons, the Bank considers that the conditions to consider, in the light of IAS 12, that IAC is a tax on income are fulfilled. The rate varies between 5% (in the case of interest, amortisation or repayment premiums and other forms of remuneration of public debt securities, bonds, participation certificates or other similar securities issued by any company, which are admitted to trading on a regulated market and whose issue has a maturity of three years or more) and 15%.

Additionally, under the terms of article 18 of the Industrial Tax Code, it is not accepted as a deductible cost for purposes of calculating the taxable basis the ACT itself, as well as, on the other hand, income subject to ACT will be deducted from taxable profit, as provide.

2.9.5 Value Added Tax (VAT)

Law No. 7/19 introduced VAT, with a rate of14%, which is in force since 1 October 2019, repealing the Regulation on Consumption Tax (CI) and introducing relevant changes to the Stamp Duty (IS) Code, with customs, financing, insurance and reinsurance operations that are taxed under VAT now being exempt from IS. IS on receipts is also repealed.

The VAT regime also defines the captivity regime, in which the Bank acts as captive agent for 50% of the VAT paid by its suppliers, with some exceptions defined in the VAT Code.

With regard to services provided, the Bank is obliged to pay VAT on commissions charged to Clients, although it is exempt from paying VAT on some operations, such as interest.

The Bank has simultaneously subject and non subject transactions that confer the right to deduct and exempt transactions that restrict this right, thus it can only deduct the VAT incurred on the acquisition amounts of goods and services in proportion to the transactions that confer this right.

In April 2019 the Legal Framework for Invoices and Equivalent Documents (RJFDE) came into force. Thus, the Bank complies with rules on invoicing under this Regime and issues generic invoices through software certified by AGT.

2.9.6 Other taxes

The Bank is also subject to indirect taxes, namely customs duties, Stamp Duty, Consumption Tax (until October 2019), as well as other levies.

2.10 EMPLOYEE BENEFITS

2.10.1 Variable remuneration paid to Employees and directors

The Bank attributes variable remuneration to its Employees and directors as a result of their performance (performance bonuses). The Human Capital Management Committee is responsible for establishing the respective allocation criteria to each Employee and director, respectively, whenever such remuneration is attributed. Variable remuneration paid to Employees and directors is charged against results in the year to which it relates, although its payment only occurs in the following year (**Note 20**).

2.10.2 Provision for holiday pay and holiday bonus

The General Labour Law determines that the amount of holiday allowances payable to Employees in a given year is a right acquired by them in the immediately preceding year. Consequently, the Bank records in the accounts for the year the amounts relating to holidays and holiday allowances payable in the following year, and unused holidays payable if the Employee leaves (**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 policies that imply the recognition of certain certain responsibilities),

(ii) it is probable that payment will be required and be demanded and

(iii) when a reliable estimate can be made of the value of that obligation can be made.

The measurement of provisions takes into account the principles defined in IAS 37 regarding the best estimate of the expected cost, the most probable outcome of the actions in progress and taking into account the risks and uncertainties inherent to the process.

In cases where the effect of discounting is material, provisions correspond to the present value of expected future payments, discounted ata rate that considers the risk associated to the obligation.

Provisions are reviewed at the end of each reporting date and adjusted to reflect the best estimate, being reversed throughnot probable.

Provisions are derecognised through their use for the obligations for which they were initially set up or in cases where these are no longer observed.

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

2.12 RECOGNITION OF INTEREST

Results referring to interest from asset and liability financial instruments measured at amortised cost are recognised underinterest and similar income or interest and similar charges (**Note 24**), in accordance with the terms of the underlying transactions, using the effective interest rate of the transaction on the gross carrying amount of the transaction.

Interest recognised using the effective interest rate method on financial assets at fair value through other comprehensive income is also recognised in Net interest income (**Note 24**) as well as on financial assets and liabilities at fair value through profit or loss.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument (or, when appropriate, a shorter period) to the net present book value of the financial asset or liability.

In determining the effective interest rate, the Bank includes commissions paid or received considered as part of the effective interest rate, transaction costs and all premiums or discounts directly related with the transaction, except for financial assets and liabilities at fair value through profit or loss.

Interest income recognised in the income statement for contracts classified in stage 1 or 2 is determined by applying the effective interest rate for each contract on its gross carrying amount. The gross carrying amount of a contract is its amortised cost, before deduction of impairment. Forfinancial assets included in stage 3, interest is recognised in the income statement based on their net book value (less impairment). The recognition of interest is always performed prospectively, i.e. for financial assets entering stage 3, interest is recognised over the amortised cost (net of impairment) in subsequent periods.

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

For derivative financial instruments, except for those that are classified as hedging instruments for interest rate risk, the interest component is not separated from the changes in their fair value, being classified as Net gains / (losses) from financial assets and liabilities at fair value through profit and loss. For hedging derivatives of interest rate risk and associated to financial assets or financial liabilities recognised in the fair value through profit or loss category, the interest component is recognised under interest and similar income or interest and similar charges (Note 24). With reference to 31 December 2020 and 2019, the Bank does not have these operations.

2.13 RECOGNITION OF INCOME FROM SERVICES AND COMMISSIONS

Income from services and commissions (**Note 25**) is recognised in accordance with the following criteria:

i) when they are obtained as the services are provided services are provided, their recognition in the recognition in profit and loss is made in the period to which they refer to;

ii) when they result from the provision of services, their recognition is made when the said service is concluded.

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

2.14 RESULTS OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Results from financial assets at fair value through profit or loss (**Note 27**) include gains and losses generated by financial assets and liabilities at fair value through profit or loss, namely from trading portfolios and other assets and liabilities at fair value through profit or loss, including embedded derivatives and dividends associated to these portfolios. Changes in the fair value of hedging derivative financial instruments and hedged instruments, when applicable to fair value hedge relationships, are also recognised here. The Bank does not have hedge accounting.

The results from financial assets at fair value through other comprehensive income (**Note 27**) include gains on sales of this category of financial assets.

2.15 FINANCIAL GUARANTEES AND COMMITMENTS

Financial guarantees (**Note 23**) are contracts that oblige the Bank to make specific payments in order to reimburse the holder for a loss incurred because a debtor fails to meet a payment. Commitments (**Note 23**) are firm commitments to provide credit under predetermined conditions.

Liabilities arising from financial guarantees or commitments given to provide a loan at an interest rate below market value are initially recognised at fair value, with the initial fair value being amortised over the life of the guarantee or commitment. Subsequently the liability is recorded at the higher of the amortised value and the present value of any expected settlement payment.

2.16 CURRENCY TRANSACTIONS FOREIGN

As Transactions in foreign currency are converted into the functional currency (Kwanzas) at the exchange rate in force on the transaction date. Monetary assets and liabilities denominated in foreign currency are converted into the functional currency at the exchange rate in force on the balance sheet date. Exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currency and stated at cost Non-monetary assets and liabilities recorded at fair value are translated into the functionacurrency at the exchange rate prevailing on the date of the transaction. Non-monetary assets and liabilities recorded at fair value are translated into the functional currency at the exchange rate ruling at the date thefair value is determined and recognised against profit and loss, except for those recognised in assets at fair value through other comprehensive income.

At 31 December 2020 purchases and sales of foreign currency to be settled within two days, are recorded in the balance sheet under Other assets (**Note 14**) and Other liabilities (**Note 20**). At 31 December 2019 these transactions to be settled were recorded in off-balance sheet items (**Note 23**).

2.17 EARNINGS PER SHARE

Basic earnings per share (**Note 32**) are calculated by dividing net profit attributable to equity holders of the Bank by the weighted average number of ordinary shares outstanding, excluding the average number of treasury shares held by the Bank.

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

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

2.18 CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents comprise balance with less than three months' maturity from the balance sheet date and with immaterial risk of change in fair value, including cash and deposits with banks.

Note 3 – Principal Accounting Estimates and Judgements Used in the Preparation of the Financial Statements

The IFRS establish a series of accounting treatments and require the Board of Directors to make judgements and estimates in order to decide the most appropriate accounting treatment. The main accounting estimates and judgements used in the application of the accounting principles by the Bank are presented in this note, with the objective of improving the understanding of how their application affects the results reported by the Bank and their disclosure. A broader description of the accounting policies employed by the Bank is disclosed in Note 2 attached to the financial statements.

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

3.1 FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS DERIVATIVE FINANCIAL INSTRUMENTS AND OTHER FINANCIAL ASSETS AND LIABILITIES VALUED AT FAIR VALUE

Fair values are based on listed market prices if available; otherwise fair value is determined either by dealer price quotations (both for that transaction or for similar instruments traded) or by pricing models, based onpresent value of estimated future cash flows which take into account market conditions, time value, yield curve and volatility factors. These methodologies may require the use of assumptions or judgements in estimating fair value.

The conjunctural situation of the financial markets, namely in terms of liquidity, can influence the realisation value of unlisted financial instruments in some specific situations, namely their sale before their maturity.

Consequently, the use of different methodologies or of different assumptions or judgments in applying a particular model, could have produced different financial results from those reported in **Notes 7, 8 and 34.**

3.2 ASSET CLASSIFICATION FINANCIAL ASSETS

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

The Bank determines the business model by considering how groups of financial assets are managed together to achieve a specific business objective. This assessment requires judgement, in thatthe following aspects have to be considered, among others: the way in which the performance of the assets is evaluated; the risks that affect the performance of the assets and the way in which these risks are managed; and the way in which the asset managers are remunerated.

The Bank monitors financial assets measured at amortised cost and fair value through other comprehensive income that are derecognised before maturity to understand the reasons behind their disposal and to determine whether they are consistent with the objective of the business model defined for these assets. This monitoring is part of the process of continuous assessment by the Bank of the business model of the financial assets that remain 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 those financial assets (**Notes 7, 8, 9 and 10**).

3.3 IMPAIRMENT LOSSES ON FINANCIAL INSTRUMENTS FINANCIAL INSTRUMENTS AT AMORTISED AMORTISED COST OR AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (OCI)

The Bank reviews its financial instruments periodically in order to assess the existence of impairment losses, as described in the accounting policy described in **Note 2.3.**

The evaluation process in order to determine if an impairment loss should be recognised is subject to diverse estimates and judgements. This process includes factors such as probability ofdefault (PD), loss given default (LGD), the evaluation 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 risk ratings, the value of the collateral associated to each operation and estimates both of future cash flows and of the time of their receipt.

During the 2020 period, the impairment calculation models were enhanced due to the COVID-19 Pandemic, however, despite the considerable pressure exerted by the pandemic on the Angolan economy, no material changes in assumptions occurred. Monitoring and follow-up measures were taken by the business teams, in order to ensure that action plans to prevent the reduction of the quality of the loan portfolio would be taken proactively, and Clients who were not in default prior to COVID-19 were prioritised.

In March 2020, the National Bank of Angola instructed commercial banks to give a 60-day moratorium to clients who requested it and to present the necessary evidence of the impact of the COVID-19 pandemic, in order to guarantee the financial stability of the economy.

Alternative methodologies and the use of different assumptions and estimates could result in a different level of impairment losses recognised for financial instruments at amortised cost and at fair value through other comprehensive income presented in **Notes 4, 5, 6, 8, 9 and 10**, with the consequent impact on the Bank's results.

3.4 INCOME TAX AND DEFERRED TAXES

Certain interpretations and estimates have been required in determining the overall amount of income taxThere are several transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Other interpretations and estimates could result in a different level of income taxes, current and deferred, recognised in the year.

The General Tax Administration is entitled toreview the Bank's calculation of its annual taxable earnings for a period of five years. In this way it is possible that there may be corrections to the taxable income, resulting mainly from differences in the interpretation of tax law, which the Board of Directors believes, due to their probability, will not have a materially relevant effect on the financial statements.

Note 5 – Cash and Deposits at Central Banks

Cash and deposits at central banks are made up as follows:

(thousands of Kwanzas)

	31.12.2020	31.12.2019
Cash	**9 680 332**	**7 674 412**
Deposits at banks central offices	**137 840 098**	**85 260 833**
National Bank of Angola	137 840 098	85 260 833
Accumulated impairment	–	–
	147 520 430	**92 935 245**

At 31 December 2020, the item Cash and deposits at Banco Nacional de Angola includes mandatory deposits of 99,152,688 thousand kwanzas (2019: 58,163,126 thousand kwanzas), the purpose of which is to satisfy the legal requirements regarding the constitution of mandatory minimum reserves. According to Instruction no. 16/2020 of Banco Nacional de Angola, of 02 October 2020, and in accordance with Directive no. 04/DMA/2020 of Banco Nacional de Angola, of 06 October 2020, the minimum compulsory reserves in demand deposits at BNA on 31 December 2020 and 31 December 2019 are calculated according to the following table:

		NATIONAL CURRENCY	FOREIGN CURRENCY
Rates on the Basis of Assessment			
Central Government, Local Governments and Municipal Administrators	**Daily Clearance**	22%	100%
Other sectors	**Weekly Clearance**	22%	17%[1]

Compliance with minimum reserve requirements, for a given weekly observation period (Other Sectors), is achieved by taking into account the average value of the balances of deposits with the Bank during that period. On 31 December 2020, total liabilities (Central Government, Local Governments, Local Governments and Other Sectors) amount to 162 415 807 thousand kwanzas (2019: 85 348 580 thousand kwanzas).

For compliance with the minimum reserves in foreign currency, the applicable legislation considers eligible the Treasury Bonds in foreign currency belonging to the own portfolio registered in SIGMA issued from 2015 onwards, up to 80% of the effective callability, and the balance relating to the daily closing of the demand deposit account in national currency in the amount of 2% of the average of the reserve base on private deposits in foreign currency. For compliance with the minimum reserves in national currency, credits in national currency granted under Notice No. 10/2020 of 01 April 2020 are eligible.

At 31 December 2020 these balances amount to 63 263 119 thousand kwanzas (2019: 27 185 454 thousand kwanzas), and are related to Treasury Bonds in foreign currency and the contracts under Notice no. 10/2020.

At 31 December 2020 and 31 December 2019, with the entry into force of Directive 13/2019 of 27 December 2019, which states thatan LGD of 0% must be considered for the portfolio of cash and cash equivalents and investments made with Banco Nacional de Angola, no impairments were recorded.

[1] 80% of this balance should be through treasury bonds in USD (Note 9)

Note 5 – Due from other Credit Institutions

The balance of the item deposits at other credit institutions is made up, with respect to its nature, as follows:

(Thousands Kwanzas)

	31.12.2020	31.12.2019
Deposits in other credit institutions in the country		
Other availabilities	13 156	5 792
Deposits with banks abroad		
Current accounts	65 168 372	168 827 417
Applied amount	65 169 032	168 829 191
Accumulated impairment	(660)	(1 774)
	65 181 528	**168 833 209**

Holdings with other credit institutions abroad include interest-bearing current accounts with Standard Bank of South Africa.

At 31 December 2020, the Bank calculated impairments in accordance with IFRS 9 for cash and cash equivalents in other credit institutions of 660 thousand kwanzas (2019: 1 774 thousand kwanzas). At 31 December 2020 and 31 December 2019 the exposures were classified in stage 1.

Note 6 – Deposits with Central Banks and Other Credit Institutions

This item at 31 December 2020 and 31 December 2019 is analysed as follows:

(Thousands Kwanzas)

	31.12.2020	31.12.2019
Applications in credit institutions in the country		
Reverse repurchase agreements	42 956 379	5 535 199
Accrued interest	101 550	47 625
Loans and advances to credit institutions		
Very short term investments	99 208 593	-
Applied value	99 217 039	
Accrued interest	6 313	
Accumulated impairment	(14 759)	-
	142 266 522	**5 582 824**

On 31 December 2020, operations with resale agreement correspond to repos entered into with Banco Nacional de Angola, with a weighted interest rate of 3.73% and investments in very short-term credit institutions in foreign currency of 0.21% (Note 33).

At 31 December 2019, operations with resale agreement correspond to repos entered into with Banco Nacional de Angola, with an interest rate of 13.65%.

Note 7 – Financial Assets at Fair Value Through Profit or Loss

At 31 December 2020 and 31 December 2019, the heading financial assets at fair value through profit or loss shows the following amounts:

(thousands of Kwanzas)

31.12.2020	Currency	Indexer	Average rate	Nominal value	Cost of acquisition	Accrued interest	Prize/ Discount	Fair value adjustment	Book Value
Financial assets not held for trading mandatorily at fair value through profit or loss									
- Treasury Bonds	Kwanzas	USD	7,25%	1 322 123	1 341 122	25 771	(5 590)	(8 046)	**1 353 257**
- Treasury Bonds	Kwanzas	n.a.	-	-	-	-	-	-	**-**
- EMIS Participation - Capital	Kwanzas	n.a.	n.a	64 397	64 397	-	-	-	**64 397**
- EMIS Participation - Non-interest bearing supplementary instalments	Kwanzas	n.a.	n.a	7 147	7 147	-	-	-	**7 147**
Financial assets held for trading									
- Financial Instruments Derivatives	Kwanzas	n.a.	-	-	-	-	-	399 876	**399 876**
				1 393 667	**1 412 666**	**25 771**	**(5 590)**	**391 830**	**1 824 677**

(thousands of Kwanzas)

31.12.2019	Currency	Indexer	Average rate	Nominal value	Cost of acquisition	Accrued interest	Prize/ Discount	Fair value adjustment	Book Value
Financial assets not held for trading mandatorily at fair value through profit or loss									
- Treasury Bonds	Kwanzas	USD	7,13%	30 196 837	30 218 625	402 333	524	206 793	**30 828 275**
- Treasury Bonds	Kwanzas	n.a.	n.a.	-	-	-	-	-	**-**
- EMIS Participation - Capital	Kwanzas	n.a.	n.a.	48 717	48 717	-	-	-	**48 717**
- EMIS Participation - Non-interest bearing supplementary instalments	Kwanzas	n.a.	n.a.	7 147	7 147	-	-	-	**7 147**
Financial assets held for trading									
- Financial Instruments Derivatives	Kwanzas	n.a.	-	-	-	-	-	-	**-**
				30 252 701	**30 274 489**	**402 333**	**524**	**206 793**	**30 884 139**

Financial assets at fair value through profit or loss are measured at fair value according to level 2, in accordance with IFRS 13 (Note 34), with the exception of the EMIS shareholding (level 3)

The movement in financial assets and liabilities valued at level 3 of the fair value hierarchy during 2020 and 2019, can be analysed as follows:

(thousands of Kwanzas)

	Financial assets not held for trading mandatorily at fair value through profit or loss	
	31.12.2020	**31.12.2019**
Opening balance of the portfolio	**55 864**	**43 656**
Acquisitions	15 680	12 208
Final balance of the portfolio	**71 544**	**55 864**

As at 31 December 2020 and 31 December 2019, the breakdown of financial assets at fair value through profit or loss by residual maturity is as follows:

(milhares de Kwanzas)

	Less than 3 months	Btw. 3 months and 1 year	From 1 to 5 years	Indefinite duration	Total
- Treasury bonds	23 351	1 329 906	-	-	1 353 257
- EMIS participation	-	-	-	71 544	71 544
Balance on 31 December 2020	**23 169**	**1 329 906**	**-**	**71 544**	**1 424 801**
- Treasury bonds	3 855 492	26 966 672	6 111	-	30 828 275
- EMIS participation	-	-	-	55 864	55 864
Balance as at 30 December 2019	**3 855 492**	**26 966 672**	**6 111**	**55 864**	**30 884 139**

DERIVATIVES

On 31 December 2020, the breakdown of the Derivatives items was as follows:

(thousands of Kwanzas)

	2020	2019
Financial assets held for trading		
Derivative Financial Instruments		
- FX Forward	399 552	-
- FX Option	324	-
	399 876	**-**
Financial liabilities held for trading		
Derivative Financial Instruments		
- FX Forward	(214 385)	-
- FX Option	(324)	-
	(214 709)	**-**
Balance at 31 December 2020	**185 167**	**-**

At 31 December 2020, the derivative financial instruments correspond to foreign exchange forwards and options contracted with non-financial companies, with maturities between February and August 2021, respectively.

The notional amount of the Forwards and Options are recognised in the off-balance sheet items, having an amount of 19 163 473 thousand kwanzas and 30 549 thousand kwanzas, respectively.

As at 31 December 2020, the staggering of derivatives by residual maturity is as follows:

(thousands of Kwanzas)

	Less than 3 months	Between 3 months to 1 year	From 1 to 5 years	Duration indeterminate	Total
Financial Assets Held for Trading					
Derivative financial instruments					
- FX Forward	399 533	19	-	-	399 552
- FX Option	324	-	-	-	324
	399 857	**19**	**-**	**-**	**399 876**
Financial Assets Held for Trading					
Derivative financial instruments					
- FX Forward	(214 385)	-	-	-	(214 385)

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

This item at 31 December 2020 and 31 December 2019 is analysed as follows:

(Thousands of Kwanzas)

31.12.2020	Currency	Indexing factor	Average rate	Nominal value	Acquisition cost	Accrued interest	Premium/Discount	Fair value adjustment	Book value
Financial assets at fair value through other comprehensive income									
- Treasury Bills	AOA	n.a.	n.a.	23 333 250	21 422 867	-	832 654	(140 750)	22 114 771
- Treasury Bonds	AOA	Fixed rate	0	72 009 000	64 198 244	2 835 767	1 033 979	(1 150 235)	66 917 755
				95 342 250	**85 621 111**	**2 835 767**	**1 866 633**	**(1 290 985)**	**89 032 526**

(Thousands of Kwanzas)

31.12.2019	Currency	Indexing factor	Average rate	Nominal value	Acquisition cost	Accrued interest	Premium/Discount	Fair value adjustment	Book value
Financial assets at fair value through other comprehensive income									
- Treasury Bills	AOA	n.a.	n.a.	20 349 500	17 561 952	-	2 062 226	(336 086)	19 288 092
- Treasury Bonds	AOA	Fixed rate	0	54 561 100	47 283 676	1 765 703	2 821 870	1 158 857	53 030 106
				74 910 600	**64 845 628**	**1 765 703**	**4 884 096**	**822 771**	**72 318 198**

Financial assets at fair value through other comprehensive income are measured at fair value in accordance with level 2, in accordance with the provisions of IFRS 13 (Note 34).

The model for valuing the fair value of the asset portfolio at fair value through other comprehensive income considers as discount rate those corresponding to the last treasury bill and treasury bond issues on each reference date for the entire portfolio of treasury bills and reference date for the whole treasury bill and bond portfolio issued in Kwanzas (excluding dollar-linked bonds).

As at 31 December 2020 and 31 December 2019, the breakdown of financial assets at fair value through other comprehensive income by residual maturity is as follows:

(thousands of Kwanzas)

	Less than 3 months	Between 3 months and 1 year	1 to 5 years	Total
- Treasury Bills	13 350 188	8 764 583	-	22 114 771
- Treasury Bonds	10 802 995	4 361 755	51 753 005	66 917 755
Balance on 31 December 2020	**24 153 183**	**13 126 338**	**51 753 005**	**89 032 526**
- Treasury Bills	8 577 853	10 710 239	-	19 288 092
- Treasury Bonds	2 469 071	28 975 006	21 586 029	53 030 106
Balance on 31 December 2019	**11 046 924**	**39 685 245**	**21 586 029**	**72 318 198**

Note 9 – Investments at amortized cost

At 31 December 2020 and 31 December 2019, the heading investments at amortized cost shows the following amounts:

(Thousands of Kwanzas)

31.12.2020	Currency	Indexing factor	Average rate	Nominal value	Acquisition cost	Accrued interest	Premium/Discount	Fair value adjustment	Book value
Investments at amortised cost									
- Treasury Bills	AOA	n.a.	n.a.	146 500 041	132 451 004	-	2 536 987	(3 869 529)	131 118 462
- Treasury Bonds	USD	n.a.	0	41 087 453	41 087 453	119 719	-	(5 194 695)	36 012 597
- Treasury Bonds	AOA	Fixed rate	0	74 270 000	67 812 182	3 389 466	1 182 035	(3 671 046)	68 712 637
				261 857 494	**241 350 639**	**3 509 185**	**3 719 022**	**(12 735 270)**	**235 843 696**

(Thousands of Kwanzas)

31.12.2019	Currency	Indexing factor	Average rate	Nominal value	Acquisition cost	Accrued interest	Premium/Discount	Fair value adjustment	Book value
Investments at amortised cost									
- Treasury Bills	AOA	n.a.	n.a.	3 500 000	3 084 550	-	249 220	(17 239)	3 316 531
- Treasury Bonds	USD	n.a.	0	30 500 858	30 500 858	91 669	-	(472 719)	30 119 808
- Treasury Bonds	AOA	Fixed rate	0	80 044 000	67 811 348	2 950 934	5 438 944	(983 675)	75 217 551
				114 044 858	**101 396 756**	**3 042 603**	**5 688 164**	**(1 473 633)**	**108 653 890**

The fair value of the investment portfolio at amortised cost is shown in Note 34.

On 31 December 2019, with the entry into force of BNA Directive 13/2019 of 27 December 2019, the Bank recorded an additional impairment charge for the increase in PD and LGD in accordance with Angola's rating notation published in the Moody's study applicable to the year in question. At 31 December 2020 the exposures were classified in stage 1, except for two which were in stage 2, and at 31 December 2019 the exposures were classified in stage 1.

As at 31 December 2020 and 31 December 2019, the breakdown of investments at amortised cost by maturity is as follows:

(thousands of Kwanzas)

	Less than 3 months	Between 3 months and 1 year	1 to 5 years	Total
- Treasury Bills	49 294 226	81 824 236	-	131 118 462
- Treasury Bonds	8 156 287	28 690 647	67 878 299	104 725 234
Balance on 31 December 2020	**57 450 513**	**110 514 883**	**67 878 299**	**235 843 696**
- Treasury Bills	-	3 316 531	-	3 316 531
- Treasury Bonds	1 555 076	30 993 219	72 789 064	105 337 359
Balance on 31 December 2019	**1 555 076**	**34 309 750**	**72 789 064**	**108 653 890**

Note 10 – Loans and advances to Clients

This item at 31 December 2020 and 31 December 2019 is analysed as follows:

in thousands of Kwanzas

	31.12.2020	31.12.2019
Domestic credit		
To companies	130 132 013	83 402 028
Loans	102 178 538	39 393 518
Overdrafts	26 767 222	28 274 879
Leasing	274 857	366 509
Letters of credit	911 395	15 367 122
To individuals	12 002 933	9 111 328
Housing	1 097 972	717 656
Consumption and other	10 904 961	8 393 672
	142 134 946	**92 513 356**
Overdue loans and interest		
Up to 3 months	222 121	335 544
3 months to 1 year	297 892	194 888
1 to 3 years	419 740	359 823
	939 752	**890 255**
	143 074 698	**93 403 611**
Impairment losses	**(2 765 665)**	**(1 898 991)**
	140 309 033	**91 504 620**

At 31 December 2020 and 31 December 2019 the caption Loans and advances to Clients includes, by counterpart of Other liabilities (Note 20), the letters of credit whose documentation to make the contractually defined payments was received in full, since from that moment the responsibility of the payments becomes effective.

At 31 December 2020 and 31 December 2019, the heading Loans to Clients includes, respectively, 1 006,426 thousand kwanzas and 733,979 thousand kwanzas relating to the adjustment of the fair value of loans granted to Employees (Note 14).

The staggering of loans and advances to Clients by residual maturities as at 31 December 2020 and 31 December 2019 is as follows:

(Thousands of Kwanzas)

	31.12.2020	31.12.2019
Up to three months	19 513 792	26 953 932
Three months to one year	50 166 548	29 481 376
One to five years	59 895 752	35 590 521
Over five years	12 340 482	919 716
Indeterminate duration	1 158 125	458 066
	143 074 698	**93 403 611**

The movements occurring in the impairment losses evidenced in Loans and advances to Clients were as follows:

(Thousands Kwanzas)

	31.12.2020	31.12.2019
Opening balance	1 898 991	1 064 193
Appropriations	1 794 743	1 535 155
Utilisations (Note 23)	(320 353)	(71 628)
Reversals	(607 603)	(631 139)
Exchange differences and others	(113)	2 410
Closing balance	**2 765 665**	**1 898 991**

At 31 December 2020 and 31 December 2019, the Uses (Note 23) correspond to credits derecognised from the balance sheet (written off from assets). Additionally, its annual variation includes a recovery of 243 726 thousand kwanzas referring to credits previously written off from assets.

The breakdown of loans and advances to Clients by type of rate is as follows:

(Thousands Kwanzas)

	31.12.2020	31.12.2019
Fixed rate	39 227 043	9 726 383
Variable rate	103 847 655	83 677 228
	143 074 698	**93 403 611**

The breakdown of exposures and impairment of loans and advances to Clients by segment and by range of days past due is as follows:

1. BY SEGMENT

(thousands of Kwanzas)

	Exposure 31.12.2020									Impairment 31.12.2020			
Segment	**Exhibition total**	**Credit in Stage 1**	Of which cured	Of which restructured	**Credit in Stage 2**	Of which cured	Of which restructured	**Credit in Stage 3**	Of which restructured	**Impairment total**	**Credit in Stage 1**	**Credit in Stage 2**	**Credit in Stage 3**
Corporate and Investment Banking	97 795 776	91 715 984	-	7 620 316	6 079 792	-	-	-	-	(1 227 477)	(856 511)	(370 966)	-
Small and Medium Enterprises	32 805 581	31 535 439	-	-	800 813	-	-	469 329	81 891	(682 728)	(106 412)	(291 560)	(284 756)
Individuals	12 473 341	11 464 283	33 006	-	538 650	4 223	-	470 408	30 602	(855 460)	(145 732)	(239 320)	(470 408)
Total	**143 074 698**	**134 715 706**	**33 006**	**7 620 316**	**7 419 255**	**4 223**	**-**	**939 737**	**112 492**	**(2 765 665)**	**(1 108 655)**	**(901 846)**	**(755 164)**

(thousands of Kwanzas)

	Exposure 31.12.2019									Impairment 31.12.2019			
Segment	**Exhibition total**	**Credit in Stage 1**	Of which cured	Of which restructured	**Credit in Stage 2**	Of which cured	Of which restructured	**Credit in Stage 3**	Of which restructured	**Impairment total**	**Credit in Stage 1**	**Credit in Stage 2**	**Credit in Stage 3**
Corporate and Investment Banking	65 632 751	62 387 357	-	-	3 245 394	-	-	-	-	(865 934)	(695 325)	(170 609)	-
Small and Medium Enterprises	18 348 379	17 343 163	-	-	426 121	-	15 526	579 095	174 873	(307 291)	(132 601)	(108 719)	(65 971)
Individuals	9 422 481	8 669 783	736	2 001	444 254	962	11 123	308 444	24 448	(725 766)	(196 276)	(219 797)	(309 693)
Total	**93 403 611**	**88 400 303**	**736**	**2 001**	**4 115 769**	**962**	**26 649**	**887 539**	**199 321**	**(1 898 991)**	**(1 024 202)**	**(499 125)**	**(375 664)**

2. PER DAY OF DELAY

(thousands of Kwanzas)

	Exposure 31.12.2020									Exposure 31.12.2020								
	Stage 1			Stage 2			Stage 3			Stage 1			Stage 2			Stage 3		
Segment	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days
Large Enterprises and Investment Banking	79 154 449	12 561 520	15	6 079 792	-	-	-	-	-	(453 486)	(403 026)	-	(370 966)	-	-	-	-	-
Small and Medium Enterprises	31 535 439	-	-	781 918	18 895	-	-	0	469 329	(106 412)	-	-	(285 418)	(6 142)	-	-	-	(284 756)
Individuals	11 464 283	-	-	469 148	69 502	-	-	222 121	248 287	(145 731)	-	-	(204 102)	(35 218)	-	-	(222 121)	(248 287)
Total	**122 154 171**	**12 561 520**	**15**	**7 330 858**	**88 397**	**-**	**-**	**222 121**	**717 616**	**(705 629)**	**(403 026)**	**-**	**(860 486)**	**(41 360)**	**-**	**-**	**(222 121)**	**(533 043)**

(thousands of Kwanzas)

	Exposure 31.12.2019									Impairment 31.12.2019								
	Stage 1			Stage 2			Stage 3			Stage 1			Stage 2			Stage 3		
Segment	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days	≤ 30 days	> 30 days ≤ 90 days	> 90 days
Large Enterprises and Investment Banking	62 387 357	-	-	3 245 388	-	6	-	-	-	(695 325)	-	-	(170 609)	-	-	-	-	-
Small and Medium Enterprises	17 343 162	-	-	426 115	6	-	-	111 827	467 269	(132 602)	-	-	(108 715)	(3)	-	-	-	(65 971)
Individuals	8 667 076	2 708	-	397 209	47 045	-	-	214 727	93 716	(196 215)	(60)	-	(192 532)	(27 266)	-	-	(214 741)	(94 952)
Total	**88 397 595**	**2 708**	**-**	**4 068 712**	**47 051**	**6**	**-**	**326 554**	**560 985**	**(1 024 142)**	**(60)**	**-**	**(471 856)**	**(27 269)**	**-**	**-**	**(214 741)**	**(160 923)**

The detail of the loan portfolio by segment and year of grant of operations for 31 December 2020 and 31 December 2019 is as follows:

(thousands of Kwanzas)

31.12.2020									
Year of concession	Corporate and Investment Banking			Small and Medium Enterprises			Private		
	Number of operations	Amount	Impairment set up	Number of operations	Amount	Impairment set up	Number of operations	Amount	Impairment set up
2015 and earlier	21	9 699 390	(160 037)	9	7 541 387	(126 191)	2 551	563 260	(39 705)
2016	-	-	-	3	4 091 216	(107 057)	112	135 329	(12 136)
2017	-	-	-	3	80 551	(47 743)	1 458	182 760	(13 496)
2018	2	2 908 394	(226 895)	22	1 188 086	(140 934)	815	1 196 090	(283 207)
2019	10	32 366 379	(563 018)	29	1 409 293	(30 317)	1 693	3 920 413	(247 025)
2020	102	52 821 613	(277 527)	71	18 495 048	(230 486)	1 631	6 475 489	(259 891)
Total	**135**	**97 795 776**	**(1 227 477)**	**137**	**32 805 581**	**(682 728)**	**8 260**	**12 473 341**	**(855 460)**

(thousands of Kwanzas)

31.12.2019									
Year of concession	Corporate and Investment Banking			Small and Medium Enterprises			Private		
	Number of operations	Amount	Impairment set up	Number of operations	Amount	Impairment set up	Number of operations	Amount	Impairment set up
2014 and earlier	19	16 195 109	(259 274)	9	2 443 045	(39 173)	816	400 059	(33 204)
2015	2	2 440 745	(45 915)	2	3 524 707	(23 359)	1 943	314 428	(28 788)
2016	-	-	-	5	1 310 293	(83 892)	193	210 202	(26 094)
2017	7	85 485	(233)	13	246 590	(61 315)	1 596	308 030	(29 818)
2018	55	3 433 718	(22 065)	37	817 895	(4 303)	1 030	2 203 100	(338 867)
2019	134	43 477 694	(538 447)	113	10 005 849	(95 249)	1 848	5 986 662	(268 995)
Total	**217**	**65 632 751**	**(865 934)**	**179**	**18 348 379**	**(307 291)**	**7 426**	**9 422 481**	**(725 766)**

The detail of the amount of gross credit 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 2020 and 31 December 2019, is as follows:

1. BY SEGMENT

(thousands of Kwanzas)

31.12.2020	Corporate and Investment Banking		Small and Medium Enterprises		Private		Total	
	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment
Individual impairment	97 795 776	(1 227 477)	469 330	(284 757)	470 408	(470 408)	98 735 514	(1 982 642)
Collective impairment	-	-	32 336 251	(397 971)	12 002 933	(385 052)	44 339 184	(783 023)
Total	97 795 776	(1 227 477)	32 805 581	(682 728)	12 473 341	(855 460)	**143 074 698**	**(2 765 665)**

(thousands of Kwanzas)

31.12.2019	Corporate and Investment Banking		Small and Medium Enterprises		Private		Total	
	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment	Total Exposure	Impairment
Individual impairment	65 632 751	(865 934)	-	-	-	-	65 632 751	(865 934)
Collective impairment	-	-	18 348 379	(307 291)	9 422 481	(725 766)	27 770 860	(1 033 057)
Total	65 632 751	(865 934)	18 348 379	(307 291)	9 422 481	(725 766)	**93 403 611**	**(1 898 991)**

2. BY SECTOR OF ACTIVITY

(thousands of Kwanzas)

31.12.2020	Central government		Wholesale trade		Construction		Manufacturing		Households		Other		Total	
	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment
Individual impairment	-	-	37 248 936	(291 735)	-	-	7 655 781	(1 156)	470 408	(470 408)	53 360 389	(1 219 343)	98 735 514	(1 982 642)
Collective impairment	-	-	26 782 756	(93 862)	45 415	(248)	3 686 374	(229 965)	12 004 959	(385 052)	1 819 680	(73 896)	44 339 184	(783 023)
Total	-	-	64 031 692	(385 597)	45 415	(248)	11 342 155	(231 121)	12 475 367	(855 460)	55 180 069	(1 293 239)	**143 074 698**	**(2 765 665)**

(thousands of Kwanzas)

31.12.2019	Central government		Wholesale trade		Construction		Manufacturing		Households		Other		Total	
	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment
Individual impairment	564 767	-	22 889 025	(152 662)	298 488	(895)	7 396 298	(1 547)	-	-	34 484 173	(710 830)	65 632 751	(865 934)
Collective impairment	-	-	14 720 219	(269 863)	405 019	(3 109)	1 018 110	(10 396)	9 422 481	(725 766)	2 205 031	(23 923)	27 770 860	(1 033 057)
Total	564 767	-	37 609 244	(422 525)	703 507	(4 004)	8 414 408	(11 943)	9 422 481	(725 766)	36 689 204	(734 753)	**93 403 611**	**(1 898 991)**

In terms of geography, all the loans and advances granted are in Angola. The tables below present, with reference to 31 December 2020 and 31 December 2019, the composition of loans and advances to Clients, with details of loans falling due and overdue, accruals and deferrals and impairment of loans by stage and class of default. Accruals and deferrals include interest accruals (falling due) and the accrual of commissions associated with the credit contracts.

1. BY STAGE

(thousands of Kwanzas)

Credit to customers	31.12.2020			
	Stages of impairment			Total
	Stage 1	Stage 2	Stage 3	
With impairment assigned based on individual analysis	76 605 816	6 071 826	-	82 677 642
Overdue loans and interest	15 110 797	-	938 207	16 049 004
Impairment	(856 511)	(370 966)	(754 935)	(1 982 412)
With impairment assigned based on collective analysis	41 846 179	715 753	-	42 561 932
Overdue loans and interest	1 027 466	618 084	-	1 645 321
Impairment	(252 144)	(530 880)	-	(783 024)
Accrued costs	125 448	13 592	1 530	140 570
Total	**133 607 051**	**6 517 409**	**184 802**	**140 309 033**

(thousands of Kwanzas)

Credit to customers	31.12.2019			
	Stages of impairment			Total
	Stage 1	Stage 2	Stage 3	
With impairment assigned based on individual analysis	61 584 146	3 245 394	-	64 829 540
Overdue loans and interest	-	-	-	-
Impairment	(695 325)	(170 609)	-	(865 934)
With impairment assigned based on collective analysis	26 127 349	878 492	341	27 006 182
Overdue loans and interest	2 710	6	887 539	890 255
Impairment	(328 877)	(328 516)	(375 664)	(1 033 057)
Accrued costs	686 098	(8 123)	(341)	677 634
Total	**87 376 101**	**3 616 644**	**511 875**	**91 504 620**

The breakdown of the gross amounts and credit impairment of the Client loan portfolio, analysed by classes of default and by the typology of impairment analysis performed by the Bank as at 31 December 2020 and 31 December 2019 is presented as follows:

1. BY CLASS OF DEFAULT

(thousands of Kwanzas)

Credit to customers	31.12.2020					
	Outstanding credit	Class of default				Total
		Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	
With impairment assigned based on individual analysis	**82 685 608**	-	-	-	-	82 685 608
Overdue loans and interest	-	2 470 558	12 864 632	294 514	419 300	16 049 003
Impairment	(818 046)	(6 406)	(625 146)	(268 958)	(263 856)	(1 982 412)
With impairment assigned based on collective analysis	42 559 906	-	-	-	-	42 559 906
Overdue loans and interest	-	1 550 451	89 159	-	-	1 639 610
Impairment	(568 122)	(71 443)	(143 688)	-	-	(783 252)
Accrued costs and deferred income	207 926	8 554	(79 726)	3 378	440	140 572
Total	**124 067 271**	**3 951 715**	**12 105 230**	**28 934**	**155 884**	**140 309 033**

(thousands of Kwanzas)

Credit to customers	31.12.2019					
	Outstanding credit	Class of default				Total
		Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	
With impairment assigned based on individual analysis	**64 829 540**	-	-	-	-	64 829 540
Overdue loans and interest	-	-	-	-	-	-
Impairment	(865 934)	-	-	-	-	(865 934)
With impairment assigned based on collective analysis	24 889 043	-	-	-	-	24 889 043
Overdue loans and interest	-	2 117 139	329 262	201 170	359 823	3 007 394
Impairment	(455 038)	(175 027)	(242 069)	(101 092)	(59 831)	(1 033 057)
Accrued costs and deferred income	673 183	5 500	841	(1 166)	(724)	677 634
Total	**89 070 794**	**1 947 612**	**88 034**	**98 912**	**299 268**	**91 504 620**

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

(thousands of Kwanzas)

	31.12.2020											
	Credit in Stage 1			Credit in Stage 2			Credit in Stage 3			Total		
Measure applied	Number of operations	Exposure	Impairment	Number of operations	Exposure	Impairment	Number of operations	Exposure	Impairment	Number of operations	Exposure	Impairment
Deadline extension	1	7 620 316	(27 280)	-	-	-	10	112 492	(79 674)	11	7 732 809	(106 954)
Total	**1**	**7 620 316**	**(27 280)**	**-**	**-**	**-**	**10**	**112 492**	**(79 674)**	**11**	**7 732 809**	**(106 954)**

(thousands of Kwanzas)

	31.12.2019											
	Credit in Stage 1			Credit in Stage 2			Credit in Stage 3			Total		
Measure applied	Number of operations	Exposure	Impairment	Number of operations	Exposure	Impairment	Number of operations	Exposure	Impairment	Number of operations	Exposure	Impairment
Deadline extension	2	2 001	(39)	12	26 649	(7 133)	13	199 321	(72 228)	27	227 971	(79 400)
Total	**2**	**2 001**	**(39)**	**12**	**26 649**	**(7 133)**	**13**	**199 321**	**(72 228)**	**27**	**227 971**	**(79 400)**

The table below presents with reference to 31 December 2020 and 31 December 2019, the restructured credit with the detail of the amount due, overdue and impairment for companies and individuals.

(thousands of Kwanzas)

Restructured credit	31.12.2020			
	Credit			Impairment
	Falling	Due	Total	
Companies	7 620 316	81 891	7 702 207	(76 302)
Households	26 084	4 517	30 601	(30 651)
Consumption	26 084	4 517	30 601	(30 651)
Total	**7 646 400**	**86 408**	**7 732 808**	**(106 953)**

(thousands of Kwanzas)

Restructured credit	31.12.2019			
	Credit			Impairment
	Falling	Due	Total	
Companies	15 526	174 873	190 399	(48 936)
Households	13 124	24 448	37 572	(30 464)
Consumption	13 124	24 448	37 572	(30 464)
Total	**28 650**	**199 321**	**227 971**	**(79 400)**

The movements in and out in the restructured loan portfolio are as follows:

(thousands of Kwanzas)

	31.12.2020	31.12.2019
Opening balance of restructured loans portfolio (gross of impairment)	**227 971**	**241 612**
Restructured receivables in the period	7 645 007	22 083
Accrued interest on restructured receivables portfolio	64 330	3 922
Liquidation of restructured receivables (partial or total)	(170 631)	(37 948)
Reclassified from "restructured" to "normal"	(56 564)	(1 698)
Other	22 696	-
Closing balance of restructured receivables portfolio (gross of impairment)	**7 732 809**	**227 971**

The detail of the fair value of guarantees underlying the loan portfolio of the corporate, construction and property development and housing segments is as follows:

(thousands of Kwanzas)

31.12.2020

Fair value	Companies				Construction and property development				Housing			
	Property		Other real guarantees		Property		Other real guarantees		Property		Other real guarantees	
	Number of properties	Amount	Number	Amount	Number of properties	Amount	Number	Amount	Number of properties	Amount	Number	Amount
< 50 MAOA	11	285 905	2	66 766	-	-	-	-	13	472 283	1	35 701
>= 50 MAOA e < 100 MAOA	2	129 376	1	50 000	-	-	-	-	17	1 110 695	-	-
>= 100 MAOA e < 500 MAOA	6	1 048 107	2	525 157	-	-	-	-	9	1 741 504	4	1 049 129
>= 500 MAOA e < 1.000 MAOA	2	1 459 154	6	4 034 724	-	-	-	-	1	802 261	-	-
>= 1.000 MAOA e < 2.000 MAOA	-	-	4	6 258 181	1	1 224 200	1	1 683 500	-	-	-	-
>= 2.000 MAOA e < 5.000 MAOA	-	-	5	18 407 544	-	-	-	-	-	-	-	-
>= 5.000 MAOA	1	5 216 576	5	54 507 104	-	-	-	-	-	-	-	-
Total	**22**	**8 139 119**	**25**	**83 849 476**	**1**	**1 224 200**	**1**	**1 683 500**	**40**	**4 126 743**	**5**	**1 084 830**

(thousands of Kwanzas)

31.12.2019

Fair value	Companies				Construction and property development				Housing			
	Property		Other real guarantees		Property		Other real guarantees		Property		Other real guarantees	
	Number of properties	Amount	Number	Amount	Number of properties	Amount	Number	Amount	Number of properties	Amount	Number	Amount
< 50 MAOA	-	-	-	-	-	-	-	-	12	377 597	1	35 701
>= 50 MAOA e < 100 MAOA	1	86 430	1	50 000	1	54 292	-	-	12	796 181	1	57 741
>= 100 MAOA e < 500 MAOA	-	-	1	444 771	-	-	-	-	3	539 009	4	637 552
>= 500 MAOA e < 1.000 MAOA	2	1 530 159	-	-	-	-	1	806 932	1	595 550	-	-
>= 1.000 MAOA e < 2.000 MAOA	1	1 243 909	1	1 683 500	-	-	-	-	-	-	-	-
>= 2.000 MAOA e < 5.000 MAOA	-	-	1	4 604 543	-	-	-	-	-	-	-	-
>= 5.000 MAOA	-	-	2	15 042 585	-	-	-	-	-	-	-	-
Total	**4**	**2 860 498**	**6**	**21 825 398**	**1**	**54 292**	**1**	**806 932**	**28**	**2 308 337**	**6**	**730 994**

The funding-to-guarantee ratio of the corporate, construction and property development and housing segments is as follows:

(thousands of Kwanzas)

31.12.2020

Segment / Ratio	Number of properties	Number of others real guarantees	Credit in Stage 1	Credit in Stage 2	Credit in Stage 3	Impairment
Companies						
Without associated guarantee	n.a.	n.a.	46 240 465	6 651 456	8	938 398
< 50%	-	1	14 607 986	-	-	13 514
>= 50% e < 75%	-	-	-	-	-	-
>= 75% e <100%	-	9	13 491 421	-	-	39 587
>= 100%	22	15	39 034 667	1 198	469 321	870 232
Real Estate Development						
Without associated guarantee	n.a.	n.a.	8 009 503	-	-	30 491
>= 100%	1	1	1 692 499	-	-	11 013
Housing						
Without associated guarantee	n.a.	n.a.	-	-	-	-
>= 100%	40	5	1 031 454	66 519	196 036	211 992
Total	**63**	**31**	**124 107 995**	**6 719 173**	**665 365**	**2 115 227**

(thousands of Kwanzas)

31.12.2019

Segment / Ratio	Number of properties	Number of others real guarantees	Credit in Stage 1	Credit in Stage 2	Credit in Stage 3	Impairment
Companies						
Without associated guarantee	n.a.	n.a.	69 839 389	3 655 989	389 874	1 010 426
< 50%	-	-	-	-	-	-
>= 50% e < 75%	-	-	-	-	-	-
>= 75% e <100%	-	-	-	-	-	-
>= 100%	4	29	9 486 111	15 526	189 221	159 691
Real Estate Development						
Without associated guarantee	n.a.	n.a.	33 039	-	-	483
>= 100%	1	5	371 980	-	-	2 626
Housing						
Without associated guarantee	n.a.	n.a.	137 661	-	-	1 153 059
>= 100%	28	6	575 838	56 980	202 060	217 001
Total	**33**	**40**	**80 444 017**	**3 728 495**	**781 156**	**2 543 286**

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

(thousands of Kwanzas)

31.12.2020

Segment	Low risk			Medium risk		High risk	
	A	B	C	D	E	F	G
Corporate and Investment Banking	-	12 561 521	85 234 170	-	-	-	85
Small and Medium-sized Enterprises	-	-	32 317 357	18 895	8	-	469 321
Households	-	-	12 073 554	84 048	106 503	34 083	175 154
Total	**-**	**12 561 521**	**129 625 080**	**102 943**	**106 510**	**34 083**	**644 560**

(thousands of Kwanzas)

31.12.2019

Segment	Low risk			Medium risk		High risk	
	A	B	C	D	E	F	G
Corporate and Investment Banking	564 767	12 419 092	49 606 272	-	3 042 500	-	120
Small and Medium-sized Enterprises	84 709	-	17 796 401	-	-	-	467 269
Households	-	-	9 328 138	15 422	36 993	6 331	35 597
Total	**649 476**	**12 419 092**	**76 730 811**	**15 422**	**3 079 493**	**6 331**	**502 986**

As at 31 December 2020 and 31 December 2019, the internal risk levels from A to G shown in the table above are in accordance with the classification of BNA's Instruction No. 09/2015 on the methodology for setting aside provisions. This Instruction is still applicable for the purposes of the prudential ratios.

The disclosure of risk factors associated with the segmental impairment model is as follows:

Segment	Impairment 31.12.2020 Probability of default (%)			Loss given default (%)	Impairment 31.12.2019 Probability of default (%)			Loss given default (%)
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Large Business and Investment Banking								
Companies	2%	9%	N/A	14%	1%	4%	N/A	16%
State	5%	N/A	N/A	39%	2%	N/A	N/A	48%
Financial institutions	0%	N/A	N/A	20%	0%	N/A	N/A	21%
Small and Medium Sized Enterprises	1%	22%	100%	23%	2%	9%	100%	24%
Private	2%	23%	100%	68%	3%	23%	100%	66%

During the 2020 period, the impairment calculation models were enhanced due to the COVID-19 Pandemic, however, despite the considerable pressure exerted by the pandemic on the Angolan economy, no material changes in assumptions occurred. Monitoring and follow-up measures were taken by the business teams reviewing the business, and Clients who were not in default prior to COVID-19 were prioritised.

The tables below present the forward-looking information considered in the Bank's impairment model as at 31 December 2020:

A) INCORPORATION OF PROSPECTIVE INFORMATION - SCENARIOS CONSIDERED

		2020	2021	2022	2023	2024
GDP Growth Rate	Base scenario	-5.24%	-1.31%	2.22%	-2.43%	1.30%
	Favourable scenario	-1.87%	1.40%	3.60%	1.43%	2.22%
	Adverse scenario	-8.84%	-1.31%	2.22%	-2.43%	1.30%
Inflation Rate	Base scenario	24.79%	18.51%	14.57%	13.93%	12.01%
	Favourable scenario	23.82%	15.11%	11.38%	9.51%	8.89%
	Adverse scenario	22.62%	21.20%	19.84%	17.18%	14.57%
Exchange Rate USD/AOA	Base scenario	650	725	836	942	1 049
	Favourable scenario	620	701	780	859	934
	Adverse scenario	579	854	1 083	1 374	1 742
Oil Price (Angolan Branch)	Base Case Scenario	47.70				
Reference interest rate - Luibor 3 months	Base Case Scenario	12.50%				

B) INCORPORATING FORWARD-LOOKING INFORMATION - CLAIMS ANALYSED ON A COLLECTIVE BASIS

2020	PD (average)	LGD (average)	Expected credit losses
Base Case	1.17%	36%	391 949
Favourable Case	1.00%	36%	171 580
Adverse Case	1.35%	36%	622 002

The tables below present the forward-looking information considered in the Bank's impairment model as at 31 December 2019:

A) INCORPORATION OF PROSPECTIVE INFORMATION - SCENARIOS CONSIDERED

		2020	2021	2022	2023	2024
GDP Growth Rate	Base scenario	1.40%	1.20%	-1.30%	-2.80%	-2.40%
	Favourable scenario	1.80%	2.10%	1.50%	1.20%	1.00%
	Adverse scenario	-4.10%	-0.70%	-2.10%	-3.60%	-3.30%
Inflation Rate	Base scenario	29.80%	21.10%	20.90%	12.10%	11.70%
	Favourable scenario	15.00%	11.70%	9.70%	10.70%	11.70%
	Adverse scenario	34.10%	25.40%	23.70%	16.50%	15.00%
Exchange Rate USD/AOA	Base scenario	518	564	599	643	683
	Favourable scenario	485	536	583	673	732
	Adverse scenario	736	814	885	1022	1144
Oil Price (Angolan Branch)	Base scenario	60	60	60		
Reference interest rate - Luibor 3 months	Base scenario	19.86%				

B) INCORPORATING FORWARD-LOOKING INFORMATION - CLAIMS ANALYSED ON A COLLECTIVE BASIS

2019	PD (average)	LGD (average)	Expected credit losses
Base Case	1.73%	38%	231 706
Favourable Case	1.54%	38%	97 203
Adverse Case	1.93%	38%	381 135

The table below shows the movement in the gross carrying amount of financial assets by asset class and stage:

	Stage 1	Stage 2	Stage 3	Total
Gross book value as at 31 December 2018	351 734 774	4 724 128	695 993	357 154 895
Due from other credit institutions (Note 5)	79 706 791	46	-	79 706 837
Financial assets at fair value through profit or loss (Note 7)	7 150 176	-	-	7 150 176
Financial assets at fair value through other comprehensive income (Note 8)	93 446 527	-	-	93 446 527
Loans and advances to central banks and other credit institutions	30 954 846	-	-	30 954 846
Investments at amortised cost (Note 9)	91 135 131	-	-	91 135 131
Loans and advances to customers (Note 10)	49 341 303	4 724 082	695 993	54 761 378
Due from other credit institutions (Note 5)				
New financial assets acquired or originated	13 613	1 389		15 002
Other changes	89 113 144			89 113 144
Financial assets at fair value through profit or loss (Note 7)				
New financial assets acquired or originated	30 829 918			30 829 918
Other changes	(7 095 955)			(7 095 955)
Financial assets at fair value through other comprehensive income (Note 8)				
New financial assets acquired or originated	54 291 945			54 291 945
Other changes	(75 420 274)			(75 420 274)
Investments in central banks and other credit institutions				
New financial assets acquired or originated	5 582 825			5 582 825
Other changes	(30 954 846)			(30 954 846)
Investments at amortised cost (Note 9)				
New financial assets acquired or originated	39 424 953			39 424 953
Other changes	(20 432 561)			(20 432 561)
Loans and advances to customers (Note 10)				
Transfer to stage 1		(186 209)	(482 449)	(668 658)
Transfer to stage 2	186 209		(59 718)	126 491
Transfer to stage 3	482 449	59 718		542 167
New financial assets acquired or originated	57 864 450	549 615	18 643	58 432 708
Financial assets that were derecognised	(610 795)	(53 122)	(13 668)	(677 585)
Loans written off			(71 668)	(71 668)
Other changes	(18 863 313)	(978 315)	800 406	(19 041 222)

	Stage 1	Stage 2	Stage 3	Total
Gross book value as at 31 December 2019	476 146 536	4 117 204	887 539	481 151 279
Due from other credit institutions (Note 5)	168 833 548	1 435	-	168 834 983
Financial assets at fair value through profit or loss (Note 7)	30 884 139	-	-	30 884 139
Financial assets at fair value through other comprehensive income (Note 8)	72 318 198	-	-	72 318 198
Loans and advances to central banks and other credit institutions	5 582 825	-	-	5 582 825
Investments at amortised cost (Note 9)	110 127 523	-	-	110 127 523
Loans and advances to customers (Note 10)	88 400 303	4 115 769	887 539	93 403 611
Due from other credit institutions (Note 5)				
Transfer to stage 1		(1 435)		(1 435)
Transfer to stage 2	1 435			1 435
New financial assets acquired or originated	22 521 590			22 521 590
Other changes	(126 174 385)			(126 174 385)
Financial assets at fair value through profit or loss (Note 7)				
New financial assets acquired or originated	1 373 041			1 373 041
Other changes	(30 432 503)			(30 432 503)
Financial assets at fair value through other comprehensive income (Note 8)				
Novos activos financeiros adquiridos ou originados	67 333 499			67 333 499
Outras alterações	(50 619 170)			(50 619 170)
Aplicações em bancos centrais e em outras instituições de crédito				
New financial assets acquired or originated	122 792 996	19 488 285		142 281 281
Other changes	(5 582 825)			(5 582 825)
Investments at amortised cost (Note 9)				
Transfer to stage 1	(36 593 837)			(36 593 837)
Transfer to stage 2		36 593 837		36 593 837
New financial assets acquired or originated	161 648 381	11 196 258		172 844 639
Other changes	(34 393 197)			(34 393 197)
Loans and advances to customers (Note 10)				
Transfer to stage 1		(2 943 597)	(15 225)	(2 958 822)
Transfer to stage 2	2 943 597		(7 145)	2 936 452
Transfer to stage 3	15 225	7 145		22 370
New financial assets acquired or originated	82 074 383	620 351	105 163	82 799 897
Financial assets that were derecognised	(2 738 218)	(85 100)		(2 823 319)
Loans written off			(136 369)	(136 369)
Other changes	(35 979 584)	5 704 687	105 774	(30 169 123)

	Stage 1	Stage 2	Stage 3	Total
Gross book value as at 31 December 2020	614 336 964	74 697 635	939 737	689 974 336
Due from other credit institutions (Note 5)	65 182 188	-	-	65 182 188
Financial assets at fair value through profit or loss (Note 7)	1 824 677	-	-	1 824 677
Financial assets at fair value through other comprehensive income (Note 8)	89 032 526	-	-	89 032 526
Loans and advances to central banks and other credit institutions	122 792 996	19 488 285	-	142 281 281
Investments at amortised cost (Note 9)	200 788 870	47 790 095	-	248 578 965
Loans and advances to customers (Note 10)	134 715 706	7 419 255	939 737	143 074 698

> In 2020, we achieved the best results in our existence.

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

	Stage 1	Stage 2	Stage 3	Total
Expected loss as at 31 December 2018	(539 742)	(344 561)	(440 750)	(1 325 053)
Due from other credit institutions (Note 5)	(1 246)	-	-	(1 246)
Financial assets at fair value through profit or loss (Note 7)	-	-	-	-
Financial assets at fair value through other comprehensive income (Note 8)	-	-	-	-
Loans and advances to central banks and other credit institutions	(639)	-	-	(639)
Investments at amortised cost (Note 9)	(258 975)	-	-	(258 975)
Loans and advances to customers (Note 10)	(278 882)	(344 561)	(440 750)	(1 064 193)
Due from other credit institutions (Note 5)				
Changes in risk models/parameters	(528)	-		(528)
Financial assets at fair value through profit or loss (Note 7)				
Financial assets at fair value through other comprehensive income (Note 8)				
Investments in central banks and other credit institutions				
Changes in risk models/parameters	639			639
Investments at amortised cost (Note 9)				
New financial assets acquired or originated	(551 303)			(551 303)
Changes in risk models/parameters	(663 355)			(663 355)
Loans and advances to customers (Note 10)				
Transfer to stage 1	-	47 328	(3 840)	43 487
Transfer to stage 2	(47 328)	-	(6 956)	(54 284)
Transfer to stage 3	3 840	6 956	-	10 796
Increases due to changes in credit risk	(92 481)	(171 772)	(189 565)	(453 818)
Decreases due to changes in credit risk	105 683	27 501		133 184
Loans written off			280 859	280 859
New financial assets acquired or originated	(731 742)	(64 577)	(18 789)	(815 107)
Financial assets that were derecognised	16 708			16 708
Exchange rate and other movements			3 377	3 377

	Stage 1	Stage 2	Stage 3	Total
Expected loss as at 31 December 2019	(2 499 609)	(499 125)	(375 664)	(3 374 398)
Due from other credit institutions (Note 5)	(1 774)	-	-	(1 774)
Investments at amortised cost (Note 9)	(1 473 633)	-	-	(1 473 633)
Loans and advances to customers (Note 10)	(1 024 202)	(499 125)	(375 664)	(1 898 992)
Due from other credit institutions (Note 5)				
New financial assets acquired or originated	(180)			(180)
Changes in risk models/parameters	1 292			1 292
Financial assets at fair value through profit or loss (Note 7)				
Financial assets at fair value through other comprehensive income (Note 8)				
Investments in central banks and other credit institutions				
New financial assets acquired or originated	(2 615)	(12 144)		(14 759)
Investments at amortised cost (Note 9)				
Transfer to stage 1	564 094			564 094
Transfer to stage 2		(564 094)		(564 094)
New financial assets acquired or originated	(5 668 103)			(5 668 103)
Changes in risk models/parameters	(724 662)	(4 868 871)		(5 593 533)
Loans and advances to customers (Note 10)				
Transfer to stage 1	-	(75 742)	(2 012)	(77 754)
Transfer to stage2	75 742	-	(8 506)	67 236
Transfer to stage 3	2 012	8 507	-	10 519
Increases due to changes in credit risk		(296 741)	(995 346)	(1 292 086)
Decreases due to changes in credit risk	173 250			173 250
Loans written off			320 353	320 353
New financial assets acquired or originated	(433 286)	(50 886)	(18 485)	(502 657)
Financial assets that were derecognised	97 829	12 028	324 496	434 353
Exchange rate and other movements		112		112
Expected loss as at 31 December 2020	(8 414 235)	(6 346 955)	(755 164)	(15 516 353)
Due from other credit institutions (Note 5)	(660)	-	-	(660)
Loans and advances to central banks and other credit institutions	(2 615)	(12 144)	-	(14 759)
Investments at amortised cost (Note 9)	(7 302 304)	(5 432 965)	-	(12 735 269)
Loans and advances to customers (Note 10)	(1 108 655)	(901 846)	(755 164)	(2 765 665)

Note 11 – Other Tangible Assets

At 31 December 2020 and 31 December 2019, this item had the following movement:

	31.12.2019	Acquisitions/ Appropriations	Disposals/ Write-downs	Transfers	31.12.2020
Costs					
Properties					
Own use	923 147	355 041	-	-	1 278 188
Works on leased buildings	1 529 316	-	(26 392)	4 605	1 507 529
	2 452 463	**355 041**	**(26 392)**	**4 605**	**2 785 717**
Equipment					
IT equipment	1 742 496	70 854	(5 636)	12	1 807 726
Furniture and equipment	603 256	23 264	(10 446)	293	616 367
Machinery and tools	691 151	387 394	(5 967)	11 433	1 084 011
Transport material	564 768	109 141	(2 637)	-	671 272
Others	102 022	961 884	-	(9 412)	1 054 494
	3 703 693	**1 552 537**	**(24 686)**	**2 326**	**5 233 870**
Fixed assets in progress					
Works on buildings	23 262 117	9 292 981	-	(283 299)	32 271 799
Equipment	295 567	1 759 202	-	276 368	2 331 137
Others	13 645	-	-	-	13 645
	23 571 329	**11 052 183**	**-**	**(6 931)**	**34 616 581**
Right of Use					
Properties	2 787 594	675 414	(123 269)	-	3 339 739
	2 787 594	**675 414**	**(123 269)**	**-**	**3 339 739**
	32 515 079	**13 635 175**	**(174 347)**	**-**	**45 975 907**

	31.12.2019	Acquisitions/ Appropriations	Disposals/ Write-downs	Transfers	31.12.2020
Accumulated depreciation					
Properties					
Own work capitalised	(92 657)	(16 394)	-	-	(109 051)
Work on leased buildings	(1 249 216)	(61 023)	26 392	-	(1 283 847)
	(1 341 873)	**(77 417)**	**26 392**	**-**	**(1 392 898)**
Equipment					
IT equipment	(1 215 368)	(263 683)	5 384	-	(1 473 667)
Furniture and equipment	(427 168)	(48 580)	8 582	-	(467 166)
Machines and tools	(304 168)	(122 743)	5 200	-	(421 711)
Transport equipment	(268 115)	(122 446)	2 637	-	(387 924)
Others	(1 289)	(223)	-	-	(1 512)
	(2 216 108)	**(557 675)**	**21 803**	**-**	**(2 751 980)**
Right of Use					
Properties	(1 026 946)	(891 928)		-	(1 918 874)
	(1 026 946)	**(891 928)**	**-**	**-**	**(1 918 874)**
	(4 584 927)	**(1 527 020)**	**48 195**	**-**	**(6 063 752)**
	27 930 152	**12 108 155**	**(126 152)**	**-**	**39 912 155**

On 31 December 2020, fixed assets in progress include 33 566 483 thousand kwanzas related to the construction project of the new headquarters of Standard Bank of Angola, S.A. (2019: 23 259 069 thousand kwanzas). The same is already completed and its amortisation will begin in 2021.

At 31 December 2020 the Other line includes 949,677 thousand kwanzas related to the ATM acquisition project (2019: 152,727 thousand kwanzas) and 52,836 thousand kwanzas related to the acquisition of deposit machines.

(thousands of Kwanzas)

	31.12.2018	Acquisitions/ Appropriations	Disposals/ Write-downs	Transfers	31.12.2019
Costs					
Properties					
From own service	919 783	13 000	-	(9 636)	923 147
Works on leased buildings	1 282 649	29 000	(1 564)	219 231	1 529 316
	2 202 432	**42 000**	**(1 564)**	**209 595**	**2 452 463**
Equipment					
IT equipment	1 387 428	141 515	(20 922)	234 475	1 742 496
Furniture and equipment	583 880	14 536	(1 829)	6 669	603 256
Machinery and tools	447 783	218 434	(12 135)	37 069	691 151
Transport material	485 859	72 105	(6 196)	13 000	564 768
Others	88 821	72 540	-	(59 339)	102 022
	2 993 771	**519 130**	**(41 082)**	**231 874**	**3 703 693**
Fixed assets in progress					
Works on buildings	3 417 319	20 072 768	-	(227 970)	23 262 117
Equipment	326 742	175 655	-	(206 830)	295 567
Others	8 665	11 649	-	(6 669)	13 645
	3 752 726	**20 260 072**	**-**	**(441 469)**	**23 571 329**
Right of Use					
Properties	-	2 812 111	(24 517)	-	2 787 594
	-	**2 812 111**	**(24 517)**	**-**	**2 787 594**
	8 948 929	**23 633 313**	**(67 163)**	**-**	**32 515 079**

(thousands of Kwanzas)

	31.12.2018	Acquisitions/ Appropriations	Disposals/ Write-downs	Transfers	31.12.2019
Accumulated depreciation					
Properties					
Own work capitalised	(76 893)	(15 764)	-	-	(92 657)
Work on leased buildings	(1 165 978)	(84 802)	1 564	-	(1 249 216)
	(1 242 871)	**(100 566)**	**1 564**	**-**	**(1 341 873)**
Equipment					
IT equipment	(881 415)	(354 696)	20 743	-	(1 215 368)
Furniture and equipment	(380 077)	(48 399)	1 308	-	(427 168)
Machines and tools	(242 701)	(69 667)	8 200	-	(304 168)
Transport equipment	(160 960)	(113 351)	6 196	-	(268 115)
Others	(1 066)	(223)	-	-	(1 289)
	(1 666 219)	**(586 336)**	**36 447**	**-**	**(2 216 108)**
Right of Use					
Properties	-	(1 026 946)	-		(1 026 946)
	-	**(1 026 946)**	**-**	**-**	**(1 026 946)**
	(2 909 090)	**(1 713 848)**	**38 011**	**-**	**(4 584 927)**
	6 039 839	**21 919 465**	**(29 152)**	**-**	**27 930 152**

Note 12 – Intangible Assets

At 31 December 2020 and 31 December 2019, this item had the following movement:

(thousands of Kwanzas)

	31.12.2019	Acquisitions/ Appropriations	Disposals/ Write-downs	Transfers	31.12.2020
Intangible assets					
Acquired from third parties					
Automatic data processing system	1 645 740	56 726	-	-	1 702 466
School certificates	80 083	40 862	-	-	120 945
Intangible assets in progress	1 447 434	4 101 421	-	-	5 548 855
	3 173 257	**4 199 009**	**-**	**-**	**7 372 266**
Accumulated depreciation					
Automatic data processing system	(705 723)	(281 039)	-	-	(986 762)
	(705 723)	**(281 039)**	**-**	**-**	**(986 762)**
	2 467 534	**3 917 970**	**-**	**-**	**6 385 504**

(thousands of Kwanzas)

	31.12.2018	Acquisitions/ Appropriations	Disposals/ Write-downs	Transfers	30.06.2019
Intangible assets					
Acquired from third parties					
Automatic data processing system	961 624	423 097	-	261 019	1 645 740
School certificates	80 083	-	-	-	80 083
Intangible assets in progress	679 124	1 064 403	(35 074)	(261 019)	1 447 434
	1 720 831	**1 487 500**	**(35 074)**	**-**	**3 173 257**
Accumulated depreciation					
Automatic data processing system	(477 800)	(227 923)	-	-	(705 723)
	(477 800)	**(227 923)**	**-**	**-**	**(705 723)**
	1 243 031	**1 259 577**	**(35 074)**	**-**	**2 467 534**

At 31 December 2020 and 31 December 2019, acquisitions with intangible assets in progress are related to several projects and software that have been developed and that will allow providing a better service to the Client. In 2020 we highlight the new Internet Banking platform and Upgrade of the Bank's operating systems that aim to improve the Client experience.

Note 13 – Taxes

The Bank is subject to an Industrial Tax, being considered a Group A taxpayer for tax purposes. At 31 December 2020 and 31 December 2019 its income was taxed at a rate of 35% and 30% respectively.

The new autonomous taxation regime came into force on 1 January 2017. As of that date, the following entities are subject to autonomous taxation:

NATURE	RATE
Unduly documented costs	2%
Undocumented costs	4%
Costs incurred with confidential expenses	30%/ 50%[1]

However, with the entry into force of Law 4/19 of 18 April, a law that amends the Industrial Tax Code, from that date only costs incurred with confidential expenses are subject to autonomous taxation.

It should be noted that the analysis of compliance with documentary requirements should be carried out in articulation with the provisions of the Legal Regime of Invoices and Equivalent Documents. The new Legal Regime of Invoices and Equivalent Documents approved by Presidential Decree No. 312/18 of 21 December, which revoked the previous Law No. 149/13 of 1 October on the Regime of Invoices and Equivalent Documents, has been approved.

On 1 October 2019, the Value Added Tax Code came into force, which in the case of the banking sector applies a rate of 14%, all commissions and expenses charged for services rendered and financial leases being subject to it, and financial intermediation operations, with the exception of those mentioned above, are exempt.

(1) Application of an aggravated rate of 50% in circumstances where these expenses originate a cost or profit for a taxpayer who is exempt or not subject to Business Income Tax

The breakdown of tax assets and liabilities is as follows:

(Thousands Kwanzas)

	31.12.2020	31.12.2019
Current tax assets	448 946	448 946
Deferred tax assets	1 150 917	911 944
Total	**1 599 863**	**1 360 890**

(Thousands Kwanzas)

	31.12.2020	31.12.2019
Current tax liabilities	**2 918 522**	**2 059 763**
Capital Investment Tax	1 531 491	1 147 819
Business tax payable	1 150 917	911 944
Tax contingency (IFRIC 23)	236 114	-
Other Liabilities (Note 20)	**700 238**	**232 340**
VAT	700 238	232 340
Total	**3 618 760**	**2 292 103**

A liability has been recorded in accordance with IFRIC 23 regarding tax contingencies related to income taxes (namely ITC and Business Income Tax). The deferred tax assets and liabilities recognised in the balance sheet at 31 December 2020 and 31 December 2019 can be analysed as follows:

(thousands of Kwanzas)

	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Tax losses carried forward	1 150 917	911 944	-	-
Deferred tax asset/(liability)	**1 150 917**	**911 944**	**-**	**-**

The Bank assessed the recoverability of its deferred taxes in the balance sheet based on the expectation of future taxable profits. At 31 December 2020 and 31 December 2019, the Bank recognised deferred tax assets on the amount of tax losses carried forward that are recoverable in the year in which it determines taxable profit.

The movements in the balance sheet deferred taxes item had the following counterparts:

(Thousands Kwanzas)

	31.12.2020	31.12.2019
Opening balance	911 944	-
Recognised in the income statement	1 150 917	911 944
Utilisation	(911 944)	-
Closing balance (Assets/(Liabilities))	**1 150 917**	**911 944**

The tax recognised in profit or loss and reserves at 31 December 2020 and 31 December 2019 had the following origins:

(thousands of Kwanzas)

	31.12.2020		31.12.2019	
	Recognised in reserves	Recognised in results	Recognised in reserves	Recognised in results
Tax losses carried forward	-	1 150 917	-	911 944
Deferred Taxes	**-**	**1 150 917**	**-**	**911 944**
Impostos Correntes	**-**	**(4 335 585)**	**-**	**(4 172 692)**
Income tax	-	(1 150 917)	-	(911 944)
Capital gains tax	-	(2 948 554)	-	(3 260 748)
Fiscal contingency (IFRIC 23)	-	(236 114)	-	-
Total recognised tax	**-**	**(3 184 668)**	**-**	**(3 260 748)**

The reconciliation of the tax rate, in what concerns the amount recognised in the income statement, can be analysed as follows:

(thousands of Kwanzas)

	31.12.2020		31.12.2019	
	%	Value	%	Value
Profit before tax		**39 079 642**		**35 592 466**
Tax assessed based on the tax rate	35.0%	13 677 875	30.0%	10 677 740
Tax benefits on income from securities	-33.5%	(13 087 043)	-29.2%	(10 377 404)
Non-deductible (Income)/Costs	1.2%	477 432	1.7%	611 609
Reversal of deferred tax assets on tax losses	2.3%	911 944	5.5%	1 965 448
Capital Gains/Losses	-2.6%	(1 031 994)	2.9%	1 039 433
Tax contingency (IFRIC 23)	-0.2%	(59 028)		
Others	5.9%	2 295 482	-1.3%	(452 049)
Income tax	**0.0%**	**3 184 668**	**0.0%**	**3 464 777**

Income from public debt securities resulting from Treasury Bonds and Treasury Bills issued by the Angolan State, after 31 December 2011 are subject to taxation under Capital Gains Tax, as defined in paragraph k) of no. 1 of article 9 of Presidential Legislative Decree no. 2/14 of 20 October.

In accordance with the provisions of Article 47 of the Industrial Tax Code (Law 19/14 of 22 October) in determining the taxable amount, income subject to Capital Gains Tax will be deducted.

Accordingly, in determining taxable income for the years ended 31 December 2020 and 31 December 2019, such income has been deducted from taxable income.

The cost calculated with the liquidation of the Capital Gains Tax is not accepted for tax purposes for the calculation of the taxable income, as provided for in Article 18.1 a) of the Industrial Tax Code.

The Tax Authority has the possibility to review the Bank's tax situation during a period of five years, which may result, due to different interpretations of tax law, in possible corrections to the taxable profit. The Bank's Board of Directors believes that any additional assessments that may result from these reviews will not be significant to the attached financial statements.

The detail of tax losses and tax credits carried forward as at 31 December 2020, on which the Bank does not recognise a deferred tax asset, is analysed as follows:

(Thousands Kwanzas)

Year	Base	Tax	Expiry Year
2017	1 464 337	(512 518)	2020
2019	985 555	(344 944)	2022

The detail of current tax assets is analysed as follows:

(Thousands Kwanzas)

	31.12.2020	31.12.2019
Provisional settlements	427 893	427 893
Withholding tax	21 053	21 053
Balance	**448 946**	**448 946**

At 31 December 2020 and 31 December 2019, the balance of the heading provisional settlements corresponds to the mandatory provisional settlement made in the month of August, calculated by applying a rate of 2% on the income derived from financial intermediation operations, ascertained in the first six months of the previous tax year, excluding income subject to capital investment tax (Note 2.9.1).

At 31 December 2020 and 31 December 2019, the caption Current tax liabilities, amounting to 2 918 522 thousand kwanzas and 2 059 763 thousand kwanzas, respectively, relates to the amount of accrued costs with Capital Investment Tax to be settled by the Bank from the Treasury Bonds and Treasury Bills in portfolio,the estimated current tax payable assessed and the contingent liability.

Note 14 – Other Assets

The caption Other assets at 31 December 2020 and 31 December 2019 is analysed as follows:

(Thousands Kwanzas)

	31.12.2020	31.12.2019
Foreign exchange purchases and sales	7 352 507	-
Other assets	1 269 543	988 408
Other debtors	702 208	723 558
Deferred costs	794 686	588 047
Income receivable	453 400	121 657
Other pending operations	591	33 932
Stock exchange transactions pending settlement	19	1 479 749
	10 572 954	**3 935 351**
Impairment losses	**(166 550)**	**(168 758)**
	10 406 404	**3 766 593**

At 31 December 2019, the item Securities transactions to be settled records the amount received by the Bank in January 2020 related to a Client's indexed deposit made at the end of December 2019.

At 31 December 2020, the purchases and sales of foreign currency to be settled within two days includes 7,352,507 thousand kwanzas recorded in the balance sheet under the headings Other assets (Note 14) and Other liabilities (Note 20), in accordance with the criteria described in Note 2.16.

At 31 December 2020 and 31 December 2019, the heading Other assets includes, respectively, 1 006,426 thousand kwanzas and 733,979 thousand kwanzas relating to the fair value adjustment of loans granted to Employees (Note 10).

As at 31 December 2020, the heading Other debtors includes 283 353 thousand kwanzas relating to advances to suppliers awaiting service (2019: 380 946 thousand kwanzas). Also, on this date, this heading also includes 76 707 thousand kwanzas referring to interest receivable from Standard Bank of South Africa related to the updating of the subordinated debt contract.

The heading Deferred cost expenses includes at 31 December 2020 500 191 thousand kwanzas referring to the Bank's various insurance policies (2019: 345 716 thousand kwanzas).

As at 31 December 2020, the heading Income receivable includes 103 585 thousand kwanzas of commissions received for tax collections to be recovered from the General Tax Administration (2019: 99 566 thousand kwanzas).

During 2019, securities were received to settle debt relating to the years 2016 and 2017, which the Bank classified at amortised cost (Note 9).

As at 31 December 2020 and 31 December 2019, the caption Other pending transactions includes transactions of purchase and sale of currency at awaiting financial settlement, which were settled in the first days of January 2021 and January 2020, respectively.

The movements occurred in impairment losses in Other assets are presented as follows:

(thousands of Kwanzas)

	31.12.2019	Appropriations	Reversals	Exchange variation	31.12.2020
Impairment Losses (Assets)					
Impairment losses on Other Assets	**168 758**	33 250	(27 196)	(8 262)	**166 550**

(thousands of Kwanzas)

	31.12.2018	Appropriations	Reversals	Exchange variation	31.12.2019
Impairment Losses (Assets)					
Impairment losses on Other Assets	**144 768**	24 792	(806)	4	**168 758**

At 31 December 2020, the impairment losses on Other assets include a provision for impairment losses related to property related with property and equipment in the amount of kwanzas (2019: 122 900 thousand kwanzas).

Note 15 – Deposits from Central Banks and Other Credit Institutions

The caption Resources from central banks and other credit institutions is presented as follows:

(Thousands Kwanzas)

	31.12.2020	31.12.2019
Own or third-party funds in transit		
Amounts outstanding	618 803	1 273 434
Other operations pending settlement	201 148	240 393
Bank and certified cheques	25 178	180
Other resources	48 983	59 931
	894 112	**1 573 938**

As at 31 December 2020 and 31 December 2019, the heading Amounts pending to be counted records the bags of notes that have entered the branches but have not yet been counted and reclassified to the Client deposit accounts.

At 31 December 2020 and 31 December 2019, the heading Other transactions pending settlement includes Client debit card uses to be settled the following day and POS balances not closed.

All the Central banks' and other credit institutions' resources as at 31 December 2020 and 31 December 2019 have a maturity of up to 3 months, with the exception of Certified and Bank Cheques which have a maturity of up to 6 months.

Note 16 – Client Funds and Other Loans

The balance of the item Client resources and other loans is composed, as to its nature, as follows:

(thousands of Kwanzas)

	31.12.2020	31.12.2019
Sight deposits	545 188 662	268 519 422
Time deposits	140 301 572	131 055 838
Deposits received as collateral	5 775 438	7 243 285
Other deposits	401 814	25 364 810
	691 667 486	**432 183 355**

At 31 December 2020 and 31 December 2019, the amount under the heading Deposits received as collateral relates in full to captive amounts to guarantee loans granted and letters of credit.

At 31 December 2020, the amount under the heading Other deposits includes Clients' term deposits in Kwanzas indexed to US Dollars in the amount of 15,163 thousand kwanzas (2019: 25,361,187 thousand kwanzas).

The increase in Client Funds compared to 2019 is explained by the increase in the number of active Clients at the bank and, consequently, the increase in the current deposits item.

The staggering of Client Funds and other borrowings by maturity as at 31 December 2020 and 31 December 2019 is as follows:

(thousands of Kwanzas)

	31.12.2020	31.12.2019
Due on demand	**551 344 972**	**275 766 329**
Payable on demand		
Up to 3 months	120 698 590	125 031 494
3 months to one year	19 614 249	31 385 532
One to five years	9 675	-
	140 322 514	**156 417 026**
	691 667 486	**432 183 355**

As at 31 December 2020, term deposits in Kwanza and USD are remunerated at an average rate of 10.44% and 0.79%, respectively (2019: 11.36% and 1.36%, respectively).

Note 17 – Debt securities issued

At 31 December 2020 and 31 December 2019, the heading Liabilities represented by securities is composed of the issue of senior unsecured bonds in Kwanzas, on 11 December 2018, by Standard Bank of Angola, S.A.. The maturity of this issue is on 11 December 2021. These bonds pay interest semi-annually and in arrears on 11 June and 11 December.

(thousands of Kwanzas)

31.12.2020	Currency	Indexer	Average rate	Nominal value	Cost of acquisition	Accrued interest	Book value
- Senior Bonds	AKZ	Fixed rate	17,00%	4 700 000	4 700 000	45 970	4 745 970
				4 700 000	**4 700 000**	**45 970**	**4 745 970**

(thousands of Kwanzas)

31.12.2019	Currency	Indexer	Average rate	Nominal value	Cost of acquisition	Accrued interest	Book value
- Senior Bonds	AKZ	Fixed rate	17,00%	4 700 000	4 700 000	45 970	4 745 970
				4 700 000	**4 700 000**	**45 970**	**4 745 970**

Note 18 – Provisions

At 31 December 2020 and 31 December 2019, the heading Provisions shows the following movements:

(Thousands Kwanzas)

	31.12.2019	Appropriations	Reversals	Utilisations	Exchange rate change	Transfers	31.12.2020
Provisions (Liabilities)							
Other provisions for liabilities and charges	**1 679 456**	1 200 830	(492 888)	(84 373)	76 769	(86 113)	**2 293 681**
Provisions for guarantees and commitments (Note 23)	**138 570**	561 304	(197 212)	-	-	-	**502 662**
	1 818 026	**1 762 134**	**(690 100)**	**(84 373)**	**76 769**	**(86 113)**	**2 796 343**

(Thousands Kwanzas)

	31.12.2018	Appropriations	Reversals	Utilisations	Exchange rate change	Transfers	31.12.2019
Provisions (Liabilities)							
Other provisions for liabilities and charges	**2 047 865**	736 048	(1 182 717)	(24 102)	102 362	-	**1 679 456**
Provisions for guarantees and commitments (Note 23)	**60 994**	359 074	(281 498)	-	-	-	**138 570**
	2 108 859	**1 095 122**	**(1 464 215)**	**(24 102)**	**102 362**	**-**	**1 818 026**

The balance of the provisions item is intended to cover certain contingencies duly identified, arising from the Bank's activity, and is reviewed on each reporting date to reflect the best estimate of the amount and respective probability of payment.

At 31 December 2020, Other provisions for risks and charges include 911,121 thousand kwanzas (2019: 725,416 thousand kwanzas) of provisions for contingent retirement liabilities, in accordance with Law no. 2/2000 and articles 218 and 262 of the General Labour Law (Note 2.11). In 2015, Law No. 7/2015 (General Labour Law) was published which revoked Law No. 2/2000 and which no longer provides for the need to make provisions for contingent retirement liabilities. The Bank is analysing how it will reverse this amount in Employee benefits.

At 31 December 2020, the Other provisions for risks and charges additionally include a provision for sundry contingencies in the amount of 374 452 thousand kwanzas (2019: 426 620 thousand kwanzas) and 212 686 thousand kwanzas (2019: 136 512 thousand kwanzas) relating to judicial contingencies. It also includes a provision for untaken holidays in the amount of 595 317 thousand kwanzas (2019: 368 409 thousand kwanzas).

At 31 December 2020, the Provisions for guarantees and off-balance sheet commitments, namely, bank guarantees, bank overdraft limits and letters of credit amount to 502,661 thousand kwanzas (2019: 138,570 thousand kwanzas).

Note 19 – Subordinated Liabilities

This item is analysed as follows:

(thousands of kwanzas)

Issuing Company	Designation	Currency	Date of issuance	Issue amount in USD	Balance sheet value in thousands of Kwanzas		Interest rate	Maturity
					31.12.2020	31.12.2019		
Standard Bank South Africa, SA	Subordinated debt	USD	03/12/2018	30 000 000	**19 553 301**	**14 756 220**	Libor +3.92% (.92% from 03/12/2023)	03/12/2028 (possibility of early repayment as from 5th year)

Note 20 – Other Liabilities

The caption Other liabilities as at 31 December 2020 to 31 December 2019 is analysed as follows:

(Thousands Kwanzas)

	31.12.2020	31.12.2019
Letters of credit (Note 10)	10 855 362	35 549 795
Balances with related parties	9 739 982	4 240 138
Purchase and sale of foreign currencies	7 368 548	355
Administrative and marketing costs payable	4 788 289	2 818 919
Staff costs (Note 2.10)	3 273 369	2 874 260
Leases	1 574 189	1 854 227
Tax payable - withheld from third parties	585 217	711 357
Others	665 030	36 229
Value added tax (VAT)	700 238	232 340
Other deferred commissions	21 701	142 063
Suppliers	841 081	335 363
Social security contribution	91 445	74 465
Other accrued income	4 994	1 472 010
Dividends payable	79	3 092 750
	40 509 524	**53 434 271**

At 31 December 2020 and 31 December 2019, the heading Letters ofcredit includes, by counterpart of the heading Loans and advances to Clients (Note 10), the contracts of letters of credit whose documentation to make the contractually defined payments has been received in full, since from that moment the responsibility of the payments becomes effective.

At 31 December 2020 and 31 December 2019, balances with related parties essentially include franchise commission payable and costs incurred on Standard Bank Group Employees assigned to the Bank. At 31 December 2019 it additionally includes invoices payable related to services provided by the Group to the Bank.

As at 31 December 2019, the caption Dividends payable includes the cumulative dividends approved for distribution by the Bank to its shareholders (Note 22).

At 31 December 2020 and 31 December 2019, the balance of the item Liabilities with personnel includes the costs payable for Employees' holidays and holiday allowances.

At 31 December 2020 and 31 December 2019, the balance of the heading Administrative and marketing costs payable relates to accrued uninvoiced third party supply costs.

At 31 December 2020, the costs for the purchase and sale of foreign currency to be settled within two days includes 7 352 507 thousand kwanzas recorded in the balance sheet under the headings Other assets (Note 14) and Other liabilities (Note 20), in accordance with the criteria described in Note 2.16. At 31 December 2019 these transactions to be settled were recorded under off-balance sheet headings (Note 23).

As at 31 December 2019, the caption Other accruals recorded the amount payable by the Bank in January 2020 related to the purchase of an index-linked bond at the end of December 2019.

Note 21 – Share capital

COMMON SHARES

On 31 December 2020 and 31 December 2019, the Bank's share capital of 9 530 007 thousand kwanzas was represented by 1 000 000 ordinary shares, fully subscribed and paid up by different shareholders, namely:

	No. shares	Nominal value in thousands of Kwanzas	% Share Capital 31.12.2020	% Share Capital 31.12.2019
Standard Bank Group Limited	509 996	4 860 265	51%	51%
AAA Assets, Lda.	490 000	4 669 703	49%	49%
Other shareholders	4	39	0,00040%	0,00040%
	1 000 000	**9 530 007**	**100%**	**100%**

It should be noted that the majority shareholder is Standard Bank Group Limited and the shares belonging to the shareholder AAA Activos Lda. were seized by the Angolan Attorney General's Office and the Institute for Management of State Assets and Holdings (IGAPE)appointed trustee.

Note 22 – Reserves, Retained Earnings and Other Comprehensive Income

The movements under these headings were as follows:

(thousands of Kwanzas)

	Other reserves and retained earnings				
	Revaluation reserves	Legal reserve	Retained earnings	Other reserves	Total
Balance at 31 December 2018	**(780 702)**	**3 238 624**	**20 546 759**	**1 209**	**23 786 592**
Other comprehensive income:					
Changes in fair value	1 650 125	-	(1 157 450)	-	(1 157 450)
Transfer to the income statement due to impairment recognised in the period	(5 905)	-	-	-	-
Net profit for the period	-	-	-	-	-
Total comprehensive income for the year	**1 644 220**	**-**	**(1 157 450)**	**-**	**(1 157 450)**
Constitution of reserves	-	3 232 250	29 090 259	-	32 322 509
Distribution of dividends	-	-	(1 807 115)	-	(1 807 115)
Other movements	-	-	-	-	-
Balance at 31 December	**863 518**	**6 470 874**	**46 672 453**	**1 209**	**53 144 536**
Other comprehensive income:					
Changes in fair value	(2 113 755)	-	-	-	-
Transfer to the income statement due to impairment recognised in the period	150 364	-	-	-	-
Net profit for the period	-	-	-	-	-
Total comprehensive income for the year	**(1 963 391)**	**-**	**-**	**-**	**-**
Transfer to reserves	-	3 059 133	29 068 556	-	32 127 689
Dividend distribution	-	-	(12 851 076)	-	(12 851 076)
Other movements	-	-	-	-	-
Balance at 31 December 2020	**(1 099 873)**	**9 530 007**	**62 889 933**	**1 209**	**72 421 149**

Revaluation reserves represent potential capital gains and losses relating to the portfolio of financial assets at fair value through other comprehensive income, net of impairment recognised in the income statement in the year and/or in previous years.

In 2017 and 2018 the Bank did not reflect the impact of IAS 29 in its financial statements for the years then ended. If it had applied IAS 29,the impact in cumulative terms at 1 January 2019 would be nil under the heading Revaluation reserve, which incorporates the effect of updating the share capital at that date in the amount of 19,142,051 thousand kwanzas.

At 31 December 2019 and 2020 Angola did not meetthe criteria established in IAS 29 to be considered a hyperinflationary economy.

On 31 December 2020, the Legal Reserve in the amount of 9 530 007 thousand kwanzas (2019: 6 470 874 thousand kwanzas) can only be used to cover accumulated losses or to increase the Capital.

The applicable Angolan legislation requires that the Legal Reserve be credited each year with at least 10% of the annual net profit, until it is equal to its share capital.

During 2020, the distribution of dividends to shareholders in the amount of 12 851 076 thousand kwanzas was approved.

At 31 December 2020 and 31 December 2019, the value of the share options is 1,209 thousand kwanzas.

Note 23 – Off-Balance Sheet Items

This item is presented as follows:

(Thousands Kwanzas)

	31.12.2020	31.12.2019
Third Party Liabilities		
Guarantees received	**127 282 870**	**124 995 919**
Liabilities vis-à-vis third parties		
Guarantees provided	24 435 726	15 025 128
Letters of credit	14 172 410	26 778 191
Unused credit limits	77 374 898	29 042 026
	115 983 034	**70 845 345**
Liabilities for services rendered		
Deposit and custody of valuables	**209 673 210**	**415 744 153**
Foreign exchange operations		
Outstanding purchases of foreign currencies	171 827	3 128 356
Outstanding sales of foreign currencies	(324 952)	(3 096 779)
	(153 125)	**31 577**
Current value of claims		
Receivables held as assets	145 029 288	93 878 968
Written-off receivables (Note 10)	3 268 568	3 190 762
	148 297 856	**97 069 730**

The guarantees provided are banking operations that do not involve the mobilisation of funds by the Bank. the Bank.

Letters of credit are irrevocable commitments bythe Bank, on behalf of its Clients, to pay a specified amount to the supplier of a given good or service, within a stipulated period of time, against submission 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 contract.

Not withstanding the particularities of these commitments, the assessment of these operations obeys to the same basic principles of any other commercial operation, namely the solvency of the client and the underlying business, being that the Bank requires that these operations are properly collateralised when necessary. Since it is expected that the majority of these operations will expire without being used, the amounts indicated do not necessarily represent future cash requirements.

The financial instruments accounted for as Liabilities to third parties are subject to the same approval and control procedures applied to the loan portfolio, namely regarding the evaluation of the adequacy of the provisions set up (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 account potential recoveries or collaterals.

At 31 December 2020 and 31 December 2019, the provisions foguarantees and commitments amounted to 502,662 thousand kwanzas and 138,570 thousand kwanzas, respectively (Note 18).

Note 24 – Off-Balance Sheet Items

The value of this item is made up of:

(thousands of Kwanzas)

	2020			2019		
	From assets / liabilities at amortised cost and financial assets at fair value through other comprehensive income	Of assets/ liabilities at fair value through profit or loss	Total	From assets / liabilities at amortised cost and financial assets at fair value through other comprehensive income	Of assets/ liabilities at fair value through profit or loss	Total
Interest and similar income						
Interest from loans and advances to customers	19 325 221	-	19 325 221	8 137 263	-	8 137 263
Interest from financial assets at fair value through profit or loss	-	2 483 521	2 483 521	-	1 185 072	1 185 072
Interest from deposits with banks	923 237	-	923 237	2 078 886	-	2 078 886
Interest from financial assets at fair value through other comprehensive income	14 639 088	-	14 639 088	17 067 277	-	17 067 277
Interest from investments at amortised cost	20 194 148	-	20 194 148	16 844 981	-	16 844 981
Other interest and similar income	624 059	-	624 059	563 439	-	563 439
	55 705 753	**2 483 521**	**58 189 274**	**44 691 846**	**1 185 072**	**45 876 918**
Interest and similar charges						
Interest on resources from central banks and credit institutions	137 750	-	137 750	328 634	-	328 634
Interest on liabilities represented by securities	801 188	-	801 188	797 102	-	797 102
Interest on customer resources	5 130 108	-	5 130 108	4 411 249	-	4 411 249
Interest on subordinated liabilities	726 114	-	726 114	681 987	-	681 987
Interest on leases	206 790	-	206 790	288 280	-	288 280
	7 001 950	**-**	**7 001 950**	**6 507 252**	**-**	**6 507 252**
Net interest income	**48 703 803**	**2 483 521**	**51 187 324**	**38 184 594**	**1 185 072**	**39 369 666**

At 31 December 2020, the heading interest on loans and advances to Clients includes the amount of 170,272 thousand kwanzas relating to commissions accounted for according to the effective interest rate method (2019: 798,990 thousand kwanzas).

As at 31 December 2020 and 2019, the caption credit interest includes the amount of 160,445 thousand kwanzas (2019: 90,595 thousand kwanzas) related to credit income with signs of impairment. The table below shows the net gains or net losses on financial instruments:

(thousands of Kwanzas)

	2020					
	Against results			Against entry to other comprehensive income		
	Gains	Losses	Net	Gains	Losses	Net
Asset						
nterest on deposits and loans and advances to banks	924 136	(898)	923 238	-	-	-
Interest on financial assets at fair value through profit or loss	2 600 792	(117 272)	2 483 520	-	-	-
Interest on financial assets at fair value through other comprehensive income	-	-	-	14 639 088	-	14 639 088
Interest on investments at amortised cost	20 194 148	-	20 194 148	-	-	-
Interest on loans and advances to customers	19 444 979	(119 758)	19 325 221	-	-	-
Other interest and similar income	650 703	(26 644)	624 059	-	-	-
	43 814 758	**(264 572)**	**43 550 186**	**14 639 088**	**-**	**14 639 088**
Liabilities						
Interest on deposits from customers	-	(5 130 108)	(5 130 108)	-	-	-
Interest on deposits from other credit institutions	-	(137 749)	(137 749)	-	-	-
Interest on deposits from credit institutions	-	-	-	-	-	-
Interest on subordinated liabilities	9 444	(735 558)	(726 114)	-	-	-
Interest on leases	-	(206 790)	(206 790)	-	-	-
Interest on liabilities represented by securities	-	(801 189)	(801 189)	-	-	-
	9 444	**(7 011 394)**	**(7 001 950)**	**-**	**-**	**-**
Net interest income	**43 824 202**	**(7 275 966)**	**36 548 236**	**14 639 088**	**-**	**14 639 088**

(thousands of Kwanzas)

	2019					
	As contra entry to results			As contra entry to other comprehensive income		
	Gains	Losses	Net	Gains	Losses	Net
Asset						
Interest from deposits with banks	2 078 886	-	2 078 886	-	-	-
Interest from financial assets at fair value through profit or loss	1 265 248	(80 176)	1 185 072	17 067 277	-	17 067 277
Interest from financial assets at fair value through other comprehensive income	-	-	-	-	-	-
Interest on investments at amortised cost	16 844 981	-	16 844 981	-	-	-
Interest on loans and advances to customers	8 137 263	-	8 137 263	-	-	-
Other interest and similar income	563 439	-	563 439	-	-	-
	28 889 817	**(80 176)**	**28 809 641**	**17 067 277**	**-**	**17 067 277**
Liabilities						
Interest on customer deposits	-	(4 634 277)	(4 634 277)	-	-	-
Interest on deposits from other credit institutions	-	(105 606)	(105 606)	-	-	-
Interest on subordinated liabilities	64 717	(746 704)	(681 987)	-	-	-
Interest on leases	-	(288 280)	(288 280)	-	-	-
Interest on liabilities represented by securities	-	(797 102)	(797 102)	-	-	-
	64 717	**(6 571 969)**	**(6 507 252)**	**-**	**-**	**-**
Net interest income	**28 954 534**	**(6 652 145)**	**22 302 389**	**17 067 277**	**-**	**17 067 277**

The table below sets out interest income and expense on financial instruments measured at amortised cost:

(thousands of Kwanzas)

	2020			2019		
	Income	Expenses	Net	Income	Expenses	Net
Asset						
Interest on deposits and loans and advances to banks	924 135	(898)	923 237	2 078 886	-	2 078 886
Interest on investments at amortised cost	20 194 148	-	20 194 148	16 844 981	-	16 844 981
Interest on loans and advances to customers	19 444 979	(119 758)	19 325 221	8 137 260	-	8 137 260
Other interest and similar income	650 703	(26 644)	624 059	563 439	-	563 439
	41 213 965	**(147 300)**	**41 066 665**	**27 624 566**	**-**	**27 624 566**
Liabilities						
Interest on customer deposits	-	(5 130 108)	(5 130 108)	-	(4 634 277)	(4 634 277)
Interest on deposits from other credit institutions	-	(137 750)	(137 750)	-	-	-
Interest on subordinated liabilities	9 444	(735 558)	(726 114)	64 717	(746 704)	(681 987)
Interest on leases	-	(206 790)	(206 790)	-	(288 280)	(288 280)
Interest on debt securities	-	(801 189)	(801 189)	-	(797 102)	(797 102)
	9 444	**(7 011 395)**	**(7 001 951)**	**64 717**	**(6 466 363)**	**(6 401 646)**
Financial margin on instruments at amortised cost	**41 223 409**	**(7 158 695)**	**34 064 714**	**27 689 283**	**(6 466 363)**	**21 222 920**

The table below sets out interest income and expense on financial instruments measured at fair value through other comprehensive income:

(thousands of Kwanzas)

	2020			2019		
	Income	Expenses	Net	Income	Expenses	Net
Asset						
Interest on financial assets at fair value through other comprehensive income	14 639 088	-	14 639 088	17 067 277	-	17 067 277
Net interest income related to instruments at fair value through other comprehensive income	**14 639 088**	**-**	**14 639 088**	**17 067 277**	**-**	**17 067 277**

The table below shows interest income and expense on financial instruments measured at fair value through profit or loss:

(thousands of Kwanzas)

	2020			2019		
	Income	Expenses	Net	Income	Expenses	Net
Asset						
Interest on financial assets at fair value through profit or loss	2 600 794	(117 272)	2 483 522	1 265 248	(80 176)	1 185 072
Net interest income related to instruments at fair value through results	**2 600 794**	**(117 272)**	**2 483 522**	**1 265 248**	**(80 176)**	**1 185 072**

Note 25 – Fee and commission income

The value of this item is made up of:

(Thousands Kwanzas)

Description	2020	2019
Income from services and commissions		
By transfers	3 030 718	1 771 385
For credit operations	2 513 912	1 551 488
For electronic clearing	1 306 357	1 171 379
For other banking services rendered	1 177 925	391 110
For documentary credits	1 177 125	2 053 302
Other income	1 118 188	360
For withdrawals	699 966	1 018 824
For account maintenance	418 265	380 656
For mediation	402 891	326 513
For financial advisory services	278 432	-
For guarantees provided	183 532	142 246
For cash in transit	117 940	92 059
For cash advances	2 597	6 366
	12 427 848	**8 905 688**
Charges for services and commissions		
For banking services rendered by third parties	3 574 408	1 233 844
For cash-in-transit	652 340	454 149
	4 226 748	**1 687 993**
	8 201 100	**7 217 695**

With reference to December 31, 2020, the heading "Banking services provided by third parties" includes an amount of 1 463 029 thousand kwanzas referring to the custody fee applicable to excess reserves, in accordance with Instruction nº 14/2020 of August 4.

The table below presents fee income and expenses not included in the effective interest rate calculation for financial instruments measured at amortised cost and fair value through other comprehensive income:

(thousands of Kwanzas)

	2020			2019		
	Income	Expenses	Net	Income	Expenses	Net
Asset						
By credit operations	2 513 912	-	2 513 912	1 551 488	-	1 551 488
For cash in transit	117 940	-	117 940	92 059	-	92 059
By mediation	402 891	-	402 891	326 513	-	326 513
By financial advice	278 432	-	278 432	-	-	
Other income	1 118 187	-	1 118 187	360	-	360
For banking services provided by third parties	-	(1 463 029)	(1 463 029)	-	-	-
	4 431 362	**(1 463 029)**	**2 968 333**	**1 970 420**	**-**	**1 970 420**
Liabilities						
For other banking services provided	132 286	-	132 286	131 179	-	131 179
For transfers	3 030 718	-	3 030 718	1 771 385	-	1 771 385
By account maintenance	418 265	-	418 265	380 656	-	380 656
For issuing cheques	2 597	-	2 597	6 366	-	6 366
By withdrawals	699 966	-	699 966	1 018 824	-	1 018 824
By cash-in-transit	-	(652 340)	(652 340)	-	(454 149)	(454 149)
By electronic clearing	1 306 357	-	1 306 357	1 171 379	-	1 171 379
For banking services rendered by third parties	-	(2 111 379)	(2 111 379)	-	(1 233 844)	(1 233 844)
By financial advice	-	-	-			
	5 590 189	**(2 763 719)**	**2 826 470**	**4 479 789**	**(1 687 993)**	**2 791 796**
Off balance sheet						
By documentary credits	1 177 126	-	1 177 126	2 053 302	-	2 053 302
For guarantees provided	183 532	-	183 532	142 246	-	142 246
For unused limits	-	-	-	-	-	-
For other banking services provided	1 045 639	-	1 045 639	259 931	-	259 931
For banking services provided by third parties	-	-	-			
	2 406 297	**-**	**2 406 297**	**2 455 479**	**-**	**2 455 479**
	12 427 848	**(4 226 748)**	**8 201 100**	**8 905 688**	**(1 687 993)**	**7 217 695**

Note 26 – Results from financial assets at fair value through profit or loss

The value of this item is made up of:

	31.12.2020			31.12.2019		
	Inome	Costs	Total	Income	Costs	Total
Income from assets at fair value through profit or loss						
From public issuers	829 092	(493 511)	335 581	1 730 627	(262 232)	1 468 395
Derivative financial instruments	113 322	(66 289)	47 033	-	-	-
From customer deposits in AOA indexed to the USD	-	(120 430)	(120 430)	90 909	-	90 909
	829 092	**(613 941)**	**262 184**	**1 821 536**	**(262 232)**	**1 559 304**

Note 27 – Results from financial assets at fair value through other comprehensive income

The value of this item is made up of:

	31.12.2020			31.12.2019		
	Inome	Costs	Total	Income	Costs	Total
Net gains from financial assets at fair value through other comprehensive income						
From public issuers	-	-	-		(1 529)	(1 529)
			-		**(1 529)**	**(1 529)**

Note 28 – Foreign exchange results

The value of this item is made up of:

(thousands of Kwanzas)

Description	2020	2019
Income from sale and purchase of currency	17 393 436	6 935 277
Income from revaluation of assets and liabilities	9 324 182	6 569 701
	26 717 618	**13 504 978**

Note 29 – Other operating income

The value of this item is made up of:

(Thousands Kwanzas)

Description	2020	2019
Other operating income / (costs)		
Direct and indirect taxes	(2 086 126)	(553 931)
Contributions and donations	(469 064)	(20 526)
Operating losses	(239 689)	(46 210)
Other operating income	(145 006)	69 660
Other operating costs	-	(2 184)
Other gains and losses on other tangible assets	617	9 268
	(2 939 268)	**(543 923)**

At 31 December 2020, the heading Direct and indirect taxes, includes 2 004 640 thousand kwanzas of costs with Value Added Tax (VAT).

Note 30 – Personnel costs

The value of this item is made up of:

(Thousands Kwanzas)

	31.12.2020	30.12.2019
Direct costs		
Salaries and allowances	12 557 416	9 893 284
Performance bonus	2 620 422	1 911 370
Mandatory social charges	827 462	645 424
Others	222 543	160 946
	16 227 843	12 611 024
Indirect costs	1 965 522	1 110 151
	18 193 365	**13 721 175**

At 31 December 2020 and 2019, the item Salaries and subsidies includes various subsidies granted to Employees, namely, housing subsidy transport subsidy, holiday subsidy and holiday month, in the amount of holidays, amounting to 1 197 587 thousand kwanzas and 1 368 929 thousand kwanzas, respectively.

As at 31 December 2020 and 31 December 2019, the number of Employees of the Bank is 635 and 619, respectively.

As at 31 December 2020 and 31 December 2019 the Employees were divided into the following occupational categories:

	2020	2019
Executive Directors	3	3
Director	25	23
Coordinator	292	260
Technician	305	318
Administrative	10	15
	635	**619**

As at 31 December 2020 and 31 December 2019, the remuneration and other benefits associated with the Bank's Governing Bodies are detailed as follows:

(thousands of Kwanzas)

	Executive Board					
	Executive Directors	Non--executive members	Total	Fiscal Council	Executive Committee	Total
31 December 2020						
Remunerations and other short-term benefits	510 603	88 611	599 214	15 322	735 654	1 350 190
Variable remuneration	287 473	14 730	302 203	3 846	251 014	557 063
Sub total	**798 076**	**103 341**	**901 417**	**19 168**	**986 668**	**1 907 253**
Benefits and other social charges	101 345	54 952	156 297	-	6 033	162 330
Total	**899 421**	**158 293**	**1 057 714**	**19 168**	**992 701**	**2 069 583**
31 December 2019						
Remunerations and other short-term benefits	149 337	66 848	216 185	11 579	625 650	853 414
Variable remuneration	-	9 139	9 139	1 380	-	10 519
Sub total	**149 337**	**75 987**	**225 324**	**12 959**	**625 650**	**863 933**
Benefits and other social charges	3 286	-	3 286	-	293 671	296 957
Total	**152 623**	**75 987**	**228 610**	**12 959**	**919 321**	**1 160 890**

Note 31 – Third party supplies and services

The value of this item is made up of:

(Thousands Kwanzas)

	31.12.2020	31.12.2019
Franchising Commission and other Group costs	4 094 775	2 358 372
Audits, Consultancy and Other Services	2 815 655	1 646 425
Security, Maintenance and Repairs	1 136 681	805 222
Other Third Party Supplies	787 720	463 764
Communications	648 264	498 517
Insurance	477 113	832 922
Publications, Advertising and Publicity	315 883	309 741
Sundry Materials	221 716	131 510
Water and Energy	136 674	105 565
Transport, Travel and Accomodation	12 168	936 547
	10 646 649	**8 088 585**

Note 32 – Net Profit per Share

BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Bank by the weighted average number of ordinary shares in circulation during the year.

(Thousands Kwanzas)

	31.12.2020	30.06.2019
Net profit	36 131 088	32 127 689
Average number of ordinary shares in circulation	1 000 000	1 000 000
	36 131	**32 128**

DILUTED EARNINGS PER SHARE

Diluted earnings per share are calculated by adjusting the effect of all dilutive potential ordinary shares to the weighted average number of ordinary shares outstanding and the net profit of the Bank.

Diluted earnings per share do not differ from basic earnings per share.

Note 33 – Related party transactions

The value of the Bank's transactions with related parties as at 31 December 2020 and 31 December 2019 and the related costs and income recognised in the period under review are summarised as follows:

	31.12.2020			31.12.2019		
BALANCE SHEET	Shareholder	Subsidiaries and affiliates of shareholders	Company bodies	Shareholder	Subsidiaries and affiliates of shareholders	Governing bodies
Asset						
Deposits in other credit institutions						
Standard Bank South Africa	-	17 312 557	-	-	75 868 719	-
Standard Bank Mauritius	-	388	-	-	23 214 581	-
Stanbic Ibtc Bank Plc	-	5 434	-	-	5 016	-
Standard Bank Namibia	-	2 394	-	-	-	-
Investments in central banks and other credit institutions						
Standard Bank South Africa	-	79 735 325	-	-	-	-
Credit to customers						
Home loans	-	-	12 622	-	-	35 919
Credit cards	-	-	504	-	-	1 380
Other assets						
Standard Bank South Africa	-	591	-	-	3 978	-
Total	**-**	**97 056 689**	**13 126**	**-**	**99 092 294**	**37 299**
Liabilities						
Customer resources and other loans						
AAA Assets, Lda	1 294 082	-	-	729 843	-	-
AAA Insurances, SA	-	2	-	-	1	-
Others	1 011 430	-	-	720 744	-	-
Subordinated liabilities						
Standard Bank South Africa	-	19 248 255	-	-	14 514 974	-
Other liabilities						
Standard Bank South Africa	-	10 360 968	-	-	12 367 554	-
Standard Bank Namibia	-	-	-	-	81	-
Standard Bank Namibia	-	35 213	-	-	35 067	-
Standard Bank London	-	486 573	-	-	-	-
Total	**2 305 512**	**30 131 011**	**-**	**1 450 587**	**26 917 677**	**-**

	31.12.2020			31.12.2019		
RESULTS	Shareholder	Subsidiaries and affiliates of shareholders	Governing bodies	Shareholder	Subsidiaries and affiliates of shareholders	Governing bodies
Interest and similar income						
Standard Bank South Africa	-	588 925	-	-	2 075 597	-
Interest and similar charges						
Standard Bank South Africa	-	(726 114)	-	-	(746 704)	-
Foreign exchange results						
Standard Bank South Africa	-	(19 054)	-	-	628	-
Personnel costs						
Standard Bank South Africa	-	(820 391)	-	-	(121 242)	-
Third party supplies and services						
Standard Bank South Africa	-	(4 025 910)	-	-	(2 390 382)	-
Total	**-**	**(5 002 544)**	**-**	**-**	**(1 182 103)**	**-**

The costs with remunerations and other benefits attributed to the Bank's key management personnel can be analysed in Note 30.

All transactions with related parties are made 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 these are available. If not available, fair value is estimated through internal models based on cash flow discounting techniques. The generation of cash flows of the different instruments is made based on their respective financial characteristics and the discount rates used consider the most recent operations granted by the Bank.

Therefore, the fair value obtained is influenced by the parameters used in the evaluation model, which necessarily incorporate some degree of subjectivity, and exclusively reflects the value attributed to the different financial instruments.

The fair value of financial assets and liabilities for the Bank is presented as follows:

(thousands of Kwanzas)

		Measured at fair value				
	Amortised cost	Market quotations	Valuation models with observable market parameters	Valuation models with non-observable parameters in the market	Total Book Value	Fair Value
		Level 1)	Level 2)	Level 3)		
31 December 2020						
Cash and deposits at central banks	147 520 430	-	-	-	147 520 430	147 520 430
Deposits at other credit institutions	65 181 528	-	-	-	65 181 528	65 181 528
Loans and advances to central banks and other credit institutions	142 266 522	-	-	-	142 266 522	142 266 522
Financial assets at fair value through profit or loss	-	-	1 753 133	71 544	1 824 677	1 824 677
Financial assets at fair value through other comprehensive income	-	-	89 032 526	-	89 032 526	89 032 526
Investments at amortised cost	235 843 696	-	-	-	235 843 696	232 033 067
Loans and advances to customers	140 309 033	-	-	-	140 309 033	154 293 911
Financial assets	**731 121 209**	**-**	**90 857 203**	**71 544**	**821 978 412**	**832 152 661**
Resources from central banks and other credit institutions	894 112	-	-	-	894 112	894 112
Customer resources and other loans	691 667 486	-	-	-	691 667 486	691 844 837
Debt securities issued	4 745 970	-	-	-	4 745 970	4 745 970
Subordinated liabilities	19 553 301	-	-	-	19 553 301	19 553 301
Financial liabilities	**716 860 869**	**-**	**-**	**-**	**716 860 869**	**717 038 220**

(thousands of Kwanzas)

	Amortised cost	Measured at fair value: Market quotations Level 1)	Measured at fair value: Valuation models with observable market parameters Level 2)	Measured at fair value: Valuation models with non-observable parameters in the market Level 3)	Total Book Value	Fair Value
31 December 2019						
Cash and deposits at central banks	92 935 245	-	-	-	92 935 245	92 935 245
Deposits at other credit institutions	168 833 209	-	-	-	168 833 209	168 833 209
Loans and advances to central banks and other credit institutions	5 582 824	-	-	-	5 582 824	5 582 824
Financial assets at fair value through profit or loss	-	-	30 828 275	55 864	30 884 139	30 884 139
Financial assets at fair value through other comprehensive income	-	-	72 318 198	-	72 318 198	72 318 198
Investments at amortised cost	108 653 890	-	-	-	108 653 890	113 609 909
Loans and advances to customers	91 504 620	-	-	-	91 504 620	92 544 296
Financial assets	**467 509 788**	**-**	**103 202 337**	**-**	**570 712 125**	**576 707 820**
Resources from central banks and other credit institutions	1 573 938	-	-	-	1 573 938	1 573 938
Resources from customers and other loans	432 183 355	-	-	-	432 183 355	431 941 929
Debt securities issued	4 745 970	-	-	-	4 745 970	4 745 970
Subordinated liabilities	14 756 220	-	-	-	14 756 220	14 756 220
Financial liabilities	**453 259 483**	**-**	**-**	**-**	**453 259 483**	**453 018 057**

The table below sets out the carrying value of the financial instruments with reference to 31 December 2020 and 31 December 2019:

(thousands of Kwanzas)

	31-12-2020				
	Measured at fair value	Measured at amortised cost	Measured at historical cost	Impairment	Net Value
Assets					
Cash and deposits at central banks		147 520 430			147 520 430
Deposits at other banks		65 182 188		(660)	65 181 528
Loans and advances to central banks and other credit institutions		142 281 281		(14 759)	142 266 522
Financial assets at fair value through profit or loss	1 824 677				1 824 677
Financial assets at fair value through other comprehensive income	89 032 526				89 032 526
Investments at amortised cost		248 578 965		(12 735 269)	235 843 696
Loans and advances to customers		143 074 698		(2 765 665)	140 309 033
Financial assets	**90 857 203**	**746 637 562**	**-**	**(15 516 353)**	**821 978 412**
Resources from central banks and other credit institutions		894 112			894 112
Resources from customers and other loans		691 667 486			691 667 486
Debt securities issued		4 745 970			4 745 970
Subordinated liabilities		19 553 301			19 553 301
Financial liabilities	**-**	**716 860 869**	**-**	**-**	**716 860 869**
Total	**90 857 203**	**29 776 693**	**-**	**(15 516 353)**	**105 117 543**

(thousands of Kwanzas)

	31-12-2019				
	Measured at fair value	Measured at amortised cost	Measured at historical cost	Impairment	Net Value
Assets					
Cash and deposits at central banks		92 935 245			92 935 245
Deposits at other credit institutions		168 834 983		(1 774)	168 833 209
Loans and advances to central banks and other credit institutions		5 582 824			5 582 824
Financial assets at fair	30 884 139				30 884 139
Financial assets at fair value through profit or loss	72 318 198				72 318 198
Investments at amortised cost		110 127 523		(1 473 633)	108 653 890
Loans and advances to customers		93 403 611		(1 898 991)	91 504 620
Financial assets	**103 202 337**	**470 884 186**	**-**	**(3 374 398)**	**570 712 125**
Resources from central banks and other credit institutions		1 573 938			1 573 938
Resources from customers and other loans		432 183 355			432 183 355
Debt securities issued		4 745 970			4 745 970
Subordinated liabilities		14 756 220			14 756 220
Financial liabilities	**-**	**453 259 483**	**-**	**-**	**453 259 483**
Total	**103 202 337**	**17 624 703**	**-**	**(3 374 398)**	**117 452 642**

The Bank uses the following fair value hierarchy, 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 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 those instruments to be valued. If there is more than one active market for the same financial instrument, the relevant price is the one prevailing in the instrument's main market, or the most advantageous market to which access exists;

Level 2: Fair value is determined based on valuation techniques based on observable data in active markets, whether direct data (prices, rates, spreads, etc.) or indirect data (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 quotations disclosed by independent entities but whose markets have lower liquidity; and

Level 3: Fair value is determined based on unobservable inputs in active markets, using techniques and assumptions that market participants would use to value the same instruments, including assumptions about inherent risks, the valuation technique used and the inputs used and contemplated review processes of the accuracy of the values thus obtained.

The Bank considers an active market for a given financial instrument, on the measurement date, depending on the volume of trading and the liquidity of the operations carried outthe relative volatility of the prices quoted and the timeliness and availability of information:

- Existence of frequent daily trading quotes in the last year;
- The above quotations change regularly;
- There are executable quotes from more than one entity.

A parameter used in a valuation technique is considered to be observable market data if the following conditions are met:

- If its value is determined in an active market;
- If an OTC market exists and it is reasonable to assume market conditions are met, with the exception of the conditions are met, with the exception of the condition trading volumes condition; e,
- The value of the parameter may be obtained by inversely calculating the prices of financial and or derivatives where the remaining parameters necessary for the initial valuation are observable on a liquid market or on an OTC OTC market that comply with the previous the preceding paragraphs.

At 31 December 2020 and 31 December 2019 the financial asset at fair value classified in level 3 of the fair value hierarchy of IFRS 13, relates to the interest in EMIS.

The main methodologies and assumptions used in estimating the fair value of financial assets and liabilities carried in the balance sheet at amortised cost are analysed as follows:

– Cash and deposits at central banks, Deposits at other credit institutions and credit institutions and Loans and advances to central banks and in other credit institutions

These assets are very short-term assets and therefore the book value is a reasonable estimate of their fair value.

– Financial assets at fair value through profit or profit or loss and Financial assets at fair value through value through other comprehensive income

These financial instruments are accounted for at fair value. The fair value is based on market quotations (Bid-price), whenever these are available. If not, the calculation of the fair value is based on the use of numerical models, based on discounted cash flow techniques, which, in order to estimate the fair value, use the market interest rate adjusted for associated factors, predominantly credit risk and liquidity risk, determined in accordance with the respective market conditions and terms.

The figures for very short-term rates are obtained from a similar source but for the interbank money market. The interest rates for the specific maturities of the cash flows are determined by suitable interpolation methods. The same interest rate curves are also used in the projection ofnon-deterministic cash flows such as indexation factors.

The market interest rates for securities in Kwanzas are calculated on the basis of the interest rates on 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. Whenever it is considered 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 quotes provided by an external entity, typically the counterparty in the transaction, are used.

– Investments at amortised cost

The fair value of these financial instruments is based on quoted market prices, when available. If not available, fair value is estimated based on the discount of the expected future cash flows of capital and interest for these instruments.

– Loans and advances to Clients

The fair value of loans to Clients is estimated based on the updated cash flow expected from capital and interest, considering that the instalments are paid on the contractually defined dates. The discount rates used are the current rates practised for loans with similar characteristics.

– Resources from central banks and other credit institutions

The fair value of these liabilities is estimated based on the discount of the expected future cash flows of capital and interest, assuming that the instalments are paid on the dates that have been contractually defined. These liabilities are very short-term liabilities and therefore the book value is a reasonable estimate of its fair value.

– Client resources and other loans

The fair value of these financial instruments is estimated based on the discount of the expected cash flows ofcapital and interest. The discount rate used is the rate that reflects the rates practiced for deposits with similar characteristics at the balance sheet date. Considering that 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 listed market prices when available; if not available, it is estimated based on the discount of the expected future cash-flows of capital and interest for these instruments. If not available, fair value is estimated based on numeric models based on cash flow discountingtechniques that use current market interest rates for similar loans to estimate fair value.

With regard to exchange rates, the Bank uses in its valuation models the spot rate observed in the market at the time of valuation.

Note 35 – Balance Sheet and Profit and Loss Account by segment

As required by IFRS 8, the segmental disclosures are presented below in accordancewith the information as analysed by the Bank's Management:

- Individuals and Small and Medium Enterprises
- Corporate and Investment Banking

As at 31 December 2020 and 31 December 2019, the balance sheet by segment is presented as follows:

(thousands of Kwanzas)

31.12.2020			
BALANCE	Private and Small and Medium-sized Companies	Large Companies and Banking Investment	Total
Asset			
Credit to customers			
Loans	28 103 164	82 587 596	110 690 760
Overdrafts	12 785 247	13 294 415	26 079 662
Leasing	1 013 768	-	1 013 768
Letters of credit	223 255	686 288	909 543
Credit cards	533 284	-	533 284
Housing	1 082 017	-	1 082 017
Total allocated assets	43 740 735	96 568 299	140 309 034
Unallocated assets			739 973 304
Total Assets			**880 282 338**
Liabilities			
Customer resources and other loans	147 205 896	544 461 590	691 667 486
Debt securities issued	-	4 745 970	4 745 970
Total allocated liabilities	147 205 896	549 207 560	696 413 456
Unallocated liabilities			66 886 511
Total Liabilities			**763 299 967**

(thousands of Kwanzas)

31.12.2019			
BALANCE	**Private and Small and Medium-sized Companies**	**Large Companies and Banking Investment**	**Total**
Asset			
Credit to customers			
Loans	12 489 557	33 439 618	45 929 175
Overdrafts	7 059 087	20 855 712	27 914 799
Leasing	1 131 915	-	1 131 915
Letters of credit	4 853 383	10 471 487	15 324 870
Credit cards	502 298	-	502 298
Housing	701 563	-	701 563
Total allocated assets	26 737 803	64 766 817	91 504 620
Unallocated assets			514 732 674
Total Assets			**606 237 294**
Liabilities			
Customer resources and other loans	85 844 535	346 338 820	432 183 355
Debt securities issued	-	4 745 970	4 745 970
Total allocated liabilities	85 844 535	351 084 790	436 929 325
Unallocated liabilities			73 642 219
Total Liabilities			**510 571 544**

(thousands of Kwanzas)

2020			
INCOME STATEMENT	Private Individuals and Small and Medium-sized	Large Corporations and Banking Investment	Total
Interest and similar income	10 946 091	47 243 183	58 189 274
Interest and similar charges	(114 569)	(6 887 381)	(7 001 950)
Net interest income	**10 831 522**	**40 355 802**	**51 187 324**
Fee and commission income	10 304 370	2 123 478	12 427 848
Fee and commission expense	(1 846 318)	(2 380 430)	(4 226 748)
Net gains from financial assets and liabilities held at fair value through profit or loss	-	262 184	262 184
Foreign exchange gains and losses	(177 629)	26 895 247	26 717 618
Other operating income (expense)	(391 706)	(2 547 562)	(2 939 268)
Net income from banking activity	**18 720 239**	**64 708 719**	**83 428 958**
Personnel costs	(9 595 579)	(8 597 786)	(18 193 365)
Third party supplies and services	(5 468 790)	(5 177 859)	(10 646 649)
Depreciation and amortisation	(1 219 992)	(588 065)	(1 808 057)
Provisions net of reversals	(311 921)	(760 113)	(1 072 034)
Impairment for loans and advances to customers net of reversals and recoveries	(581 869)	(361 544)	(943 413)
Impairment for other assets net of reversals and recoveries	(11 295)	(11 438 389)	(11 449 684)
Profit before taxes	**1 530 793**	**37 784 963**	**39 315 756**
Income taxes	-	(3 184 668)	(3 184 668)
Net profit	**1 530 793**	**34 600 295**	**36 131 088**

(thousands of Kwanzas)

2019			
INCOME STATEMENT	Private Individuals and Small and Medium-sized	Large Corporations and Banking Investment	Total
Interest and similar income	3 999 444	41 877 474	45 876 918
Interest and similar charges	(241 105)	(6 266 147)	(6 507 252)
Net interest income	**3 758 339**	**35 611 327**	**39 369 666**
Fee and commission income	5 300 218	3 605 470	8 905 688
Fee and commission expense	(698 347)	(989 646)	(1 687 993)
Resultados de activos e passivos financeiros avaliados ao justo valor através de resultados	-	1 559 304	1 559 304
Net gains from financial assets at fair value through other comprehensive income	-	(1 529)	(1 529)
Foreign exchange gains and losses	-	13 504 978	13 504 978
Net gains from the sale of other assets	-	-	-
Other operating income	4 888 274	(5 432 197)	(543 923)
Net income from banking activity	**13 248 484**	**47 857 707**	**61 106 191**
Personnel costs	(7 931 189)	(5 789 986)	(13 721 175)
Third party supplies and services	(3 511 899)	(4 576 686)	(8 088 585)
Depreciation and amortisation	(1 260 339)	(681 591)	(1 941 930)
Provisions net of reversals	11 052	358 041	369 093
Impairment for loans and advances to customers net of reversals and recoveries	(268 769)	(635 247)	(904 016)
Impairment for other assets net of reversals and recoveries	-	(1 227 112)	(1 227 112)
Profit before taxes	**287 340**	**35 305 126**	**35 592 466**
Income taxes	-	(3 464 777)	(3 464 777)
Net profit	**287 340**	**31 840 349**	**32 127 689**

Note 36 – Risk Management Activity

The Bank is subject to various types of risk in the course of its business. Risk management is centralised 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 its equity and its business activities, as well as the corresponding assessment of the risk/return profile by business line.

In this context, the monitoring and control of the main types of financial risk - credit, market, liquidity and operational - to which the Bank's activity is subject is of particular importance.

MAIN CATEGORIES OF RISK

Credit – Credit risk is associated with the degree of uncertainty of recovering the investment and its return, due to the inability of a debtor (and his guarantor, if any), thus causing a financial loss for the creditor. Credit risk is patent on debt securities or other receivable balances.

Market – The concept of market risk reflects the potential loss that can be incurred by a certain portfolio as a result of changes in rates (interest and exchange) and/or in the prices of the different financial instruments that comprise it, considering both the correlations that exist between them and their respective volatilities. Thus, Market Risk includes interest rate risk, exchange rate risk and other price risks.

Liquidity - Liquidity risk reflects the Bank's inability to meet its obligations associated with financial liabilities at each maturity date without incurring significant losses due to deteriorating access to finance (funding risk) and/or the sale of its assets below their normal market value (market liquidity risk).

Operational - Operational risk is understood as the potential loss resulting from failures or inadequacies in internal processes, people or systems, or even potential losses resulting from external events.

INTERNAL ORGANIZATION

Standard Bank of Angola views risk management as a central element of the Institution's vision and strategy. Thus, the risk management model is independent from the risk-generating areas and presents decision and control mechanisms that depend directly on the Board of Directors.

Risk management is the responsibility of the Board of Directors and its committees. The Board ofDirectors is the body responsible for the institution's risk strategy, supported by Committees whose main functions are to advise the Board of Directors as regards risk management strategy and to supervise the performance of the risk management function as envisaged by the BNA.

The Board of Directors delegates day-to-day risk management to the Executive Committee. At Executive Committee level, the Chief Executive Officer is responsible for risk management.

The risk management function is carried out autonomously and independently by the Risk Department, which is responsible for identifying, assessing, monitoring, controlling and reporting on all relevant risks in the institution's activities.

For Standard Bank of Angola risk management is also a way of optimizing the use of capital and the selection of the best business opportunities, weighing the relationship between risk and return to best meet the needs of Clients and maximize value creation for our shareholders.

Therefore, and following the best international practices, the risk management model follows the principle of the "Three Lines of Defence", underlying the attribution of responsibilities to the various participants in risk management, and clearly defines the delegation of powers and the communication channels that are formalised in the Bank's policies.

1. Management of Business and Support Units

The chief risk officer of the Bank. The assessment, evaluation and measurement of risks is an ongoing process that is integrated into the day-to-day business activities. This process includes implementing the Risk Management framework, identifying problems and taking corrective action when necessary.

2. Risk management

The Bank's Risk Management functions are primarily responsible for defining the Risk Management framework and policies, providing independent oversight and information to executive management through theCredit 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 defence.

3. Internal Audit

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

RISK ASSESSMENT

Credit Risk

Credit risk models play an essential role in the credit decision-making process. The decision-making process for loan portfolio operations is based on a set of policies using scoring models for the Individual Clients' portfolios and rating models for the Corporate segment.

Credit decisions depend on risk ratings and compliance withvarious rules on the financial capacity and behaviour of bidders.

Information on the Bank's exposure to credit risk is presented below:

(thousands of Kwanzas)

	31.12.2020		
	Gross book value	**Impairment**	**Net book value**
Patrimonial			
Cash and deposits at central banks (Note 4)	147 520 430	-	147 520 430
Loans and advances to banks (Note 5)	65 182 188	(660)	65 181 528
Loans and advances to central banks and other credit institutions (Note 6)	142 281 281	(14 759)	142 266 522
Financial assets at fair value through profit or loss (Note 7)	1 824 677	-	1 824 677
Financial assets at fair value through other comprehensive income (Note 8)	89 032 526	-	89 032 526
Investments at amortised cost (Note 9)	248 578 966	(12 735 270)	235 843 696
Loans and advances to customers (Note 10)	143 074 698	(2 765 665)	140 309 033
	837 494 766	(15 516 354)	821 978 412
Off balance sheet			
Guarantees given (Note 23)	24 435 726	(25 327)	24 410 399
Letters of credit (Note 23)	14 172 410	(10 248)	14 162 162
Unused limits (Note 23)	77 374 898	(467 086)	76 907 812
	115 983 034	(502 661)	115 480 373
Total	**953 477 800**	**(16 019 016)**	**937 458 784**

(thousands of Kwanzas)

	31.12.2019		
	Gross book value	Impairment	Net book value
Patrimonial			
Cash and deposits at central banks (Note 4)	92 935 245	-	92 935 245
Loans and advances to banks (Note 5)	168 834 983	(1 774)	168 833 209
Loans and advances to central banks and other credit institutions (Note 6)	5 582 824	-	5 582 824
Financial assets at fair value through profit or loss (Note 7)	30 884 139	-	30 884 139
Financial assets at fair value through other comprehensive income (Note 8)	72 318 198	-	72 318 198
Investments at amortised cost (Note 9)	110 127 523	(1 473 633)	108 653 890
Loans and advances to customers (Note 10)	93 403 611	(1 898 991)	91 504 620
	574 086 523	(3 374 398)	570 712 125
Off balance sheet			
Guarantees given (Note 23)	15 025 128	(19 178)	15 005 950
Letters of credit (Note 23)	26 778 191	(18 358)	26 759 833
Unused limits (Note 23)	29 042 026	(101 034)	28 940 992
	70 845 345	(138 570)	70 706 775
Total	**644 931 867**	**(3 512 968)**	**641 418 900**

With respect to the level of credit risk quality of the financial assets as at 31 December 2020 and 31 December 2019 is as follows:

(thousands of Kwanzas)

	Origin of rating	Rating level	31.12.2020		
			Gross exposure	Impairment	Net exposure
Patrimonial	External rating	< B-	337 611 372	(12 926 381)	324 684 991
	Internal rating	AAA a AA-	166 254 926	(3 564)	166 251 362
		A+ a A-	51 930 403	(1 959)	51 928 444
		BBB+ a BBB-	31 391 939	(41 419)	31 350 520
		BB+ a BB-	95 968 709	(52 829)	95 915 880
		B+ a B-	106 922 187	(725 753)	106 196 434
		< B-	2 156 069	(226 263)	1 929 806
		Baixo	42 478 510	(248 467)	42 230 043
		Médio	1 840 914	(534 556)	1 306 358
		Elevado	939 737	(755 164)	184 573
Total			**837 494 766**	**(15 516 354)**	**821 978 412**

(thousands of Kwanzas)

	Origin of rating	Rating level	31.12.2019		
			Gross exposure	Impairment	Net exposure
Patrimonial	External rating	AAA a AA-	7 534 778	(1 530)	7 533 248
	Internal rating	A+ a A-	71 307 999	(1 391)	71 306 608
		BBB+ a BBB-	375 012 266	(1 003 429)	374 008 837
		BB+ a BB-	71 832 856	(796 296)	71 036 560
		B+ a B-	20 295 547	(538 379)	19 757 168
		< B-	332 218	(316)	331 902
		Baixo	26 863 176	(645 736)	26 217 440
		Médio	20 143	(11 657)	8 486
		Elevado	887 540	(375 664)	511 876
Total			**574 086 523**	**(3 374 398)**	**570 712 125**

The tables below present with reference to 31 December 2020 and 31 December 2019 the exposure to credit risk by class of financial asset, rating level and stage.

(thousands of Kwanzas)

31.12.2020					
Financial asset class	**Rating**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Patrimonial					
Cash and deposits at central banks (Note 4)	*BBB+ a BBB-*	147 520 430	-	-	147 520 430
Deposits from banks (Note 5)	*AAA a AA-*	305 146	-	-	305 146
	A+ a A-	47 543 113	-	-	47 543 113
	BBB+ a BBB-	11 663 682	-	-	11 663 682
	BB+ a BB-	5 670 246	-	-	5 670 246
Loans and advances to central banks and other credit institutions (Note 6)	*BB+ a BB-*	79 735 325	-	-	79 735 325
	BBB+ a BBB-	43 057 768	19 488 188	-	62 545 956
Financial assets at fair value through profit or loss (Note 7)	*BB+ a BB-*	71 544	-	-	71 544
	BBB+ a BBB-	1 753 133	-	-	1 753 133
Financial assets at fair value through other comprehensive income (Note 8)	*< B-*	89 032 526	-	-	89 032 526
Investments at amortised cost (Note 9)	*< B-*	200 788 751	47 790 215	-	248 578 966
Loans and advances to customers (Note 10)	*AAA a AA-*	18 429 350	-	-	18 429 350
	A+ a A-	4 387 289	-	-	4 387 289
	BBB+ a BBB-	17 446 777	-	-	17 446 777
	BB+ a BB-	10 491 594	-	-	10 491 594
	B+ a B-	40 896 808	3 479 326	-	44 376 134
	< B-	64 166	2 600 466	-	2 664 632
	Baixo	42 498 271	-	-	42 498 271
	Médio	-	1 840 914	-	1 840 914
	Elevado	-	-	939 737	939 737
Total Gross Book Value		**761 355 919**	**75 199 109**	**939 737**	**837 494 765**
Provision for losses		(8 410 560)	(6 350 631)	(755 164)	**(15 516 354)**
Net book value		**752 945 359**	**68 848 479**	**184 573**	**821 978 411**

(thousands of Kwanzas)

31.12.2019					
Financial asset class	**Rating**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Patrimonial					
Cash and deposits at central banks (Note 4)	*BBB+ a BBB-*	92 935 245	-	-	92 935 245
Deposits from banks (Note 5)	*AAA a AA-*	173 309	-	-	173 309
	A+ a A-	69 557 567	-	-	69 557 567
	BBB+ a BBB-	99 097 064	-	-	99 097 064
	BB+ a BB-	5 016	2 027	-	7 043
Loans and advances to central banks and other credit institutions (Note 6)	*BB+ a BB-*	5 582 824	-	-	5 582 824
	BB+ a BB-	55 864	-	-	55 864
Financial assets at fair value through profit or loss (Note 7)	*BBB+ a BBB-*	30 828 275			30 828 275
	BBB+ a BBB-	72 318 198	-	-	72 318 198
Financial assets at fair value through other comprehensive income (Note 8)	*BBB+ a BBB-*	79 534 996	-	-	79 534 996
Investments at amortised cost (Note 9)	*BB+ a BB-*	30 592 527	-	-	30 592 527
Loans and advances to customers (Note 10)	*AAA a AA-*	7 361 468	-	-	7 361 468
	A+ a A-	1 750 432	-	-	1 750 432
	BBB+ a BBB-	298 488	-	-	298 488
	BB+ a BB-	35 594 599	-	-	35 594 599
	B+ a B-	17 050 153	3 245 394	-	20 295 547
	< B-	332 218	-	-	332 218
	Baixo	26 012 944	850 232	-	26 863 176
	Médio	-	20 143	-	20 143
	Elevado	-	-	887 540	887 540
Total Gross Book Value		**569 081 187**	**4 117 796**	**887 540**	**574 086 523**
Provision for losses		(2 499 608)	(499 126)	(375 664)	**(3 374 398)**
Net book value		**566 581 579**	**3 618 670**	**511 876**	**570 712 125**

The breakdown by sectors of activity of the exposure to credit risk, as at 31 December 2020 and 31 December 2019, is presented as follows:

(thousands of Kwanzas)

	31.12.2020						
	Exhibition		Guarantees provided	Total exposure	Relative weight	Impairment	
	Amount Due	Due Impairment				Value	Impairment/ Total Exposure
Companies							
Central Government	693 911 505	-	-	693 911 505	73%	12 750 690	-2%
Financial Activities	-	-	63 483 072	63 483 072	7%	357 860	-1%
Wholesale and retail trade	34 995 884	19	24 459 471	59 455 375	6%	493 286	-1%
Education	-	387 430	-	387 430	0%	231 145	-60%
Other activities of collective, social and personal services	4 422 357	1	3 584 581	8 006 939	1%	172 665	-2%
Hotels and restaurants	2	-	170 017	170 020	0%	313	0%
Construction	9 702 002	-	5 646 374	15 348 376	2%	60 940	0%
Manufacturing	46 217 514	81 891	7 379 816	53 679 220	6%	791 839	-1%
Mining and quarrying	110 944	-	-	110 944	0%	47 033	-42%
Food products, beverages and tobacco	12 214 681	-	1 727 060	13 941 741	1%	3 537	0%
Transport, Storage and Communication	7 972 083	2	5 357 187	13 329 272	1%	42 200	0%
Agriculture, hunting and forestry	11 072 776	-	421 193	11 493 969	1%	193 602	-2%
Health and Social work	3 932 332	-	-	3 932 332	0%	11 881	0%
Electricity, gas and water supply	-	-	1 087 763	1 087 763	0%	1 981	0%
Households							
Consumption	9 524 408	242 909	1 098 917	10 866 233	1%	547 393	-5%
Housing	1 097 972	196 036	-	1 294 008	0%	211 992	-16%
Other purposes	1 380 553	31 464	1 567 584	2 979 601	0%	100 659	-3%
Total	**836 555 014**	**939 752**	**115 983 034**	**953 477 800**	**100%**	**16 019 016**	**-2%**

(thousands of Kwanzas)

	Exhibition		Guarantees provided	Total exposure	Relative weight	Impairment	
	Amount Due	Due Impairment				Value	Impairment/ Total Exposure
Companies							
Central Government	481 247 679	-	9 448 997	490 696 676	76%	1 512 557	0%
Financial Activities	7 153 451	-	7 536 977	14 690 428	2%	308 239	-2%
Wholesale and retail trade	43 179 280	12 166	25 762 191	68 953 637	11%	418 589	-1%
Mining and quarrying	-	-	379 040	379 040	0%	815	0%
Other activities of collective, social and personal services	16 464 576	152 042	4 198 536	20 815 154	3%	227 742	-1%
Construction	7 243 192	-	14 516 765	21 759 957	3%	74 458	0%
Manufacturing	3 607 775	11 644	1 393 726	5 013 145	1%	192 130	-4%
Food products and beverages	3 098 033	7 276	1 368 661	4 473 970	1%	24 249	-1%
Transport, Storage and Communication	2 468 583	18 345	4 057 200	6 544 128	1%	26 199	0%
Production of machinery and electrical appliances -	-	-	400 000	400 000	0%	2 225	-1%
Households							
Consumption	7 059 622	39 300	1 783 151	8 882 073	1%	403 914	-5%
Housing	920 222	(506)	-	919 716	0%	218 154	-24%
Other purposes	1 399 376	4 468	100	1 403 944	0%	103 697	-7%
Total	**573 841 789**	**244 735**	**70 845 344**	**644 931 868**	**100%**	**3 512 968**	**-1%**

The geographical concentration of credit risk at 31 December 2020 and 31 December 2019 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 fair value through profit or loss and in the category of fair value through other comprehensive income.

The sensitivity analysis of the equity value of financial instruments to changes in exchange rates as at 31 December 2020 and 31 December 2019 is presented as follows:

(thousands of Kwanzas)

	31.12.2020					
Currency	-20%	-10%	-5%	+5%	+10%	+20%
United States Dollars	(4 622 436)	(2 311 218)	(1 155 609)	1 155 609	2 311 218	4 622 436
Euros	1 648 549	824 274	412 137	(412 137)	(824 274)	(1 648 549)
Other currencies	513 333	256 667	128 333	(128 333)	(256 667)	(513 333)
Total	**(2 460 556)**	**(1 230 273)**	**(615 141)**	**615 141**	**1 230 273**	**2 460 556**

(thousands of Kwanzas)

	31.12.2019					
Currency	-20%	-10%	-5%	5%	10%	20%
United States Dollars	(918 607)	(459 304)	(229 652)	229 652	459 304	918 607
Euros	(882 417)	(441 209)	(220 604)	220 604	441 209	882 417
Other currencies	(7 604 712)	(3 802 356)	(1 901 178)	1 901 178	3 802 356	7 604 712
Total	**(9 405 736)**	**(4 702 869)**	**(2 351 434)**	**2 351 434**	**4 702 869**	**9 405 736**

The result of the stress test presented corresponds to the expected impact. This risk refers to the present and/or future risk on the Bank's profits and capital arising from adverse movements in interest rates affecting the Bank's banking book positions.

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

The interest rate risk in Standard Bank of Angola's banking portfolio 31 December 2020 was reported to Banco Nacional de Angola as follows:

NATIONAL CURRENCY

(in thousands of Kwanzas)

Exposures by Maturity Interval or Rate Refixing - Impact on Net Worth Local Currency							
Band	Assets (+)	Liabilities (-)	Off-Balance Sheet Elements (+)	Off-Balance Sheet Elements (-)	Position (+/-)	Weighting factor (A)	Weighting position (B)
at sight - 1 month	12 962 905	44 111 803			(31 148 898)	0.08%	(24 919)
1 - 3 months	218 078 535	48 345 992			169 732 542	0.32%	543 144
3 - 6 months	24 300 351	11 019 622			13 280 729	0.72%	95 621
6 - 12 months	70 605 549	4 605 182			66 000 367	1.43%	943 805
1 - 2 years	123 237 376	52 117			123 185 259	2.77%	3 412 232
2 - 3 years	34 830 286	-			34 830 286	4.49%	1 563 880
3 - 4 years	-	-			-	6.14%	-
4 - 5 years	-	-			-	7.71%	-
5 - 7 years	-	-			-	10.15%	-
7 - 10 years	-	-			-	13.26%	-
10 - 15 years	-	-			-	18.84%	-
15 - 20 years	-	-			-	22.43%	-
> 20 years	-	-			-	26.03%	-
						TOTAL (C) :	**6 533 763**
	325 947 340	**108 082 599**			**375 880 285**		
						Cumulative impact of interest rate sensitive instruments:	**6 533 763**
						Regulatory Own Funds:	**131 301 091**
						Impact on Economic Value / Regulatory Capital:	**4.98%**

(in thousands of Kwanzas)

Exposures by Maturity Interval or Rate Refixing - Impact on Interest Margin
Local Currency

Band	Assets (+)	Liabilities (-)	Off-Balance Sheet Elements (+)	Off-Balance Sheet Elements (-)	Position (+/-)	Weighting factor (A)	Weighting position (B)
at sight - 1 month	-	-			-	2.00%	-
1 - 3 months	12 962 905	44 111 803			(31 148 898)	1.92%	(598 059)
3 - 6 months	190 984 531	19 476 515			171 508 016	1.75%	3 001 390
6 - 12 months	27 094 003	28 869 477			(1 775 474)	1.58%	(28 052)
1 - 2 years	11 402 975	3 385 058			8 017 917	1.42%	113 854
2 - 3 years	-	608 681			(608 681)	1.25%	(7 609)
3 - 4 years	12 897 377	7 025 883			5 871 494	1.08%	63 412
4 - 5 years	24 493 382	817 884			23 675 498	0.92%	217 815
5 - 7 years	5 469 181	748 561			4 720 620	0.75%	35 405
7 - 10 years	19 802 784	140 426			19 662 358	0.58%	114 042
10 - 15 years	496 147	539 607			(43 460)	0.42%	(183)
15 - 20 years	7 555 399	755 403			6 799 996	0.25%	17 000
> 20 years	12 788 656	1 603 301			11 185 355	0.08%	8 948
	325 947 340	**108 082 599**					
						Cumulative impact of interest rate sensitive instruments up to one year:	**2 937 963**
						Interest Margin	**46 411 418**
						Cumulative Impact of Interest Rate Sensitive Instruments up to one year as a percentage of YY:	**6.33%**

FOREIGN CURRENCY (USD)

(in thousands of Kwanzas)

Exposures by Maturity Interval or Rate Refixing - Impact on Net Assets Foreign Currency (USD)							
Band	Assets (+)	Liabilities (-)	Off-Balance Sheet Elements (+)	Off-Balance Sheet Elements (-)	Position (+/-)	Weighting factor (A)	Weighting position (B)
at sight - 1 month	99 120 965	69 033 329			30 087 636	0.08%	24 070
1 - 3 months	12 484 296	424 840			12 059 456	0.32%	38 590
3 - 6 months	-	979 206			(979 206)	0.72%	(7 050)
6 - 12 months	-	460 032			(460 032)	1.43%	(6 578)
1 - 2 years	-	-			-	2.77%	-
2 - 3 years	-	-			-	4.49%	-
3 - 4 years	-	-			-	6.14%	-
4 - 5 years	-	-			-	7.71%	-
5 - 7 years	-	-			-	10.15%	-
7 - 10 years	-	-			-	13.26%	-
10 - 15 years	-	-			-	18.84%	-
15 - 20 years	-	-			-	22.43%	-
> 20 years	-	-			-	26.03%	-
						TOTAL (C) :	**49 032**
	111 605 261	70 897 408			40 707 854		
						Cumulative impact of interest rate sensitive instruments:	**49 032**
						Regulatory Own Funds:	**131 301 091**
						Impact on Economic Value / Regulatory Own Funds:	**0.04%**

(in thousands of Kwanzas)

Exposures by Maturity Interval or Rate Refixing - Impact on Interest Rate Margin Foreign Currency (USD)							
Band	Assets (+)	Liabilities (-)	Off-Balance Sheet Elements (+)	Off-Balance Sheet Elements (-)	Position (+/-)	Weighting factor (A)	Weighting position (B)
at sight					-	2.00%	-
at sight - 1 month	99 120 965	69 033 329			30 087 636	1.92%	577 683
1 - 2 months	12 484 296	424 840			12 059 456	1.75%	211 040
2 - 3 months	-	-			-	1.58%	-
3 - 4 months	-	375 639			(375 639)	1.42%	(5 334)
4 - 5 months	-	4 548			(4 548)	1.25%	(57)
5 - 6 months	-	599 019			(599 019)	1.08%	(6 469)
6 - 7 months	-	-			-	0.92%	-
7 - 8 months	-	-			-	0.75%	-
8 - 9 months	-	-			-	0.58%	-
9 - 10 months	-	294 346			(294 346)	0.42%	(1 236)
10 - 11 months	-	29 244			(29 244)	0.25%	(73)
11 - 12 months	-	136 443			(136 443)	0.08%	(109)
	111 605 261	70 897 408					
			Cumulative impact of Interest Rate Sensitive Instruments up to one year:				775 445
						Interest margin	2 365 013
		Cumulative impact of Interest Rate Sensitive Instruments up to one year as a percentage of YY:					32.79%

In turn, the interest rate risk in the banking portfolio relating to 31 December 2019 to Banco Nacional de Angola was reported as follows:

NATIONAL CURRENCY

(in thousands of Kwanzas)

Exposures by Maturity Interval or Rate Refixing - Impact on Net Worth Local Currency							
Band	Assets (+)	Liabilities (-)	Off-Balance Sheet Elements (+)	Off-Balance Sheet Elements (-)	Position (+/-)	Weighting factor (A)	Weighting position (B)
at sight - 1 month	5 596 022	37 277 965			(31 681 943)	0.08%	(25 346)
1 - 3 months	78 684 479	18 124 985			60 559 494	0.32%	193 790
3 - 6 months	35 688 328	3 593 769			32 094 560	0.72%	231 081
6 - 12 months	36 333 373	1 549 700			34 783 673	1.43%	497 407
1 - 2 years	52 077 035	7 256			52 069 780	2.77%	1 442 333
2 - 3 years	13 908 172	-			13 908 172	4.49%	624 477
3 - 4 years	2 718 546	4 745 970			(2 027 424)	6.14%	(124 484)
4 - 5 years	-	-			-	7.71%	-
5 - 7 years	-	-			-	10.15%	-
7 - 10 years	-	-			-	13.26%	-
10 - 15 years	-	-			-	18.84%	-
15 - 20 years	-	-			-	22.43%	-
> 20 years	-	-			-	26.03%	-
						TOTAL (C) :	2 839 258
	156 302 203	60 546 419			159 706 312		
						Cumulative impact of interest rate sensitive instruments:	2 839 258
						Regulatory Own Funds:	61 014 442
						Impact on Economic Value / Regulatory Own Funds:	4.65%

(in thousands of Kwanzas)

Exposures by Maturity Interval or Rate Refixing - Impact on Interest Margin Local Currency							
Band	Assets (+)	Liabilities (-)	Off-Balance Sheet Elements (+)	Off-Balance Sheet Elements (-)	Position (+/-)	Weighting factor (A)	Weighting position (B)
at sight - 1 month	5 596 022	37 277 965	1,000		(31 680 943)	1.92%	(608 274)
1 - 2 months	76 198 065	3 389 797			72 808 268	1.75%	1 274 145
2 - 3 months	2 486 414	14 735 188			(12 248 774)	1.58%	(193 531)
3 - 4 months	-	2 183 508			(2 183 508)	1.42%	(31 006)
4 - 5 months	31 128 534	1 120 758			30 007 776	1.25%	375 097
5 - 6 months	4 559 795	289 503			4 270 292	1.08%	46 119
6 - 7 months	11 007 687	58 666			10 949 021	0.92%	100 731
7 - 8 months	6 538 217	102 438			6 435 780	0.75%	48 268
8 - 9 months	-	224 863			(224 863)	0.58%	(1 304)
9 - 10 months	-	130 086			(130 086)	0.42%	(546)
10 - 11 months	13 628 217	830 371			12 797 846	0.25%	31 995
11 - 12 months	5 159 252	203 277			4 955 975	0.08%	3 965
	156 302 203	60 546 419					
			Cumulative impact of interest rate sensitive instruments up to one year:				1 045 659
						Interest margin	36 575 137
			Cumulative Impact of Interest Rate Sensitive Instruments up to one year as a percentage of YY:				2.86%

FOREIGN CURRENCY (USD)

(in thousands of Kwanzas)

Exposures by Maturity Interval or Rate Refixing - Impact on Net Assets Foreign Currency (USD)							
Band	Assets (+)	Liabilities (-)	Off-Balance Sheet Elements (+)	Off-Balance Sheet Elements (-)	Position (+/-)	Weighting factor (A)	Weighting position (B)
at sight - 1 month	-	47 431 760			(47 431 760)	0.08%	(37 945)
1 - 3 months	12 095 051	30 551 974			(18 456 923)	0.32%	(59 062)
3 - 6 months	-	15 001 391			(15 001 391)	0.72%	(108 010)
6 - 12 months	-	590 320			(590 320)	1.43%	(8 442)
1 - 2 years	-	-			-	2.77%	-
2 - 3 years	-	-			-	4.49%	-
3 - 4 years	30 589 819	-			30 589 819	6.14%	1 878 215
4 - 5 years	-	-			-	7.71%	-
5 - 7 years	-	-			-	10.15%	-
7 - 10 years	-	-			-	13.26%	-
10 - 15 years	-	-			-	18.84%	-
15 - 20 years	-	-			-	22.43%	-
> 20 years	-	-			-	26.03%	-
						TOTAL (C) :	**1 664 756**
	12 095 051	93 575 445			(50 890 575)		
						Cumulative impact of interest rate sensitive instruments:	**1 664 756**
						Regulatory Own Funds:	**610 014 442**
						Impact on Economic Value / Regulatory Own Funds:	**2.73%**

(in thousands of Kwanzas)

Exposures by Maturity Interval or Rate Refixing - Impact on Interest Rate Margin

Foreign Currency (USD)

Band	Assets (+)	Liabilities (-)	Off-Balance Sheet Elements (+)	Off-Balance Sheet Elements (-)	Position (+/-)	Weighting factor (A)	Weighting position (B)
at sight - 1 month	-	47 431 760			(47 430 760)	1.92%	(910 671)
1 - 2 months	12 095 051	16 465 112			(4 370 061)	1.75%	(76 476)
2 - 3 months	-	14 086 862			(14 086 862)	1.58%	(222 572)
3 - 4 months	-	14 728 893			(14 728 893)	1.42%	(209 150)
4 - 5 months	-	112 805			(112 805)	1.25%	(1 410)
5 - 6 months	-	159 692			(159 692)	1.08%	(1 725)
6 - 7 months	-	-			-	0.92%	-
7 - 8 months	-	-			-	0.75%	-
8 - 9 months	-	97 487			(97 487)	0.58%	(565)
9 - 10 months	-	979			(979)	0.42%	(4)
10 - 11 months	-	483 219			(483 219)	0.25%	(1 208)
11 - 12 months	-	8 634			(8 634)	0.08%	(7)
	12 095 051	93 575 445					
Cumulative impact of interest rate sensitive instruments up to one year:							**(1 423 788)**
Margin of Interest							**1 751 627**
Cumulative impact of Interest Rate Sensitive Instruments up to one year as a percentage of MJ:							**-81.28%**

According to the tables above, it can be seen that in the two periods, namely 2019 and 2020, the cumulative impact of interest rate-sensitive instruments on the Bank's regulatory own funds was within the 20% limit in both domestic and foreign currencies, in this case the US dollar (which remains the only foreign currency whose items exposed to interest rate risk represent more than 5% of the banking book such as was the case last year). In addition to the requirement to report the interest rate risk in the banking portfolio to the National Bank of Angola, the Bank must also report to ALCO and the Group, internal risk metrics for interest rate in the banking book and for consolidation purposes by the Standard Bank Group, the Bank must report the interest rate risk in accordance with the requirements of the South African regulator (SARB) which is based on Basel III. In accordance with the requirements of the South African regulator, the expected cash flows of assets and liabilities are grouped in the respective time band taking into account the refixing date (for floating rate instruments) or contractual maturity (for fixed rate instruments) and this allows interest rate gaps to be determined for each of the time bands.

This analysis is carried out on a consolidated basis taking into account the Bank's balance sheet as a whole and there is no need for a separate analysis by currency.

The following tables reflect the interest rate gaps reported to the Standard Bank Group for consolidation purposes with the South African regulator (SARB) with reference to the periods 31 December 2020 and 31 December 2019:

(thousands of Kwanzas)

	2020								
	Re-fixing dates / Maturity dates								
	Up to 1 month	Btw. 1 and 3 months	Btw. 3 and 6 months	Btw. 6 months to 1 year	Btw. 1 and 3 years	Btw. 3 and 5 years	More than 5 years	Undetermined	Total
Assets									
	363 165 249	74 900 093	45 818 327	185 150 667	17 877 406	1 952 680	-	191 417 916	880 282 338
Liabilities and Own Funds									
	185 099 086	-	-	6 277 964	-	19 488 119	-	669 417 169	880 282 338
Net exposure	**178 066 163**	**74 900 093**	**45 818 327**	**178 872 703**	**17 877 406**	**(17 535 439)**	**-**	**(477 999 253)**	**-**

(thousands of Kwanzas)

	2019								
	Re-fixing dates / Maturity dates								
	Up to 1 month	Btw. 1 and 3 months	Btw. 3 and 6 months	Btw. 6 months to 1 year	Btw. 1 and 3 years	Btw. 3 and 5 years	More than 5 years	Undetermined	Total
Assets									
	260 557 808	11 327 218	31 527 034	77 570 901	51 256 082	16 022 357	24 754	157 951 139	606 237 294
Liabilities and Own Funds									
	81 295 691	48 457 078	4 053 363	49 431 095	(8 240 166)	-	-	431 240 234	606 237 294
Net exposure	**179 262 117**	**(37 129 860)**	**27 473 671**	**28 139 807**	**59 496 248**	**16 022 357**	**24 754**	**(273 289 095)**	**-**

The following table shows the average interest rates for the Bank's major categories of financial assets and liabilities for the year ended 31 December 2020 and 31 December 2019, together with the respective average balances and income and expenses for the year:

in thousands of Kwanzas

	Average balance of the financial year	Interest of the year	Average interest rate	Average balance of the financial year	Interest of the year	Average interest rate
Aplicações						
Loans and advances to customers	115 906 827	19 294 238	16,65%	83 086 340	7 733 731	9.31%
Liquid assets	237 235 206	588 925	0,25%	247 627 582	1 124 929	0.45%
Securities portfolio	269 278 563	37 316 758	13,86%	201 206 372	17 938 462	8.92%
Interbank investments	73 924 673	989 352	1,34%	30 129 544	563 439	1.87%
Total Investments	**696 345 269**	**58 189 273**		**562 049 838**	**27 360 561**	
Resources						
Customer deposits	561 925 421	5 109 877	0,91%	447 996 352	3 914 547	0.87%
Other resources	21 900 731	1 892 074	8,64%	18 674 687	1 543 806	8.27%
Total Resources	**583 826 152**	**7 001 951**		**466 671 039**	**5 458 353**	
Net Interest Margin		**51 187 322**			**21 902 208**	

The breakdown of assets and liabilities, as at 31 December 2020 and 31 December 2019, by currency is analysed as follows:

in thousands of Kwanzas

	Kwanzas	USD	EUR	Others	Total	Kwanzas	USD	EUR	Others	Total
Asset										
Cash and deposits at central banks	116 727 872	29 993 508	694 681	104 369	147 520 430	63 145 588	28 805 696	869 694	114 267	92 935 245
Claims on other credit institutions	12 495	48 277 309	10 239 028	6 652 696	65 181 528	4 019	149 643 416	14 114 378	5 071 396	168 833 209
Loans and advances to central banks and other credit institutions		97 444 740	-	1 778 774	142 266 522	5 582 824	-	-	-	5 582 824
Financial assets at fair value through profit or loss	452 113	1 372 564	-	-	1 824 677	55 864	30 828 275	-	-	30 884 139
Financial assets at fair value through other comprehensive income		-	-	-	89 032 526	72 318 198	-	-	-	72 318 198
Investments at amortised cost	194 636 404	41 207 292	-	-	235 843 696	78 064 071	30 589 819	-	-	108 653 890
Loans and advances to customers	126 836 114	12 987 055	471 251	14 613	140 309 033	63 477 680	20 369 397	7 657 543	-	91 504 620
Other tangible assets	39 912 155	-	-	-	39 912 155	27 930 152	-	-	-	27 930 152
Intangible assets	6 385 504	-	-	-	6 385 504	2 467 534	-	-	-	2 467 534
Current tax assets	448 946	-	-	-	448 946	448 946	-	-	-	448 946
Deferred tax assets	1 150 917	-	-	-	1 150 917	911 944	-	-	-	911 944
Other assets	2 644 417	85 376	7 428 769	247 842	10 406 404	2 212 248	1 486 282	57 301	10 762	3 766 593
Total assets	**621 282 471**	**231 367 844**	**18 833 729**	**8 798 294**	**880 282 338**	**316 619 068**	**261 722 885**	**22 698 916**	**5 196 425**	**606 237 294**

	Kwanzas	USD	EUR	Others	Total	Kwanzas	USD	EUR	Others	Total
Liabilities										
Deposits from central banks and other credit institutions	(894 112)	-	-	-	(894 112)	(1 573 938)	-	-	-	(1 573 938)
Due from customers and other loans	(444 214 590)	(230 629 330)	(16 228 241)	(595 325)	(691 667 486)	(200 229 262)	(220 417 003)	(11 029 047)	(508 043)	(432 183 355)
Debt securities issued	(4 745 970)	-	-	-	(4 745 970)	(4 745 970)	-	-	-	(4 745 970)
Financial liabilities at fair value through profit or loss	(214 709)	-	-	-	(214 709)					
Provisions	(2 765 831)	(24 263)	(6 249)	-	(2 796 343)	(1 814 241)	(2 170)	-	(1 615)	(1 818 026)
Current tax liabilities	(2 867 162)	(51 360)	-	-	(2 918 522)	(2 059 764)	-	-	-	(2 059 764)
Subordinated liabilities	-	(19 553 301)	-	-	(19 553 301)	-	(14 756 220)	-	-	(14 756 220)
Other liabilities	(17 803 734)	(3 726 754)	(10 809 539)	(8 169 497)	(40 509 524)	(57 558 825)	(21 954 456)	(7 257 784)	33 336 794	(53 434 271)
Total liabilities	**(473 506 108)**	**(253 985 008)**	**(27 044 029)**	**(8 764 822)**	**(763 299 967)**	**(267 982 000)**	**(257 129 849)**	**(18 286 831)**	**32 827 136**	**(510 571 544)**
Net Assets / (Liabilities)	**147 776 363**	**(22 617 164)**	**(8 210 300)**	**33 472**	**116 982 371**	**48 637 068**	**4 593 036**	**4 412 085**	**38 023 561**	**95 665 750**

At 31 December 2020 and 31 December 2019, the heading Financial assets at fair value through profit or loss and the heading Client resources and other loans show in the USD column, respectively, securities in Kwanzas indexed to US dollars and deposits in Kwanzas indexed to US dollars.

Liquidity Risk

The Bank reports liquidity risk to Banco Nacional de Angola in accordance with Instruction No. 19/2017 published on 30 August 2017. According to the said instructive, financial institutions must send Banco Nacional de Angola individual information on the distribution of their balance sheet and off-balance sheet positions by time bands through liquidity maps duly completed and with calculations of the liquidity and observation ratio.

Thus, financial institutions must send, on an individual basis, the following liquidity tables:

- Map considering only cash flows in all currencies;
- Map considering only cash flows in local currency; and
- Map considering the cash flows in significant foreign currencies for the institutions, on an individual basis. A foreign currency currency should be considered significant when assets denominated in it corresponds to more than 25% of the total assets assets of the institution.

According to the said instructive, financial institutions must maintain until 36 months and 48 months after the instructive comes into force the liquidity and observation ratios respectively must be equal to or greater than 100%.

The liquidity tables in national and foreign currency must be submitted to Banco Nacional de Angola every fortnight, while the liquidity table that considers cash flows in all currencies must be submitted to that institution on a monthly basis.

Standard Bank of Angola reported the liquidity and observation ratios for 31 December 2020 to the National Bank of Angola as follows:

NATIONAL CURRENCY

in thousands of Kwanzas | 2020

Liquidity Ratio and Observation (BNA) (Forecast at 31 December)	31 Days	1-3 months
Total net assets	***161 918 050***	
Amounts in treasury	7 364 950	
Balances with central banks	109 358 263	
Assets eligible as collateral in BNA credit operations	38 713 384	
Cash and deposits at financial institutions	-	
Securities	6 481 453	
Total cash outflow	***140 452 280***	***22 600 319***
Sight deposits	126 373 048	-
Time deposits	9 805 188	19 141 440
Other deposits	4 179 012	-
Irrevocable commitments given to third parties	95 032	3 458 879
Interbank money market transactions - with banking financial institutions	-	-
Total cash inflow	***36 439 735***	***17 517 838***
Loans	3 559 281	7 340 525
Securities purchased from third parties with resale agreement	32 880 454	10 177 313
Mismatch	***57 905 505***	***52 823 024***
Accumulated mismatch	***57 905 505***	***52 823 024***
Liquidity ratio	**155%**	
Observation ratios		**333%**

FOREIGN CURRENCY (USD)

in thousands of Kwanzas — 2020

Liquidity Ratio and Observation (BNA) (Forecast at 31 December)	31 Days	1-3 months
Total net assets	***97 758 403***	
Amounts in treasury	1 501 929	
Balances with central banks	28 481 835	
Assets eligible as collateral in BNA credit operations	-	
Deposits with financial institutions	67 774 639	
Securities	-	
Total cash outflows	***79 223 030***	***90 556***
Sight deposits	59 669 972	-
Time deposits	19 553 058	42 484
Other deposits	-	-
Irrevocable commitments given to third parties	-	48 072
Interbank money market operations - with banking financial institutions	-	-
Total cash in-flow	***380 968***	***379 141***
Receivables	380 968	379 141
Securities purchased under agreements to resell		
Mismatch	***18 916 341***	***19 204 926***
Accumulated Mismatch	***18 916 341***	***19 204 926***
Liquidity Ratio	**124%**	
Observation ratios		**2131%**

ALL CURRENCIES

in thousands of Kwanzas — 2020

Liquidity Ratio and Observation (BNA) (Forecast at 31 December)		
	31 Days	1-3 months
Total net assets	***277 326 934***	
Amounts in treasury	9 660 156	
Deposits with central banks	137 840 098	
Assets eligible as collateral in BNA credit operations	38 713 384	
Deposits with financial institutions	84 631 844	
Securities	6 481 453	
Total cash outflow	***227 494 011***	***22 736 407***
Sight deposits	192 005 151	-
Time deposits	29 358 246	19 183 924
Other deposits	6 035 582	-
Irrevocable commitments given to third parties	95 032	3 552 483
Interbank money market operations - with banking financial institutions	-	
Total cash inflow	***36 616 530***	***17 518 422***
Receivables	3 736 076	7 341 108
Securities purchased under agreements to resell	32 880 454	10 177 313
Mismatch	***86 449 453***	***81 231 468***
Accumulated mismatch	***86 449 453***	***81 231 468***
Liquidity ratio	**145%**	
Observation ratios		**457%**

In turn, the liquidity and observation ratio of Standard Bank of Angola referring to 31 December 2019 was reported to the National Bank of Angola as follows:

NATIONAL CURRENCY

in Kwanzas		2019
Liquidity Ratio and Observation (BNA) (Forecast at 31 December)		
	31 Days	***1-3 months***
Total net assets	***82 052 357 614***	
Amounts in treasury	4 809 732 905	
Balances with central banks	58 325 664 527	
Assets eligible as collateral in BNA credit operations	18 916 960 182	
Deposits with financial institutions	-	
Securities	-	
Total cash outflow	***67 890 787 160***	***7 590 722 656***
Sight deposits	50 883 236 507	-
Time deposits	11 629 860 448	7 116 465 944
Other deposits	5 341 610 126	-
Irrevocable commitments given to third parties	36 080 079	474 256 712
Interbank money market operations - with banking financial institutions	-	-
Total cash inflow	***7 317 773 317***	***2 870 553 314***
Loans	1 734 948 777	2 870 553 314
Securities purchased under agreements to resell	5 582 824 540	-
Mismatch	***21 479 343 771***	***16 759 174 429***
Accumulated Mismatch	***21 479 343 771***	***16 759 174 429***
Liquidity Ratio	**135%**	
Observation ratios		**321%**

FOREIGN CURRENCY (USD)

in Kwanzas | 2019

Liquidity Ratio and Observation (BNA) (Forecast at 31 December)		
	31 Days	1-3 months
Total net assets	***178 441 881 300***	
Amounts in treasury	1 868 535 108	
Balances with central banks	26 929 927 870	
Assets eligible as collateral in BNA credit operations	-	
Cash and deposits at financial institutions	149 643 418 322	
Securities	-	
Total cash outflow	***62 916 674 790***	***12 424 961 702***
Sight deposits	44 021 541 810	-
Time deposits	18 829 398 988	12 067 425 077
Other deposits	65 733 992	-
Irrevocable commitments given to third parties		357 536 625
Interbank money market operations - with financial institutions banks	-	
Total cash inflow	***-***	***-***
Credits		
Transactions of purchase of securities from third parties with resale agreement		
Mismatch	***115 525 206 510***	***103 100 244 808***
Accumulated Mismatch	***115 525 206 510***	***103 100 244 808***
Liquidity Ratio	**284%**	
Observation ratios		**930%**

ALL CURRENCIES

in Kwanzas 2019

Liquidity Ratio and Observation (BNA) (Forecast at 31 December)		
	31 Days	***1-3 months***
Total net assets	***280 659 509 561***	
Amounts in treasury	7 657 764 690	
Deposits with central banks	85 255 592 398	
Assets eligible as collateral in BNA credit operations	18 916 960 182	
Deposits with financial institutions	168 829 192 291	
Securities - securities	-	
Total cash outflow	***136 572 895 186***	***20 140 907 625***
Sight deposits	98 771 982 174	-
Time deposits	30 476 960 192	19 068 759 982
Other deposits	7 245 261 377	-
Irrevocable commitments given to third parties	78 691 443	1 072 157 643
Interbank money market operations - with banking financial institutions	-	
Total cash inflows	***7 318 098 979***	***2 871 190 443***
Receivables	1 735 274 439	2 871 190 443
Securities purchased under agreements to resell	5 582 824 540	-
Mismatch	***151 404 713 354***	***134 134 996 172***
Accumulated Mismatch	***151 404 713 354***	***134 134 996 172***
Liquidity ratio	**217%**	
Observation ratios		**766%**

According to the tables above it can be seen that after 40 months after the entry into force of the Instruction, the Bank has complied with the minimum limit (100%) of the said Liquidity and observation ratio, having all submitted them to the National Bank of Angola via the Financial Institutions Supervision System (SSIF) as set out in the new regulatory package (NPR) presented to financial institutions in May 2017, in all liquidity and observation ratios, whether in domestic currency, foreign currency (US dollar) and all currencies.

In addition to reporting the ratios that reflect the liquidity risk to Banco Nacional de Angola, Standard Bank of Angola, must also assess the liquidity risk through internal metrics defined by the Assets and Liabilities Committee (ALCO) which also establishes tolerance limits and risk appetite alerts for each of these metrics. This control is reinforced with the monthly execution of sensitivity analyses, with the objective of characterising the Bank's risk profile and ensuring that its obligations in a liquidity crisis scenario are met.

The control of liquidity levels has the objective of maintaining a satisfactory level of cash and cash equivalents to meet short, medium and long term financial needs. Liquidity risk is monitored daily, with various reports being drawn up, for the purposes of control and for monitoring and supporting decision-making by the Assets and Liabilities Committee (ALCO).

Without prejudice to the liquidity risk measures reported to the National Bank of Angola and the internal measures reported to the local and Group Asset and Liability Committee (ALCO), the Bank must 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), which is based on Basel III.

The liquidity risk report based on the requirements of the South African regulator includes two sections relating to liquidity risk, namely the section reflecting the Bank's structural liquidity gaps under thecontractual and behavioural approaches; and the section where the Bank's consolidated liquidity ratio (LCR) is presented.

The assessment of the liquidity situation based on structural liquidity gaps is carried out, in particular, on the basis of estimated future cash flows for various time horizons, taking into account the Bank's balance sheet, thus determining the accumulated liquidity gap for various time horizons.

The contractual liquidity gap differs from the behavioural liquidity gap (BAU) fundamentally in how the maturity profiles of assets and liabilities without contractual maturity are defined, with the maturity profiles of assets and liabilities with contractual maturity not differing in both approaches and is always according to contractual maturity.

As at 31 December 2020 and 31 December 2019, the Bank's contractual liquidity gap the rules of the South African regulator (SARB) had the following structure:

(thousands of Kwanzas)

2020							
	Contractual residual time limits						
	At sight	Up to 1 month	Btw. 1 and 2 months	Btw. 2 and 3 months	More than 3 months	Non-Contractual	Total
Assets	261 640 391	44 520 592	55 377 410	50 893 839	423 340 797	44 509 309	880 282 338
Liabilities and Funds Owned	558 256 641	148 149 798	578 100	1 519 636	44 345 152	127 433 011	880 282 338
Liquidity gap	**(296 616 250)**	**(103 629 206)**	**54 799 310**	**49 374 203**	**378 995 645**	**(82 923 702)**	**-**
Cumulative liquidity gap	**(296 616 250)**	**(400 245 456)**	**(345 446 146)**	**(296 071 943)**	**82 923 702**	**-**	**-**

(thousands of Kwanzas)

2019							
	Contractual residual time limits						
	At sight	Up to 1 month	Btw. 1 and 2 months	Btw. 2 and 3 months	More than 3 months	Non-Contractual	Total
Assets	237 781 235	8 021 319	14 026 092	9 914 725	310 328 436	26 165 487	606 237 294
Liabilities and Funds Owned	293 608 390	58 291 316	19 801 722	28 889 151	104 228 824	101 417 890	606 237 294
Liquidity gap	**(55 827 155)**	**(50 269 997)**	**(5 775 630)**	**(18 974 426)**	**206 099 612**	**(75 252 403)**	**-**
Accumulated liquidity gap	**(55 827 155)**	**(106 097 152)**	**(111 872 782)**	**(130 847 208)**	**75 252 403**	**-**	**-**

In turn, the behavioural liquidity gaps under the rules of the South African regulator (SARB) as at 31 December 2020 and 31 December 2019 had the following structure:

(thousands of Kwanzas)

2020							
	Liquidity behavioural gaps						
	At sight	Up to 1 month	Btw. 1 and 2 months	Btw. 2 and 3 months	More than 3 months	Non-Contractual	Total
Assets	314 788 048	221 773 227	43 354 384	29 426 075	226 431 295	44 509 309	880 282 338
Liabilities and Funds Owned	35 844 637	247 381 571	49 273 444	40 165 386	380 184 290	127 433 010	880 282 338
Liquidity gap	**278 943 411**	**(25 608 344)**	**(5 919 060)**	**(10 739 311)**	**(153 752 995)**	**(82 923 701)**	**-**
Accumulated liquidity gap	**278 943 411**	**253 335 067**	**247 416 007**	**236 676 696**	**82 923 701**	**-**	**-**

(thousands of Kwanzas)

2019							
	Liquidity behavioural gaps						
	At sight	Up to 1 month	Btw. 1 and 2 months	Btw. 2 and 3 months	More than 3 months	Non-Contractual	Total
Assets	385 201 664	28 406 333	13 987 848	15 104 469	136 826 223	26 710 757	606 237 294
Liabilities and Funds Owned	35 474 006	105 709 639	43 750 813	46 157 903	277 298 384	97 846 548	606 237 294
Liquidity gap	**349 727 658**	**(77 303 307)**	**(29 762 965)**	**(31 053 434)**	**(140 472 161)**	**(71 135 791)**	**-**
Accumulated liquidity gap	**349 727 658**	**272 424 351**	**242 661 386**	**211 607 952**	**71 135 791**	**-**	**-**

After analysing the above tables it can be seen that behavioural gaps are more favourable than contractual gaps and that 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 current and savings accounts, in the spot time band and the behavioural approach takes into account the stability of these non-contractual deposits to define their maturity profile through a volatility analysis ofthem, based on a statistical mode.

Breakdown of financial instruments by exposure to interest rate risk

(Thousands of Kwanzas)

2020					
	Exposure to		Not a risk of Interest Rate	Derivatives	Total
	Fixed Rate	Variable Rate			
Assets					
Deposits at central banks			147 520 430		**147 520 430**
Deposits in financial institutions	10 081 000	26 942 341	170 424 709		**207 448 050**
Loans to customers		140 309 033			**140 309 033**
Securities	326 700 899				**326 700 899**
Other assets	-	-	58 303 926		**58 303 926**
Total	336 781 899	167 251 374	376 249 065	-	**880 282 338**
Liabilities					
					-
Call deposits			(551 365 916)		**(551 365 916)**
Term deposits		(140 301 570)			**(140 301 570)**
Subordinated debt		(19 553 301)			**(19 553 301)**
Liabilities represented by Securities	(4 745 970)				**(4 745 970)**
Other Liabilities			(47 333 211)		**(47 333 211)**
Own Funds	-	-	(116 982 370)		**(116 982 370)**
Total	(4 745 970)	(159 854 871)	(715 681 497)	-	**(880 282 338)**

Breakdown of financial instruments by exposure to interest rate risk

(Milhares de Kwanzas)

2019	Exposure to Fixed Rate	Exposure to Variable Rate	Not a risk of Interest Rate	Derivatives	Total
Assets					
Deposits at central banks			92 935 245		**92 935 245**
Deposits in financial institutions		5 535 200	168 876 814		**174 412 014**
Loans to customers		91 504 620			**91 504 620**
Securities	215 906 669				**215 906 669**
Other assets	-	-	31 478 747		**31 478 747**
Total	215 906 669	97 039 820	293 290 806	-	**606 237 295**
Liabilities					
Call deposits			(276 717 241)		**(276 717 241)**
Term deposits		(131 055 835)			**(131 055 835)**
Subordinated debt		(14 756 219)			**(14 756 219)**
Liabilities represented by Securities	(4 745 969)				**(4 745 969)**
Other Liabilities			(79 627 611)		**(79 627 611)**
Own Funds	-	-	(99 334 419)		**(99 334 419)**
Total	(4 745 969)	(145 812 054)	(455 679 271)	-	**(606 237 294)**

Total contractual cash flows

(Thousands of Kwanzas)

2020										
	Contractual residual time limits									
	At sight	Up to 1 month	Btw. 1 and 3 months	Btw. 3 and 6 months	Btw. 6 months and 1 year	Btw. 1 and 3 years	Btw. 3 and 5 years	More than 5 Years	Non-Contractual	Total
Assets	**261 640 390**	**38 237 357**	**106 271 249**	**99 609 057**	**292 309 736**	**17 437 199**	**6 700 576**	**-**	**58 076 774**	**880 282 338**
Deposits at central banks	48 367 742	-	-	-	99 152 688	-	-	-	-	147 520 430
Deposits in financial institutions	170 424 709	26 942 341	10 081 000	-	-	-	-	-	-	207 448 050
Loans to customers	42 847 939	1 270 159	29 136 138	54 443 639	3 615 471	4 931 382	4 291 457	-	(227 152)	140 309 033
Securities	-	10 024 857	67 054 111	45 165 418	189 541 577	12 505 817	2 409 119	-	-	326 700 899
Other assets	-	-	-	-	-	-	-	-	58 303 926	58 303 926
Liabilities and Shareholders' Funds	**(551 367 158)**	**(148 134 888)**	**(2 097 737)**	**(1 195 773)**	**(8 141 250)**	**(1 790 682)**	**(28 713 559)**	**(19 553 301)**	**(119 287 990)**	**(880 282 338)**
										-
Sight Deposits	(551 365 916)	-	-	-	-	-	-	-	-	(551 365 916)
Time deposits	(1 242)	(140 276 422)	-	-	(23 906)	-	-	-	-	(140 301 570)
Subordinated debt	-	-	-	-	-	-	-	(19 553 301)	-	(19 553 301)
Liability represented by securities	-	(45 970)	-	-	(4 700 000)	-	-	-	-	(4 745 970)
Other liabilities	-	(7 812 496)	(2 097 737)	(1 195 773)	(3 417 344)	(1 790 682)	(28 713 559)	-	(2 305 620)	(47 333 211)
Own funds	-	-	-	-	-	-	-	-	(116 982 370)	(116 982 370)
Liquidity gap	**(289 726 768)**	**(109 897 531)**	**104 173 512**	**98 413 284**	**284 168 486**	**15 646 517**	**(22 012 983)**	**(19 553 301)**	**(61 211 216)**	**-**
Accumulated liquidity gap	**(289 726 768)**	**(399 624 299)**	**(295 450 787)**	**(197 037 503)**	**87 130 983**	**102 777 500**	**80 764 517**	**61 211 216**	**-**	

(Thousands of Kwanzas)

2019	Contractual residual time limits									
	At sight	Up to 1 month	Btw. 1 and 3 months	Btw. 3 and 6 months	Btw. 6 months and 1 year	Btw. 1 and 3 years	Btw. 3 and 5 years	More than 5 Years	Non-Contractual	Total
Assets	**237 781 235**	**8 021 319**	**23 940 817**	**61 557 956**	**107 349 598**	**124 767 317**	**15 306 703**	**1 346 863**	**26 165 487**	**606 237 295**
Deposits at central banks	34 772 119	-	-	-	-	58 163 126	-	-	-	92 935 245
Deposits in financial institutions	168 876 814	5 535 200	-	-	-	-	-	-	-	174 412 014
Loans to customers	34 132 302	2 048 381	6 588 148	5 585 335	17 194 051	9 452 866	15 306 703	1 196 834	-	91 504 620
Securities	-	403 808	17 352 669	55 972 621	88 987 064	53 101 546	-	88 961	-	215 906 669
Other assets	-	33 930	-	-	1 168 483	4 049 779	-	61 068	26 165 487	31 478 747
Liabilities and Shareholders' Funds	**(301 828 969)**	**(58 291 316)**	**(48 690 873)**	**(11 941 941)**	**(24 121 691)**	**(50 896 040)**	**-**	**-**	**(110 466 464)**	**(606 237 294)**
										-
Sight Deposits	(276 526 949)	-	-	-	-	(190 292)	-	-	-	(276 717 241)
Time deposits	(25 052 455)	(51 310 193)	(48 690 873)	(3 799 480)	(2 202 834)	-	-	-	-	(131 055 835)
Subordinated debt	-	(289 410)	-	-	-	(14 466 809)	-	-	-	(14 756 219)
Liability represented by securities	-	(45 969)	-	-	(4 700 000)	-	-	-	-	(4 745 969)
Other liabilities	(249 565)	(6 645 744)	-	(8 142 461)	(17 218 857)	(36 238 939)	-	-	(11 132 045)	(79 627 611)
Own funds	-	-	-	-	-	-	-	-	(99 334 419)	(99 334 419)
Liquidity gap	**(64 047 734)**	**(50 269 997)**	**(24 750 056)**	**49 616 015**	**83 227 907**	**73 871 277**	**15 306 703**	**1 346 863**	**(84 300 977)**	**-**
Accumulated liquidity gap	**(64 047 734)**	**(114 317 731)**	**(139 067 787)**	**(89 451 772)**	**(6 223 865)**	**67 647 412**	**82 954 115**	**84 300 977**	**-**	

Details of financial instruments with exposure to interest rate risk by maturity date or refixing date

(Thousands of Kwanzas)

2020										
	Re-fixing Dates / Maturity Dates									
	At sight	Up to 1 month	Btw. 1 and 3 months	Btw. 3 and 6 months	Btw. 6 months and 1 year	Btw. 1 and 3 years	Btw. 3 and 5 years	More than 5 Years	Non-Contractual	Total
Assets	**42 847 939**	**38 237 357**	**106 271 249**	**99 609 057**	**193 157 048**	**17 437 199**	**6 700 576**	**-**	**-**	**504 260 425**
Loans to banks		26 942 341	10 081 000	-	-	-	-	-	-	37 023 341
Loans to customers	42 847 939	1 270 159	29 136 138	54 443 639	3 615 471	4 931 382	4 291 457	-		140 536 185
Securities-	-	10 024 857	67 054 111	45 165 418	189 541 577	12 505 817	2 409 119	-	-	326 700 899
Liabilities	(1 242)	(140 322 392)	-	-	(4 723 906)	-	-	(19 553 301)	-	(164 600 841)
Current Deposits										
Term deposits	(1 242)	(140 276 422)	-	-	(23 906)	-	-	-	-	(140 301 570)
Subordinated debt	-	-	-	-	-	-	-	(19 553 301)	-	(19 553 301)
Liability represented by securities	-	(45 970)	-	-	(4 700 000)	-	-	-	-	(4 745 970)
Net Exposure	**42 846 697**	**(102 085 035)**	**106 271 249**	**99 609 057**	**188 433 142**	**17 437 199**	**6 700 576**	**(19 553 301)**	**-**	**339 659 584**

Details of financial instruments with exposure to interest rate risk by maturity date or refixing date

(Thousands of Kwanzas)

2019										
	Re-fixing Dates / Maturity Dates									
	At sight	Up to 1 month	Btw. 1 and 3 months	Btw. 3 and 6 months	Btw. 6 months and 1 year	Btw. 1 and 3 years	Btw. 3 and 5 years	More than 5 Years	Non-Contractual	Total
Assets	**34 132 302**	**7 987 389**	**23 940 817**	**61 557 956**	**106 181 115**	**62 554 412**	**15 306 703**	**1 285 795**	**-**	**312 946 489**
Loans to banks		5 535 200	-	-	-	-	-	-	-	5 535 200
Loans to customers	34 132 302	2 048 381	6 588 148	5 585 335	17 194 051	9 452 866	15 306 703	1 196 834		91 504 620
Securities	-	403 808	17 352 669	55 972 621	88 987 064	53 101 546	-	88 961	-	215 906 669
Liabilities	(25 052 455)	(51 645 572)	(48 690 873)	(3 799 480)	(6 902 834)	(14 466 809)	-	-	-	(150 558 023)
Current deposits										-
Time deposits	(25 052 455)	(51 310 193)	(48 690 873)	(3 799 480)	(2 202 834)	-	-	-	-	(131 055 835)
Subordinated debt	-	(289 410)	-	-	-	(14 466 809)	-	-	-	(14 756 219)
Liability represented by securities	-	(45 969)	-	-	(4 700 000)	-	-	-	-	(4 745 969)
Net Exposure	**9 079 847**	**(43 658 183)**	**(24 750 056)**	**57 758 476**	**99 278 281**	**48 087 603**	**15 306 703**	**1 285 795**	**-**	**162 388 466**

CAPITAL MANAGEMENT AND SOLVENCY RATIO

The calculation of the Regulatory Solvency Ratio (RSR) has been maintained since 2017 with the minimum requirement of 10%. According to Notice No. 02/2016, Regulatory Own Funds include:

1. Basic Own Funds - comprise

(i) the paid-up Share Capital;

(ii) reserve for recording the value of the update monetary value of paid-up share capital;

(iii) results carried forward from previous years earlier;

(iv) legal, statutory and other reserves arising from non-distributed profits distributed, or constituted for the increase of capital,

(v) net profit for the audited year,

(vi) negative latent results relating to revaluation of securities available for sale and for sale and cash flow hedging operations cash flow hedge and hedge of investments abroad, and

(vii) deferred tax assets/liabilities to the extent that they are associated with gains/losses which count as a negative/positive negative/positive element of original own capital.

2. Complementary Own Funds - comprise

(i) redeemable preference shares;

(ii) generic funds and provisions;

(iii) reserves arising from the realisation of the property for own use;

(iv) subordinated debt and instruments hybrid equity and debt; and

(v) other amounts authorised by the Bank National of Angola.

3. Deductions - Comprising:

(i) shares in the institution itself which are the object of buyback;

(ii) redeemable preference shares with fixed and cumulative dividends;

(iii) loans granted in the nature of capital;

(iv) loans granted in the nature of capital;

(v) tax credits arising from losses tax;

(vi) goodwill;

(vii) other intangible assets net of amortisation depreciations;

(viii) other amounts, as determined by Banco National Bank of Angola.

BNA Notice no. 09/2016 establishes that for the purposes of calculating the Regulatory Solvency Ratio, the excess verified in the risk exposure limit per client must be deducted from the Regulatory Own Funds (FPR).

The regulatory capital requirements are the sum of the individual requirements calculated in accordance with the following Notices:

1. Notice 03/2016, on the Regulatory Capital Requirement for Regulatory Capital Requirement for Credit Risk and Counterparty Credit Risk;

2. Notice No 04/2016 on the Regulatory Capital Requirement for Regulatory Capital Requirement for Market Market Risk and Counterparty Credit Risk in the Trading Portfolio; and

3. Notice no. 05/2016, on Regulatory Capital Requirement for Regulatory Capital Requirement for Operational Operational.

A summary of the Bank's solvency ratio for 31 December 2020 and 31 December 2019 is presented as follows:

(Thousands Kwanzas)

		31.12.2020	31.12.2019
Credit risk and counter party credit risk	**A**	**24 338 117**	**19 309 570**
Market risk and counter party credit risk in trading book	**B**	**2 416 734**	**2 763 482**
Operational risk	**C**	**7 781 371**	**5 868 289**
Total	**D = A + B + C**	**34 536 221**	**27 941 341**
Own Funds			
Basic	**E**	112 711 861	94 210 719
Complementary	**F**	18 589 230	14 655 666
	G = E + F	**131 301 091**	**108 866 385**
Excess of prudential limits for large exposures	**H**	-	(30 720 490)
Regulatory Own Funds	**I = G + H**	**131 301 091**	**78 145 895**
Solvency Ratio	**J = L + M**	**38.02%**	**27.97%**
Level I	**L = (E + H)/ (D/10%)**	**32.6%**	**22.7%**
Level II	**M = F/ (D/10%)**	**5.4%**	**5.2%**

Note 37 – Recently issued accounting standards and Interpretations Recently Issued

1. impact of the adoption of new standards, amendments to the standards that became effective for annual periods beginning

a) IFRS 3 (amendment), 'Business definition'. This amendment is a revision to the definition of business for the purpose of accounting for business business combinations. The new definition requires that an acquisition includes a substantial input and a substantial process that jointly generate outputs. The outputs are now defined as goods and services and services that are provided to Clients that generate income from financial financial and other income, excluding returns in the form of cost reductions and other costs and other economic benefits to shareholders. shareholders. Concentration tests' will now be allowed to tests' will now be allowed to determine whether a transaction concerns the acquisition of an asset or a business or a business.

b) IFRS 9, IAS 39 and IFRS 7 (amendment), Retirement of Reference Interest Rates'. These amendments are part of the first phase of the IASB's 'IBOR reform' project and allow exemptions related to the reform of the benchmark for benchmark interest rates. The exemptions refer to hedge accounting, in terms of: i) risk components; ii) 'highly probable' requirement; iii) prospective assessment; iv) retrospective effectiveness test (for IAS 39 adopters); and v) recycling of the cash flow hedge reserve, and aim that the reform of the benchmark interest rates does not determine the cessation of hedge accounting. However, any hedge ineffectiveness determined must continue to be recognised in the income statement.

c) IAS 1 and IAS 8 (amendment), 'Definition of material'. This amendment introduces a modification to the concept of 'material' and clarifies that the mention of unclear information refers to situations whose effect is This amendment introduces a change to the concept of "material" and clarifies that the mention of unclear information refers to situations whose effect is similar to the omission or distorting such information, and the entity must the entity should assess materiality by considering the financial statements as a whole. financial statements', these being defined as 'current and future investors, lenders and creditors' who rely on financial statements for a significant part of the information they need.

d) Framework, 'Changes in the reference to other IFRSs'. As a result of the publication of the new Framework, the IASB has made changes to the text of several standards and interpretations, such as: IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, SIC 32, in order to clarify the application of the new definitions of assets / liabilities and expenditure/income, in addition to some of the characteristics of financial information. information. These amendments are to be applied retrospective application unless impracticable.

2. Standards (new and amendments) published whose application is mandatory for annual periods beginning on or after 1 January 2021, already endorsed by the European Union:

a) IFRS 16 (amendment), 'Leases - Accounting for of rentals related to COVID-19 (effective for annual periods beginning on or after 1 June 2020). This amendment is still subject to endorsement by by the European Union. This amendment introduces a practical expedient for tenants (but not for lessors), which exempts them from from assessing whether the subsidies granted by landlords under COVID-19, qualify as "modifications" when they are as "modifications" where three criteria are met cumulatively: i) the change in the lease payments results in a revised consideration for the lease which is substantially the same as, or less than, the (i) the change in the lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration immediately before the change (ii) any reduction in the lease payments lease payments only affects payments due on or until 30 June 2021; and iii) there are no significant changes to other terms and conditions of the lease. Lessees who elect to the application of this exemption, account for the change to the rental payments, as variable rentals in the period(s) in the period(s) in which the event or condition leading to the payment reduction occurs. This change is applied retrospectively with the impacts reflected as an adjustment to retained earnings (or other component ofequity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the change.

b) IFRS 4 (amendment), 'Insurance contracts - Deferral of application of IFRS 9' (to be applied for annual periods beginning on or after 1 June 1 June 2021). This amendment addresses the temporary accounting consequences that result from the difference between the effective IFRS 9 - Financial Instruments and the IFRS 9 - Financial Instruments and the future IFRS 17 - Insurance Insurance Contracts. In particular, the amendment to IFRS 4 postpones until 2023 the expiry date of the temporary exemption from IFRS 9 until 2023 in order to align the effective date of the latter with that of the the new IFRS 17.

3. Standards (new and amendments) published whose application is mandatory for annual periods annual periods beginning on or after 1 January 2021, but which the European Union has not yet endorsed:

a) IAS 1 (amendment), 'Presentation of Financial Statements Presentation of Financial Statements - Classification of of liabilities' (effective for annual periods beginning beginning on or after 1 January 2023). This This amendment is still subject to endorsement by endorsement by the European Union. This amendment intends to clarify the classification of liabilities as current or non-current balances according to the rights that an entity has to defer its payment has to defer its payment at the end of each reporting each reporting period. The classification of liabilities is not affected by the expectations of the entity (the assessment should determine whether a right exists, but it should not consider whether the entity entity will or will not exercise that right), or by events that occur after the reporting date, such as such as a breach of a covenant. This amendment also includes a new definition of "settlement" of a liability. This amendment is of retrospective application.

b) IAS 16 (amendment) 'Revenue earned before entry into operation' (to be (to be applied for annual periods beginning on or after 1 January 2022). This amendment is still subject to endorsement by the European by the European Union. Change in accounting of the accounting treatment given to the consideration obtained with the sale of products resulting from the test phase production of tangible fixed assets, prohibiting its deduction from the assets, prohibiting their deduction from the acquisition acquisition cost of the assets. This amendment is of retrospective application, without restatement of comparatives.

c) IAS 37 (amendment) 'Onerous contracts - costs of fulfilling a contract' (to be applied in tax years beginning on or after 1 January 2022). This amendment is still subject to endorsement by the European by the European Union. This amendment specifies that in assessing whether a contract is not onerous, only expenses directly related to the directly related to the performance of the performance of the contract, such as incremental costs related to direct labour and materials and materials and the allocation of other directly related expenses such as allocation of depreciation costs of tangible assets used to execute the assets used to perform the contract. This amendment should be applied to contracts which, at the beginning of the first annual reporting period to which the amendment is applied, still include unfulfilled contractual obligations, without there being a need to restate the comparative.

d) Improvements to the 2018 - 2020 standards (to be applied for financial years beginning on or after 1 1 January 2022). These amendments are still are still subject to endorsement by the European Union. This improvement cycle amends the following standards: IFRS 1, IFRS 9, IFRS 16 and IAS 41.

e) IFRS 3 (amendment) 'References to the Framework conceptual framework' (effective for annual periods beginning beginning on or after 1 June 2022). This This amendment is still subject to endorsement by endorsement by the European Union. This amendment updates references to the Framework in the text of IFRS 3, while no changes to the accounting requirements for business combinations. business combinations. This amendment also clarifies the treatment to be adopted in relation to liabilities liabilities and contingent liabilities under IAS 37 and IFRIC 21, incurred separately versus included in a concentration of business activities. This amendment is to apply prospectively.

f) IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (amendments) 'Reform of benchmark interest rates Phase 2' (effective for annual periods beginning beginning on or after 1 January 2021). 2021). This amendment is still subject to the endorsement process by the European Union. These amendments address issues that arise during the reform of a benchmark interest interest rate, including the replacement of a reference reference interest rate with an alternative allowing the adoption of exemptions such as:

i) changes in the designation and documentation of coverage coverage;

ii) amounts accumulated in the cash flow hedge reserve;

(iii) retrospective assessment of the effectiveness of a hedging relationship under IAS 39;

(iv) changes in the hedging relationships for groups of items; (v) assumption that an alternative reference rate, designatedas a risk component not contractually specified, is separately identifiable and qualifies as a hedged risk; and

vi) update the effective interest rate, without recognising gain or loss, for the instruments financials measured at amortised cost with changes in contractual cash flows as a result of the IBOR reform, including leases that are indexed to an IBOR.

g) IFRS 17 (new), 'Insurance contracts' (effective applied for annual periods beginning on or after 1 January 2023). This standard is still This standard is still subject to endorsement by the European Union. This new standard replaces IFRS 4 and is applicable to all entities that issuing insurance contracts, reinsurance contracts reinsurance contracts and investment contracts with discretionary participation features. IFRS 17 is based on the current measurement of technical liabilities, which are reassessed at each reporting date. A current measurement can be performed by application of the full model ('building block approach) or a simplified model ("premium allocation allocation approach). The full model model is based on probability-weighted discounted scenarios weighted by the probability of occurrence risk-adjusted discounted cash flow scenarios, and a contractual service margin, which represents the estimated future profit of the of the contract. Subsequent changes in the estimated estimated cash flows are adjusted against the contractual service margin, unless it becomes negative. IFRS 17 is retrospective with some exemptions at the date of transition.

h) IFRS 17 (amendment), 'Insurance Contracts' (effective for annual periods beginning on 1 January 2023). This amendment is still subject to endorsement by the European Union. This amendment includes specific changes in eight areas of IFRS 17, such as:

i) scope;

(ii) level of aggregation of insurance contracts;

(iii) recognition;

iv) measurement;

v) modification and derecognition;

vi) presentation of the Statement of Position financial;

vii) recognition and measurement of Income statement; and

viii) disclosures. This amendment also includes clarifications, which aim to simplify some of the requirements of this standard and speed up its implementation.

Note 38 – Subsequent events

We are not aware of any additional facts or events subsequent to 31 December 2020 that warrant adjustments or additional disclosure in the Notes to the financial statements.

6.3

OPINIONS FROM EXTERNAL AUDITORS AND TAX COUNCIL

Standard Bank IT CAN BE™

Independent Auditor's Report

To the Board of Directors of
Standard Bank de Angola, S.A.

Introduction

1 We have audited the attached financial statements of Standard Bank de Angola, S.A., which comprise the Balance Sheet as of December 31, 2020 that shows a total of 880,282,338 thousand Kwanzas and equity of 116,982,371 thousand Kwanzas, including a positive Net Income of 36,131,088 thousand Kwanzas, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement for the year then ended and the corresponding Annex.

Board of Directors' Responsibility for the Financial Statements

2 The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3 Our responsibility is to express an independent opinion on these financial statements based on our audit, which was conducted in accordance with the Technical Standards of the Order of Accountants and Expert Accountants of Angola. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4 UAn audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers (Angola), Limitada,
Edifício Presidente - Largo 17 de Setembro, nº3, 1ºandar - Sala 137, Luanda - República de Angola
T: +244 227 286 109, F:+244 222 311 213, www.pwc.com/ao

Opinion

6 In our opinion, the financial statements referred to in paragraph 1 above present fairly, in all material respects, the financial position of Standard Bank de Angola, S.A. as of December 31, 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) in force.

March 30, 2021

PricewaterhouseCoopers (Angola), Limitada
Registered with the Ordem dos Contabilistas e Peritos Contabilistas of Angola with no. E20170010

Represented by:

Ricardo Santos

Ricardo Santos, Expert Accountant No. 20120086

Report and Dpinion of the Fiscal Council
Relating to the Fiscal Year Ending December 31st

To the Shareholders,

In compliance with the applicable legal and statutory provisions, we hereby present our Report and Dpinion on the Management Report and the Financial Statements (Balance Sheet, income Statement, respective appendices and notes), presented by the Board of Directors of Standard Bank and relating to the year ended December 31, 2020.

ACTIVITY REPORT

In the fulfilment of its duties the Supervisory Board met periodically with the Board of Directors and the Executive Committee, having generally followed the Bank's activity and obtained the information and explanations it regularly requested regarding ongoing activities.

The Fiscal Board met frequently with various Directors of the Bank, responsible for the business, support and internal control areas, and obtained from them the information it periodically requested.

In particular, the Fiscal Council was able to analyze the Financial Statements for 2020, being its understanding that the accounts presented meet what is required by law and the Bank's statutes.

As part of its activity, the Fiscal Council was also made aware of the External Audit Report issued by PWC which expresses a favorable opinion on the accounts presented.

OPINION

Considering the above, Standard Bank's Supervisory Board is of the opinion that:

1. The Management Report and the Financial Statements (Balance Sheet, income Statement, Statement of Changes in Equity, Cash Flow Statement and respective Appendices and Notes) for the year ended December 31, 2020, be approved;

2. The proposed appropriation of profit presented of AOA 36,131,088 Thousand is as follows:

   Legal Reserve: 0.00 AOA
   Dividend Distribution – 16,258,989 thousand AOA
   Free reserves – 19,872,099 AOA thousand

The Board of Auditors expresses its recognition and thanks to the Board of Directors and the Bank's departments for their cooperation.

Luanda, March 30th 2021

Sérgio Serrão
President of the Fiscal Council

Fernando Hermes
Member of the Fiscal Council

Donald Lisboa
Member of the Fiscal Council

ANNUAL REPORT

2020

ANNUAL
REPORT

2020