BancoBIC
Growing together

Annual Report & Accounts

2021

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Statement from the
Senior Decision Maker

“In 2021 BIC posted positive financial results. Financing the Present and Guaranteeing the FUTURE.”

Hugo da Silva Teles

Chair of the Executive Committee

Banco BIC positioned itself in 2021 as the leader in financing Angola’s real economy, following the trend of the previous year. The result for the two years (2020 and 2021), reached AOA 147.6 billion, spread over 43 projects. This leadership position is in line with the BNA’s Notice 10/2020 that establishes new rules for banks to grant credit based on their assets.

On the foreign exchange front, in 2021 the kwanza appreciated against other currencies by 17.1% against the US dollar and 26.7% against the euro.

The increase in oil prices, which closed the year above 80 USD/barrel, served as relief for the state’s revenues, primary foreign exchange market liquidity and payments on foreign imports.
On the economic front, the unfavorable trend in foreign investment continued due to the COVID-19 pandemic, affecting the productivity of companies and services.

Banco BIC responded to this by maintaining normal services with all branches open to serve its customers, evaluating and financing sustainable projects with an emphasis on the agro-food sector, in order to comply with the national plan to diversify the economy.
We ensure the COVID-19 contingency and safety measures for all Bank employees. The financial expenses of human resources have increased significantly to allow our employees to maintain their purchasing power.

In 2021 BIC posted positive financial results.
Financing the Present and Guaranteeing the FUTURE.

We now have choices to make in response to regulatory demands and digital technology innovation in the financial sector.

Solidity and resilience are predominant in the Bank’s business.
We invest in companies and families, by financing projects that are vital for the country’s economy.

We find growth in change.

Hugo da Silva Teles
Chair of the Executive Committee

Main Activity
Indicators

1.997.040 AKZ

TOTAL LIQUID ASSETS

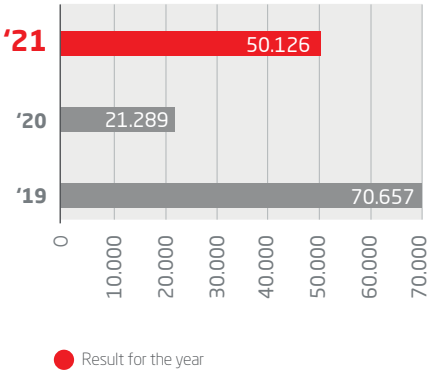
2.785.297 AKZ

BUSINESS VOLUME

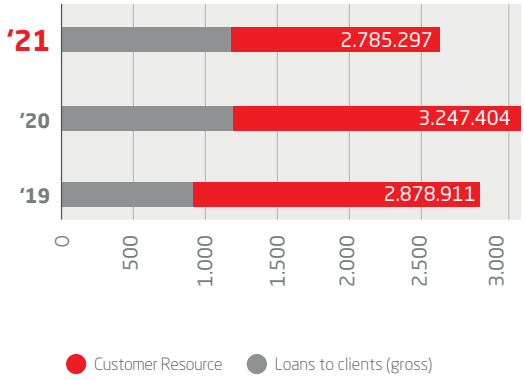
2.076

EMPLOYEES

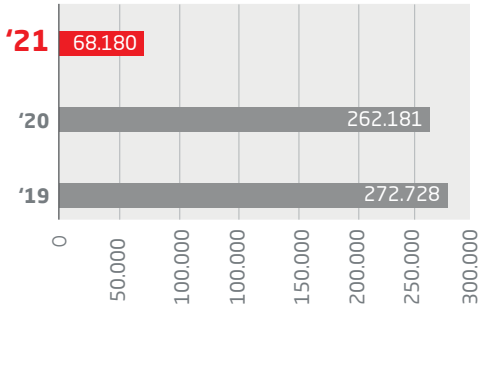
RESULT FOR THE YEAR
(millions AKZ)



BUSINESS VOLUME
(millions AKZ)



BANKING PRODUCT
(millions AKZ)



20%

STRUCTURE COST/ BANKING PRODUCT

Slight increase in the rati, resulting from the improvement in the banking product

32%

REGULATORY SOLVENCY RATIO

Ratio higher then the minimum of 10% required by the national Bank of Angola

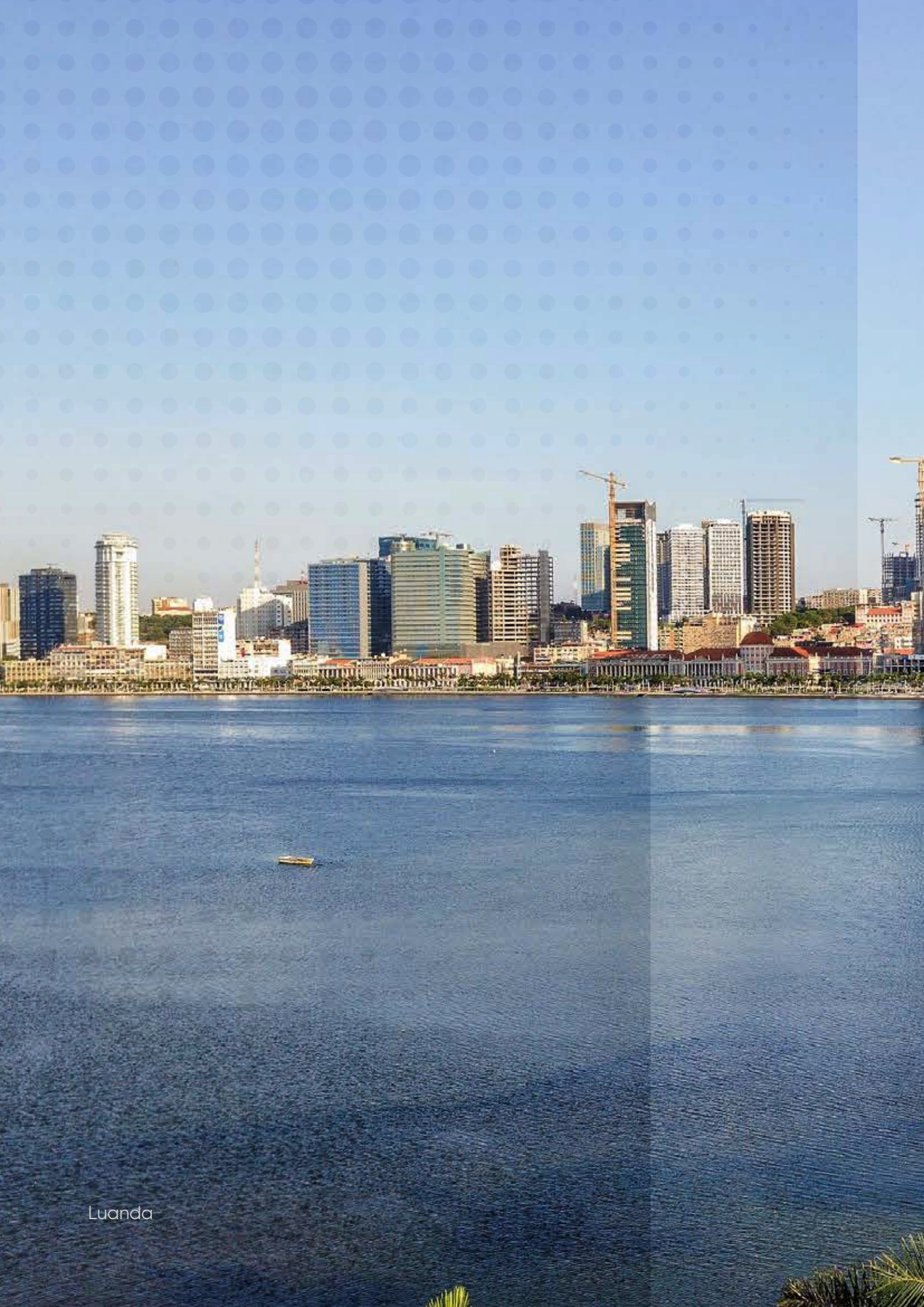
33%

CREDIT DEFAULTED

The degree of coverage went up 86%

Amounts expressed in millions of Angolan Kwanzas	'21	'20	Δ 2021/2020	Δ% 2021/2020
Total net assets	1,997,040	2,052,121	(55,081)	-3%
Turnover	2,785,297	3,247,404	(462,107)	-14%
Lending to the Economy	1,483,424	1,900,767	(417,343)	-22%
Lending to customers	818,279	910,682	(92,403)	-10%
Lending to the State	596,755	905,813	(309,058)	-34%
Off-balance Sheet	68,390	84,272	(15,882)	-19%
Customer resources	1,301,873	1,346,637	(44,764)	-3%
Turnover per employee	1,342	1,565	(223)	-14%
Financial intermediation (operating income) result	68,180	262,181	(193,001)	-74%
Financial intermediation result per employee	33.32	126.35	(93	-74%
Administrative and commercialization costs/Financial intermediation result (less net monetary position)	57.9%	42.6%	-	-
Staff costs/Financial intermediation result (less net monetary position)	18.6%	24.8%	-	-
Net results of the financial year	50,126	21,289	28,837	135%
Net position	457,056	482,697	(25,641)	-5%
Result before taxes/average net assets	2.4%	1.1%	-	-
Financial intermediation result/average net assets	3.4%	13.8%	-	-
Pre-tax result/average equity	10.5%	5.0%	-	-
Regulatory solvency ratio	31.7%	25.3%	-	-
Number of Branches	234	232	2	1%
Number of employees	2,076	2,075	1	0%
Number of customers (in thousands)	1,784	1,632	152	9%

Amounts expressed in millions of American Dollars	'21	'20	Δ 2021/2020	Δ% 2021/2020
Total net assets	3,598	3,159	439	14%
Turnover	5,018	4,999	19	0%
Lending to the Economy	2,672	2,926	(254)	-9%
Lending to customers	1,474	1,402	72	5%
Lending to the State	1,075	1,394	(319)	-23%
Off-balance Sheet	123	130	(7)	-5%
Customer resources	2,346	2,073	(273)	-13%
Turnover per employee	2.0	2.4	(0)	-17%
Financial intermediation (operating income) result	125	404	(279)	-69%
Financial intermediation result per employee	0.06	0.19	(0)	-69%
Administrative and commercialization costs/Financial intermediation result (less net monetary position)	58%	42.5%	-	-
Staff costs/Financial intermediation result (less net monetary position)	18.4%	24.9%	-	-
Net results of the financial year	90	33	57	173%
Net position	824	743	81	11%
Result before taxes/average net assets	2.6%	0.4%	-	-
Financial intermediation result/average net assets	3.7%	11.9%	-	-
Pre-tax result/average equity	11.4%	1.9%	-	-
Regulatory solvency ratio	31.7%	25.3%	-	-
Number of Branches	234	232	2	1%
Number of employees	2,076	2,075	1	0%
Number of customers (in thousands)	1,784	1,632	152	9%



Luanda

1

Organizational Structure

Organizational Structure

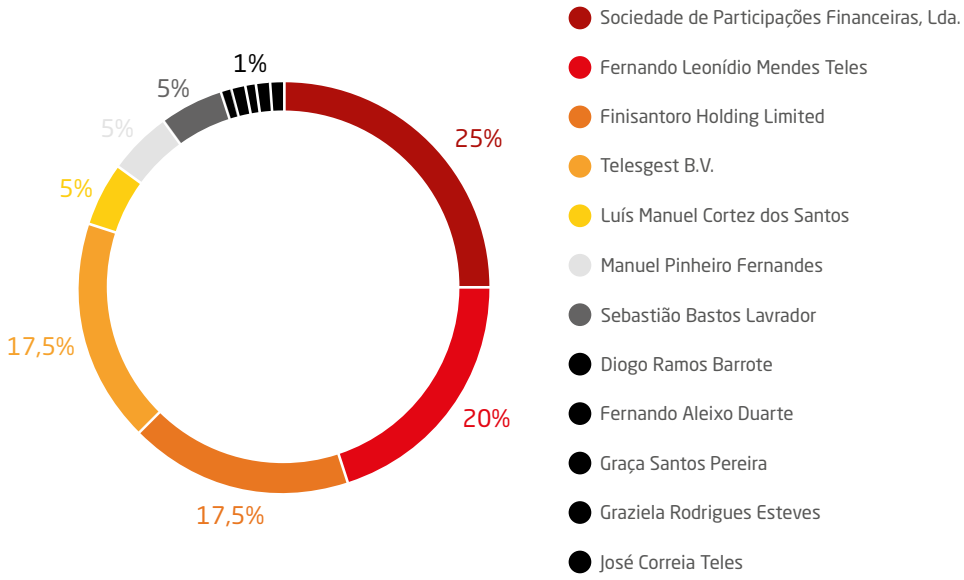
Governance Model

The Bank's governance model is established in its By-Laws and complies with the requirements of the Financial Institutions Act (Law No. 14/2021 of 19 May). The Statutory Bodies are the Governing Bodies and specifically include the General Meeting and its Chair, the Board of Directors, the Executive Committee of the Board of Directors, the Supervisory Board, the General Meeting Board and the External Auditor.

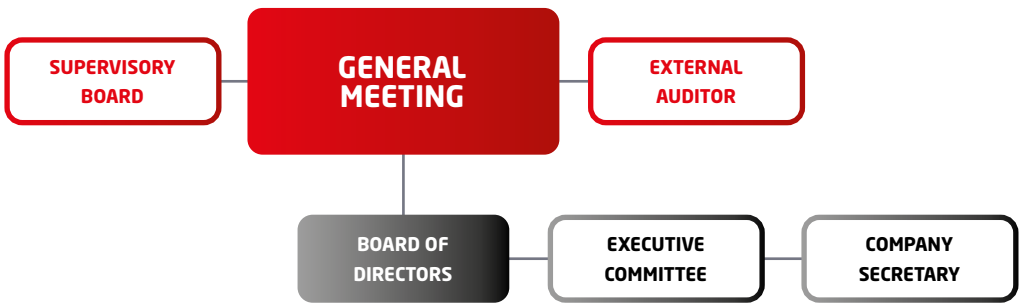
Banco BIC was incorporated by public deed on 22 April 2005, following the communication from Banco Nacional de Angola of 19 April 2005, authorizing its incorporation, and is located in the BIC Building, in Talatona, Municipality of Samba, in Luanda.

The Bank is dedicated to obtaining resources from third parties in the form of deposits or others, which it uses, together with its own resources, to grant loans, make deposits with Banco Nacional de Angola, make investments in credit institutions, and acquire securities and other assets, for which it is duly authorized. It also provides other banking services and performs several types of foreign currency operations.

Banco BIC's share capital is broken down as follows:



The members of the Governing Bodies were elected for the three-year term 2021/2024 at the General Meeting of 07 June 2021. On this date, the Board of Directors designated, in accordance with the By-laws, the composition of the Executive Committee and its respective Chair.



> The members were elected for the three year period 2021/2024 at the General Meeting of 07 June 2021

General Meeting

The General Meeting is the corporate body that is made up of all of the bank's shareholders. Its operation is regulated by the by-laws. Its main competencies are:

- Election of the members of the Board of Directors, the Supervisory Board, the Chair, the Vice-Chair and the Secretaries of the General Meeting Board, as well as the appointment of the External Auditor;
- Appraisal of the Board of Directors' annual report, discussion and voting on the Bank's balance sheet and accounts, taking into consideration the opinion of the Supervisory Board and External Auditor;
- Approval of the fixed and/or variable remuneration of members of the statutory bodies;
- Resolving on the distribution of results, as proposed by the Board of Directors;
- Resolving on changes to the bylaws.

Board of Directors

Meetings of the Board of Directors are held at least monthly and whenever called by the Chair of the Board of Directors.

In order to ensure the executive management of the Bank, the Board of Directors has appointed an Executive Committee.

Executive Committee

The Executive Committee, within the scope of its competencies, is subordinated to the action plans and the annual budget, as well as to other measures and guidelines approved by the Board of Directors, has broad management powers to conduct the Bank's day-to-day business, and its performance is permanently monitored by the Board of Directors, the Supervisory Board and the External Auditor.

All members of the Executive Committee play an active role in the day-to-day management of the Bank's business, with responsibility for one or more specific business areas in accordance with their individual profiles and specializations.

The Executive Committee meets every two weeks when convened by its Chairperson, according to the regulations.

Company Secretary

The Company Secretary is appointed by the Board of Directors and his/her term of office coincides with that of the members of the governing bodies.

Supervisory Board

The composition of the Supervisory Board is governed by the provisions of the by-laws, and it consists of a Chairperson and two effective members. The Supervisory Board meets quarterly.

External Auditor

External audits are conducted by C&S - *Assurance And Advisory,S.A. (Group Grant Thornton).* The rules for the provision of services, by the External Auditor, are defined in Banco Nacional de Angola Notice No. 04/2013 of April 22. The Bank considers that the current External Auditors meet the requirements of availability, knowledge, experience and suitability to fully perform their functions.

Governing Bodies

General Meeting
Chair
Manuel Pinheiro Fernandes

Secretary
Luís Manuel Cortês dos Santos

Board of Directors
Hugo Silva Teles
Graziela Rodrigues Esteves (**)
Fernando Aleixo Duarte (**)
Jaime Galhoz Pereira
Pedro Nunes M´Bidingani
José Manuel Cândido
Amadeu Maurício (*)
José Agostinho Rodrigues (*)
Fernando Leonidio Mendes Teles (*);(**)

Executive Committee
Chair
Hugo da Silva Teles

Members
Graziela Rodrigues Esteves (**)
Fernando Aleixo Duarte (**)
Jaime Galhoz Pereira
Pedro Nunes M´Bidingani
José Manuel Cândido

Supervisory Board
Chair
Sérgio Henrique Serra

Members
Maria Ivone dos Santos
José Nelson Rodrigues Carmelino

Alternate Member
Hélder Jorge Araújo N. Varanda (**)

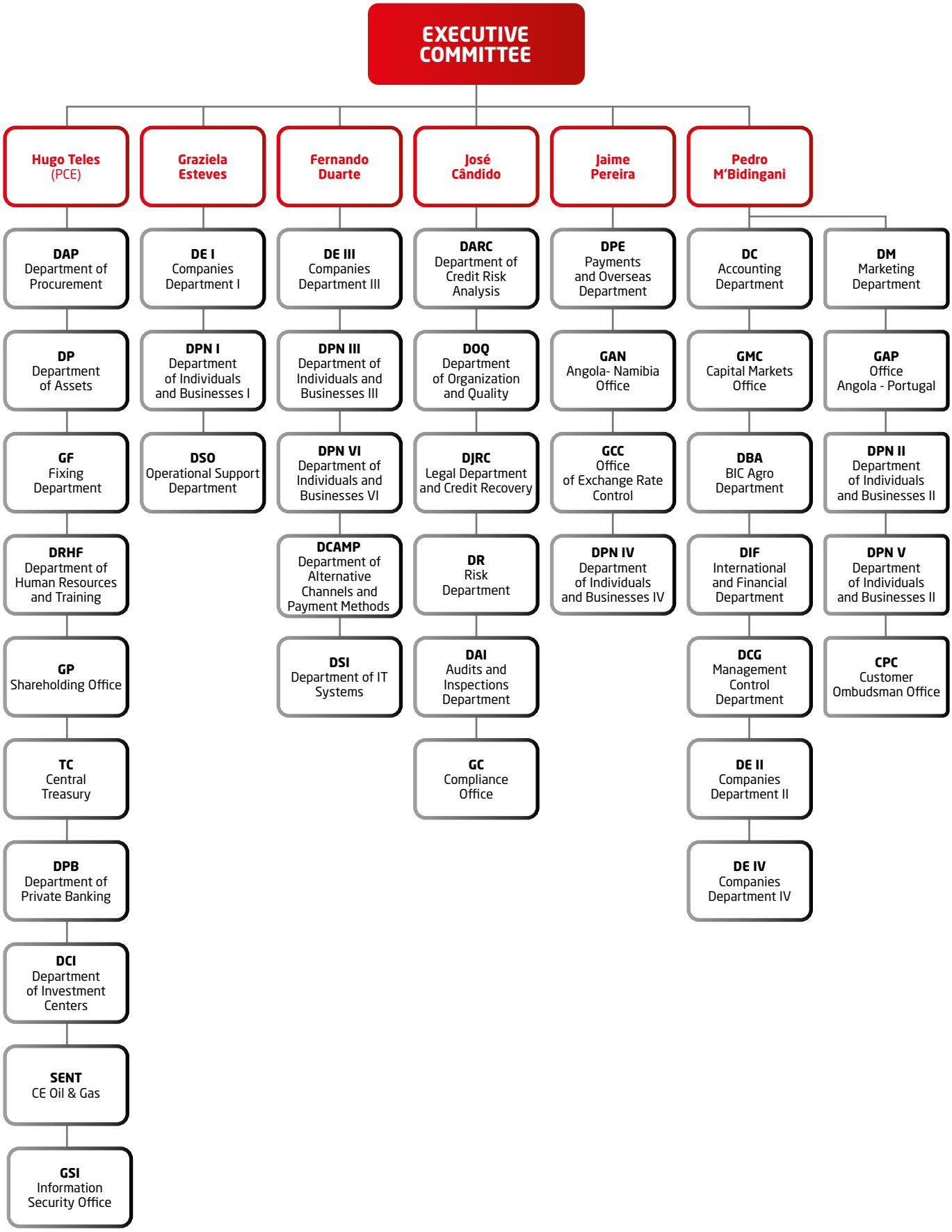
External Auditor
C&S Assurance And Advisory, S.A. (Group Grant Thornton)

Company Secretary
Victor Mendes

Note: The full composition of the Governing Bodies was pending approval by Banco Nacional de Angola on 31.12.2021.
(*) Non Executive Director.
(**) Awaiting the Special Registry entry, by the BNA, of the members of the Governing Bodies appointed at the General Meeting of 07.06.2021

Functional Organizational Chart

The functional structure of the Bank allows a clear division of the areas and functions of each Department and/or office, under the authority of each of the executive directors. The functional organization chart of the Bank is shown below:



Composition of the structural units

DAP
Department of Procurement

MAIN FUNCTIONS:

- Acquire, store, and distribute goods and services; coordinate the quality control process for the goods and services that are provided;
- Launch consultations with suppliers of goods and services, negotiate and execute contracts for the supply of goods and services;
- Ensure the compliance of the authorities delegated for making costs and investments by the Bank's various organizational units;
- Ensure that invoices for the acquisition of goods and services rendered are checked;
- Ensure the management of recovered vehicles and equipment.

Operational and accounting support area:
Central Manager: Alberto Castelo Branco
Deputy Manager: Alvaro Alves
Number of employees: 30

DP
Department of Assets

MAIN FUNCTIONS:

- Ensure the management of the Bank's investment and recovered real estate, whether or not related to operations;
- Ensure the physical and environmental conditions of the facilities necessary for the proper operation of the Bank, guaranteeing at all times, both the operability and safety of the infrastructure and adequate levels of space management rationalization and efficiency;
- Ensure safe conditions for people and property inside the Bank's facilities.

Operational and accounting support area:
Central Manager: Tiago Pacheco
Number of employees: 13

GF
Fixing *Department*

MAIN FUNCTIONS:

- Ensure the checking and accuracy of legal documents that are part of the process associated with each operation;
- Perform the preliminary analysis of the operations approved in the decision-making circuit, validating the submitted documentation, as well as of the correct and adequate framework in accordance with existing legislation and product and service manuals;
- Request the appropriate decision-making circuit to reassess the operations in the event of any deficiencies in their processing, suggesting the appropriate framework with a view to correctly formalizing the operations.

Operational and accounting support area:
Central Manager: Jose Carlos Silva
Deputy Manager: Helga Peres
Number of employees: 12

DRHF
Department of Human Resources and Training

MAIN FUNCTIONS:

- Human Resources Recruitment, including human resources planning, candidate
- market research, recruitment, selection and integration;
- Human Resources Assignment, including job analyses and job descriptions, horizontal, vertical or diagonal movements of personnel, career planning and merit and performance assessments;
- Human Resources Maintenance, including remuneration (salary management), social benefits plan (health), other benefits (credits), health and safety at work, records, staff controls and labor relations (declarations, work and other certificates);
- Human Resources Development, including training and personal development plans;
- Human Resources Control, including management indicators and human resources IT systems (data search and processing, statistics, records, reports, maps and statements).

Operational and accounting support area:
Central Manager: Telma Pinheiro
Deputy Manager: Sarah Figueiredo
Number of employees: 5

GP
Shareholding Office

MAIN FUNCTIONS:
- Ensure the realization and issuance of Life and Non-Life Insurance, carried out under guarantees associated with credits granted by the Bank;
- Ensure the maintenance of policies/amendments/adjustments/readjustments associated with credit products.

Operational and accounting support area:
Central Manager: Fátima Monteiro/José Carlos Silva
Number of employees: 3

TC
Central Treasury

MAIN FUNCTIONS:
- Ensure that valuables are collected from and delivered to the vaults of the branches within the deadlines set for this purpose;
- Ensure that the maximum stipulated ceiling for valuables in branch vaults is never exceeded, thereby mitigating operational risk;
- Ensure that the Bank's cash holdings are never exceeded by arranging for them to be deposited with the Central Bank.

Operational and accounting support area:
Central Manager: Inocêncio Almeida
Deputy Manager: Afonso Nunda
Number of employees: 17

DPB
Department of Private Banking

MAIN FUNCTIONS:
- Collaborate with the Directors and Marketing Department for the definition of the global commercial strategy and the value proposition for the Private Sector, promoting its execution and implementation;
- Support the Private Bankers as their visit VIP customers, in order to enhance the attraction of businesses, and with actions to attract high potential customers.

Business Area:
Central Manager: Stephan Silva
Area manager: Lúcia Rodrigues
Number of employees: 6

DCI
Department of Investment Centers

MAIN FUNCTIONS:
- Development of best monitoring and prospecting practices to show a commitment to those who invest, with the aim of achieving the successful completion of each project and and building high value strategic partnerships and synergies;
- Monitoring the entire cycle of the investment project, with the investor, from its conception to the moment it becomes fully active;
- Study of investment alternatives that go hand in hand with the evolution of the business situation, by boosting the commercial network of economic agents that maintain financial relations with the Bank.

Business Area:
Central Manager: Monalisa Dias
Area manager: Lúcia Rodrigues
Number of employees: 12

DE
CE Oil & Gas

MAIN FUNCTIONS:

- Define and implement the commercial performance policies, within the commercial strategy determined by the Bank's Board of Directors;
- Boost the attraction of business customers in its target segment;
- Analyze the market conditions;
- Establish commercial objectives in coordination with the Board of Directors and the Commercial Departments that make up the Branch Network;
- Monitor and control the department's overdue credit and promote its recovery;
- Monitor and collaborate with measures to minimize latent risk in customers that show warning signs, not only failure to comply with operations;
- Analyze reports from the Audit and Inspection Department (AID) on commercial and administrative activities, monitor and promote the correction of anomalies and report in writing to the Director with responsibility for the measures taken.

Business Area:

Central Manager: Regina Guimarães
Center Manager: Ana Marques
Number of employees: 3

GSI
Information
Security Office

DE I
Companies
Department I

MAIN FUNCTIONS:

- Define and implement the commercial performance policies, within the commercial strategy determined by the Bank's Board of Directors;
- Boost the attraction of business customers in its target segment;
- Analyze market conditions;
- Establish commercial objectives in coordination with the Board of Directors and the Commercial Departments that make up the Branch Network;
- Monitor and control the department's overdue credit and promote its recovery;
- Monitor and collaborate with measures to minimize latent risk in customers that show warning signs, not only failure to comply with operations;
- Analyze reports from the Audit and Inspection Department (AID) on commercial and administrative activities, control and promote the correction of anomalies and report in writing to the Director with responsibility for the measures taken.

Business Area:

Central Manager: Pedro Velado
Area managers: Luena Fundões/ Dinamene Monteiro/Dácia Nascimento
Number of employees: 50

DPN I
Department
of Individuals
and Businesses I

MAIN FUNCTIONS:

- Define and implement the commercial performance policies, within the commercial strategy determined by the Bank's Board of Directors;
- Boost the attraction of business customers in its target segment;
- Analyze market conditions;
- Establish commercial objectives in coordination with the Board of Directors and the Commercial Departments that make up the Branch Network;
- Monitor and control the department's overdue credit and promote its recovery;
- Monitor and collaborate with measures to minimize latent risk in customers that show warning signs, not only failure to comply with operations;
- Analyze reports from the Audit and Inspection Department (AID) on commercial and administrative activities, control and promote the correction of anomalies and report in writing to the Director with responsibility for the measures taken.

Business Area:

Central Manager: Henrique Oliveira
Area Managers: Edna Gaspar/Pedro Marta/Marcília Gonçalves
Number of employees: 239

DSO
Operational Support Department

MAIN FUNCTIONS:

- Ensure the proper opening of personal and company accounts;
- Receive the credit proposals sent by the legal counsel and the commercial network, and register them for monitoring and control purposes;
- Ensure that legal documents forming part of the process associated with each operation (contracts and credit bonds) are checked and subsequently archived;
- Charge the client any commissions and contract expenses that may be incurred;
- In Sent Clearance: certify that the commercial network processes the cheques drawn on the CIO and other securities subject to compensation (this processing consists of the reading of the optical line and digitalization); proceed with the digital filing of the cheques drawn on the CIO (when implemented); certify that the file with the cheques drawn on the CIO and other compensable securities has been submitted to Banco Nacional de Angola, via EMIS and process the returned cheques drawn on the OIC, through the analysis of pending movements in the Central System.
- On Received Clearance: Accept files of cheques drawn on the Bank, via DSI; check the formalities of the cheques drawn on the Bank; monitor the returns of cheques drawn on the Bank (returned by the commercial network if their requirements are irregular), and create a digital file of the returned cheques drawn on the Bank, through the Clearing Service of Banco Nacional de Angola.

Operational and accounting support area:
Central Manager: Jerusa Guedes
Number of employees: 17

DE III
Companies Department III

MAIN FUNCTIONS:

- Define and implement the commercial performance policies, within the commercial strategy determined by the Bank's Board of Directors;
- Boost the attraction of business customers in its target segment;
- Analyze the market conditions;
- Establish commercial objectives in coordination with the Board of Directors and the Commercial Departments that make up the Branch Network;
- Monitor and control the department's overdue credit and promote its recovery;
- Monitor and collaborate with measures to minimize latent risk in customers that show warning signs, not only failure to comply with operations;
- Analyze reports from the Audit and Inspection Department (DAI) on commercial and administrative activities, monitor and promote the correction of anomalies and inform the Director of the Department in writing of the measures taken.

Business Area:
Central Manager: Suzana Silva
Number of employees: 9

DPN III
Department of Individuals and Businesses III

MAIN FUNCTIONS:

- Define and implement the commercial performance policies, within the commercial strategy determined by the Bank's Board of Directors;
- Boost the attraction of business customers in its target segment;
- Analyze market conditions;
- Establish commercial objectives in coordination with the Board of Directors and the Commercial Departments that make up the Branch Network;
- Monitor and control the department's overdue credit and promote its recovery;
- Monitor and collaborate with measures to minimize latent risk in customers that show warning signs, not only failure to comply with operations;
- Analyze reports from the Audit and Inspection Department (AID) on commercial and administrative activities, control and promote the correction of anomalies and report in writing to the Director with responsibility for the measures taken.

Business Area:
Central Manager: Suzana Silva
Area Managers: Carlos Santos/Hélio Lopes
Number of employees: 123

DPN VI
Department of Individuals and Businesses VI

MAIN FUNCTIONS:

- Define and implement the commercial performance policies, within the commercial strategy determined by the Bank's Board of Directors;
- Boost the attraction of business customers in its target segment;
- Analyze the market conditions;
- Establish commercial objectives in coordination with the Board of Directors and the Commercial Departments that make up the Branch Network;
- Monitor and control the department's overdue credit and promote its recovery;
- Monitor and collaborate with measures to minimize latent risk in customers that show warning signs, not only failure to comply with operations;
- Analyze reports from the Audit and Inspection Department (DAI) on commercial and administrative activities, monitor and promote the correction of anomalies and inform the Director of the Department in writing of the measures taken.

Business Area:

Central Manager: António Silva
Coordinating Managers: Maria Fátima Silva/Elizabeth Pina
Area Managers: Fábio Leitão/José Antunes/Simão Finde
Number of employees: 219

DCAMP
Department of Alternative Channels and Payment Methods

MAIN FUNCTIONS:

- Definition, implementation and operation of operational processes concerning the following products and services: Bank cards (debit and credit), Payment Terminals (APT), Automatic Teller Machines (ATM), Interactive Service (Netbanking - Personal and Business Netbanking), Other Alternative Channels (Mobile banking, Tablet banking, SMS banking and others);
- Contribute, in coordination with other Organizational Units, to the definition of new products and services, campaigns and promotional activities, new functionalities or improvements to existing ones;
- Guarantee the correct and permanent operation of APT's and ATM's.

Operational and accounting support area:

Central Manager: N'Kiniani Rangel
Deputy Manager: Márcia Lima
Number of employees: 31

DSI
Department of IT Systems

MAIN FUNCTIONS:

- Identify and promote the definition of strategic lines of intervention regarding IT systems and their respective technological supports;
- Comprehensively manage the components of IT systems and technological infrastructure, to ensure that they are always in alignment with current needs and to identify the foreseeable impact arising from new requests from the various Business Units;
- Ensure the planning and development of actions necessary for the adoption of means and methods based on a rigorous framework in terms of productivity, efficiency, quality, control, safety, service levels and costs.

Operational and accounting support area:

Central Manager: Luis Nikolai
Deputy Manager: Rui Valente
Number of employees: 28

DARC
Department of Credit Risk Analysis

MAIN FUNCTIONS:

- Perform the analysis of credit operations concerning customer or group risk, as defined in the general credit regulations;
- To prepare credit risk reports on customer/group operations (credit reports), focusing on analyses that tends to be performed for the largest and new exposures, less typical and more complex credit situations, which are assessed by the Credit Council;
- Ensure the processes for creating risk balance and rating tables, guaranteeing that they are maintained;
- Ensure the proper creation of economic groups and circles and their maintenance;
- Ensure that management information is obtained on matters within its competence.

Operational and accounting support area:
Central Manager: Maria Franco
Number of employees: 19

DOQ
Department of Organization and Quality

MAIN FUNCTIONS:

- Ensure the preparation and maintenance of internal regulations, in coordination with the Bank's organizational units, and their corresponding approval by the Board of Directors, their publication and historical archive;
- Ensure or collaborate with the definition of the organizational structure and the competences/attributions of the bank's organizational units, their corresponding approval by the Board of Directors, and their publication and historical archive;
- Design the content of the bank's forms and templates and ensure their maintenance;
- Promote collaboration and the sharing of information and knowledge among the Bank's various operational structures.

Operational and accounting support area:
Central Manager: Augusto Silva
Deputy Audit Manager: Manuela Pereira
Number of employees: 4

DJRC
Legal and Credit Recovery Department

MAIN FUNCTIONS:

- Analyze processes sent by the Commercial Network;
- Prepare proposals for debt settlement agreements;
- Support, within the scope of its activities, all processes assigned to external lawyers;
- Respond to technical and legal queries from all Bank departments.

Operational and accounting support area:
Central Manager: Carlos Campos
Deputy Manager: Isilda Tavares/Roquy Morais
Number of employees: 26

DR
Risk department

MAIN FUNCTIONS:

- Obtain a comprehensive vision of the risks to which the bank is exposed in order to understand their various impacts, including the evolution of internal capital;
- Implement risk management and measurement methodologies appropriate to the material nature and characteristics of each type of risk;
- Ensure the implementation of a solid and reliable risk management and measurement system that allows for the comprehensive and segmented treatment of risks and the understanding of their impacts;
- Promote levels of internal control;
- Coordinate the development and maintenance of the Business Continuity Plan (BCP);
- Contribute to to strengthening an internal culture of risk management and service quality improvement.

Control area:
Director: Lilia Rangel
Head of section: Luisa Vezo
Number of employees: 4

DAI
Audits and Inspections Department

MAIN FUNCTIONS:

- Define and prepare the Audit Plan, ensuring its execution;
- Ensure the audit of all agencies, business centers, investment centers and investment centers and central services to the Bank;
- Prepare audit reports, proposing in them the adoption of corrective measures to situations found that are less regular or deficient;
- Proceed to the analysis of customer complaints that justify the intervention of DAI, articulating with the order of the Bank involved and collaborating when necessary in the preparation of the respective response;
- Proceed, when necessary, to Inspections (analysis and technical evaluation) to organs or events that may indicate;
- Carry out, when necessary, Inspections (analysis and technical assessment) of members or events that may indicate irregularities or to the ascertainment of responsibilities in situations that may indicate illegitimate or fraudulent procedures or in contravention of the established rules and guidelines, which may affect the property interests of the Bank or third parties.

Operational and accounting support area:
Central Manager: Adilson Joaquim
Deputy Manager: Fernanda Pinto
Number of employees: 21

GC
Office *Compliance*

MAIN FUNCTIONS:

- At least once a year, prepare and present to the Institution's Board of Directors and Supervisory Body a report identifying any non-compliances and the measures taken to correct any deficiencies that may have been detected;
- Immediately provide the Management with information on any indications of violation of legal obligations, rules of conduct and of relationships with customers or other duties that may cause the institution or its employees to commit a misdemeanor;
- Monitor and publicize the regulatory legislation published by the different supervisory and regulatory entities;
- As part of the scope of Anti-Money Laundering and Combating the Financing of Terrorism: ensure the updating of internal standards in view of changes in the current legislation and the reliability of software to combat the Financing of Terrorism. Anti-Money Laundering software.

Control area:
Central Manager: Inês Carvalho
Deputy Manager: Sónia Lilita
Number of employees: 10

DPE
Payments and Overseas Department

MAIN FUNCTIONS:

- Opening, maintenance and settlement of documentary operations and external financing, OPE s, OPRs, STCs and SPTRs;
- Ensure that legal documents that are part of the process associated with each operation are checked for precision, providing the respective physical file;
- Collaborate with the Bank's other organizational units on multidisciplinary projects;
- Ensure that the Bank is represented at meetings with external entities, within its area of activity;
- Answer consultation requests made by auditors and revisers from Banco Nacional de Angola or by any other external entity to which this type of request is applicable;
- Ensure the resolution of non-compliances and complaints.

Operational and accounting support area:
Central Manager: Mafalda Carvalho
Deputy Manager: Paulo Brito
Number of employees: 32

GAN
Angola- Namibia
Office

MAIN FUNCTIONS:

- As part of the Bank's further internationalization, ensure and/or expedite the commercial relationship between Banco BIC, SA and Bank BIC Namibia and their respective (or potential) clients;
- Ensure the creation and maintenance of efficient communication and procedural channels, in strict compliance with the legal framework of the two countrie and the internal institutional standards.

Operational and accounting support area:
Person responsible: José Carlos Silva
Number of employees: 1

GCC
Office
of Exchange Rate
Control

MAIN FUNCTIONS:

- Follow all the regulations published by BNA on foreign exchange operations;
- Put in place adequate control systems for compliance with legislation, regulations, and update them when necessary;
- Ensure the proper opening and operation of bank accounts held by exchange rate non-residents, with the collaboration of the Compliance Office;
- Comply with foreign exchange laws and regulations for operations not subject to licensing, in cases where approval has been delegated by the Bank;
- Validate the correct constitution of the application files for licensing or registration of operations and their timely submission to BNA;
- Ensure the correct and timely execution of foreign exchange transactions, as well as their registration in the BNA accounting and reporting systems;
- Ensure the timely and correct reporting of all information to be sent to BNA;
- Represent the Bank before BNA for all foreign exchange issues, through the head of the foreign exchange control function;
- Verify the framework of foreign exchange operations in the business "legal person" customers, considering their nature, size and financial situation among other factors and, in the cases of "individual clients", the framework of their circumstances and financial capacity, under the scope of the transaction monitoring process provided for in Law 34/11 on Money Laundering and Terrorism Financing.

Control area:
Central manager: Lexter Soares
Number of employees: 4

DPN IV
Department
of Individuals
and Businesses IV

MAIN FUNCTIONS:

- Define and implement the commercial performance policies, within the commercial strategy determined by the Bank's Board of Directors;
- Boost the attraction of business customers in its target segment;
- Analyze the market conditions;
- Establish commercial objectives in coordination with the Board of Directors and the Commercial Departments that make up the Branch Network;
- Monitor and control the department's overdue credit and promote its recovery;
- Monitor and collaborate with measures to minimize latent risk in customers that show warning signs, not only failure to comply with operations;
- Analyze reports from the Audit and Inspection Department (AID) on commercial and administrative activities, monitor and promote the correction of anomalies and report in writing to the Director with responsibility for the measures taken.

Business Area:
Central Manager: Horácio Almeida
Area Manager: Nelson Guilherme/Felícia Fortes/Ana Cajada
Number of employees: 268

DC
Accounting
Department

MAIN FUNCTIONS:

- Prepare the financial statements and all other elements that the Bank uses to render accounts;
- Produce and report accounting, prudential, statistical and tax information to the supervisory entities and tax authorities, respectively, ensuring compliance with accounting standards and regulatory and tax requirements;
- Manage third party billing and invoice payments.

Operational and accounting support area:
Central Manager: Alzira Gama
Deputy Managers: Edhilayne Tavares/Soraia Ramos
Number of employees: 16

GMC
Capital Markets
Office

MAIN FUNCTIONS:

- Enable customers to execute, through a single point of contact, the main capital market financial instruments, with the necessary conditions of reliability, security and transparency guaranteed at all times;
- Promote the range of investment consultancy services to the Bank's high net worth customers;
- Ensure the organization and setting up of debt and capital market operations.

Operational and accounting support area:
Central Manager: Irene Vezo
Number of employees: 14

DBA
BIC Agro
Department

MAIN FUNCTIONS:

- Provide all technical support to the commercial networks, whenever requested by them, for drawing up proposals or preparing commercial visits to customers or potential customers;
- Ensure the contracting of credit operations aimed at agriculture, livestock, and fisheries;
- Conduct the analysis of the credit portfolio in terms of types of credit in the DBA area; issue or follow-up the issue of new contracts, as well as addenda to existing contracts;
- Monitor the credit and non-performing loans portfolio and sit on the Non-performing Loans Monitoring Committee;

Business Area:
Central Manager: Jorge Veiga
Number of employees: 3

DIF
International
and Financial
Department

MAIN FUNCTIONS:

- Coordinate the management of the Bank's foreign exchange position and risk. Manage the Bank's liquidity and compliance with reserve requirements;
- Monitor compliance with the limits of exposure to market and counterparty risks;
- Control and ensure the registration, in the appropriate IT systems, of counterparty operations that are performed, in a timely manner and according to the procedures established for this purpose;
- Collaborate with updating the Bank's price list for products and services related to the Department's activity;
- Monitor the evolution of markets.

Business Area:
Central Manager: Irene Vezo
Number of employees: 12

DCG
Management Control Department

MAIN FUNCTIONS:

- Ensure technical support to the Administration and propose strategic guidelines, subject to the achievement of clearly defined business objectives and ensuring planning and control coordination for the activities of the different Business Areas and Central Services. Prepare the medium and long term Business Plans and the Annual Budget;
- Guarantee the assessment and commercial activity of the Business Units and control the operating costs of the Central Services Departments, ensuring the coordination, preparation and execution control of the respective annual budget;
- Provide and prepare management information to support the monthly performance assessment of the Bank, each Business Unit and each Central Services Department;
- Within the framework of the Bank's Internationalization, ensure the timely provision of financial, accounting and operational information about the Bank and other BIC entities, on a consolidated basis, to the different Supervisory Entities, specifically to Banco Nacional de Angola.

Supervisory body:
Central Manager: Sara Teles
Number of employees: 5

DE II
Companies Department II

MAIN FUNCTIONS:

- Define and implement the commercial performance policies, within the commercial strategy determined by the Bank's Board of Directors;
- Boost the attraction of business customers in its target segment;
- Analyze the market conditions;
- Establish commercial objectives in coordination with the Board of Directors and the Commercial Departments that make up the Branch Network;
- Monitor and control the department's overdue credit and promote its recovery;
- Monitor and collaborate with measures to minimize latent risk in customers that show warning signs, not only failure to comply with operations;
- Analyze reports from the Audit and Inspection Department (AID) on commercial and administrative activities, control and promote the correction of anomalies and report in writing to the Director with responsibility for the measures taken.

Operational and accounting support area:
Central Manager: Regina Guimarães
Area Deputy Managers: Ana Marques/Alfredo Castro
Number of employees: 39

DE IV
Companies Department IV

MAIN FUNCTIONS:

- Boost the attraction of customers and businesses in its target segment;
- Closely analyze the evolution of the market and actions of competitors, and inform the Marketing Department (DM) of any changes that may occur;
- Define and implement the commercial performance policies, within the commercial strategy determined by the Bank's Board of Directors.

Business Area:
Central Manager: Jorge Veiga
Area Deputy Manager: Telmo Bernardo
Number of employees: 13

DM
Marketing
Department

MAIN FUNCTIONS:

- Propose the launch of commercial stimulation campaigns to support the Bank's strategic objectives, especially those aimed at marketing new products and services. Monitor the achievement of the defined objectives;
- Keep content available on the intranet and internet up to date;
- Ensure and validate the execution by advertising agencies of all advertising materials and items for the implementation of campaigns (TV and radio "spots", press ads, "billboards", "banners", leaflets, etc.);
- Coordinate and monitor the organization of events, specifically Board meetings, Conventions and Anniversaries;
- Implement the processes required for publishing the Annual Report and Accounts, ensuring coordination with the Communication agency selected for editing and production;
- Analyze, negotiate and implement all sponsorships, making the return on investment profitable and ensuring that the brand identity is applied correctly across different materials.
-

Operational and accounting support area:
Central Manager: Victor Mendes
Deputy Manager: Inês Fernandes
Number of employees: 5

GAP
Office
Angola - Portugal

MAIN FUNCTIONS:

- As part of the Bank's further internationalization, ensure and/or expedite the commercial relationship between Banco BIC, SA and EuroBic and their respective (or potential) clients;
- Ensure the creation and maintenance of efficient communication and procedural channels, in strict compliance with the legal framework of the two countries and the internal institutional standards.

Operational and accounting support area:
Person responsible: José Carlos Silva
Number of employees: 1

DPN II
Department
of Individuals
and Businesses II

MAIN FUNCTIONS:

- Define and implement the commercial performance policies, within the commercial strategy determined by the Bank's Board of Directors;
- Boost the attraction of business customers in its target segment;
- Analyze the market conditions;
- Establish commercial objectives in coordination with the Board of Directors and the Commercial Departments that make up the Branch Network;
- Monitor and control the department's overdue credit and promote its recovery;
- Monitor and collaborate with measures to minimize latent risk in customers that show warning signs, not only failure to comply with operations;
- Analyze reports from the Audit and Inspection Department (DAI) on commercial and administrative activities, monitor and promote the correction of anomalies and inform the Director of the Department in writing of the measures taken.

Business Area:
Central Manager: Amilcar Aguiar/Francisco Lourenço/José Assis
Area Managers: Edgar Magalhães/Francisco Melo/João Ivungo/Justina Praça /Patricia Faria
Number of employees: 466

DPN V
Department
of Individuals
and Businesses II

MAIN FUNCTIONS:

- Define and implement the commercial performance policies, within the commercial strategy determined by the Bank's Board of Directors;
- Boost the attraction of business customers in its target segment;
- Analyze market conditions;
- Establish commercial objectives in coordination with the Board of Directors and the Commercial Departments that make up the Branch Network;
- Monitor and control the department's overdue credit and promote its recovery;
- Monitor and collaborate with measures to minimize latent risk in customers that show warning signs, not only failure to comply with operations;
- Analyze reports from the Audit and Inspection Department (AID) on commercial and administrative activities, control and promote the correction of anomalies and report in writing to the Director with responsibility for the measures taken.

Business Area:

Central Manager: Anabela Santinho / José Zacarias
Area Managers: Rui Caetano / Armindo Cunha / Solange Martins
Number of employees: 326

GPC
Customer
Ombudsman Office

Remuneration Policy

Disclosure of quantitative information

In compliance with the provisions of Article 21 of Banco Nacional de Angola Notice 01/2022, of January 28, we hereby disclose that the remuneration earned in the year 2021 by the Board of Directors and the Supervisory Board amounted to approximately 948 million Angolan Kwanzas.
During the 2020 fiscal year, it amounted to about 710 million Angolan Kwanzas.

Annual remuneration policy statement

1. Remuneration of the Governing Bodies

The Remuneration Policy for the Governing Bodies of Banco BIC, S.A. in force in 2021 was approved by the General Meeting on April 29, 2021, following a proposal by the Board of Directors.

1.1. No external consultants were involved in defining the Remuneration Policy, nor was there a Remuneration Committee.
1.2. The Remuneration Policy in 2021 was compatible with the long-term interests of the Bank and did not encourage excessive risk-taking.
1.3. Non-executive directors only benefit from remuneration approved by the General Assembly.
1.4. The members of the Supervisory Board only benefit from fixed remuneration approved by the General Meeting.
1.5. Remuneration of the members of the Executive Committee:
a) All members of the Executive Committee receive a fixed remuneration, paid 14 times a year;
b) Every year, the General Meeting evaluates the Board of Directors, considering the meeting of objectives, the quantitative and qualitative results achieved, as well as their origin and nature, their sustainability or occasional nature, the risk associated with achieving them, compliance with regulations, added value for shareholders and the way in which the institution has related to other stakeholders.
1.6. Remuneration of the Members of the General Meeting Board:
a) The members of the General Meeting Board will receive a fixed attendance fee for each participation at General Meetings of Shareholders defined at the Meeting itself.

> **The Remuneration Policy in 2021 was compatible with the long-term interests of the Bank and did not encourage excessive risk-taking.**

2. Employee remuneration

2.1. The current Employee Remuneration Policy of Banco BIC, S.A. was approved by the General Meeting of Shareholders on April 29, 2021, following a proposal by the Board of Directors.
2.2. Employee performance is assessed at least once a year,
carried out by the respective line manager, and the assignment of the variable component of remuneration
depends on the assessment.
2.3. Employees who maintain a legal-employment relationship with the Bank through an employment contract do not benefit from any form of remuneration other than that arising from the normal application of labor law. They do not benefit from any annual bonus scheme or any other non-cash benefits, without prejudice to the possibility of receiving variable remuneration under the remuneration policy in force.

Mission, Vision and Values

Mission

To be a solid, profitable, socially responsible, efficient and streamlined bank, with a national presence and international representation, focused on value creation, being a partner to companies and families, that sets itself apart with evidence of asset valuation, customer satisfaction and employee fulfillment, accompanied by highly ethical and socially responsible behavior.

Vision

To be the best and largest private bank operating in Angola, growing in a sustained and innovative way while offering the best solutions to our customers, with a permanent capacity for renewal, and actively contributing to the development and economic growth of Angola.

Values

Transparent in all our behavior, attitudes, and decisions, the principles that guide us as we fulfill our responsibilities, in pursuit of or goals:

Customer Orientation

To build lasting relationships with Customers based on rigor, integrity, and transparency. Our dedication and commitment to our values let Customers know that they can reply on us to provide outstanding services to help them achieve their business, personal, and professional goals.

Innovation

Permanently observe and interpret the market so that we can make a difference in a highly competitive environment, not only by anticipating solutions and acquiring new knowledge, but also by creating value.

Scope

The permanent union between personal humility and professional ambition leads us to believe that we can always do more and better. This statement is one of the driving forces behind the professional growth of every person in particular, and the team as a whole.

Continuous recognition and appreciation of employees

Human Resources are one of the major driving forces behind our growth and achievement of our strategic objectives. Our actions are guided by the creation of working conditions and individual career plans that provide satisfaction and raise the motivation of everyone, and we also prioritize continuous investment through themed training plans to develop their technical and behavioral skills.

Teamwork

Achieving our mission is not the scope of the work of any one person, but it is everyone's responsibility. The constant combination of talents and competencies seeks to obtain effective teams with the capacity to always generate more and better, and thus surpass our own ambitions.

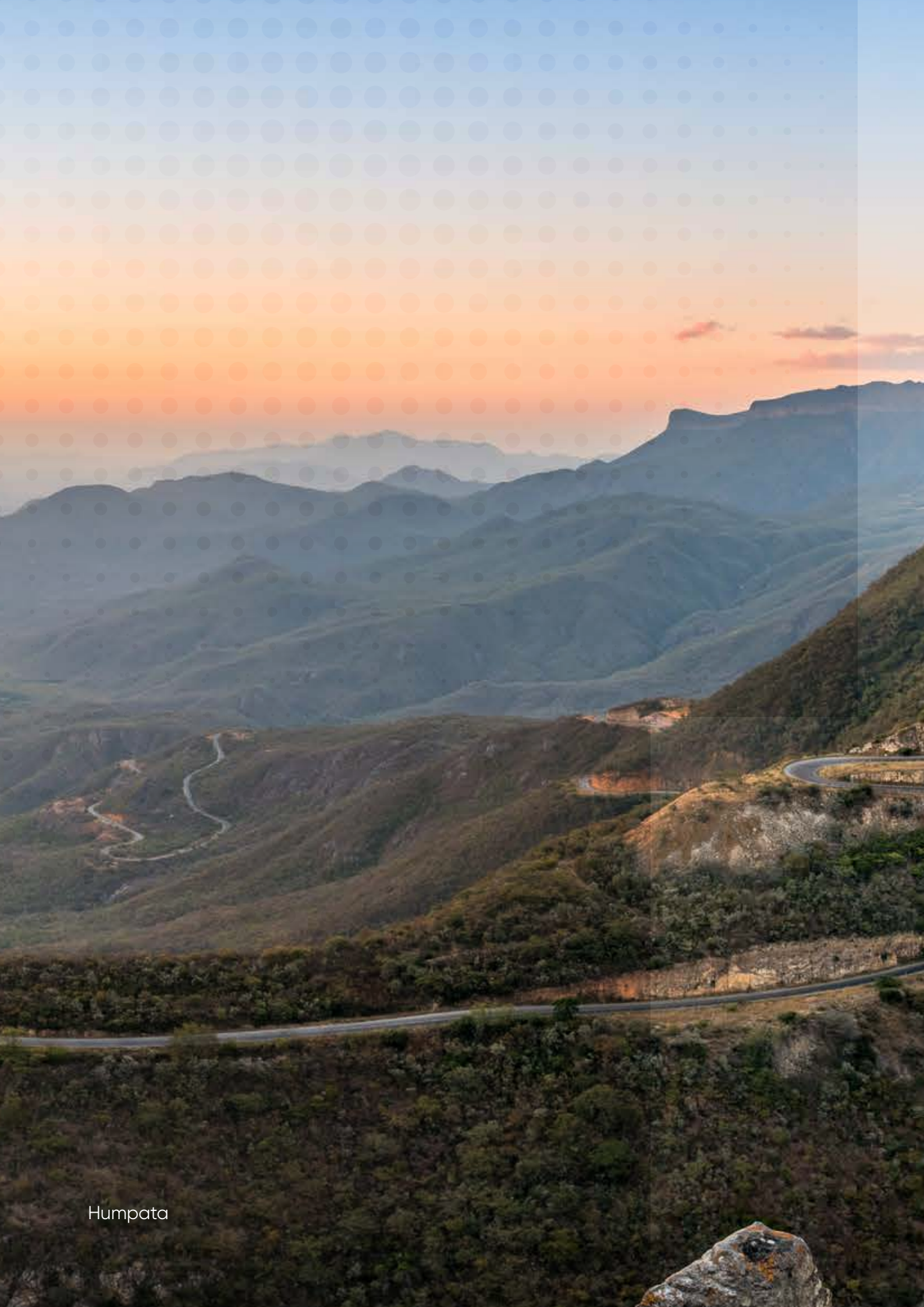
High standard of integrity

All of our employees act in accordance with the principles of high ethical standards and are strictly guided by the rules and recommendations of the Bank, in accordance with the standards established by the Regulatory Entities, especially Banco Nacional de Angola.

Social responsibility

Wherever we are we strive to create a favorable environment for investment and growth, and we try to be fully integrated in the community, both in terms of our involvement with the population and the services we provide. Each of our employees and the team as a whole leaves as a legacy our work in building a better world for the next generations.

These values (Customer Orientation, Innovation, Ambition, Recognition and Continuous Appreciation of Employees, Teamwork, Integrity and Social Responsibility), convey Banco BIC's personality and corporate essence and are the inspiration to do more and better, day after day, year after year, for the benefit of all our customers.



Humpata

2

Macroeconomic Framework

World Economy

In 2021, the World Economy showed signs of recovery, after having faced a great recession (one of the deepest since World War II), leaving it in a fragile situation because of the adverse impact of the Covid-19 pandemic that led the governments of various countries to adopt strict lockdown measures to avoid high losses of human life and minimize economic and financial losses on a global scale.

The vaccination program that has taken place worldwide has brought some optimism to the markets, as it allowed many countries to end their restrictions. The emergence of new variants of the virus, as well as the inequalities between advanced and less advanced economies in terms of access to vaccines, lay at the root of a slower acceleration of the world economy than initially predicted, with the consequent downward revision of economic growth forecasts.

In order to maintain social welfare, in 2021 governments continued with major interventions via fiscal policy to support economies, families and companies, with the consequent increase in fiscal imbalances and accumulation of public debt.

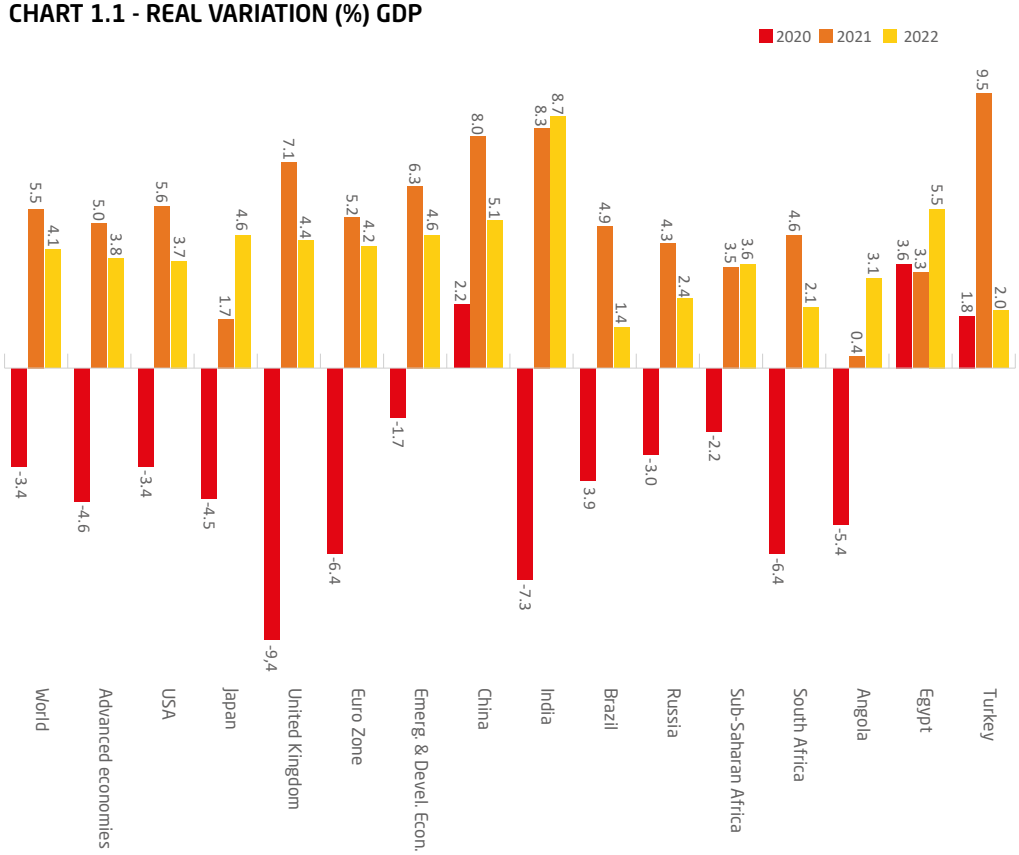
Based on the World Bank's Global Economic Prospect, the World Economy is estimated to have grown by 5.5% in 2021, after shrinking by 3.4% in 2020

Global Activity

Based on the World Bank's *Global Economic Prospect* , the World Economy is estimated to have grown by 5.5% in 2021, after shrinking by 3.4% in 2020. The same organization forecasts a slowdown in growth in 2022 to 4.1% due to the fact that, on the one hand, there have been major efforts to vaccinate populations, which, however, may fail if inequalities in access to vaccines do not change.

In terms of the Advanced Economies in 2021, emphasis should be placed on the growth of the USA, UK and the Euro Zone economies, by 5.6%, 7.1% and 5.2% respectively, due to the large-scale fiscal support provided by their governments.

CHART 1.1 - REAL VARIATION (%) GDP



Sources: World Bank Global Economic Prospect, January 2022

As for emerging markets and developing economies, China has shown strong signs of recovery, growing by 8% in 2021. Emerging markets and developing economies as a group grew by 6.3% in 2021, supported by higher demand and rising commodity prices. The growth of this group was mainly supported by China and India. The Sub-Saharan region of Africa saw modest growth of 3.5%. Although the group of emerging and developing economies showed signs of recovery, the gains were not enough to offset the losses that occurred during the 2020 recession, due to asymmetries in each region.

The International Monetary Fund (IMF) provided financial assistance and debt service relief to member countries facing the economic impact of the COVID-19 pandemic since late March 2020, with various credit lines and debt service relief actions funded by the Catastrophe Containment and Relief Trust (CCRT). The IMF has made available about USD 250 billion, about a quarter of its lending capacity (USD 1 trillion).

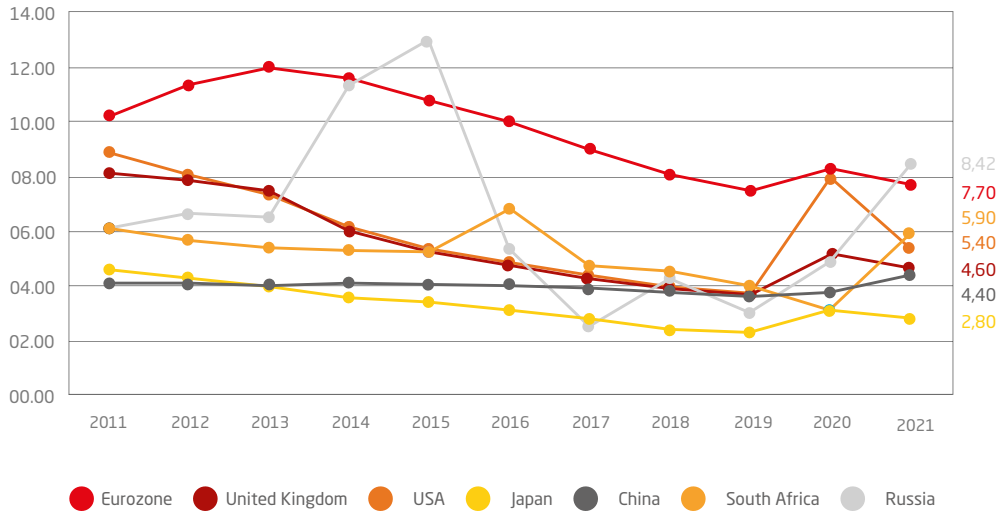
Labor Market

The positive growth seen in 2021 was not enough to cover the macroeconomic imbalances seen mainly in emerging and developing economies, essentially due to difficulties accessing financing that would allow them to create wealth and maintain/generate new jobs.

The unemployment rate in the advanced economies declined slightly across the board, particularly in the Eurozone (the unemployment rate fell by 2.5 percentage points to 5.4% and is expected to fall further in 2022 to 3.6%). According to the Department of Labor, the North American economy generated about 6.4 million jobs in 2021.

On the other hand, an increase in the unemployment rate was seen among emerging economies such as China, South Africa and Russia (members of the group of emerging economies, *BRICS)* with the increase of 0.6 p.p, 2.8 pp, 3.5 p.p to 4.4%, 5.9% and 8.4% respectively.

CHART 1.2 - UNEMPLOYMENT RATE (%)



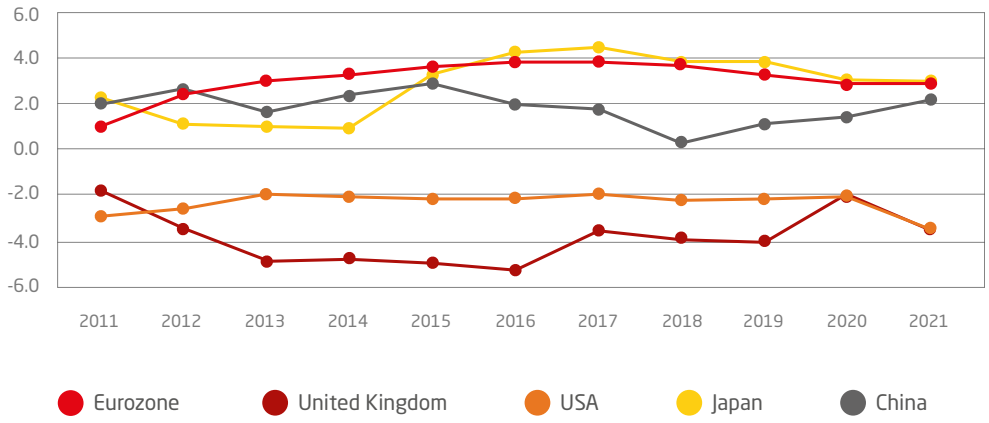
Source: AMECO database, European Commission | Bloomberg Financial LP

International Trade and Exchange Rates

According to the World Bank's Global Economic Prospect, the recovery in world trade reflected a rotation of global demand toward manufactured goods, while services transactions remained relatively subdued.

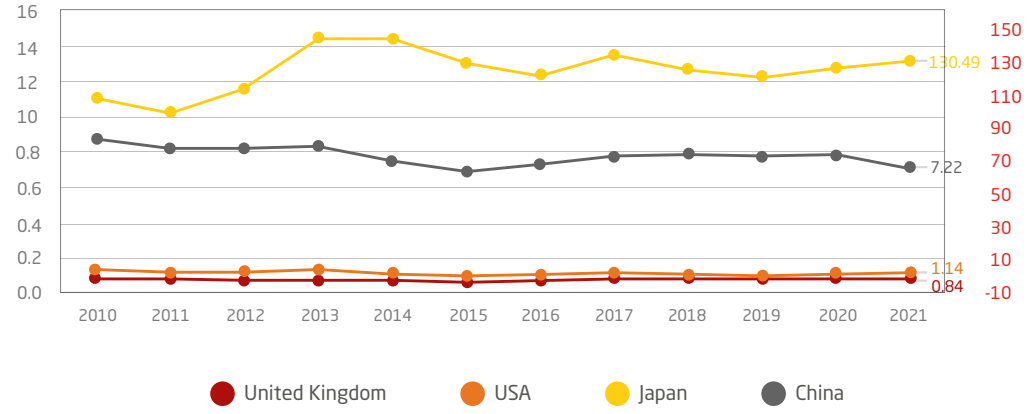
Following growth of 9.5% in 2021, world trade is expected to slow to 5.8% in 2022 and to 4.7% in 2023, in line with the downturn in economic growth.

CHART 1.3 - BTC BALANCE (% OF GDP)



Source: IMF World Economic Outlook. AMECO database, European Commission.

CHART 1.4 - EURO EXCHANGE RATE



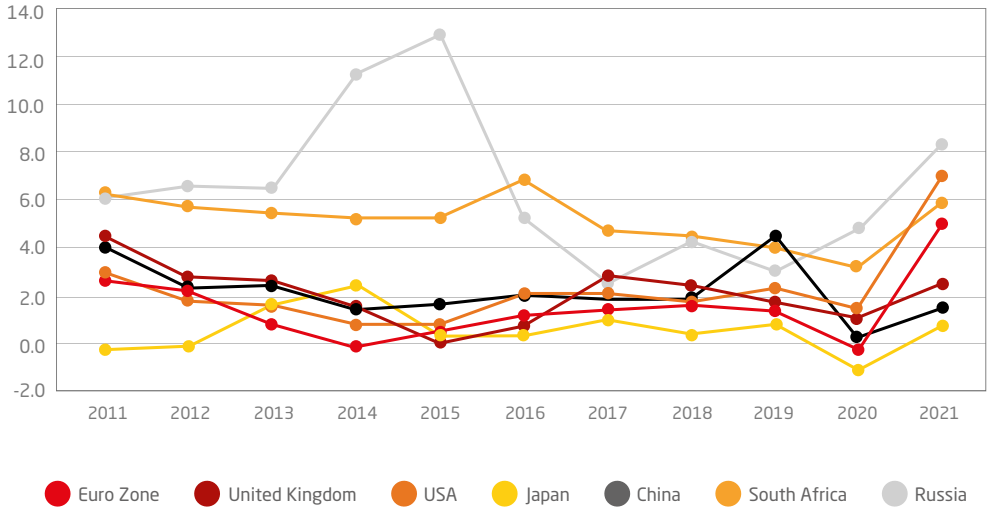
Source: FMI World Economic Outlook | Bloomberg Financial LP

In terms of the evolution of the Euro's exchange rates against several other markets, depreciation of the Euro's exchange rates against the US Dollar (6.9%), Pound (6.7%) and Yuan (10%) was observed in 2021. Similarly, the Euro appreciated against the Yen (3.6%).

Inflation Rate and Raw Material Prices

In 2021, the inflation rate, measured by the annual change in the consumer price index, increased in almost all major economic blocks, specifically in the Eurozone, Japan and the UK, to average values above 3 p.p. In the case of the US, a 5.7 p.p. increase to 7% was seen, while in the Eurozone an inflation rate of 5% was observed, an increase of 5.3 p.p. compared to 2020.

CHART 1.5 - INFLATION RATE, CPI ANNUAL RATE OF CHANGE (%)

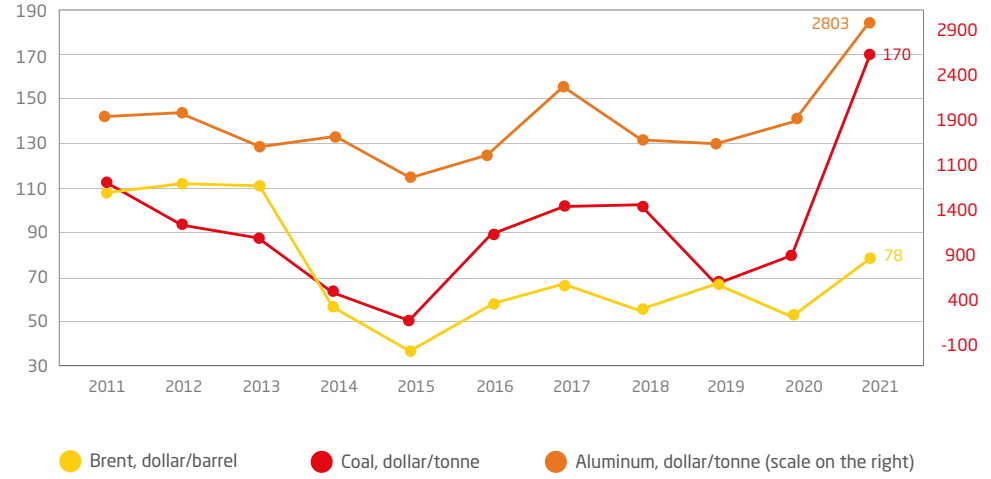


Source: AMECO database, European Commission | Bloomberg Financial LP

The inflation rate also increased in 2021 in some of the most important emerging economies, specifically in China (1.3 p.p.), Russia (3.5 p.p.) and South Africa (2.8 p.p.). The average (simple) inflation in these economies in 2021 was about 5.3.%, while the average (simple) inflation in the same year for the Eurozone, US, UK and Japan overall was about 3.9%.

Throughout 2021, raw material prices saw very sharp increases. Thus, for example, the prices of (Brent) crude, coal and aluminum in 2021 saw increases of 50.2%, 110.7% and 41.6%, respectively, on international markets.

CHART 1.6 - PRICE OF RAW MATERIALS IN USD

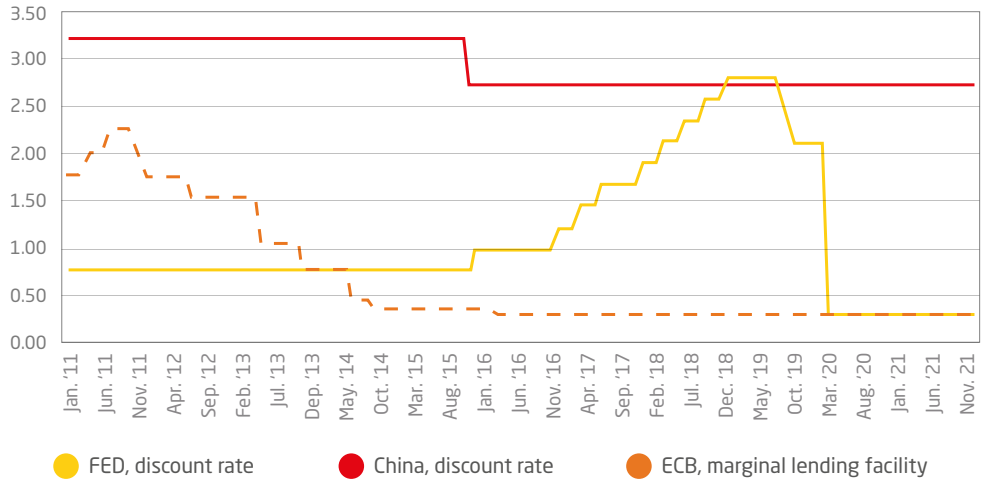


Source: Bloomberg Financial LP

Monetary Policy and Interest Rates

The monetary policy implemented by the various central banks (in 2021) aimed to reduce and maintain low discount interest rates. Despite everything, the Federal Reserve (FED) in the US, as well as the European Central Bank (ECB) kept discount rates and the marginal lending rate at 0.25% since March 2020, in the context of the monetary policy response to the pandemic situation. The Bank of China, kept the main interest rate unchanged for the sixth consecutive year.

CHART 1.7 - INTEREST RATES AND CENTRAL BANKS' MONETARY POLICY



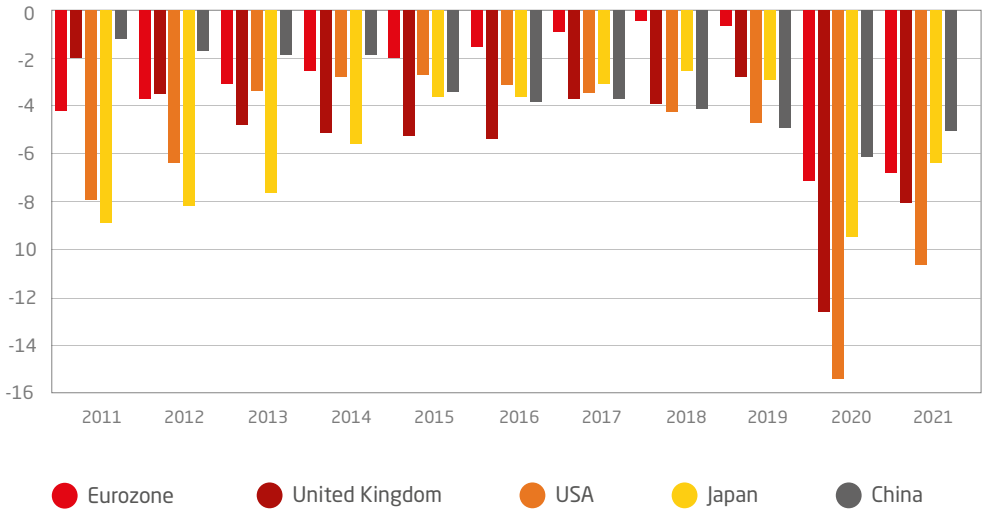
Source: Bloomberg Financial LP

The adverse impact of the Covid-19 pandemic on the global economy prompted the various central banks to intervene in the economy. In the case of the US, unconventional monetary policy was also used. The Federal Reserve (FED) revealed that it would buy at least $500 billion in Treasury Bonds and $200 billion in Government Guaranteed Mortgage Bonds. Thus, between mid-March and early December 2020, the bonds in the Fed's portfolio rose from $3.9 trillion to $6.6 trillion. Interventions along the same lines were taken by the Bank of England (300 billion pounds) and the Bank of Japan.

Public Accounts

Despite the need for governments to engage in expansionary fiscal policies in 2021 to meet public spending, budget deficits have declined very significantly given the recovery of global economies. Thus, while for the Eurozone, UK, Japan and USA as a whole the average budget balance in 2020 was around -11.26% of GDP, in 2021 the average budget balance will have retreated to around -8.03% of GDP. A similar situation was observed in China.

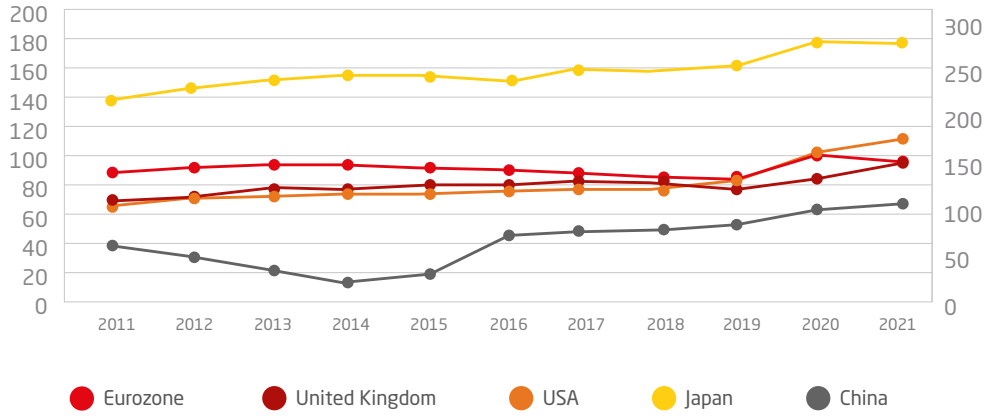
CHART 1.8 - BUDGET BALANCE (% GDP)



Source: Bloomberg Financial LP

The expansionary nature of the fiscal policy followed in 2021 clearly contributes to the increase in public debt in the various countries. Thus, debt-to-GDP ratios above 100% were observed in 2021 in the US and Japan, with the Eurozone and the UK near 100% and China close to 70% of GDP. Specifically, the increase in the debt-to-GDP ratio in 2021 was 0.7 p.p., 9.6 p.p., 11.3 p.p., 0.4 p.p. and 5.1 pp. of GDP in Japan, the US, the UK, the Eurozone and China, respectively.

CHART 1.9 . PUBLIC DEBT (% OF GDP)



Source: Bloomberg Financial LP | Office for National Statistics United Kingdom

Angolan Economy

Gross Domestic Product

After an unprecedented consecutive five years of recession, the Angolan economy has shown signs of recovery. The strong dependence on oil (its main export commodity) as well as low levels of diversification of economic activity, have been highlighted as the main constraints to sustained growth.

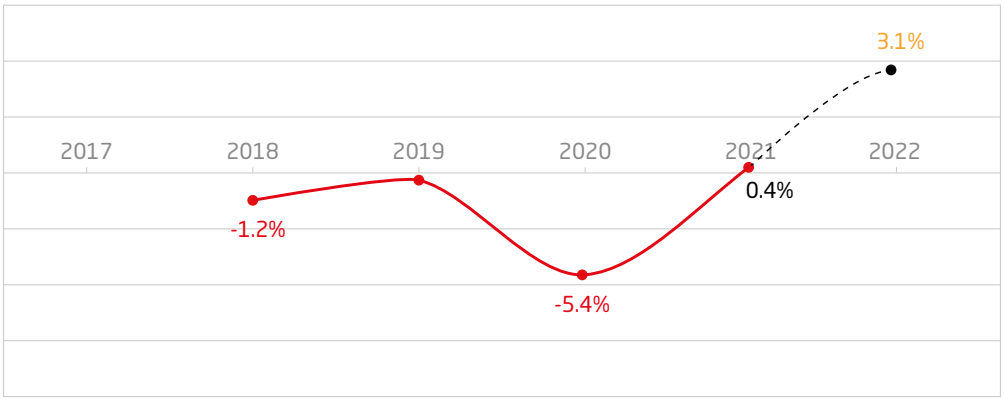
The year 2021 saw advances in the fight against the Covid-19 pandemic, with the implementation of worldwide vaccination campaigns, in order to restore normal economic and social activities in various countries, and the Angolan economy was no exception.

The World Bank's Global Economic Prospects revised its growth forecast for the Angolan economy to 0.4% in 2021 and projects a 3.1% growth in 2022. The General State Budget Substantiation Report (GSB 2022) estimates a positive growth of around 0.2%, breaking the recessionary cycle that had been accumulating for five years. Despite the prospect of economic recovery, there are still major challenges to overcome, taking into account the imbalances caused in the national accounts, as well as different social and corporate fabrics, which should speed up the State reforms that have already begun, aimed at ensuring social welfare.

The estimated growth of the Angolan economy for 2021 (0.4%), was much lower than the population growth (2.1% to 32,097,671 inhabitants),causing a drop in the per capita income level of the population, in some way affecting the generation of wealth by families. This indicator could be corrected by the growth forecast for 2022, if it occurs.

> **GDP performance in 2021 was supported essentially by growth in agriculture, fisheries, manufacturing, energy and market services**

CHART 1.10 - REAL GDP GROWTH



Source: World Bank Group: *Global Economic Prospects* | *Bloomberg Finance L.P*

Based on the General State Budget Substantiation Report (GSB), GDP performance in 2021 was supported essentially by growth in the agriculture, fishing, manufacturing, energy, market services and other sectors, which together represent 53.0% of the product. Emphasis should be placed on the return to growth of the fisheries and derivatives sector (from -1.3% in 2020 to 33% in 2021).

In general terms, non-oil GDP saw positive growth in the order of 5.2%, and oil GDP a downturn of -10.6%. Non-oil GDP growth can be quite encouraging for the market, given the high level of unemployment (according to the National Statistics Institute - INE, the unemployment rate in the population aged 15 and over was estimated at around 33% in the fourth quarter of 2021).

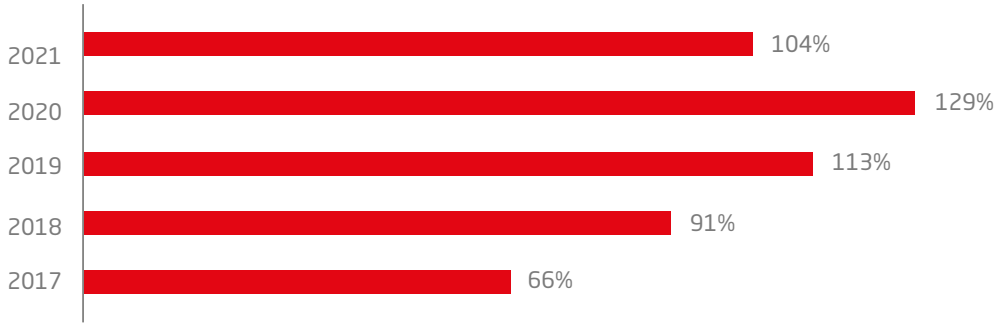
REAL GDP GROWTH

	2017	2018	2019	2020	2021
GDP MP (%)					
Oil sector	-5.3	-9.4	-6.5	-6.3	-10.6
Non-oil sector	1.2	-0.1	-0.6	-2.0	5.2
Agriculture	4.4	-2.0	0.8	5.5	4.6
Fisheries and derivatives	2.3	-17.1	-14.8	-1.3	33.0
Diamonds and others	0.5	-6.3	8.5	-12.3	-9.6
Manufacturing industry	4.0	4.8	0.8	-1.5	2.0
Construction	2.3	0.4	4.9	1.1	-10.0
Power	40.2	22.3	5.4	7.8	5.0
Market services	0.0	-0.2	1.3	-3.3	6.8
Other	0.0	2.3	2.3	-3.2	1.9

Source: General State Budget Substantiation Report

It is estimated that the Angolan public debt in 2021 will have reduced compared to 2020, standing on this date at around 104% of GDP, which is equivalent to a reduction of 25 p.p. year-on-year, but still considered sustainable by the IMF.

PUBLIC DEBT (% OF GDP)



Source: Bloomberg Finance L.P

International Reserves and the Oil Sector

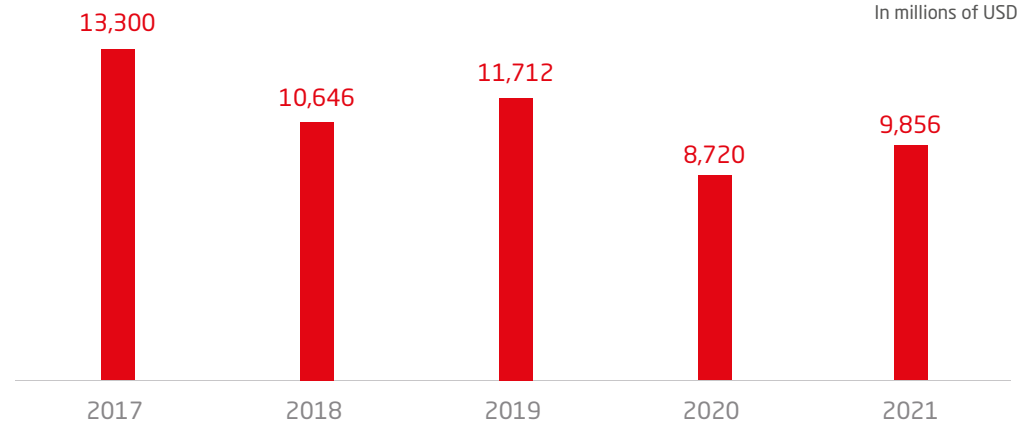
The significant reforms undertaken in the foreign exchange market since 2018 took some steps towards protecting the country's Net International Reserves (NIR) during the course of the year. The latest figures point to an increase in reserves to around USD 9,856 million in December 2021, representing an increase of around 13% compared to December 2020. When compared to December 2017, there has been a significant reduction in reserves over the past five years - of around 26%.

The preservation of the level of International Reserves depends to a large extent on the inflows and outflows of foreign currency. On the inflow side, flows are essentially dependent on crude oil and diamond exports, whose revenues have been volatile and dependent on the average prices of these commodities on international markets, as well as national production levels.

Banco Nacional de Angola (BNA), by managing local currency liquidity and taking on a monitoring role of the foreign exchange market, has sought to match the demand for foreign currency to supply, with the aim of maintaining the International Reserves at the desired levels, in order to ensure the country's solvency.

In December 2021, the volume of Net International Reserves guaranteed about ten months of imports of goods and services, a level considered relatively comfortable. Despite the sharp reduction in domestic oil production levels, there has been a rise in the price that, in fact, made a positive contribution to foreign exchange inflows.

NET INTERNATIONAL RESERVES



Source: BNA.ao | Bloomberg Finance L.P

The General State Budget for 2021 forecast the average price of a barrel of oil at USD 59 (the closing price was USD 77.78).

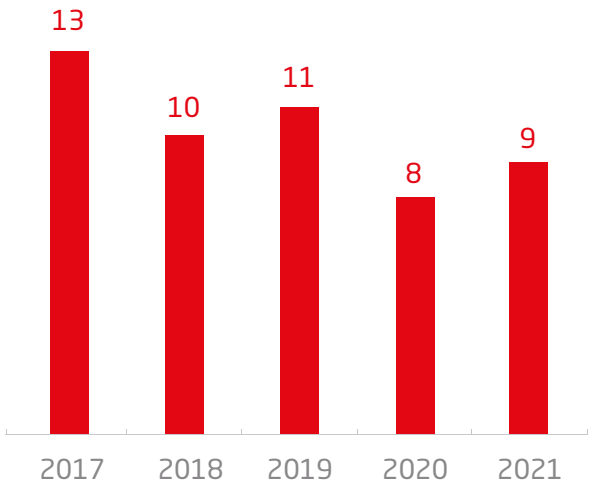
Despite the price level of a barrel of oil closing high in December 2021, the lack of new investments in the oil sector in Angola has limited the increase in production, thus leading to a downward trajectory with reference to December 2021, when production volume dropped by about 3% (to 1,150 thousand barrels/day) compared to the same period in 2020, and by about 29% if compared to December 2017.

Angola obtained gross oil revenue representing an increase of 51.4% when compared to the value seen in 2020, although the total volume of exports in 2021 was 11.7% lower.

REDUCTION
of Net International Reserves (NIR)

OIL EXPORTS

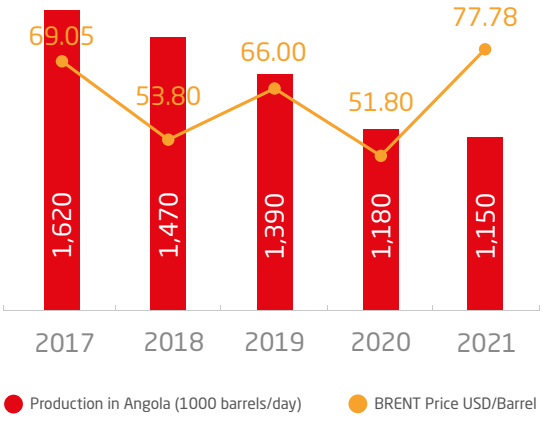
(Millions /Barrel)



Source: Bloomberg Financial LP | Ministry of Finance

OIL - PRICE AND PRODUCTION

(Millions /Barrel)

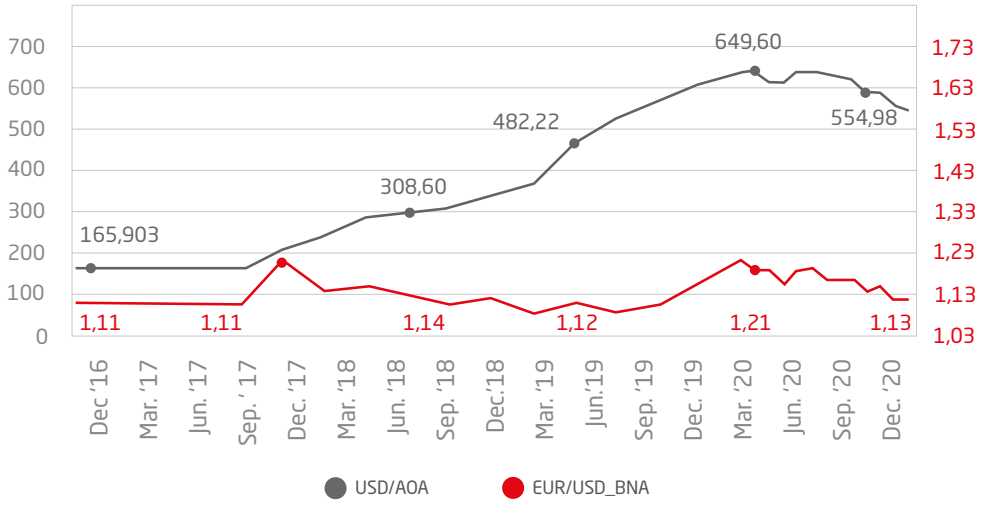


Source: OPEP / Bloomberg

Foreign Exchange Market

In 2021, Banco Nacional de Angola proceeded with the reforms carried out on the foreign exchange market, with the objective of bringing some balance between demand and supply of foreign currency and market transparency, as well as control over the prices of goods and services, given the ongoing strong dependence of the economic activity of households and companies on imported products and services.

EVOLUTION OF EXCHANGE RATES



Source: BNA.ao

The foreign exchange market continued to operate closer to demand and supply mechanisms, allowing the market exchange rate to adjust based on these mechanisms.

The BNA introduced a Bloomberg (FXGO) electronic trading platform on April 1, 2020, in which all banks are required to participate. In parallel, as of April 2020, BNA instructed oil companies to sell foreign currency directly to commercial banks through this platform, whenever the value of the transactions was more than 500 thousand US Dollars. In 2021, this list was extended to airlines and insurance companies.

Commercial banks continued to record the rates of all foreign exchange transactions exceeding a value of 50 thousand US dollars on the platform, even if they were not carried out through it, and also at predetermined times continued to submit their indicative exchange rates, i.e. rates at which they would be willing to trade foreign currency on the buy and sell sides at that time.

The market exchange rate is calculated by the platform's operating system, based on all exchange rates registered on the platform, meaning that the exchange rate is representative of the market.

It should be noted that the mandatory trading via the Bloomberg platform and the end of tri-party contracts have given banks a wider source of foreign exchange. Oil companies, diamond companies, airlines, insurance companies, and the National Treasury traded high foreign exchange volumes with the banks, generally allowing them to meet the level of demand from their customers.

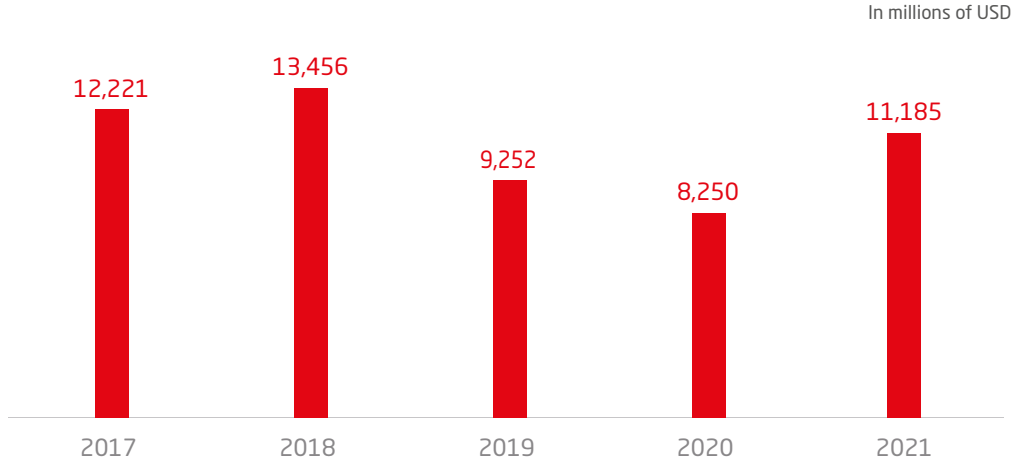
The exchange rate of the Kwanza against the US Dollar has evolved towards equilibrium, with a visible change in trend towards appreciation that remained intact during 2021, and continued at the same pace until 31 December 2021, breaking the prolonged cycle of depreciation that began in 2018.

In 2021, the Kwanza appreciated by about 15% against the US Dollar, settling at USD/AOA 554.981, with reference to December 31, 2021 (USD/AOA 649.604, in December 2020).

The use of the Bloomberg platform for foreign exchange buying and selling transactions brought greater dynamism to the market, so despite the reduction in interventionism by
Banco Nacional de Angola, the main market players (Interbank, Oil Sector companies, Diamond Sector companies, airlines, insurance companies and the National Treasury) managed to keep the trading volumes quite high.

> **The Kwanza appreciated in 2021 by about 15% against the US dollar, settling at USD/AOA 554.981, with reference to December 31, 2021**

SALE OF CURRENCIES TO THE MARKET



Source: BNA.ao| Bloomberg Finance L.P

Taking into account the wide range of sources of currency, 11,185 million US dollars were sold to the market in the year 2021 via the Bloomberg FXGO platform, an increase of 36% year-on-year.

Inflation and the Money Market

Despite the appreciation of the Kwanza against major international currencies, inflationary pressure remained strong. The restrictive monetary policy adopted by Banco Nacional de Angola was not consistent enough to stop the upward trend of inflation, measured by CPI. Heavy reliance on imported goods and services and price increases on international markets caused by the adverse impact of the Covid-19 pandemic may be at the root of the inflationary pressure felt in recent years, although the expected inflation rate for 2022 is about 18%.

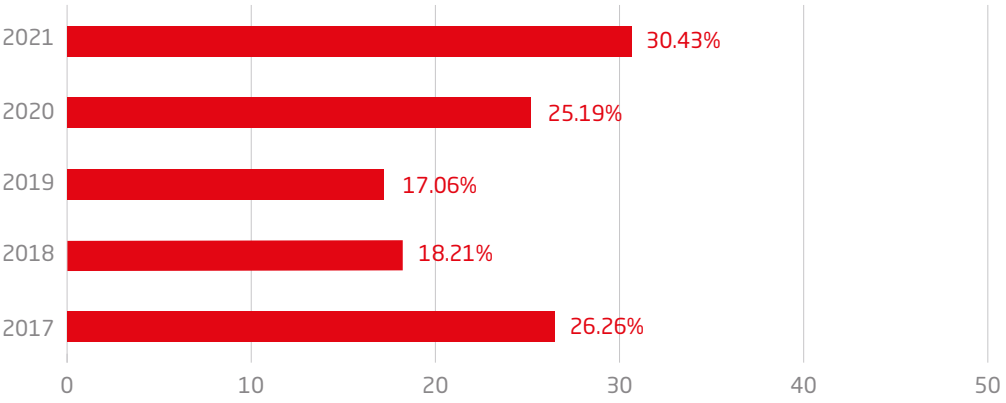
In 2021, average annual inflation rose to 30.43%, corresponding to a 5.24 p.p. increase compared to the average seen in 2020 (25.19%). The average monthly price variation was over 2.24% throughout 2021, reaching its highest value in September (2.34%).

“

In 2021, average annual inflation rose to 30.43%, corresponding to a 5.24 p.p increase compared to the average seen in 2020 (25.19%)

”

CUMULATIVE ANNUAL INFLATION RATE



Source: BNA.ao - Price Statistics and National Accounts

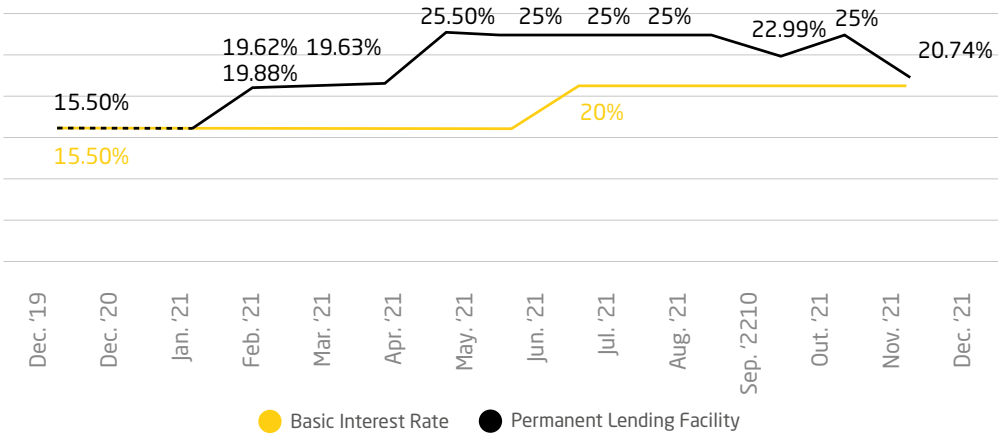
The increases seen in the food and spirits sectors contributed decisively to the levels of inflation seen in 2021, due to the fact that Angola remained highly dependent on imported products in these sectors. Based on the monetary statistics released by Banco Nacional de Angola's Monetary Policy Committee, the Monetary Base in domestic currency, the operational variable of the monetary policy, expanded by about 3% in the month of December. However, in cumulative terms for 2021 a contraction of 3.56% was recorded. In turn, monetary aggregates (M2) in domestic currency expanded by 2.17% in the month of December and 0.86% in the year 2021.

The *stock* of credit to the economy in domestic currency saw an increase of 1.10% in the month of December, reaching 3.84 billion kwanzas. In year-on-year terms, a 13.32% increase was seen.

With the aim of maintaining some price stability in the economy, in conjunction with support for the adopted exchange rate scheme, Banco Nacional de Angola maintained a restrictive monetary policy during the year 2021, keeping the basic interest rate unchanged in the second quarter and keeping in force the commercial bank excess liquidity custody fee due to the respective mandatory reserve needs.

The basic interest rate - the BNA Rate - as well as the permanent marginal lending rate, were set at 20% and 20.74% respectively in December 2021, compared to 15% seen in December 2020.

MACROECONOMIC INDICATORS

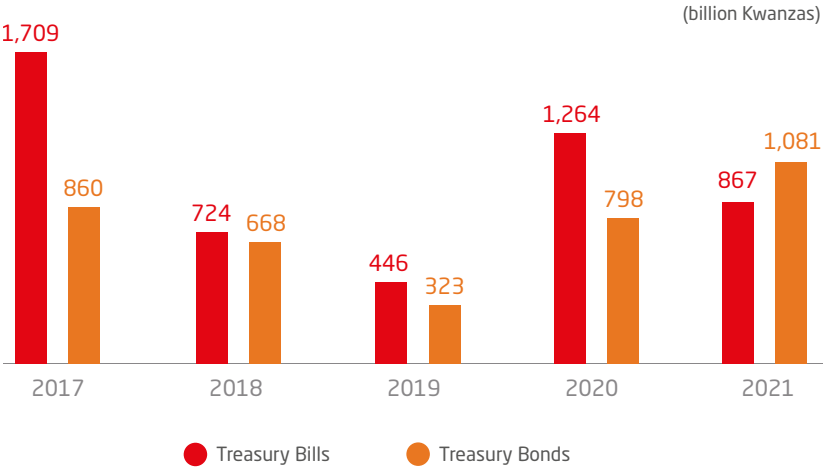


Source: BNA.ao

Similarly, BNA maintained the domestic currency mandatory reserves coefficient unchanged at 22%. Throughout 2021, the State used the issuance of Public Debt Securities to guarantee its operations, as well as to complete several public projects.

However, at the level of the primary Public Debt Securities market, there was a reduction of about 5.5% in Treasury Bond issues in 2021, compared to the same period of the previous year. In 2021, securities amounting to AOA 1,947.50 billion were issued, of which AOA 866.74 billion were in Treasury Bills (TBs) and AOA 1,080.76 billion in Treasury Bonds (TBs).

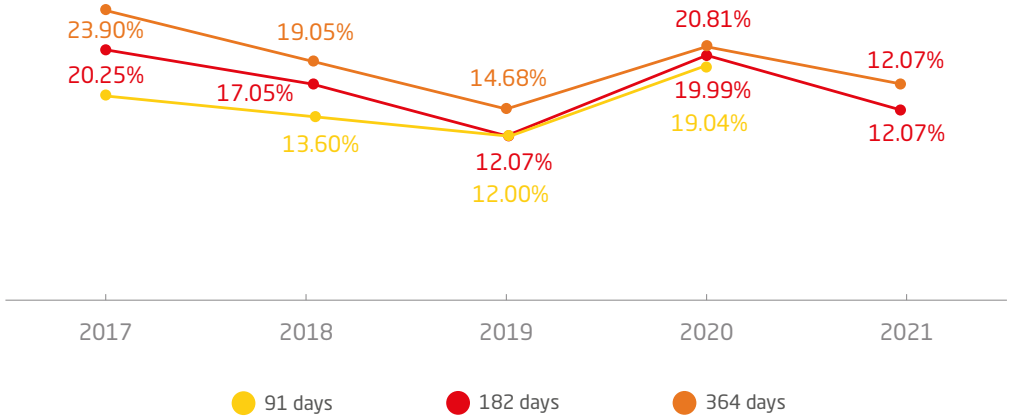
ISSUANCE OF TREASURY BONDS



Source: BNA.ao

In December 2021, the average interest rates on Treasury Bills were 14.49% and 17.14% for maturities of 182 and 364 days, respectively, lower than in the same period of the previous year, representing a reduction in the cost of debt. The issuance of Treasury Bills with a maturity of 91 days was discontinued because the *stock sold out in March 2021.*

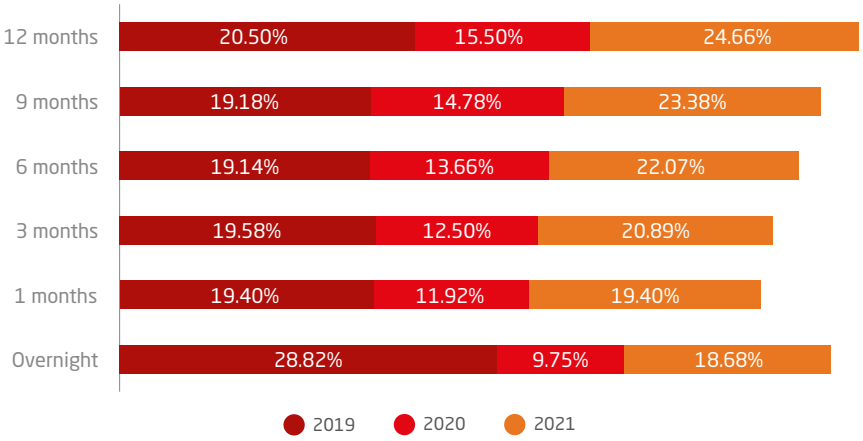
INTEREST RATES - TREASURY BILLS



Source: BNA.ao

The LUIBOR rates for 3, 6 and 12 months ranged during the year, and stood at 20.89%, 22.07% and 24.66% (for 3, 6 and 12 months) respectively on 31 December 2021, while on December 31, 2020 the rates were 12.5%, 13.66% and 15.5% respectively, for the same periods. The rise in the reference interest rate makes loans between banks and credit to the economy more expensive, since LUIBOR is increasingly the reference rate for the purpose of granting credit to corporate and private customers.

LUIBOR



Source: BNA.ao

With regard to interest rates, there was an upward trend in the LUIBOR for all maturities, with greater emphasis on overnight maturity that saw an increase of 8.93 p.p., settling at 18.68%. The increase in the LUIBOR is fundamentally justified by the restrictive monetary policy that has been adopted.

Positioning of Banco BIC in the Banking Sector

The Angolan economy began to show signs of recovery in 2021, after facing five consecutive years of recession, aggravated by the adverse effects of the Covid-19 pandemic. It remained dependent on the oil sector, as well as on imports of goods and services, despite the growths seen in the agriculture and fishing sectors which are still clearly insufficient to supply the domestic market and effectively reduce imports in this category of goods. Additionally, the lack of a strong logistics system continued to constrain sustained growth.

The year 2021 saw advances in the fight against the Covid- 19 pandemic, with the implementation of worldwide vaccination campaigns, in order to restore normal economic and social activities in various countries, and the Angolan economy was no exception.

Despite the fact that Angola's oil production has suffered sharp drops, the rise in the price of a barrel of oil has contributed positively to mitigating the effects of the drop in production. The inflation rate remained high, above 30%, influenced by factors related to reduced supply (caused by the effects of the Covid-19 Pandemic at the international level), despite Banco Nacional de Angola having adopted restrictive measures to contain it.

The World Bank's Global Economic Prospects revised its growth outlook for the Angolan economy to 0.4% in 2021 and forecasts a 3.1% growth in 2022. The 2022 General State Budget Substantiation Report (GSB) estimates positive growth of around 0.2% for 2021, breaking the recessionary cycle that had been accumulating for five consecutive years.

With an estimated growth in the Angolan economy of 0.4% for 2021, below the population growth (2.1% to 32,097,671 inhabitants), both the per capita income of the population and wealth generation by families is on a downtrend. This situation may see a reversal in 2022 if the projected economic growth (3.1%) occurs, allowing the creation of more jobs, thus reducing the unemployment rate which is still considered high (32.9% in the fourth quarter of 2021, according to the National Institute of Statistics - INE).

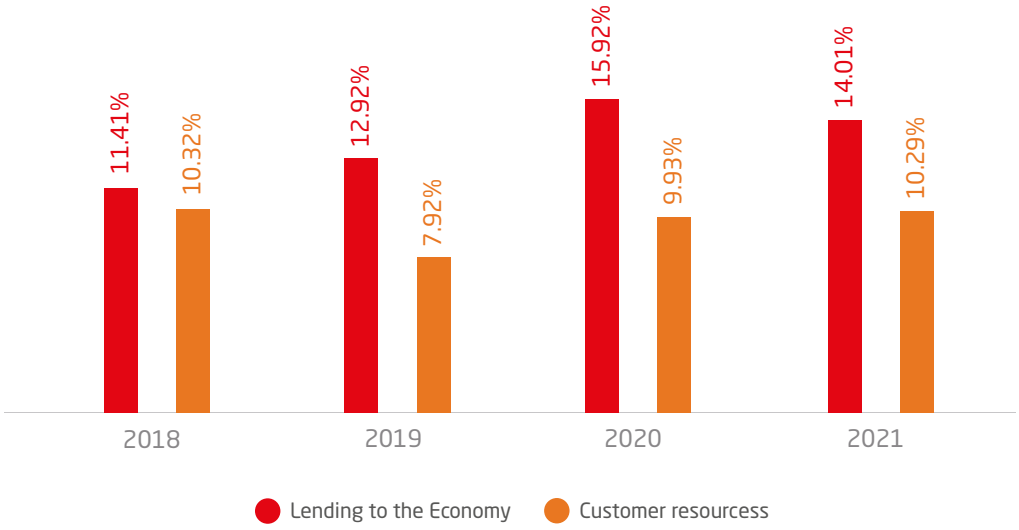
“ On December 31, 2021, the calculated Regulatory Solvency Ratio of Banco BIC stood at 31.7% ”

In this highly demanding context, Banco BIC presents high financial solidity, proven by a regulatory solvency ratio well above the minimum required (10%) defined in Notice 02/2016 of April 28. On December 31, 2021, the calculated Regulatory Solvency Ratio was 31.7%.

In light of the above, Banco BIC's performance in 2021 was entirely consistent with the defined strategy. Despite the challenges, Banco BIC remained focused on the sustainability of its business, positioning itself as a Bank of confidence, with an extra emphasis on prudence and rigor when analyzing and granting new funding. It ensured that its liquidity management was appropriate for market imbalances and that all of its other risk monitoring and control policies were continuously reinforced, specifically those for operational risk and other market risks. Due to the increasingly demanding international framework, it ensured that it constantly adapted to meet Compliance and accounting standards adoption requirements.

At 31 December 2021, the credit granted to the economy by Banco BIC, including credit granted to the State, amounted to USD 2,5151 million, which when compared to 2020 is equivalent to a reduction of around USD 330 million (11.6%). This decrease was particularly enhanced by the USD 571 million decrease in credit granted to the State.

MARKET SHARES



Source: BNA- Monetary and Financial Statistics

As of December 31, 2021, Banco BIC's market share in Credit granted to the Economy was approximately 14.01%, while it was approximately 10.29% for customer resources.In the context of diversification of the Angolan economy, in 2019 Banco BIC joined the CSP - Credit Support Project, under PRODESI, with an available credit line of around AOA 30.0 billion.

The BNA, in Notices 04/2019, 07/2019, and 10/2020, defined and imposed rules for the banking sector for granting credit to the real sector of the economy, which reinforced our reason for wanting to be part of the change, diversification, and economic growth of the country.

Based on the data released by Banco Nacional de Angola, in the assessment of compliance with the requirements established in Notice 10/2020, a total of 102 new credits were paid out to the real sector of the economy, totaling 471 credits granted, of which 374 had been effectively paid out since the publication of the regulation. Therefore, the amount paid out by commercial banks to the real sector of the economy up to December 31, 2021, corresponds to a total of AOA 634.3 billion, about USD 1,142.96 million, with large enterprises standing out with AOA 227.65 billion (48.35%), followed by Medium-sized enterprises with AOA 214.77 billion (45.61%) and Micro and Small enterprises with AOA 14.47 billion (3.07%) and AOA 13.96 billion (2.97%), respectively, allowing the creation of around 30,000 new jobs.

Of the various financing projects submitted to Banco BIC under Notice 10/2020, 67 projects were reviewed and 34 were approved for financing by Banco BIC, with an overall value of AOA 107.27 billion.

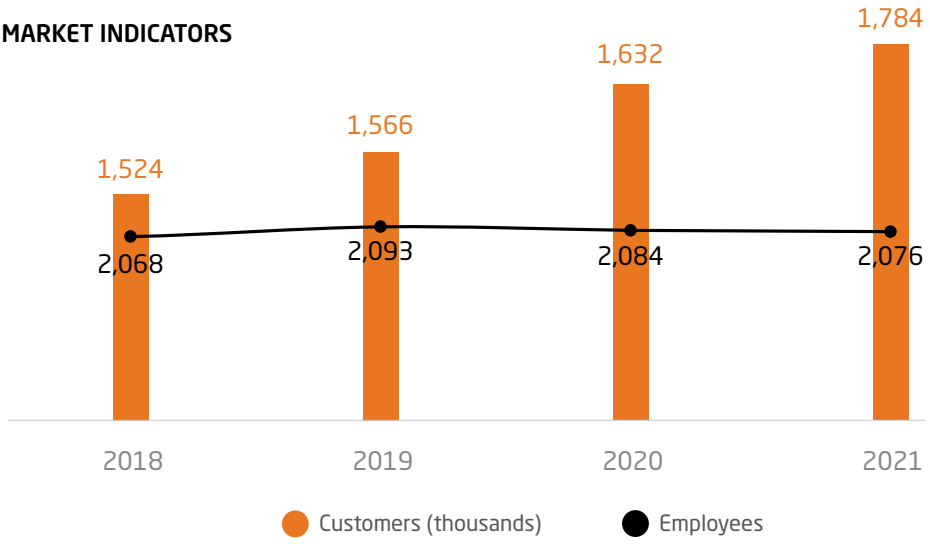
Also in 2021, under the CSP, 2 funding projects were appraised and approved, with a total value of about AOA 1.74 billion.

Of the total amount approved, about AOA 39 billion has been paid out.

Overall, in terms of approved financing, the Industry sector stood out with a relative weight of 54%, followed by Fisheries and Aquaculture with 26%, Agriculture with 14% and the Timber sector with 6%.

In terms of the commercial network, despite the difficulties experienced throughout the country, Banco BIC made a significant effort to keep all its business units in operation, with a total of 234 units throughout the country, serving a diverse customer base. The workforce remained stable at a total of 2,076 employees at the end of the 2021 financial year.

MARKET INDICATORS



Source: Banco BIC Internal Data

> **Records show that Banco BIC's customer base reached a total of 1.78 million customers, including around 55 thousand companies**

In very challenging context, Banco BIC maintained its identity as a benchmark bank on the Angolan market, partially due to its management model, but mainly because of its primary focus on customers, reaffirming its firm commitment to trust and service quality. Records show that Banco BIC's customer base reached a total of 1.78 million customers, including around 55 thousand companies.

Banco BIC guarantees that the products and services that make up its value proposition are made available to its customers, not only through digital channels, but also through its network of branches distributed throughout the country.

The number of ATMs and APTs in Angola continued to grow, both in terms of number of assets and registrations. ATMs increased by 1.9% (assets) and 3% (registered) and APTs increased by 18% and 12.8%. It should also be noted that by the end of 2021 the market as a whole had 103,262 APTs and 3,088 active ATMs, thus increasing the capacity and quality of service to national banking customers.

Banco BIC's standing commitment to diversification and quality in the supply and provision of banking services is visible with a total of 283 ATMs made available to the network in 2021, with ATMs distributed throughout the country (78 municipalities), giving the population more ways of carrying out transactions at any time of day, avoiding the need to go to bank branches in person.

In terms of APTs, a total of 5,889 assets were accounted for by Banco BIC in 2021 among our customers, representing around 5.7% of the total available on the market. The number of registered BIC APTs increased by 11.4% to 7,593.

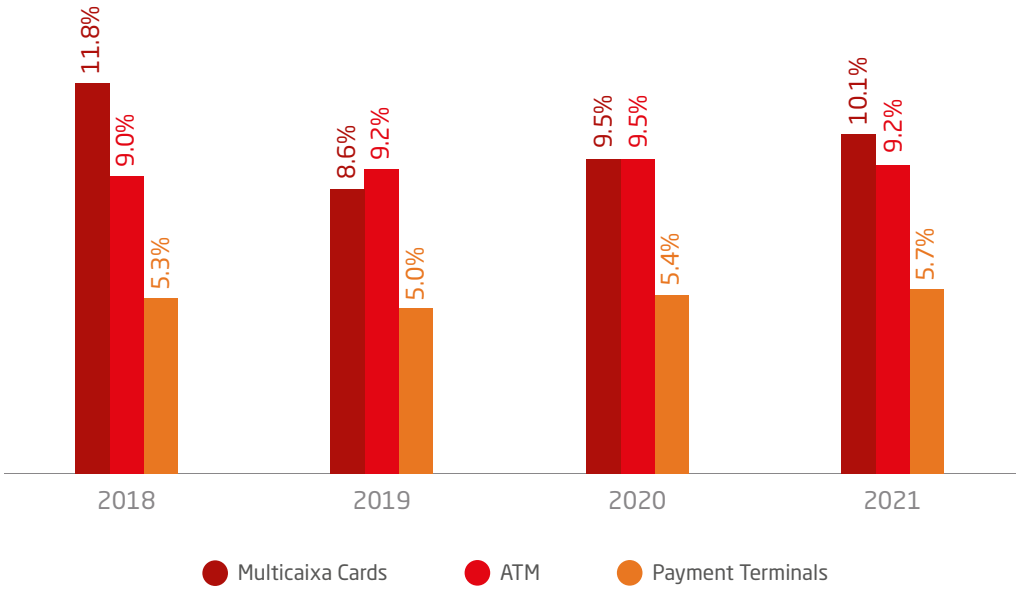
In the debit card segment of products and services provided, a total of 563,529 cards were issued in 2021, corresponding to a market share of 10.1%.
In a country like Angola where the bank usage rate is low, payment services based on electronic money make an indispensable contribution.

Banco BIC is one of those responsible for the banking and financial inclusion process of the population in Angola. It has been a source of pride for us, ever since the days of the Bankita accounts to the Simplified Account, and we will continue along this path with conviction.

563,529

CARDS ISSUED IN 2021

MARKET SHARES



Source: EMIS - Monthly Statistical Report - MCX

In 2021, due to the restrictions imposed by the Covid-19 pandemic, commercial banks adopted biosecurity measures leading to reduced customer access to branches, which somewhat affected the service time per customer. In view of the above, Banco Nacional de Angola published Directive no. 09/DSP/DCF/2021, through which it urged banks to extend the opening hours of some busy branches, in order to maintain the quality of service available to its customers.

Banco BIC, in compliance with the aforementioned Directive, has extended its public opening hours between the 25th of each month to the 5th of the following month, from 8 a.m. to 4 p.m., as published on its website.

Banco Nacional de Angola recommends the use of alternatives to bank branches or ATMs, where long queues have been reported. BNA suggests the use of Internet and "mobile banking" solutions by commercial banks, as well as the use of the Multicaixa card and the Multicaixa Express app.

> **Banco BIC extended the opening hours of some of its busiest branches in order to maintain the quality of service available to its customers**

Capital Markets

The mission of the capital markets unit is to execute operations for the Bank and its customers by means of transactions on the debt markets (BODIVA), as well as to manage the Bank's trading portfolios with a view to maximizing returns, with respect for the risk levels accepted by Banco BIC, and those of its clients - specifically registration and deposit operations, as well as custody services.
According to the Securities Law No. 22/15 as well as BODIVA Stock Market Rule No. 6/20, the following financial instruments are traded on BODIVA: Treasury Bonds, Private Bonds, Investment Units and Shares.

As part of its functions as a Financial Intermediary, Banco BIC is eligible to:

- Intervene in the capital markets, respecting the limits established internally and/or imposed by law;
- Receive, trade and execute orders on behalf of customers;
- Execute of orders on behalf of others on or outside regulated markets;
- Monitor daily variations in the profitability of the trading portfolio against changes in the market prices of the Bank's assets;
- Make timely reports to the market players (regulator, investors and BODIVA);
- Register the opening of accounts and buy or sell orders on the capital market, and ensure that they are duly reflected on the Financial Statements; and
- Other functions that may be assigned by the Management.

Through the Capital Markets unit, the International and Financial Department (DIF) has monitored the evolution of the Treasury Bonds Exchange Market (MBTT), and in 2021 the Bank significantly increased the amount of assets under custody.

The Capital Markets unit currently provides its Customers with a complete and comprehensive range of services, on both the primary and secondary markets (securities brokerage on organized markets). The Bank is registered with the Capital Markets Commission and accredited with BODIVA as a Trading and Settlement Member.

At the end of 2021, Banco BIC had 588 open and active accounts, representing a weight of 2.4% of the total accounts opened at the CEVAMA (Angolan Central Securities Depository). The evolution of the customer portfolios and of the capital market business volume reflects the sustained growth of transactions and revenues in this business area.

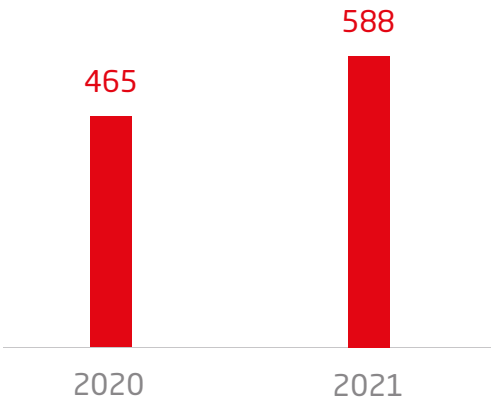
These numbers demonstrate not only Banco BIC's good performance in 2021, but also the growing confidence that customers have been placing in the Bank.

Compared to 2020, the number of accounts opened by Banco BIC with CEVAMA increased by 26% (+123 accounts opened).

588

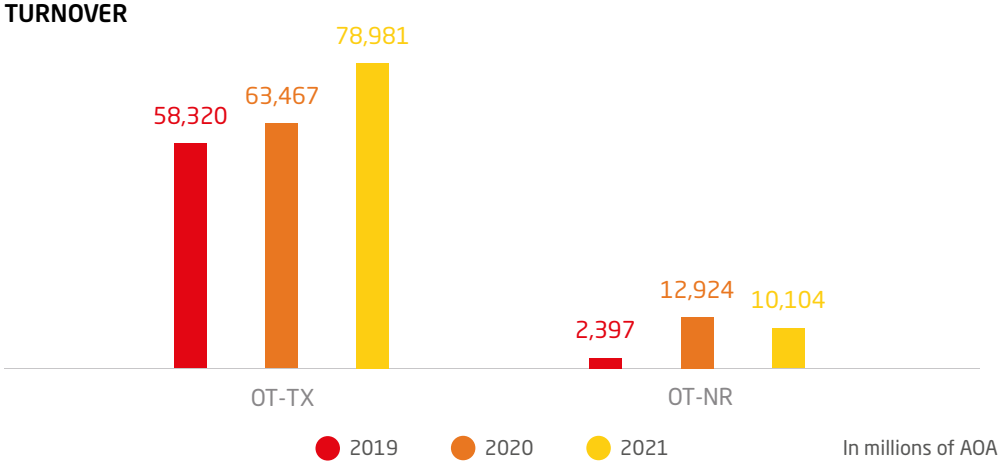
ACCOUNTS OPENED IN 2021

INDIVIDUALIZED ACCOUNTS - CEVAMA



During the 2021 financial year, the Capital Markets unit performed brokerage operations with Government Debt Securities in domestic currency on the BODIVA markets, registering 251 trades with a total value of AOA 89.08 billion.

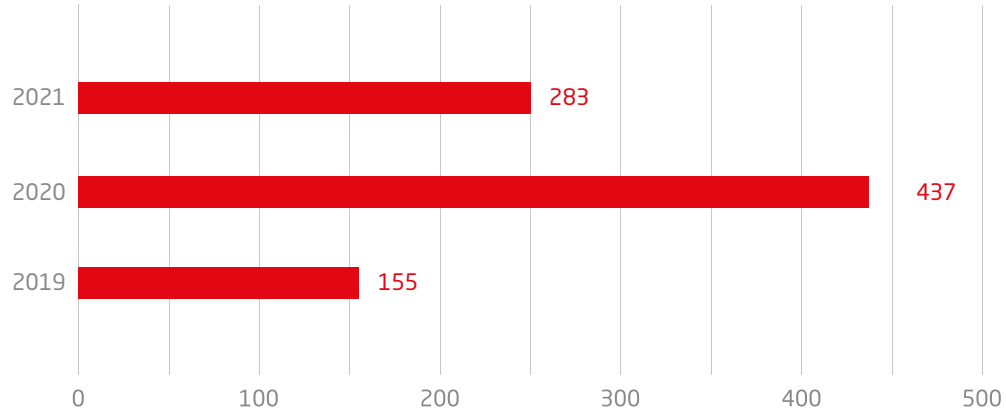
TURNOVER



In addition to the transactions carried out on the BODIVA regulated market, the International and Finance Department channeled a significant amount of purchases of Government Securities by Customers, into investments in in Treasury Bonds (TO) and securities with a shorter maturity, up to one year, (Treasury Bills - TB), by participating in primary market auctions, with a total of AOA 27 billion.

As for the amount traded, Banco BIC's market share increased from 4.18% in 2020 to 6.11% in 2021.

BANCO BIC NUMBER OF TRADES



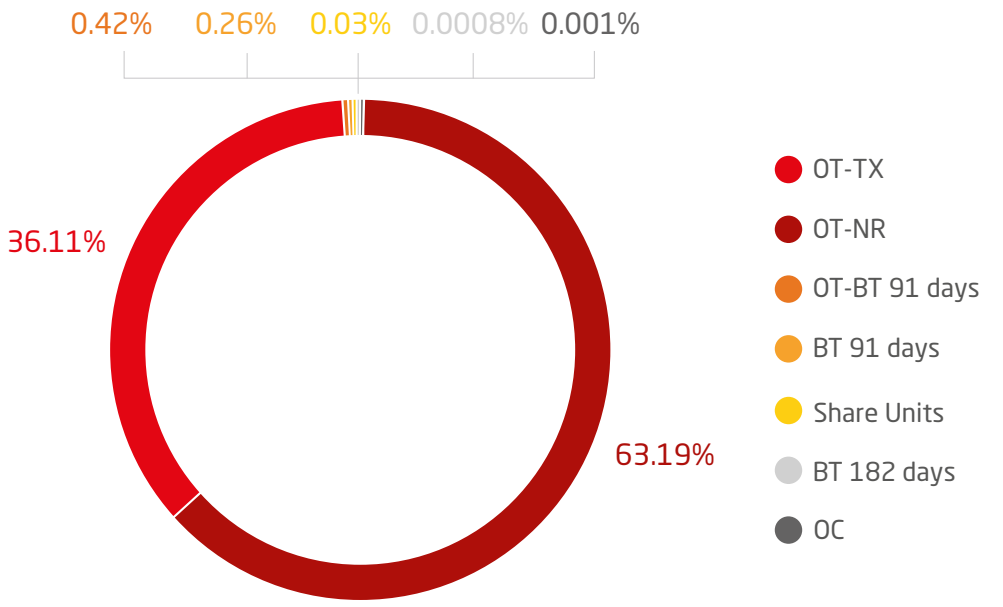
BANCO BIC REGISTERED a total of 89.08 billion AOA traded

As a result of BNA's restrictive monetary policy (2021), lower liquidity and exchange rate stability, BODIVA saw a decrease in trading on the regulated markets under its management, with a predominance of non-indexed treasury bonds (TB-NR) issues, due to the stability of the Kwanza.

In this sense, during the year under review, BODIVA registered 5,420 trades, a 17.73% reduction compared to the same period of the previous year, with a total of AOA 852 billion traded. An analysis of the type of trades executed during the year, in terms of number of trades there is a predominance of trades in Treasury Bonds (98.73%), compared to Treasury Bills, with just 0.04%.

As for the amount traded by type, the dominance of Treasury Bonds (99.75%) is confirmed, led by TB-NR (63.19%), followed by TB-TX (36.11%) of the amount traded on BODIVA.

The shortest maturities were the most sought after, and there was a decrease in the number of trades executed by private customers, from 9.31% in 2020 to 9.22% in 2021.



In terms of the amount traded and number of trades, it can be seen that maturities with a residual term of up to 3 years are predominant, with particular emphasis on maturities in 2022, representing 34.24% of the traded amount and 41.55% of executed trades.

BODIVA is a regulated market management company responsible for implementing the business environment that enables the secondary market trading of the instruments traded on it.

Registration at BODIVA makes it possible for all market participants to have access to the same information, which allows full price transparency for those wishing to pass on Treasury Bonds. This factor proves to be critical and crucial to the implementation of a Capital Market, leveraging the transaction of securities among the different market players.

Lobito

3

Framework of the Activity

Main Business Lines

Since Banco BIC was founded, the provision of services characterized by excellence and continuous orientation towards the needs of each customer has been one of its strategic and unique pillars.

The Bank's commercial structure was defined by taking into account a better orientation towards customer needs and is therefore divided into four main segments, specifically Individuals and Businesses, Private Banking, Investment and Companies.

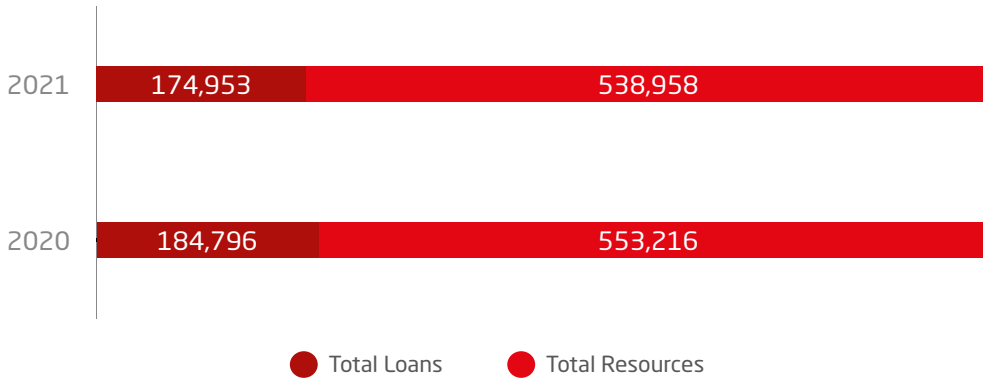
The strengthening of international activity, specifically with Banco BIC Português, Banco BIC Cape Verde, the Representation Office in South Africa and Bank BIC Namibia allowed us to focus on levels of efficiency and synergies between institutions, representing a source of growth and an increase in fundamental value for our customers.

> **The Bank's commercial structure is divided into Individuals and Businesses, Private Banking, Investment and Companies**

Department of Individuals and Businesses

The Department of Individuals and Businesses (hereafter PND) has, as of December 31, 2021, a total of 206 branches and 6 service points distributed throughout all the provinces of Angola and representing about 90% of the total commercial network of Banco BIC.

This Department, which supports Banco BIC's Branch Network, had a loan portfolio of AOA 174,953 million as of December 31, 2021 (a 5% decrease from December 31, 2020). Customer resources amounted to AOA 538,958 million as of December 31, 2021 (a decrease of 3% compared to December 31, 2020).



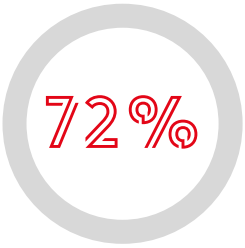
Companies Department

As of December 31, 2021, the Companies Department (hereinafter DE) continued its customer loyalty actions by providing qualified services. As of December 31, 2021, Banco BIC had 18 business centers.

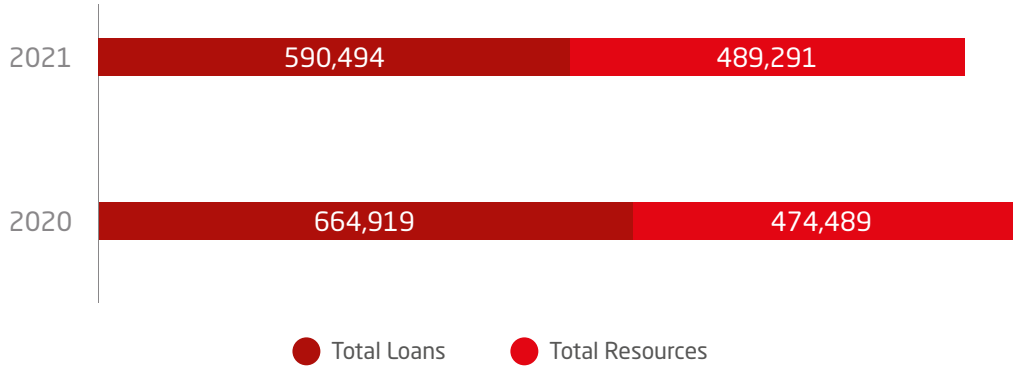
As of December 31, 2021, total funds raised by DE amounted to AOA 489,291 million (an increase of 3% compared to December 31, 2020). In terms of loans granted to customers, as of December 31, 2021 the total managed by DE reached AOA 590,494 million, a decrease of 11% compared to December 31, 2020.

Always bearing in mind the Bank's solvency ratios, the solidity of the business and the quality of the credit portfolio, the DE continued to closely monitor its customer portfolio and, for those who showed signs of greater difficulty, established a judicious policy of renewing operations, with the reinforcement of guarantees associated with credit operations being one of the decisive management tools.

The Companies Department, as of December 31, 2021, contributed about 72% to the loan portfolio and 38% to the Bank's total portfolio of resources.



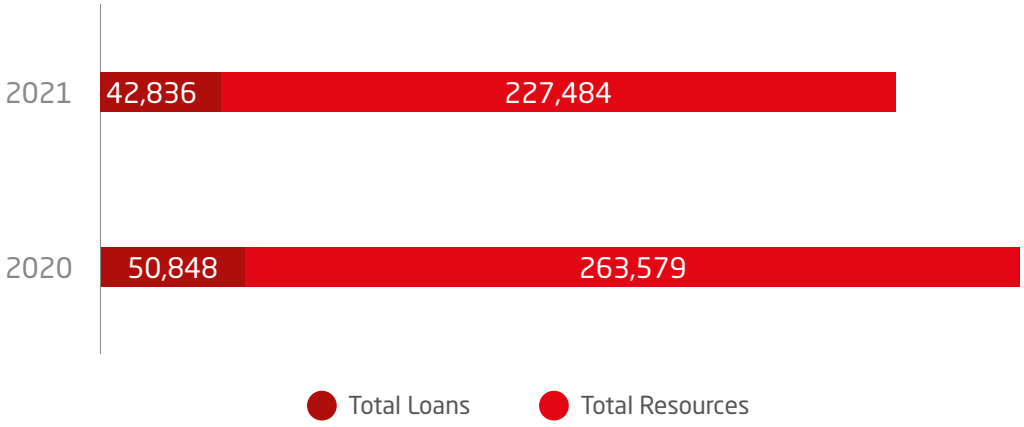
CONTRIBUTION
of the Companies Department to the credit portfolio



Private Banking

The activity of this department is performed by private managers with great technical and relationship skills, based on a relationship of trust in real time. As of December 31, 2021, resources amounted to AOA 227,484 million, which translated into a 14% when compared to December 31, 2020. As regards credit, the portfolio totaled about AOA 42,836 million as of December 31, 2021.

Our commitment is to continuously improve the service provided to our customers. This is the highest and most unique level of banking service, providing a more personalized structure based on the sale of financial advisory products, in line with the risk profile identified for each customer. Our main objective remains the sustained preservation of customer wealth over performance to maintain the growth and consolidation of the activity.



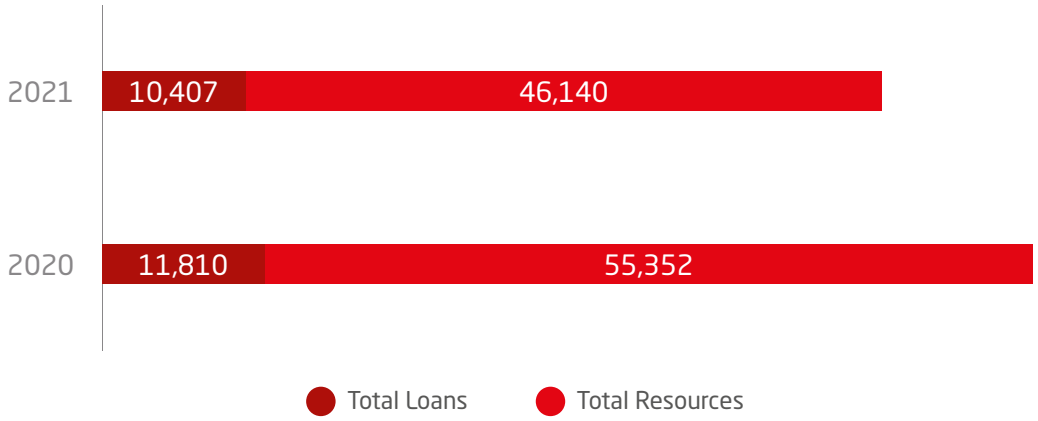
The resources of the Private Banking Department amount to AOA 227,484 million

Investment Department

The Investment Department follows the traditional banking segmentation model for its customers, according to their investment/income level. Getting to know the customer better and developing the best monitoring and prospecting practices to show a commitment to those who invest, with the aim of achieving the successful completion of each project and and building high value strategic partnerships and synergies.

For investors who are willing to diversify their investment and invest in this segment, Banco BIC has several investment alternatives that go hand in hand with the evolution of the corporate situation to boost the commercial network of the economic agents that maintain financial relations with the Bank.

During the period ending December 31, 2021, this department had 3 Investment Centers, which provide ongoing specialized monitoring of both the daily management of the customer portfolio and of investment decision-making. Over the same period, the balance of the total resources portfolio amounted to AOA 46,140 million, representing a 17% decrease compared to December 31, 2020. On the same date the loan portfolio totaled AOA 10,407 million, a decrease of 12% compared to December 31, 2020.



Angola Portugal Office and Angola Namibia Office

May 2012 saw the creation of the Angola Portugal Office (hereinafter GAP) to boost bilateral business between Angola and Portugal, by ensuring the management of financial flows between the two countries and supporting Angolan and Portuguese entrepreneurs in their internationalization activities. In the same vein, the Angola Namibia Office ("GAN") was set up in 2016.

Aligned with the Bank's commercial strategy, the objective of these offices is to increasingly strengthen commercial relations between the countries, and to ensure the required levels of excellence and professionalism.

The main activities of the GAP and GAN include providing financial support to the current activity of companies with a presence or commercial relationships in these countries, specifically by financing export support services, providing information about the specific features of each market and monitoring the flows generated between the different countries with particular attention to the speed of the processes and the competitiveness of *pricing*.

BIC Agro Department

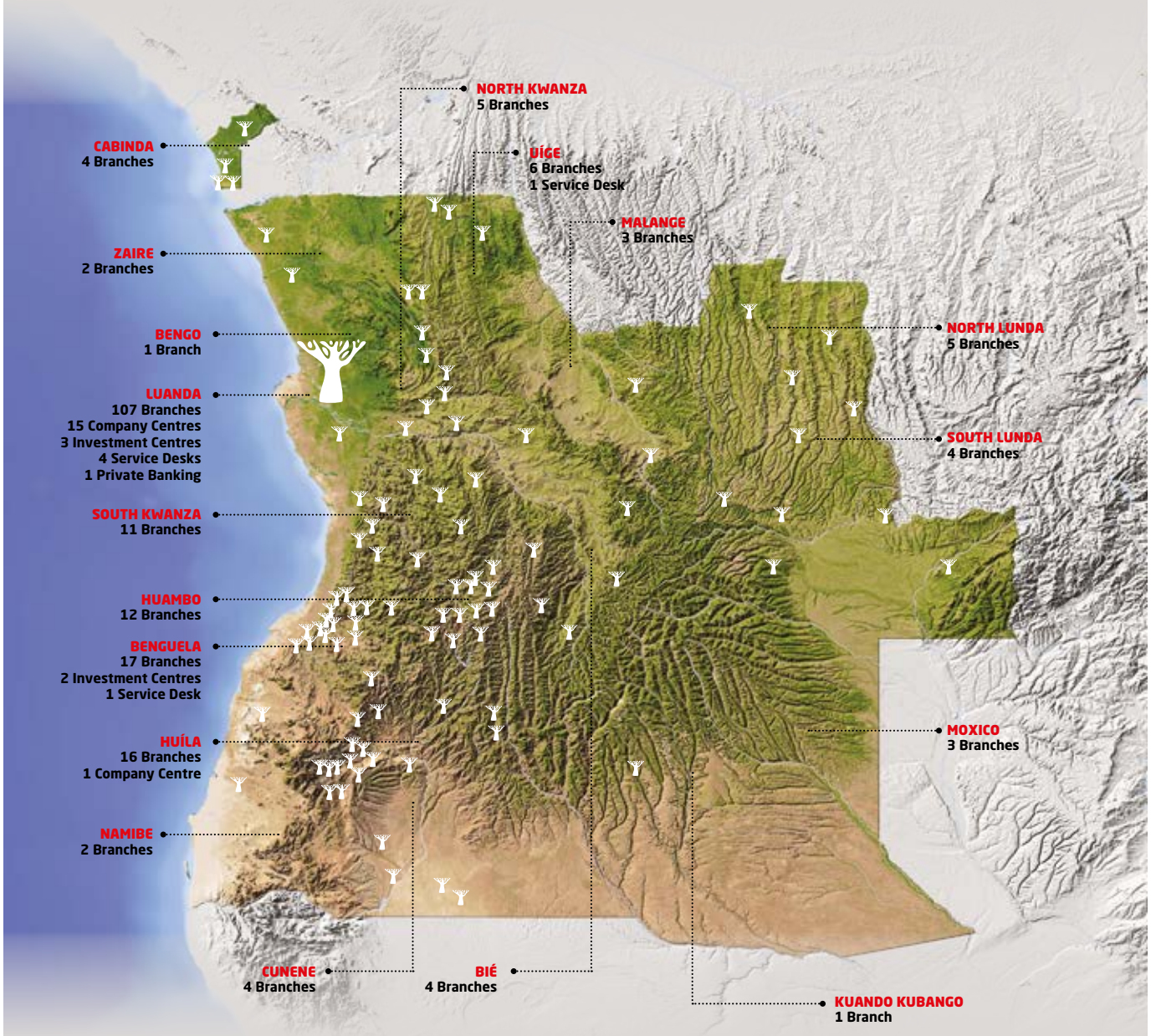
In 2017, the Bank, in awareness of the importance of the Agriculture, Livestock and Fisheries sectors to Angola's economy, created the BIC Agro Department.

This Department's main activities are the promotion, technical support and monitoring of the Bank's Commercial Networks, regarding Credit products aimed at the primary sector, and ensuring the follow-up and monitoring of agreed credit lines (Angola Investe and the Credit Support Project).

In 2019, Presidential Decree No. 159/19 defined the Credit Support Project, part of the Program to Support Production, Export Diversification and Import Substitution, i.e. PAC/PRODESI. In addition to the primary sector of the economy, the BIC Agro Department also began to provide support for projects in the secondary/industrial sector of the economy.

BNA's Notice 10/2020, which gave a boost to the Granting of Credit to the Real Sector of the Economy, makes it compulsory for banks to grant credit, at least equivalent to 2.5% of their net assets from the previous year, to a set of products on the PAC/PRODESI list at a rate of 7.5%, which underpinned the Bank's decision to create the BIC Agro Department, as a department specializing in granting credit to the primary and secondary sectors.

Distribution Network and Geographic Presence



BancoBIC

Growing Together

Historical Milestones

We are a benchmark financial institution on the Angolan banking market, with the largest private branch network in national territory and the young dynamism of 2076 employees, symbolized by the robustness of the imbondeiro tree, the root of our growth.

This was how Banco BIC was born and grew.

2005

Incorporation, by public deed, of Banco BIC S.A with a share capital of USD 6 million;

Opening of the 1st BIC branch in Luanda;

We believed that we had an important role to play in the development of Angola, in supporting the development of Companies and Families.

2006

The commercial network of BIC branches expands to 15 provinces;

Launch of the financial credit products; BIC Housing, BIC Vehicle and BIC Health;

Increase of share capital to USD 30 million;

Admission to the VISA POS network.

2007

Authorization from Banco de Portugal for the opening of BIC Português;

Launch of the VISA Premium and Gold credit cares;

Easy Credit for household goods;

Funding of USD 150 million for reconstruction projects in the UIGE Province.

2008

Opening of BIC Português, the gateway to the Angola/Portugal bilateral business;

Here begins the internationalization of the BIC brand;

BIC employs more than 1,000 employees, a fundamental pillar for the development of the Bank;

Awarded the Prize The Best Bank In Angola by EuroMoney, in recognition of the quality of the services provided and results achieved.

2009

Strengthening of the "Invest Together" campaign associated with the motto "Growing Together" as a bridge to BIC Português, the driving force of investment from Portugal to Angola;

Strengthening of the BIC VISA, GOLD and PLATINUM campaigns, linked to the VISA network.

2010

Banco BIC supports the Angolan soccer team in the CAN by awarding cash prizes to the team of Palancas Negras for its performance;

The Bank reaches 500 thousand clients and is voted the **42nd Largest Bank in Africa** by the Africa Business magazine;

Launch of the BIC Salary product for government employees;

Support for investment in 2 Coca-Cola fund projects in Angola;

An increase in the number of branches to become the **largest Angolan private bank in terms of geographical coverage.**

2011

BIC opens its central headquarters in Talatona, a 10-storey building, where it installed its main services;

In 6 years of existence and with an initial capital of USD 6 million, **Banco BIC exceeded**, on December 31, 2011, **USD 650 million of equity**;

Launch of the in-house magazine BIC MAIS, a vehicle for providing information and promoting the Bank's activities, services and commercial products;

It ends the year as the largest private commercial bank with territorial coverage in Angola, and **maintains a high position in the Africa rankings** (32nd place), according to the African Business **magazine.**

2012

BIC formalizes the purchase of the Portuguese bank BPN, expands its network of branches in Portugal and guarantees the maintenance of more than one thousand jobs on the Portuguese market**;**

Its number of customers increases to 800,000;

It achieves **position 32 in the Best Bank in Africa ranking,** awarded by the African Business magazine;

Creation of the Oil & Gas Department for better liaisons with oil companies.

2013

Expansion of the internationalization of the BIC brand, which began in 2008 in Portugal, with the entry into the financial system in Cape Verde;

Singled out as the Best Company of the year in the Angolan financial sector, given by the Sirius Awards;

The Banker magazine by the Financial Times group, awarded it the **Best Bank in Angola prize.**

2014

Launches in the insurance sector and creates its own insurance company, BIC Seguros, guaranteeing its customers personalized and direct insurance;

Achievement of one million customers, continues with its internationalization by opening a representation office in South Africa and, for the 3rd time, it is awarded 32nd place in the ranking of the top 100 African banks, selected by The Banker magazine.

2015

Ten years of life marked by growth and contribution to investment in Angola;

Strong focus on Credit for the development of the Angolan economy;

The number of **branches of the commercial network throughout the country**increases to **220;**

BIC holds 4th **place** in the **ranking of banks** set up in **Angola, and 1st place for the largest national private commercial network.**

2016

Growth continues - *1 million* customers achieved;

Strengthening of international activity, **with the opening of an office in Angola and closer commercial relations with South Africa;**

Start of commercial activities in Namibia through Bank BIC Namíbia.

2017

In the ups and downs of the adverse effects of the Angolan economy in the last 3 years, **Banco BIC focused on diversifying the country's production;**

Launch of the new agribusiness **credit** to support agricultural and livestock projects - **BIC AGRO**, associated with the Angola Investe program;

Organizes two bilateral conferences, one in Angola and the other in Portugal, **bringing together agriculture entrepreneurs and governmental entities from both countries,** with the objective of enhancing Angolan natural resources;

Banco BIC Portugal changes its brand name to EUROBIC and presents its new strategy.

2018

The Bank **increases its share capital by 6 times,** from AOA 3.3 billion to AOA 20 billion;

Start of a technological modernization process by installing FOREX, a new digital management tool for its customers' payment operations and account activation;

Reinforcement of the Risk and Compliance management control areas by installing the Risk Management Application (SAGR), a digital data processing tool that automatically reports to BNA.

2019

The Bank invests in new IT technologies, reinforces investment in the agricultural and fishing sectors by granting more credit to domestic economy projects;

It becomes a benchmark partner of PAC, the Credit Support Project, providing a credit line of 30 billion AOA, intended to finance domestic production;

It approved and financed 26 projects valued at AOA 33.4 billion, under the PAC;

Joins 3G, a fast and secure digital processing platform **for service management;**

Launches the MULTICAIXA EMV debit card with personalized advanced CHIP technology, more secure against fraud and cloning**.**

2020

Core Promosoft Financial Suite (PFS), release 3G system migration. The Core PFS Banka 3G system is a significant technical and functional evolution of the different PFS modules;

With the Banka 3G software, several solutions and concepts have been included in a fully integrated system.
Banco BIC rated highly in the ranking of Angolan banks that have financed the most primary economy development projects of the PAC program, under PRODESI.

2021

Banco BIC singled out under the scope of PRODESI, by the Ministry of Economy and Planning with a diploma of merit for having contributed to the **promotion of the domestic products** and to **boosting the economy;**

It remains committed to domestic sport, renewing contracts with the Bravos do Maquis and Interclub teams;

Recognized as the banking institution that provides most support to domestic clubs, playing a fundamental role in sports at the national level.

Holding of the 36th Luanda International Fair, a notable return following the past restrictions due to the COVID-19 pandemic, Banco **BIC was present at the largest multi-sector business fair,** with an interactive, dynamic, and contemporary stand.

Marketing and Communication

The Marketing Department's main focus is to promote and consolidate the positioning of the Banco BIC brand. It is responsible for defining the marketing and communication strategies of the Bank's various business segments. It ensures product management, inherent pricing, and proposes the launch of new products and services.
It also promotes the bank's image through advertising campaigns broadcast on various media such as radio, television, press and billboards, as well as through events and actions with a cultural, social and sporting impact, supported by Banco BIC.

> **In 2021 there was a particular focus on strengthening the positioning, dynamism and prestige of the brand on the market**

2021 was characterized by some restrictions due to the COVID-19 pandemic, which since 2019 has impaired the natural course of Banco BIC's current activities. Despite this situation, it was possible, in a way, to continue sponsorships of cultural and sporting events, as well as some promotional activities for products and services started in the previous year, with a particularly focus on strengthening the positioning, dynamism and prestige of the brand on the market.

In this context, it carried out strategic actions of various types. Out of these, emphasis should be placed on the campaigns to publicize existing products and services that promote the image of BIC AGRO and Simplified Accounts - easy to open and immediate; actions such as support for, and sponsorship of cultural, social and sports events, focusing on some events held on virtual platforms with multimedia broadcasting to overcome the forced absence of live audiences. This was all possible thanks to virtual streaming platforms on the Internet.

The main actions included the following:
As mentioned, as the restrictions imposed by the Pandemic lockdowns made public actions impossible, it was not feasible to hold the traditional social party for the 2 thousand employees in the year that BIC celebrated its 16th anniversary, for public health reasons. However, to mark this special date a Live event was held on 25 May at the Iron Palace in Luanda, with music provided by Rui Orlando, transmitted live to the Bank's social media pages and on the Republica FM radio program, Radio Escola.

Organization of entertainment with the transmission of the program República FM, during which the new CD by singer Rui Orlando was sold to participants;

In June 2021, a partnership was maintained with LS Republicano associated with the musician Rui Orlando, representing angolan music; under this contract he lent his voice and image to advertising for products and services of Banco BIC. The image of Rui Orlando associated with the BIC brand were on TV spots, the radio, in the press, and on posters and billboards spread all over the city;

Institutional campaign in partnership with BIC Seguros, involving the production of TV and radio spots, posters distributed through all the Bank's branches, magazines, newspapers and billboards and at the 4 de Fevereiro Airport in Luanda; the press ads were inserted in the main national newspapers and weeklies and the Radio spots were played on LAC, Radio Eclésia and other RNA channels;

Sponsorship of Rally Raid - Angola Rally Team, for their participation in the South AfricanRally champion ship. The event took place in September, in the Kalehary desert;

Sponsorship of the CALEMA show on the stage of the Clube S Bar Restaurant, an activity that took place over two days of shows lived to the fullest;

Credit Agreement between Cotarco and Banco BIC, a partnership that opens doors to Samsung technology and consists of the design of consumer credit, allowing customers with salaries paid into Banco BIC to access a consumer credit line with special conditions for the purchase of home appliances, furniture and IT equipment at Samsung stores;

Participation at the Huila Expo from August 11 to 15, the largest Business Exchange in the southern region.

On August 27, 2021, opening of the 107th branch in the province of Luanda, called "China City" because it is located in the commercial area of China City, Via Expresso, bringing the number of commercial units nationwide to 234;

Sponsorship of the FAB Angolan Basketball Federation for the World Cup classification event for the 2023 World Cup, held from 23 to 28 November in Benguela province.

Sponsorship of the teams Interclube and Onze Bravos Maquis for the 2021 season.

Banco BIC strengthens its partnerships to support sports and renews contracts with two of the largest domestic football clubs, Bravos Maquis and Interclube, having been recognized as the Financial Institution that gives most support to National Sports.

Also in the area of sports, Banco BIC supports the Angolan Women and Sports Association (AMUD ANGOLA), which promotes the inclusion of women in sports and their recognition in society.

In terms of social responsibility, the Banco BIC joined the "Adopt a Garden" project, under the slogan "Together for a greener city", an action that focused on the recovery and landscaping of the garden located on Ho Chi Minh Avenue in Luanda. This initiative aimed to make the city of Luanda cleaner and as a result more beautiful, for public welfare.

In November 2021 due to a release by the Ministry of Economy and Planning, it was possible to participate in the remarkable return of the 36th Edition of the Luanda International Fair, after restrictions relating to the COVID-19 Pandemic, which over the previous two years did not allow the bank to carry out some of its current activities. FILDA was one of the largest economic events in the country, with the participation of many of the active players of society.

Also in the area of social activities, in December, to mark the festive season, underprivileged children from the archdiocese of Luanda benefited from donations that allowed them to hold a social event, called the "Charity lunch for underprivileged children" who deserve special attention. Various Christmas gifts were given during this event.

BancoBIC
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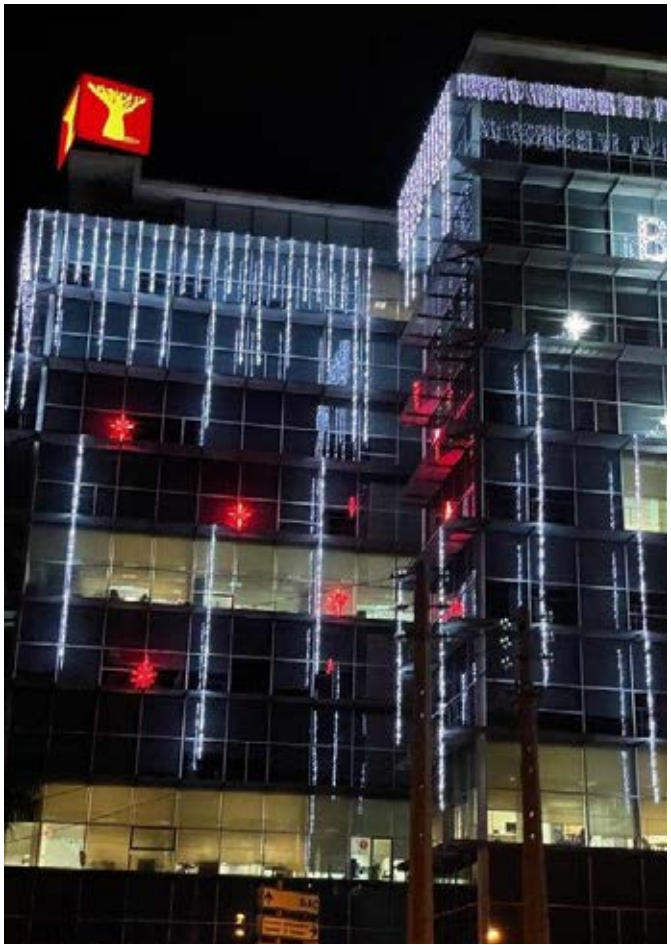


JARDIM ADOPTADO POR
BancoBIC
Crescemos Juntos
ExpoGarden

BancoBIC
BancoBIC

Information Technology

The Information Systems Department (DSI), in alignment with the business areas, put in place several initiatives aimed at providing its employees and customers with more digital, simpler, and integrated solutions, continuing to promote the adoption of new technologies, modern architectures, and streamlined development approaches. Several technological solutions were implemented and improved in this sense.

From an internal perspective, with the improvement of the applications that support the processes, customer monitoring with more complete information, and efficient in execution of operations. From an external perspective, with improvements in the solutions provided to the customer through more functionalities and a better user experience.

In 2021, the particular context of the pandemic still had a significant impact, in general terms, due to the challenges of the different work models, and in particular, due to the need for a technological response as an important company support mechanism.

In parallel with the development and evolution of technological solutions, the DSI remained sharply focused on the compliance dimension, a fundamental pillar in the Bank's performance, ensuring the implementation of initiatives to ensure compliance with legal and regulatory requirements, as well as the implementation of recommendations arising from internal and external audits.

During this period the DSI strategy was updated to include the dimensions of technology, operating model, and people, supported by a set of initiatives and measured using success metrics. The implementation of the DSI strategy initiatives will accelerate the transformation of IT systems, the creation of processes for digital transformation and the promotion of a more streamlined and automated development model.

In this uniquely challenging situation, the ramp-up of the process of change in the banking sector caused by the context of the COVID-19 pandemic led the Bank to become more digital, but also more secure, thus directing continued investment in mitigating cybersecurity risks, adding value and bolstering customer confidence during the course of its activities.

These initiatives lead to the promotion of a cyberculture in which the Bank intends to take an increasingly active role in collaboration and information sharing, including external financial and government entities. Additionally, in terms of cybersecurity, the Bank has improved its security equipment, as well as the solutions adopted for its internal and external perimeter Firewall, intrusion detection and prevention, and antivirus protection, with the installation of sophisticated latest generation equipment to guarantee a high level of security and protection. It is currently developing a cyber-excellence initiative to lead to the continuous improvement, certification and excellence of processes and services that are provided to customers and employees. An increase in cybercrime-related events was observed as a result of the pandemic situation, which led to the adoption of collaborative cyber defense activities, involving the reformulation of the operational model in order to gain a holistic view of financial crime as it evolves and develops, and to mitigate its potential impacts on detection, prevention and containment.

In alignment with the business and digital transformation areas to deliver solutions that meet customer and employee expectations, secure systems development processes, including automation techniques, remained a focus of the area's activity, promoting secure and more robust deliveries.

In the area of information protection, the strengthening of policies and control systems has contributed to strengthening customer confidence in the way the Bank protects data.

The Information Systems Department, guided by the quality of service provided to the customer and the improvement of execution times (SLAs - Service Level Agreements), maintains a Business Continuity Plan, involving the adaptation of the systems and services installed in the Disaster Recovery Data Center, and a review of the technological recovery conditions, leading to improvements to the process for monitoring all of the Bank's critical services, 24x7x365, in real time, with alarm systems associated with the unavailability of critical services, for a Recovery Time Objective of 2 hours.

“

The acceleration of change processes in the banking sector caused by the COVID-19 pandemic situation has led the Bank to become more digital, yet more secure

”

Human Resources

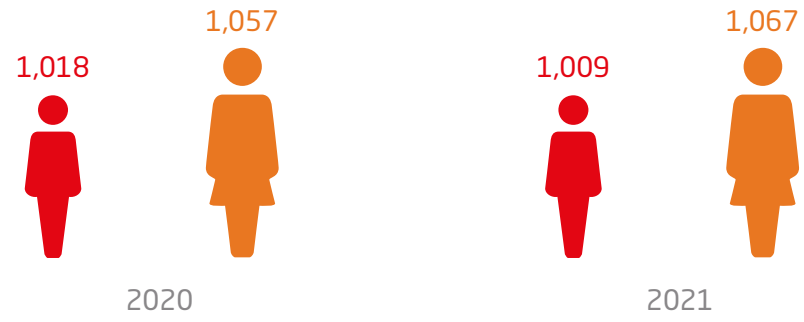
The Human Resources and Training Department, as the area responsible for putting in place human capital policies and practices, creating a healthy, balanced, competitive and result-oriented working environment, even while operating in a new paradigm, kept people management as the main focus of its activities plan, promoting:

- The adjustment of its Human Resources to the requirements of the business, according to all of the changes forced by COVID-19.
- The strengthening of development programs for Banco BIC's employees, taking into account the new challenges in the way knowledge is transmitted;
- The continued recognition of organizational and individual merit, in a sustained manner;
- Improvements to talent and performance recognition practices.

Profiling of Human Capital

To carry out its activities, Banco BIC had a total of 2076 employees on December 31, 2021 (1 more than on December 31, 2020), with the trend towards greater representation of the female gender continuing, with women representing 51% and men 49%.

Number of employees	'21	'20
Men	1,009	1,018
Women	1,067	1,057
TOTAL	**2,076**	**2,075**



FEMALE
employees

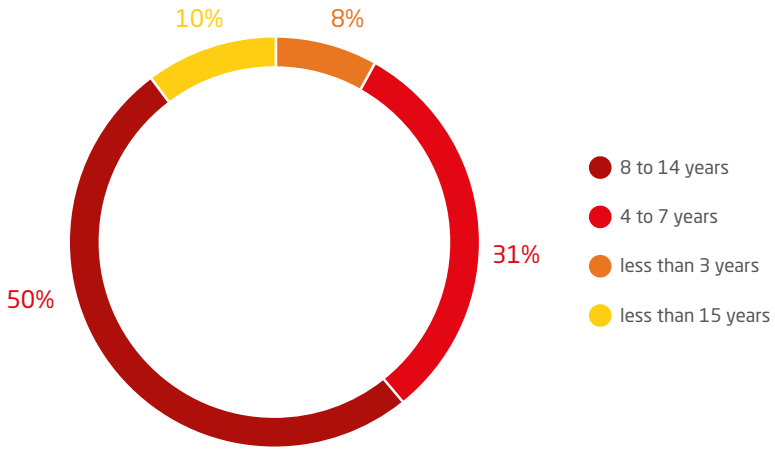
A total of 2076 Employees are distributed throughout the different areas of the Bank, of which 1,399 are in Luanda, 676 are distributed in the other Provinces of the country and 1 is in the representation office in South Africa.

84% of the Bank's total employees are assigned to the commercial area, continuing the trend seen in previous years.

Functional area	'21	'20
Central Services	337	334
Commercial Network	1,739	1,741
Average no. per Branch	**8**	**8**

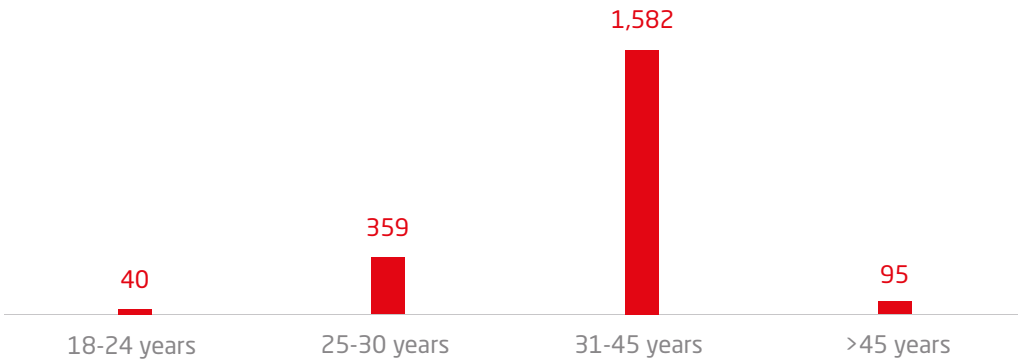
The ratios of banking experience, age and higher education, indicate that 50% of the Bank's employees have between 8 and 14 years of banking experience, the average age after 16 years at the service of Angolans is 35 years old, and 19% are between 18 and 30 years old. The percentage of employees with university degrees stands at 79%.

BANKING EXPERIENCE

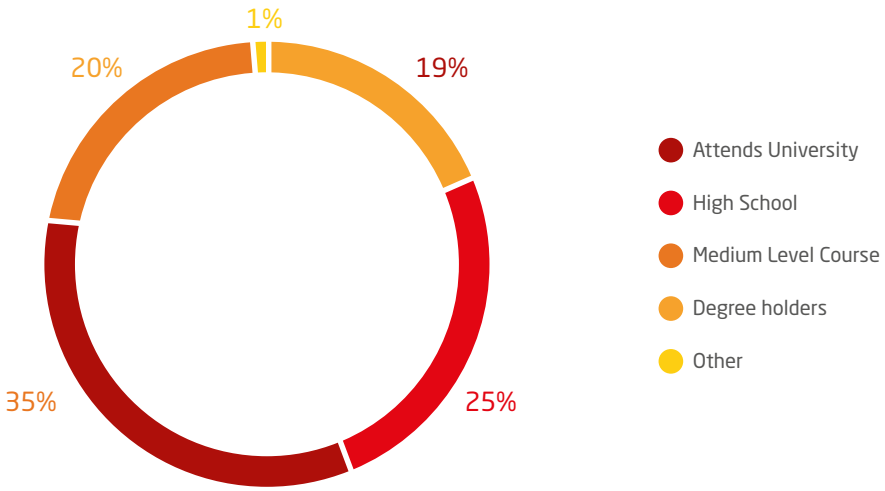


EMPLOYEES have been 8 and 14 years of banking experience

AGE GROUPS



LEVEL OF EDUCATION



Talent Training and Retention

Training has always been considered as a priority for the development of the professional and personal skills of our employees. In terms of training numbers, as of December 31, 2021 we have over 43,000 hours of training - 21 hours per employee.

Training activity	'21	'20
Number of hours of training	43,012	35,183
By employee	21 h	17 h

All the training activities carried out were based on an assessment of each employee's potential, allowing the Human Resources policies to be brought into line with the employees' expectations, the Institution's strategic objectives, and statutory training.

Increased literacy on Anti-Money Laundering and Combating the Financing of Terrorism continued to be one of the major training concerns up until December 31, 2021, accounting for more than 7,500 hours of training.

43,000

HOURS OF TRAINING

Health Care Benefits

Banco BIC's benefits policy, focused on supporting its employees in important areas of their personal and family life, includes several types of support and additional benefits in the field of health.

As of December 31, 2021, all employees and their respective households had the benefit of medical assistance, through Group Health Insurance that provides comprehensive coverage including Hospitalization, Consultations and Examinations, Dentistry, Prostheses and Orthotics, as well as an Evacuation service, which is provided when medically justifiable.

Performance Assessment

The central focus of the Performance Assessment System, an indispensable tool for active talent management and career management, is still to promote the development of critical competencies and a culture of merit. The criterion of an interim assessment and an annual assessment was maintained.

As in previous years, the organizational culture of combining ethical conduct and professional rigor with enthusiasm and initiative has been maintained, with value placed on the teamwork of all employees. Through the Human Resources Department, the business shows that it cares for its talent and ensures that it people remain enthusiastic and as involved as possible in the work that they must do.

> **All workers and their households had the benefit of medical assistance, through Health Insurance.**

Talatona

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Risk Management System

Risk Management

Law No. 14/21, of May 19, establishes guiding principles for the activity of the Angolan Financial System, strengthening the role of the various instruments that support the legal and regulatory framework for Financial Institutions, to ensure that the National Banking System follows the best international practices as closely as possible, in terms of uniform principles and rules on prudential requirement matters.

Banco BIC, in alignment with the recent guidelines published by the regulator and supervisor, has carried out its activity in a prudent and sustainable manner, and has reinforced the mechanisms to control, monitor and assess the risks that affect the business activities that have been carried out.

In this context, Banco BIC's risk management culture is ensured internally by reinforcing consistent methodologies and processes that consider all events that may affect the business model. The Bank believes that the implemented risk management system must maintain an appropriate relationship and constant balance between the risks incurred during the course of the activity and levels of equity, liquidity and profitability.

The senior manager of the Risk Management Function is the "Chief Risk Officer" ("CRO"), a member of the bank's executive committee. The CRO has overall responsibility for monitoring the risk management framework and, in particular, for ensuring the adequate and effective operation of the Risk Management Function. It is also responsible for informing and providing clarification to the members of the management and supervisory bodies about the risks incurred, the Bank's overall risk profile and the degree of compliance with the defined risk tolerance levels.

The risk management function is distributed among several organizational structures, according to the type of risk, specifically:

- Credit risk is monitored by the Credit Risk Analysis Department (DARC);
- Risk management from an integrated perspective and operational risk is performed by the Risk Department (DR) and the Internal Audit Department (DAI);
- IT systems risk is handled by the Information Systems Department (DSI);
- Market risks are managed by the International and Financial Department (DIF), monitored by the Risk Department and discussed at the level of the Board of Directors and senior managers by an assets and liabilities management committee (ALCO);
- Compliance risk and Reputation risk are managed by the Compliance Office (GC).

2021 continued to bring several challenges in the context of the COVID-19 pandemic, resulting in increased demands on the management of risks inherent to the Bank's activities. The Risk Department continued to strengthen and implement risk control methodologies and tools, while seeking to ensure compliance with a set of requirements put in place by Banco Nacional de Angola in the area of risk management.

Several activities were carried out, always with the objective of strengthening and consolidating the risk management system. Emphasis should be placed on the following developments from the year 2021:

- Report of the results obtained in the ICAAP (Internal Capital Adequacy Self-Assessment Process) and ILAAP (Internal Liquidity Adequacy Self-Assessment Process) exercise to Banco Nacional de Angola, to June 2021, referring to 31 December 2020, allowing the conclusion that the Bank holds sufficient own funds to deal with the risks incurred, from both a regulatory and economic point of view;
- Completion of the analysis and assessment process by the supervisor (SREP), in line with the regulator's guidelines on this matter;
- Review of the internal processes and procedures relative to the calculation and reporting of Capital Requirements, in compliance with the provisions and rules defined in Notice 08/2021 of June 18;
- Suitability of the data and technological infrastructure supporting the risk management processes;
- Support with monitoring and implementing the implementation of Directive 02/DSB/DRO/2020 in non-production exposure management;

> **In 2021 the Risk Department continued to improve and implement the risk control methodologies and tools**

- Reinforcement of equity levels, as well as the adoption of measures in capital and liquidity compo nents, aimed at mitigating the negative effects of coronavirus;
- Improvements to the tools and methodologies for the stress testing process;
- Continuous review of internal regulations on policies and procedures related to risk management and control;
- Follow-up of specific Inspections by the Supervisory Entities;
- Technical and analytical training for the control functions.

Risk Management Governance

The Bank's risk management function is supported by a governance model that aims to simultaneously comply with the best practices set out in regulatory standards and to ensure the robustness and effectiveness of the system for identifying, measuring, monitoring, reporting and controlling any credit, market, liquidity and operational risks that are incurred. The powers and duties of the bodies involved in the governance of risk management and internal supervision of the Bank, other than the Board of Directors (BoD) and the Executive Committee (EC), are as follows:

Internal Control Committee

The Internal Control Committee monitors the internal control system, ensuring efficient execution of operations, control of the inherent risks of the Bank's activities, reliability of accounting and management support information, and compliance with legal regulations and internal guidelines.

This committee includes members of the Board of Directors, who do not perform executive functions, as well as managers with relevant management functions, with technical knowledge.

Audit Committee

The Audit Committee is responsible for supervising the activity and independence of the external auditors, by putting in place an effective communication channel aimed at assessing the reports issued by the external auditors.

This committee includes members of the Board of Directors who do not perform executive functions, and other members elected by the Board of Directors.

Risk Committee

At the executive level, the Risk Committee is responsible for monitoring overall levels of credit, market, liquidity and operational risk, as well as all other risks considered materially relevant to the institution, as well as for ensuring that risk levels are compatible with the objectives, available resources and strategies approved for carrying out the Bank's activity.

This committee includes members of the Board of Directors who do not perform executive functions, the heads of the Risk Department (DR), International and Financial Department (DIF), the Internal Audit Department (DAI) and others who are called upon depending on the matters to be discussed.

Appointments Committee

The Appointments Committee should draw up and convey to the Board of Directors recommendations on candidates for members of the management and supervisory bodies, whose profiles should be assessed in terms of knowledge, skills, diversity, and experience. This committee is also responsible for acting in accordance with the provisions of Article 184 of the General Financial Institutions Scheme Act, Law no. 14/21, and Banco Nacional de Angola Notice no. 10/2021.

This committee is made up of members elected by the Board of Directors from among the non-executive directors or members of the supervisory body, including a Chairperson.

Remuneration Committee

The Remuneration Committee is a management body, with powers to report, analyze and make proposals to the Board of Directors within the scope of its functions as described in the Bank's internal regulations, in line with Article 184 of the General Financial Institutions Scheme Act, Law no. 14/21, and BNA Notice no. 10/2021.

This committee is made up of members elected by the Board of Directors from among the non-executive directors or members of the supervisory body, including a Chairperson.

Credit Risk Committee

This committee meets periodically and its functions are to monitor the different phases of the credit risk cycle and to ensure the monitoring of the credit portfolio. This process is carried out according to the competencies attributed by internal regulations.

All members of the Executive Committee participate on the committee, along with a manager of the DARC, whose duty is to ensure compliance with, and to monitor the credit risk management policy, the DR, the Management Control Department (DCG) and the other managers of the Bank's commercial areas.

Non-Productive Exposure Monitoring Committee

Bearing in mind the need to permanently monitor loans in default or at risk of default, the Executive Committee has decided that Credit Monitoring Meetings will be held at least once a quarter.

These meetings are held by the Non Productive Exposure Monitoring Committee. This Committee is chaired by the Director in charge of Credit Risk. The Operational Coordinators are from the Legal and Credit Recovery Department (DJRC) and the Credit Risk Analysis Department (DARC).

Also participating on this committee are the Director in charge of Credit Recovery, other members of the Executive Committee (optional presence) and the other heads of the Bank's commercial areas.

Asset and Liability Management Committee (ALCO)

This committee is responsible for the overall capital management of the Bank and the structural management of its assets and liabilities, specifically interest rate and liquidity risks and including the following aspects, among others:

- Capital allocation planning and proposals;
- Monitoring and management of the interest rate risk associated with the assets and liabilities structure;
- Preparation of proposals for defining appropriate policies for managing liquidity and interest rate risks, at the level of the Bank's balance sheet;
- The development of capital management strategies and policies, both from a regulatory and economic perspective, in order to identify opportunities to optimize the balance sheet structure and the risk/return ratio.

The Asset and Liability Management Committee meets periodically and is made up of all members of the Executive Committee, the managers of the DIF, DR and DARC, the Management Control Department (DCG), Planning and Accounting Department (DPC), as well as other people who are invited, depending on the matters to be discussed.

Systems Committee

This committee is responsible for monitoring the Bank's systems risk and accompanies the Demand Management process of the Information Systems Department.

The Systems Committee meets periodically and is composed of all the members of the Executive Committee, the heads of the ISD, and other Directorates and interlocutors as appropriate.

Compliance

The Compliance Office (GC) was set up through service order no. 047/EFU- Compliance Functional-Organizational structure, which established its organizational and functional structure as a 1st line body reporting directly to the Directors, independently, permanently and effectively.

As part of its corporate responsibility to raise awareness of the culture of Compliance in the institution, the Board of Directors delegated responsibility to the Compliance Office for the management of compliance and reputational risks.

The Compliance Office is responsible for defining strategies, policies and processes relating to Anti Money Laundering and Combating the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction.

The Compliance Office is also responsible for monitoring and raising awareness of relevant legislation and regulations, issuing guidelines and recommendations on compliance, carrying out the regulatory reporting requested by the supervisory entities, as well as for ensuring the suitability of control procedures, managing risks and promoting effective governance processes.

In addition to the generic competencies described in the previous paragraphs, the GC has the following specific competencies within our institution:

- Give advice to the Directors, for the purpose of compliance with legal obligations and the duties to which the Institution is subject;

- Regularly monitor and assess the suitability and effectiveness of the measures and procedures adopted to detect any risk of breach of the legal obligations and duties to which the Institution is subject, as well as the measures taken to correct any deficiencies in compliance with these;

- Periodically monitor and assess the internal control procedures for Anti Money Laundering and Combating the Financing of Terrorism, as well as to detect and report suspicious transactions to the competent authorities;

- Act as a communication channel to receive, register and forward questions and requests for clarification on Compliance matters to the competent services, so they can analyzed and resolved;
- Keep up with international know your customer best practices;

- Collaborate with the preparation, promotion, approval and publication of Compliance regulations, rules and standards, with the Bank's various 1st line Bodies;

- Participate in the process of identifying and assessing the Compliance Risk exposure of each of the institution's areas, as well as in the planning and safeguarding of its management;

- Centralize the periodic reporting, by the Bank's various 1st line bodies, of the results of the continuous assessment of the identified main Compliance risk issues;

- Work alongside the Human Resources Department (HRD) in the identification/preparation of training programs on matters of Compliance (risk and function) and Prevention of Money Laundering and Financing of Terrorism, aimed at Governing Bodies, Senior Management and other Employees of the Institution, as well as all new Employees, thus ensuring that the human resources of the Bank are trained in this area;

- Coordinate the implementation and execution of the strategic plan for Anti Money Laundering and Combating the Financing of Terrorism at the Institution;

- Internally ensure procedures for assessing suspicious operations and profiles (cases), centralizing the reporting and collection of information, as well as the assessment of the respective communication to the competent authorities, and taking care of the respective registration, reporting and archiving;

- Work with the Bank's other Bodies to coordinate the procedures to be followed in situations involving collaboration with the competent authorities, within the scope of Anti Money Laundering and Combating the Financing of Terrorism, and under the terms of the applicable legal provisions.

Risk Management Policies and Processes

Considering the evolution of the Angolan Financial System (AFS) and observing internationally accepted good practices, which aim to ensure that the regulatory framework responds to remaining current challenges in terms of financial stability, particularly with regard to strengthening the legal framework for the regulation and supervision of institutions involved in the financial sector, Banco Nacional de Angola introduced significant changes to the current legal framework, particularly with regard to the corporate governance of institutions, the system of internal controls and internal audits, as well as supervision processes, for the soundness and stability of the financial system.

To deal with this set of risks, the Bank promotes the establishment of rules and standards of conduct, the definition of efficient operating processes that respect the principle of segregation of duties, and the careful monitoring of legal, regulatory and Compliance issues. In this way, it seeks to ensure its operational excellence and the maintenance of high ethical and governance standards in its activity.

The Bank maintains a continuous process of developing and implementing formal processes for recording and processing information, allowing improved assessment, monitoring and control of each type of risk. These processes respect the principle of transparency, and the established reporting lines guarantee effective and efficient communication, ensuring the timely and appropriate transmission of information in order to assist the decision-making process of the governing bodies.

The Bank's risk management policy aims to contribute to the pursuit of the respective strategic objectives, seeking to ensure balanced and sustained development while maintaining an appropriate relationship between levels of own funds and the risks incurred as part of the scope of the business. In this sense, it is considered fundamental to ensure the segregation of functions between the areas where risks originate and the areas that monitor the risks, allowing the latter to perform its duties in an objective and independent manner.

> **The Bank maintains a permanent process of developing and implementing formal processes for the recording and processing of information, enabling it to strengthen the assessment, monitoring and control of each type of risk**

Credit Risk

Risk is considered to be one of the most relevant aspects of the activity of Financial Institutions. It takes the form of losses and uncertainty about future returns generated by the loan portfolio, the possibility of default by borrowers (and their guarantor, if any) or by issuers of securities or counterparties to contracts.

We have a General Credit Regulation, which sets out the limits and procedures for granting and managing credit operations.

Credit risk analysis and decision-making is distributed among the different levels of decision-making for the granting of credit.

The Credit Risk Analysis Department (DARC) is responsible for ensuring the definition and monitoring of the credit risk management policy. There is currently a set of manuals and rules that ensure the above by defining competence levels for granting credit, the limits per type of operation, the assessment of the customer's capacity, the monitoring of compliance with financial plans and the analysis of the risk of uncollectability and the need to renegotiate operations.

The Bank has been adopting and developing risk management methodologies, particularly with regard to the granting, monitoring and recovery of loans.

It should be noted that increased use has been made of the Credit Risk Information Center (CIRC 3.0), a platform for reporting on the credit exposure of private and corporate customers in the banking sector, contributing to more adequate credit risk management.

Decision

The Bank's Credit Risk Analysis Department (DARC) is subdivided into:

- **Major Risks -** area in charge of the analysis of all credit operations or clients with general debt levels above AOA 26.8 million, equivalent to USD 50 thousand;
- **Retail -** area in charge of the analysis of all credit operations or clients with debt levels of less than AOA 26.8 million, equivalent to USD 50 thousand.

Assessment

Credit risk assessment is based on the following weighting criteria:

• Internal ratings of non-financial entities:
. Financial elements of the customer, assigning a Rating level in Quantitative terms;
. Completion of a questionnaire by the commercial area (which may be revised at any time by DARC) including qualitative information that will define the Risk Level. This should mirror the true value of the company in qualitative terms.
• The type of loan, purpose and proposed amount;
• The Credit Risk of the Economic Group as a whole;
• The overall debt level reflected in Banco Nacional de Angola's Credit Risk Information Center (CIRC 3.0);
• Existence of State or Social Security debts;
• Concentration of exposure;
• The existing business and credit relationship/experience;
• Asset Value of the Economic Group.

There are also different assessment processes for specific types of credit, such as:

• Construction Finance which, in addition to the aforementioned considerations, is further supplemented with an analysis of:
. Completed projects (Historical);
. Works in progress;
. Project to be financed, operations map, financial plan, description of the project, including persuasive aspects of the project and permits required for its successful completion;
• Housing Credit, in addition to the aforementioned considerations, is further supplemented with an analysis of:
. Assessment of the property to be purchased;
. Debt capacity.
Finally, the entire analysis process includes an assessment of collateral.

The CIRC 3.0 has proven to be an essential tool for assessing the general debt levels of customers in the national banking system, thus allowing a deeper analysis of the risk level of credit operations.

Monitoring

Customer monitoring is associated with ongoing observation work, giving us knowledge at any given time about the level of confidence of the possibility of the punctual repayment of the loan that has been granted, and/or providing us with a timely alert of any circumstances that could affect the successful completion of the operations.

The process of monitoring the granted credit starts as soon as the contract is signed and continues until full repayment, in order to guarantee its fulfillment. The Bank performs a characterization that involves classification into different levels of Special Monitoring, according to the degree of concern regarding the possibility of default (VE4 - monitoring, VE3 - extra guarantees, VE2 - reduction and VE1 - termination).

Customers who are already in default and for whom the possibilities of negotiation by the commercial structure are considered to have been exhausted are also classified as C- Litigation and PC- Pre-Litigation.

As part of the monitoring of the overdue credit portfolio, the DARC keeps permanent control over overdue loans worth USD 5 thousand or more. This control takes the form of reports and monthly meetings with the respective commercial areas.

Central Archive

Centralized in the Credit Risk and Monitoring Department, is an area that manages the archiving of credit processes worth more than AOA 26.8 million, equivalent to USD 50 thousand. However, and due to the existence of the WFC tool, this achieve is being gradually replaced by the software, since it allows the digitalization of all the documentation related to all approved loan proposals.

Central Balance Sheet Database - Ratings

Since 2014, the Bank has implemented a Central Balance Sheet Database in order to obtain a database of economic and financial information about its corporate clients. The information is based on annual financial statements of the companies as well as on qualitative data obtained through the Bank's Commercial Network. Emphasis should be placed on the evolution process over recent years, with more customers submitting more and higher quality Reports and Accounts and Management Reports.

The main objective of the Central Balance sheet database is to contribute to better knowledge/monitoring of the economic and financial situation of the companies (customers) with loans or applications in progress.

Loan Workflow

The Loan Work Flow software remains an essential tool, allowing the Bank to retain gains in speed in terms of the duration of the loan granting procedure (proposal formulation-decision).

During 2021, 13,657 operations were registered, divided up monthly and by situation, as shown on the following map:

	Jan		Fev		Mar		Abr		Mai		Jun		Jul		Ago		Set		Out		Nov		Dez		Total	
Total	680	100%	817	100%	1173	100%	1201	100%	1191	100%	1365	100%	1165	100%	1511	100%	1333	100%	1229	100%	985	100%	1006	100%	13656	100%
Aprovadas	664	97,6%	792	96,9%	1143	97,4%	1142	95,1%	1158	97,2%	1325	97,1%	1104	94,8%	1450	96,0%	1300	97,5%	1173	95,4%	944	95,8%	964	95,8%	13159	96,4%
Recusadas	14	2,1%	21	2,6%	22	1,9%	26	2,2%	19	1,6%	25	1,8%	33	2,8%	29	1,9%	31	2,3%	37	3,0%	38	3,9%	13	1,3%	308	2,3%
Retiradas	2	0,3%	2	0,2%	5	0,4%	3	0,2%	0	0,0%	7	0,5%	0	0,0%	6	0,4%	2	0,2%	4	0,3%	2	0,2%	0	0,0%	33	0,2%
Em Aprovação	0	0,0%	2	0,2%	3	0,3%	28	2,3%	14	1,2%	7	0,5%	27	2,3%	25	1,7%	0	0,0%	13	1,1%	1	0,1%	29	2,9%	149	1,1%
Em Remoção	0	0,0%	0	0,0%	0	0,0%	2	0,2%	0	0,0%	1	0,1%	1	0,1%	1	0,1%	0	0,0%	2	0,2%	0	0,0%	0	0,0%	7	0,1%

The WFC has proven to be an effective and efficient tool for processing all of the Bank's credit, due to the following aspects:

SPEED	The time taken to analyze credit operations has been reduced considerably.
DOCUMENT MANAGEMENT	The documentary support for credit operations is automatically circulated on the platform.
STANDARDIZATION	Credit operations are executed in a standardized manner throughout the Bank's structure.
AUTOMATION	Collects pre-existing data from the Bank's central application related to the customer.
PROCESS CONTROL	WFC allows all participants in each phase of the circuit to know the exact status of the credit operation.

Restructured Operations Control

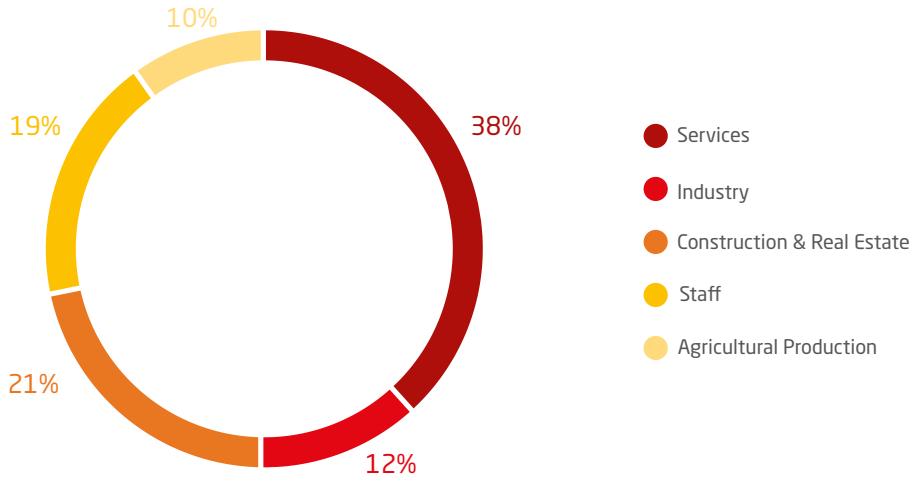
Since 2020, the Bank has automatic means of picking up credit operations subject to restructuring (restructured operations module), specifically operations whose conditions and guarantees have been renegotiated due to increased credit risk, or risk of default.

There are several types of restructuring operations in the Bank's different product types, such as: Personal credit, housing credit, subsidized credit, CCC, among others.

In 2021, some 173 restructuring operations were identified in a balanced range of sectors: Services (Agriculture and Fishing); Commerce; Construction; Education, Health; Industry; Transportation, and in the different products granted to individuals.

The Bank's loan portfolio in Dec/2021 had a balanced diversity of sectors, specifically:

ECONOMIC ACTIVITY



173

RESTRUCTURING OPERATIONS in balanced sector diversity in 2021

Market risk

Market risk, by definition, is the possibility of a loss that a portfolio may suffer due to the oscillation of rates, maturity mismatches, currencies and indexes of the asset and liability portfolios held by the Bank.

In terms of market risks, the Bank has a policy of not leveraging its activity by trading financial instruments, in recognition of the fact that the activity must be fundamentally based on the commercial and retail segment. The Trading Room's activity must focus on prudent cash flow management, by investing and earning profit on surplus liquidity.

To this end, the Bank has implemented mechanisms to control the market risks to which it is exposed and monitors their management, in structural terms, with the Asset and Liability Management Committee (ALCO).

Portfolio acquisitions with longer maturities reflect financial investments subject to a combined analysis of credit risk, market risk and optimization of risk-weighted assets in order to maximize the profitability/risk ratio.

The portfolio's investments prioritize assets with adequate levels of profitability and liquidity. The vast majority of the portfolio is invested in public debt securities eligible for Banco Nacional de Angola's monetary policy operations and for purposes of the liquidity coverage ratio.

Public debt securities for the bank's own portfolio are acquired in accordance with the investment policies defined by the Board of Directors.

The Risk Department is responsible for monitoring these investments, in accordance with the policies, and for reporting any deviations to the senior management.

Interest Rate Risk

Interest rate risk can be defined as the impact on earnings and equity of an adverse change in market interest rates. The Bank automatically assumes that an interest rate risk exists whenever,during the course of its business, it contracts operations with financial flows that are sensitive to possible changes in interest rates.

Interest rate risk from operations in the banking portfolio is assessed through a risk sensitivity analysis process, for certain items on the Bank's Balance Sheet, in accordance with Notice no. 08/2016 Interest Rate Risk in the banking portfolio.

Exchange Rate Risk

Exchange rate risk arises from changes in the exchange rate affecting structural balance sheet positions in foreign currency. The aim of its management is to minimize the impact of this structural risk on the Bank's position and capital.

The foreign exchange risk in the Bank's portfolio is a set of small scale and low risk portfolio positions, which are specifically managed by the DIF. The respective risk is controlled on a daily basis by metrics and limits defined for controlling market risks.

The Bank monitors its exposure to foreign exchange risk by controlling and reassessing on a daily basis the exposure of the overall open positions taken for each currency, and uses hedging strategies to ensure that these positions remain within approved limits.

> **The exchange rate risk aims to minimize the impact of structural risk on the Bank's result and capital position**

Liquidity risk

Liquidity risk is fundamental to the Bank's treasury management, and is subject to periodic analyses that are presented to the Asset and Liability Management Committee.

Liquidity risk is the risk of not meeting payment obligations on time or meeting them at excessive cost, either due to more onerous financing conditions (funding risk) or through forced sales of assets below market value (market liquidity risk).

The DIF has a suitable structure for monitoring liquidity, market and foreign exchange risks, with prudential limits defined for exposure to these risks during the Bank's activity on the interbank money and foreign exchange markets.

For short-term investments in the Bank's own portfolio (market risk in the Bank's own portfolio), the Bank's objective is to make a return on surplus liquidity to supplement investments in the Interbank Money Market, thereby making a positive contribution to the financial margin. Investments
investments in Treasury Bills, the acquisition of Repurchase Agreements (Repos) and the Marginal Lending Facility to the Central Bank.

Liquidity Risk Assessment

Liquidity is controlled on a daily basis by the DIF on the basis of internally defined metrics, which measure the maximum lending and borrowing needs that may occur. The DIF also determines the evolution of the Bank's liquidity position.

Additionally the DR, in accordance with Instruction No. 19/2016 of August 30 - Liquidity Risk, every month reports to Banco Nacional de Angola on the economic value of future cash flows in national and foreign currency, for the assessment and monitoring of the liquidity level.

Liquidity Contingency Plan

Liquidity management plays a relevant role in ensuring the Bank's sustainability, and the maintenance of appropriate levels of liquidity is fundamental to the proper operation of day-to-day activities, with situations of cash flow pressure, crisis or recession being particularly relevant.

The Liquidity Contingency Plan (LCP) seeks to anticipate and respond to the possibility of disturbances in the Bank's ability to make payments, supplementing and articulating the rules and principles defined in the Risk Management Principles and Policies, and the prudentially defined liquidity measures and indicators.

The LCP defines a set of action plans to be triggered in a liquidity crisis scenario:

Crisis Identification: The LCP defines metrics that establish the Bank's "minimum liquidity" condition. Failure to comply with these parameters is defined as a liquidity crisis situation and consequently triggers the LCP. A liquidity crisis can be classified in terms of its level of severity as not very severe, severe or very severe, and also in terms of its nature, as temporary (one-off) or prolonged (structural). Once a liquidity crisis situation has been identified, the DIF, together with the DR, classifies it according to its severity and nature.

Internal Communication: The LCP establishes communication circuits between stakeholders, seeking to ensure that all those involved in the corrective actions are properly alerted to the measures to be taken.

Corrective Measures and Action Plans: The LCP defines the set of measures and actions to suppress or mitigate the effects of the liquidity crisis. Corrective measures and actions should be adjusted depending on the classification of the crisis.

Liquidity Stress Test

Liquidity management requires the analysis of financial scenarios in which possible problems with liquidity are assessed. It is therefore necessary to build and study crisis situation scenarios. The model used for this analysis is the Stress Test, which assesses the Bank's financial structure and its ability to withstand and react to more extreme situations. The purpose of the liquidity Stress Test is to allow the simulation of adverse market conditions, enabling the assessment of the Bank's liquidity and payment capacity, thus seeking to anticipate solutions or even avoid positions that excessively jeopardize liquidity in turbulent scenarios.

Scenarios are defined based on an analysis of market behavior during previous crises, as well as future estimates. Two crisis scenarios are drawn up, with different intensities. From the analysis of the stress models it can be seen that the Bank complies with the liquidity ratios, supporting the liquidity losses for a given horizon of days, in all simulated crisis scenarios.

Internal liquidity adequacy assessment process (ILAAP)

In June 2021, the Bank performed the internal liquidity adequacy self-assessment process, in compliance with instruction no. 11/2021 of June 21, according to which all banking financial institutions that perform credit activities must ensure and be able to demonstrate that they have an internal process that allows them to identify, measure, manage and monitor their liquidity risk.

The purpose of the Internal Liquidity Adequacy Assessment Process (ILAAP) is to provide a risk management tool for the Bank to ensure that internally defined liquidity risk limits are complied with, and that adequate operational and governance processes are in place for managing and controlling these limits.

As this was the first ILAAP exercise, no significant changes were identified in terms of liquidity risk management, although the Bank's entire internal governance and processes for managing liquidity are reviewed, evaluated and improved on an ongoing basis, particularly in terms of formalizing internal processes for identifying, quantifying, managing and monitoring risk, as well as identifying additional responsibilities of the different parties involved in risk management. The results obtained attest to the fact that the Bank has an adequate response capacity, with no need for internal capital requirements to hedge this risk.

Operational Risk

Operational risk materializes due to the occurrence of losses resulting from failures or inadequate of processes, systems or people, or even external events. Operational risk management is based on a decentralized model, and its scope and disclosure can be seen at all levels of the hierarchical structure. The methodology includes activity and risk mapping processes that seek to pick up material exposure to operational risk, as well as processes for recording and approving events and for the self-assessment of risks and controls.

In order to guarantee the correct implementation of the aforementioned control activities, the control functions frequently perform audits and inspections that identify situations that still need improvement and define and follow up action plans to resolve them.

This is a risk that cuts across the different procedures that have been developed, and is minimized by implementing adequate control and mitigation procedures.

In terms of calculating equity requirements to hedge operational risk, the Bank opted in the first instance for the basic indicator method provided for in Notice No. 05/2016 and Instruction No. 16/2016 of August 8.

Periodically, reports are made to the Executive Committee on the audits and inspections that are carried out, indicating the identified situations and the action plans to be implemented.

Business Continuity Management

The Business Continuity Plan (BCP) has been developed in accordance with best national and international practices and aims to give the Bank the ability to anticipate, plan and implement a set of measures to respond to situations of disruptive disturbances in its business while ensuring continuity of functions identified as critical and enhancing their resilience.

It is the responsibility of the Risk Department, together with other departments of the Bank, to define and implement the policies and procedures that aim to ensure the ongoing operation of the Bank, and the timely recovery of its activity in the event of events that may destabilize the normal course of business.

Solvency Risk

Solvency risk is the risk of negative impacts on results or capital resulting from changes in regulatory or fiscal frameworks, including the risk of a mismatch between the adequacy of capital and the risk profile.

Regulatory capital requirements

From the regulatory point of view, this monitoring consists of the regular calculation of regulatory capital requirements for the risks that fall under Basel Pillar I: credit, market, and operational risk. As regards the calculation of equity requirements for credit risk, the Bank adopts the calculation stipulated in Instruction No. 12/2016 of 08 August; the methodology defined in Instruction No. 14/2016 of 08 August is applied for equity requirements for market risk and counterparty credit risk in the trading portfolio, and, finally, equity requirements for operational risk, which result from the average of the last three years of the annual exposure indicator, as defined in Instruction No. 16/2016 of 08 August under the Basic Indicator method.

Operational risk is minimized by implementing appropriate control and mitigation procedures

Internal capital requirements

Under Basel Pillar II, the Bank performs the internal capital adequacy assessment process (ICAAP) that aims to identify, measure and allocate capital to the risks to which the Bank is or could be exposed. The risk identification and measurement process focuses on all risks defined in the Bank's risk taxonomy. In turn, and according to the perception of the materiality of the risks, the methodologies and/or internal risk factors are used to quantify the internal capital required to absorb unexpected losses resulting from risks that may materially affect the Bank, broken down by risk categories and, where applicable, subcategories.
The ICAAP exercise with reference to December 31, 2020, concluded that the Bank is able to allocate internal capital for the identified capital requirements and that it has an additional risk absorption capacity, for the forecasts made in both a baseline scenario and in a *stress* scenario.

Concentration Risk

Concentration risk control is an essential element of management. The Bank continuously monitors the degree of concentration of the credit risk portfolios in different relevant dimensions: by sector and by customer groups.

The Bank considers risk concentration in its risk management strategies, policies and processes, defines the responsibilities of relevant employees and develops processes for the identification, assessment, monitoring, control and reporting of risk concentration.

The DR performs a half yearly analysis of the credit concentration risk, based on internal criteria, determining the Individual Concentration Index (ICI) and the Sector Concentration Index (SCI) for this purpose. The Risk Department includes further analysis at the sector concentration level in these exercises, by grouping sectors of activity, as well as at the individual concentration level.

In counterparty credit risk, the Bank's objective is the diversification of counterparties, based on methodologies for assessing, monitoring and controlling credit limits for institutions, as well as complying with the prudential limits for major risks in accordance with Banco National de Angola Notice no. 09/2016.

Reputational Risk

The Bank's image is monitored by the Marketing Department, which throughout the year carries out advertising campaigns and actions with its customers to convey the principles and values associated with the Bank.

In addition, and under the scope of reputational risk management, the Compliance Office is responsible for coordinating and safeguarding the proper execution of procedures for anti money laundering and combating the financing of terrorism and the proliferation of weapons of mass destruction. The aforementioned areas, as well as the Executive Committee, must regularly monitor and assess situations that could compromise the Bank's reputation, and take the necessary steps to resolve them.

The Bank's reputation policy is to constantly convey the vision, mission and values that guide the its activity and its relationship with customers, counterparties, shareholders, investors and the Supervisory Entity.

Conduct Risk

The code of conduct establishes a culture of integrity between the Bank and its Stakeholders, involving the observation of best Corporate Governance practices, resulting in conduct guided by high standards of integrity, professionalism and diligence, always in defense of the customer's interests and in strict compliance with all applicable legislation.

The Bank's Compliance Office is responsible for strengthening the culture of integrity and compliance with the rules stipulated in the code of conduct, both by the Governing Bodies and by Employees.

Conduct risk management is built into an organizational structure and governance model that distributes responsibilities between the first and second lines of defense. The Bank's Code of Conduct establishes and systematizes the principles and rules of behavioral nature that must be followed when carrying out all banking activity.

Compliance Risk

Compliance risk consists of the occurrence of negative impacts on results of capital as a result of violations or breaches of laws, regulations, specific determinations, contracts, rules of conduct and customer relations, instituted practices or ethical principles that lead to sanctions of a legal nature, the limitation of business opportunities, a reduction in the potential for expansion or the impossibility of requiring compliance with contractual obligations.

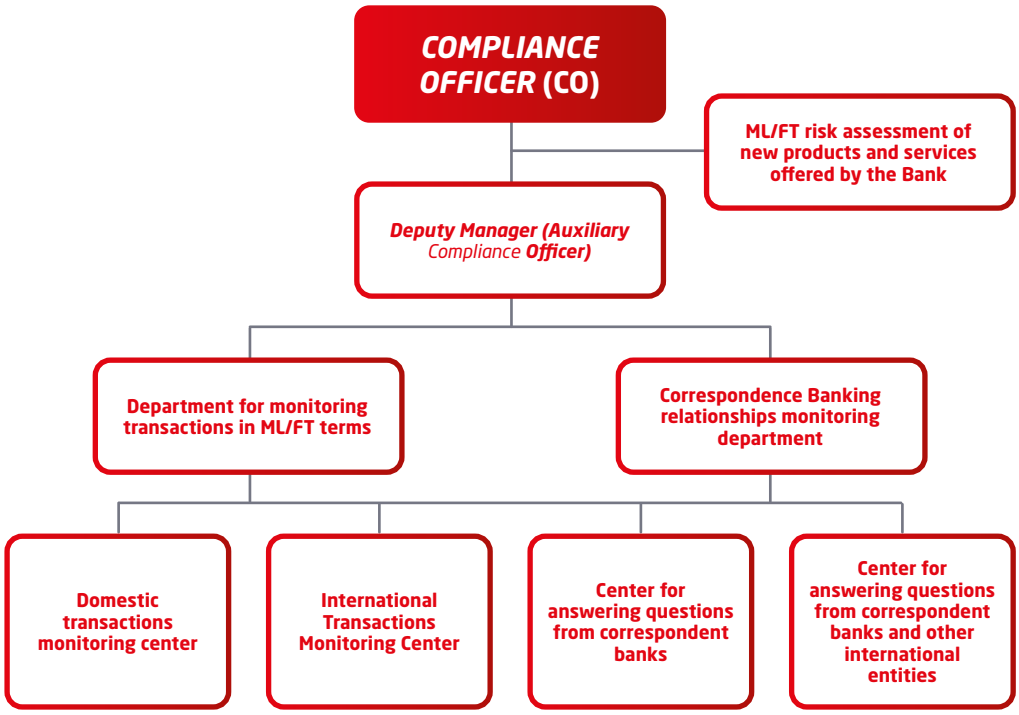
Thus, it is the Bank's objective in the area of Compliance risk to comply with applicable legal and regulatory provisions, including those for the prevention of money laundering and combating the financing of terrorism, as well as professional and ethical standards and practices, internal and statutory rules,

rules of conduct and customer relations, and guidelines from the Governing Bodies, in order to protect the reputation of the institution and avoid sanctions.

Banco BIC has implemented methodologies and tools that enable preventive action to be taken against the occurrence of Compliance and reputational risk, as indicated in this chapter, in chapters 6.2 Compliance and 7 Money Laundering and Financing of Terrorism.

These methodologies ensure regular monitoring and evaluation of the suitability and effectiveness of the measures and procedures adopted to detect any risk of non-compliance with the legal obligations and duties to which the institution is subject. The Bank is also equipped with procedures and tools that enable the constant monitoring and assessment of risks relating to anti money laundering and combating the financing of terrorism, and not only does it adopt standards in accordance with current legal provisions, but also with the best international standards.

The Bank's current institutional Compliance risk management model is based on several factors, including but not limited to the functional organizational chart presented below.



AML/FT (Anti-Money Laundering and Financing of Terrorism) risk management is a key component of Compliance risk management carried out by our institution's Compliance Office.

The AML/FT (Anti-Money Laundering and Financing of Terrorism) risk has gained marked prominence within compliance function ever since the adoption of the first legal mechanisms with the entry into force of the old ML/FT Legislation in 2011, within the framework of the set of requirements of the main International Organizations monitoring AML/FT risk in countries (particularly the FATF and ESAAMLG).

The impact of these government adoptions of international commitments was felt throughout the system, i.e., it was felt at the level of national financial institutions and naturally Banco BIC, S.A. was no exception.

The impact of these government adoptions of international commitments was felt throughout the system, i.e., it was felt at the level of national financial institutions and naturally Banco BIC, S.A. was no exception. Therefore, as a consequence of the entry into force of the new Law 05/2020 ML/FT, we started a process of to review the bank's central AML mechanisms, culminating in the implementation of a new AML solution known as the "EAGLE_AML SOLUTION".

This new IT tool to support the prevention of the risk of money laundering and financing of terrorism in use at Banco BIC has several features, some of which are listed below:

- Provision of a large number of rules that allowed the GC to improve KYC and KYT control mechanisms and expand the extent to which actions are taken in the various transactions performed in the Banka Core system, such as: intrabank and interbank transfers, capital market operations, etc;

- Through instantaneous cross-referencing with the International Sanctions Lists and World Lists of people classified as Politically Exposed Persons (PEP's), the tool identifies cases of Designated Persons (a situation that is reported to the authorities) and PEP's;

- Real-time provision of a list with a description of Politically Exposed Persons (PEP's) associated with our customer portfolio;

- Depending on a set of predefined variables (e.g. nationality, profession, place of birth, etc.), the tool automatically assigns a level of risk to the customer in question (an entity marked as PEP is immediately considered High Risk;

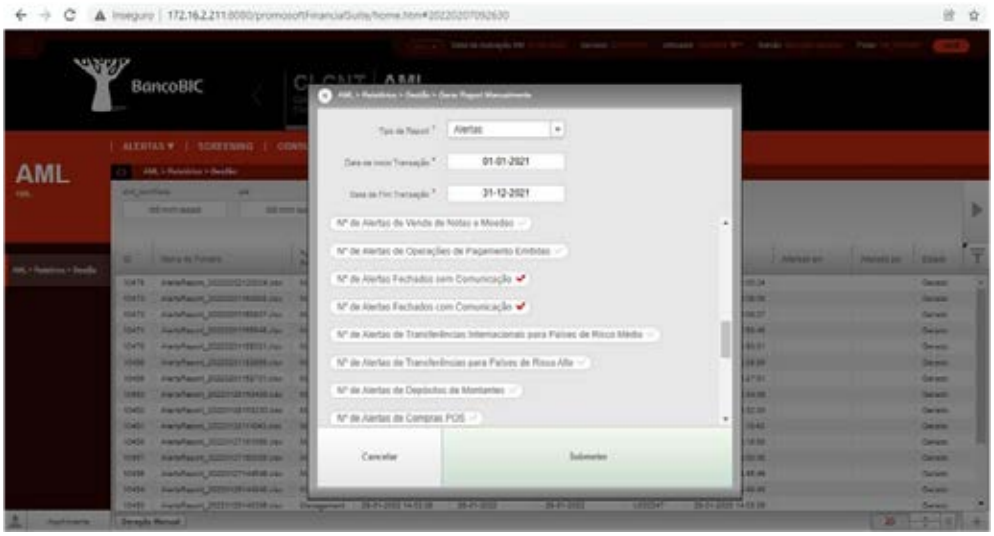
- The tool assigns a risk level to all entities with links to each other; this means that the tool builds relationships between entities based on the information available in the BANKA system and assigns them all the highest risk level that any of the holders possess.

In addition to other features, this application has a KYT module that allows a considerable number of account transaction rules to be entered. All Banco BIC transactions are analyzed against these rules, and operations are restricted when a process is triggered by a rule relating to the movement of amounts overseas. Additionally, the tool allows the profiling of each bank account, according to its normal activity and the level of risk associated with the entity holding the account in question.

The EAGLE_AML SOLUTION is a new IT tool in use at Banco BIC to support the prevention of the risk of money laundering and financing of terrorism

Between January and December 2021, our statistics revealed that more than 54,000 alerts were handled automatically by the EAGLE_AML SOLUTION. The processes were promptly analyzed by the Compliance Office technicians and completed with the necessary information.

The following tables show the quantitative information generated by the EAGLE_AML SOLUTION during the reference period:



Alerts Report	
Indicators	Results
No. of alerts closed without report	54984
No. of alerts closed with report	62

Note: The process numbers generated by the central AML system include validations of national operations (account to account transfers, cash deposits and withdrawals, and others) and international operations (Issued and Received Payment Transactions, as well as other transactions of the same nature).

Another key aspect of AML/FT (Anti-Money Laundering and Financing of Terrorism) risk management, in addition to interacting and complying with the legal and regulatory requirements of regulatory institutions and other major national players is compliance with the duties established by the AML/FT Legislation (Law 05/20 on anti money laundering and combating the financing of terrorism and the proliferation of weapons of mass destruction) in force in Angola.

From this perspective, it should be emphasized that in fulfillment of the reporting duty established by the current
AML/FT Legislation, on average the bank reported 150 (one hundred and fifty)
cash transactions (DTSs) per day to the Financial Intelligence Unit (FIU), i.e.
the Bank reported over 37,000 (thirty-seven thousand) cash transaction declarations to
the FIU during the 2021 financial year.

In the area of reporting potentially suspicious transactions, several reports of suspicious transactions reported to the FIU were submitted to the Financial Intelligence Unit (FIU) for appraisal. About 50% of the reported cases were cases passed on to the Judicial Authorities.

The following table shows the number of suspicious operations reported to the FIU.

Report on Suspicious Operations Reported to the FIU	
DOS (Suspicious Operations Declarations)	10
DCE (Spontaneous Reporting Declarations)	18
DIPD (Designated Person Identification Declaration)	1

The level of AML risk exposure of our customer portfolio was also assessed by the Office during the 2021 financial year as part of AML risk management.

This aspect shows that the percentage of customers associated with a High risk profile in relation to the total number of customers is approximately 1.3%, i.e. the AML risk exposure level of our customer portfolio is relatively low.

AML_RISK	Number
Low	1,284,666
Average	503,081
High	23,616
Total	**1,811,363**

Source: Report on Anti Money Laundering and Preventing the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction - 2021, p. 65

The monitoring of correspondence banking relationships, i.e. the external component, is another aspect of institutional compliance risk management.

It is the responsibility of the Compliance Office to respond to all requests and clarifications about foreign payment operations that pass through our correspondents, whether of a legal or transactional nature (Compliance).

During 2021, we registered more than 5000 requests for clarification from Banco BIC Português. Similarly, we registered about 1000 requests for clarification from the Bank Popolare Di Sondrio.

In addition to the usual requests made by Banco BIC Português on issues related to customer identification, beneficial owners, invoices, contracts, economic activities and other relevant aspects, this year we also received some requests for information related to the beneficial owners of the institution and about the AML procedures adopted by the Bank.

Finally, it should be noted that during the 2021 fiscal year, several joint efforts were undertaken between the Payments and Overseas Department and the GC, to set up new banking correspondence relationships. Two Banking Correspondents were obtained by this Task Force.

The following table shows the new Correspondent Banks of Banco BIC, S.A:

Correspondent Bank Description	Subject	Date of Reply
Banco Atlântico Europa	*Correspondent Banking Relationship*	Mar/21
Czhejiang Chouzhou Com. Bank China LDT	*Correspondent Banking Relationship*	Mar/21

The management of national and international regulatory framework compliance control is also a part of Compliance risk management that is performed by the Compliance Office.

The Compliance Office is responsible for controlling and disclosing information about the ML/FT prevention and PADM regulatory framework at the institution and beyond, to ensure the mitigation of reputational risk arising from breaches of legal requirements by regulators and other relevant institutions.

In addition, Banco BIC has been acting proactively with international partners, specifically in Correspondent Banking, in order to continuously adapt to the best international practices in this area.

Internal Control

In compliance with BNA's Notice 10/2021 of June 14 and in view of the development of the Angolan Financial System, specifically the increase in the complexity of the operations, products, and financial services that are offered, and simultaneously considering the most recent guidelines issued by international benchmark organizations on accepted international supervision practices, the existence of an effective internal control system is a fundamental component of banking management and serves as support to ensure adequate administrative organization and control of operational and financial risks of credit institutions.

Internal control is intended to ensure that Banco BIC achieves its goals in a safe, prudent and controllable way in a manner appropriate to its size and the complexity of its activity.

> **The internal control system must pursue business continuity and survival of the Institution through the efficient allocation of resources and execution of operations**

Internal Control System

An integrated and permanent set of policies and processes, applicable to the whole institution, implemented by the board of directors and other employees, in order to achieve the objectives of efficiency in the execution of operations, risk control, ensure the reliability of accounting information and provide support for managing and complying with legislation and internal guidelines.

Objectives

1. The internal control system should pursue the following objectives:

a) The continuity of the business and the survival of the Institution through the efficient allocation of resources and execution of operations, risk control, prudent and continuous asset assessment, definition and segregation of responsibilities, security and access control in the IT and communication systems, and mitigation of conflicts of interest;
b) The existence of complete, reliable and timely accounting and management information, of a financial and non-financial nature, to supports the decision making and control processes;
c) Compliance with legal provisions, internal guidelines, and rules of ethics and conduct, in the relationship with customers, transaction counterparties, shareholders, and supervisors;
d) The existence of a policy, process or other preventive measure for each risk, as well as systematic control and monitoring to ensure its application and operation as established, with the aim of immediately rectifying all deviations.

2. In order to achieve the described objectives, it is necessary not only that the implemented internal control system coherently includes the definition of the organizational structure, methods and procedures for this purpose, but also that it itself is regularly subject to verification of its operation and effectiveness.

3. Banco Nacional de Angola, through Notice no. 10/2021 established that "the institutions of the national financial system must have an internal control system that meets the minimum requirements" defined in that instruction. It also determines that "the fundamental rules of the internal control system should specifically establish its objectives, procedures and means to ensure its execution, and should be put in writing and made available to its users.

The Notice also provides for an annual report on the Internal Control System, to be sent to Banco Nacional de Angola, as defined.

4. Banco BIC defines the objectives, rules and competencies necessary for the design, implementation and verification of the internal control system and compliance with Banco Nacional de Angola's guidelines on this matter. Internal control is intended to ensure that its goals are achieved in a safe, prudent and controllable manner.

General Principles

1. The design, periodic evaluation and review of the Bank's internal control system is the responsibility of the Board of Directors.

2. The internal control system is formally described in specific and sufficiently detailed documents, and includes five integrated components, specifically: the control environment, risk management systems, control activities, information, communication, and the monitoring process.

3. Banco BIC will maintain and update an Internal Control System that covers the appropriate organizational structure, methods and procedures for following of the strategic guidelines outlined by the board of directors, with a view to meeting the objectives set out in Article 27 of Banco Nacional de Angola's Notice no. 10/2021, of July 14.

4. The implemented Internal Control System will seek to guarantee that the following principles are ensured at all times:

a) Adequate segregation of authorization, execution, registration, custody and control functions;
b) Chronological reconstruction of the operations performed;
c) Justification of all accounting information through valid supporting documents;
d) Verification, by each responsible body, through reliable and timely information, of the achievement of the established objectives and guidelines;
e) Specifically with regard to IT systems, the following principles, among others, must be ensured:
   i. Systems should be described in detail, and any changes made should be recorded in an appropriate document;
   ii. Data must be subject to regular controls;
   iii. Equipment, software, and data must be adequately protected to prevent damage, fraud, and unauthorized access to the system and confidential information.

5. The maintenance and updating of the internal control system requires the collaboration and control of all Banco BIC's organizational units, within their respective areas of activity.

6. The organizational structure must ensure a constant concern for the various aspects of internal control, guided by ethical principles and integrity; respect for the Code of Conduct and policies that identify and mitigate conflicts of interest; the definition and implementation of internal control processes and practices; the requirement for knowledge of how to manage relevant risks; and the appropriate segregation of authorization, execution, registration, accounting and control duties. It must also be taken into account that organizational and operational factors must be compatible with the predetermined strategy, and that sufficient resources and means with knowledge and experience must be provided so that the structural units act with transparency when reporting control information, with their own responsibility and authority, with respect for the segregation of functions in the tasks assigned to them.

7. As part of the Bank's Corporate Governance system, the key roles in the Bank's Internal Control System are: Audit, Compliance and Risk Management.

8. The Bank's Governing Body must ensure the independence, status and effectiveness of the key functions of the internal control system, including: Audit, Compliance and Risk Management, which must be provided with sufficient human and material resources to carry out their mission.

9. Notwithstanding the above, the Organization and Quality Department (DOQ), the Compliance Office (GC), and the Risk Department (DR), as well as the Audit and Inspection Departments (DAI), Information Systems Department (DSI), Procurement Department (DAP), Management Control Department (DCG), Credit Risk Analysis Department (DARC), are assigned specific competences for the design, coordination and verification of the internal control system, as described under the scope of art. 36 of Notice no. 10/2021.

Benguela

5

Money Laundering and Financing of Terrorism

Money laundering and financing of terrorism and the proliferation of weapons of mass destruction

Credit Institutions are exposed of being used to disguise, convert, transfer, or invest funds of illicit origin, resulting from activities classified as criminal.

The Republic of Angola approved Resolutions No. 19/99 of July 30, 21/10 of June 22 and 38/10 of December 17, published in the Angolan Official Journal (DR). 1st Series no. 31, 115 and 239, which ratify the United Nations Conventions against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, Transnational Organized Crime, and Suppression of the Financing of Terrorism, respectively, in order to guarantee the security of the Angolan financial system.

Law 34/11, which establishes preventive and repressive measures to combat the laundering of money of illicit origin and the financing of terrorism, was repealed by the new Law 5/20, of January 27.

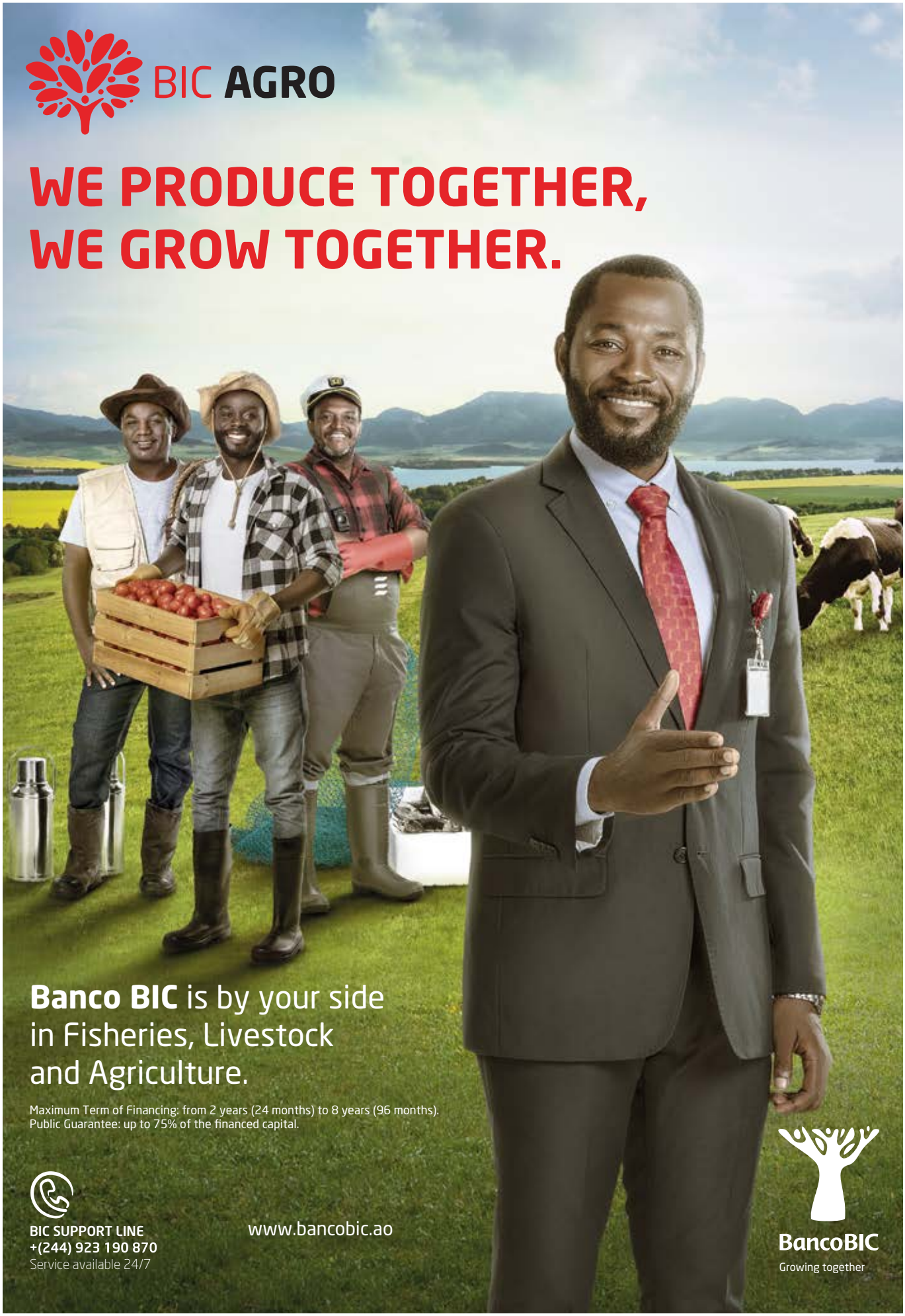
This set of legal provisions is not limited to criminalizing certain behaviors, specifically those that are interpreted as "money laundering of proceeds from illicit activities", but also establishes a set of preventive measures, especially aimed at the financial system.
In this sense, Banco BIC has been continuously adopting and updating its strategies, policies and processes that allow the prevention of the use of Credit Institutions for Money Laundering and the Financing of Terrorism (ML/FT). The main aspects of note are as follows:

- Implementation and publication of the manual on Anti Money Laundering and Combating the Financing of Terrorism;
- Drafting and publication of intra-organization Compliance standards and policies;
- Implementation and development of software for Anti Money Laundering and Combating the Financing of Terrorism, both at the Know Your Client (KYC) and Know Your Transaction (KYT) levels;
- Development, together with internationally recognized partners, of training activities for all Banco BIC's employees.

The implementation of this control circuit has made a positive contribution to the management of AML risk, as a component of the Compliance risk addressed by the compliance function at Banco BIC, S.A.

Finally, it should be noted that the Compliance Office is responsible for coordination with the Banco Nacional de Angola and the Financial Information Unit on matters relating to the topic of ML/FT, through close collaboration with these bodies and participation in seminars held for this purpose, including participation in the meeting with observers from the Financial Action Task Force (FATF), which resulted in Angola's withdrawal from the monitored jurisdictions.

"Banco BIC has been continuously adopting and updating strategies, policies and processes that allow the prevention of the use of Credit Institutions for Money Laundering and the Financing of Terrorism (ML/FT)."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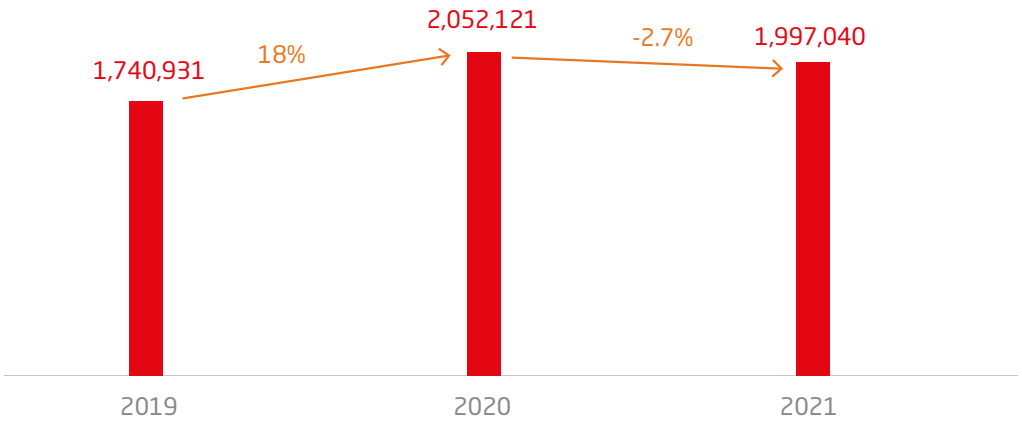
6

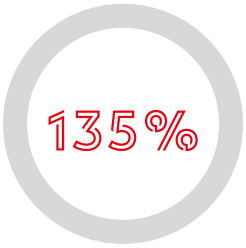
Financial Analysis

Financial Analysis

The Bank's Net Assets as of December 31, 2021 amount to AOA 1,997,040, a decrease of AOA 55,081 million compared to December 31, 2020, corresponding to a reduction of approximately 2.7%. This decrease was driven, on the one hand, by the Investments at Amortized Cost that went from AOA 856,594 million, at December 31, 2020, to AOA 561,475 million (Securities Portfolio) and by the Loans and advances to Customers that decreased by AOA 77,672 million and, on the other hand, by the increase in the item Cash and Deposits at Central Banks by AOA 236,877 million, and increase of AOA 87,292 million in the item Deposits at Central Banks and Other Credit Institutions.

NET ASSETS



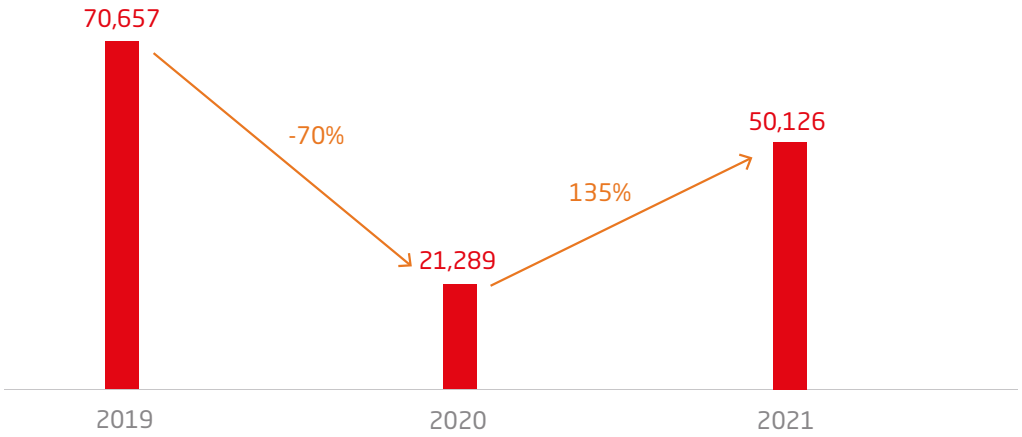


INCREASE IN NET ASSETS

Assets are mainly financed by customer resources and other loans, which saw a reduction of AOA 44,764 million compared to December 31, 2020. During the 2021 financial year, customer resources amounted to AOA 1,301,873 million.

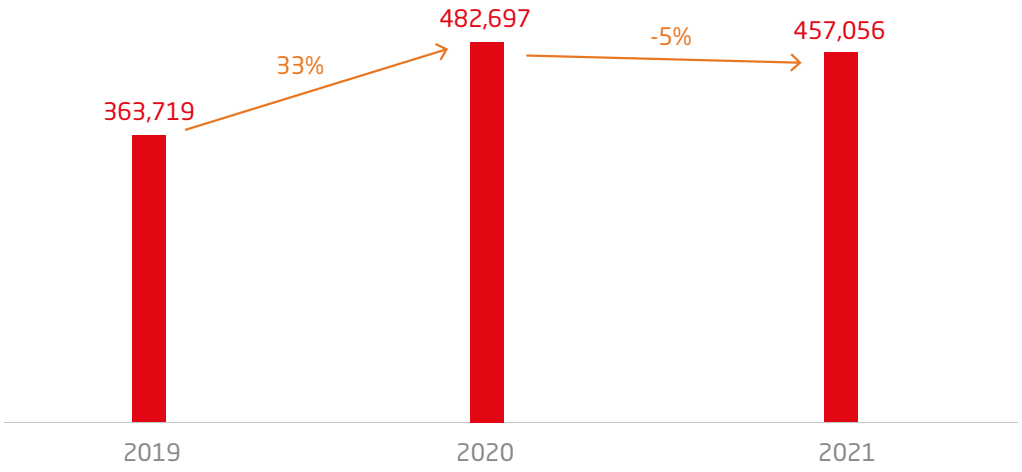
Banco BIC's net income as of December 31, 2021 totaled AOA 50,126 million, which compares with net income of AOA 21,289 million as of December 31, 2020, corresponding to a year-on-year increase of 135%.

NET RESULT



As of December 31, 2021, the Bank's equity amounts to AOA 457,056 million, a decrease of AOA 25,641 million from AOA 482,697 million as of December 31, 2020. This variation is essentially explained by the reversal of the Reserve for Monetary Updating of Equity and by the increase seen in the net result for 2021, when compared with the previous year.

EQUITY



The Bank's equity amounts to AOA 457,056 million

Note that when analyzed in foreign currency, the Bank's equity increased from USD 743 million as of December 31, 2020 to USD 824 million as of December 31, 2021.

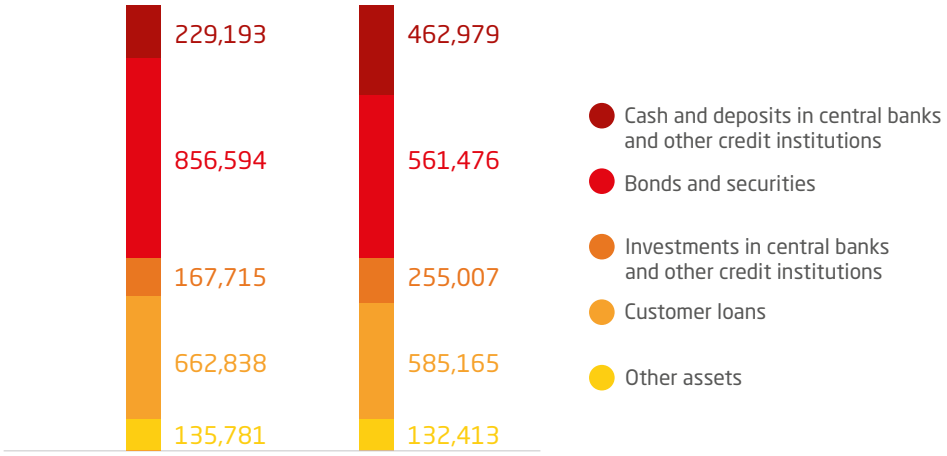
Balance Sheet

Assets

As of December 31, 2021, the Bank's Net Assets amounted to AOA 1,997,040 million, thus posting a 2.7% reduction when compared to December 31, 2020. This variation is justified, on the one hand, by the reduction in the items Investments at Amortized Cost (Securities Portfolio) and Loans to Customers, which have experienced a decrease of AOA 295,118 and AOA 77,673 million, compared to December 31, 2020, respectively. These decreases are essentially due to the reduction in the securities portfolio (Treasury Bonds in indexed domestic currency and Treasury Bills) and, with regard to loans granted to Customers, due to the appreciation of the Angolan Kwanza against the US Dollar. Similarly, there is an increase in the items Cash and Deposits with Central Banks and Other Credit Institutions, amounting to AOA 236,877 million and AOA 87,292 million, respectively.

Loans Granted to Customers

NET ASSETS



(in millions)	'21		'20		Δ
	AOA	USD	AOA	USD	%
ASSETS					
Cash and deposits at Central Banks	427,801	771	190,924	294	124%
Deposits in other credit institutions	35,178	63	38,269	59	-8%
Investments in Central Banks and other credit institutions	255,007	459	167,715	258	52%
Investment at amortized cost	561,476	1,012	856,594	1,319	-34%
Lending to customers	585,165	1,054	662,838	1,020	-12%
Non-current assets held for sale	55,291	100	52,751	81	5%
Other tangible assets	19,930	36	22,720	35	-12%
Intangible Assets	3,175	6	2,064	3	54%
Investments in subsidiaries, associates and joint ventures	684	1	910	2	-25%
Deferred tax assets	13,364	24	12,423	19	8%
Other assets	39,969	72	44,913	69	-11%
TOTAL	**1,997,040**	**3,598**	**2,052,121**	**3,159**	**-2.7%**

The Customer loan portfolio (including signature loans) had a balance of AOA 886,669 million as of December 31, 2021, equivalent to a decrease of 11%, compared to AOA 994,954 million as of December 31, 2020. This decrease is essentially explained by the effect of exchange rate changes of loans granted in foreign currency.

Loans to customers at December 31, 2021 represent about 32% of total assets (36% at December 31,

(in millions)	'21		'20		Δ
	AOA	USD	AOA	USD	%
LOANS GRANTED TO CUSTOMERS					
1. Total Loans	886,669	1,596	994,954	1,532	-11%
1.1 Customer loans	525,516	946	608,652	937	-14%
Loans in Domestic Currency	288,863	520	262,565	404	10%
Loans in Foreign Currency	236,653	426	346,087	533	-32%
1.2 Overdue Loans and Interest	274,441	494	288,382	444	-5%
Overdue Loans and Interest in Domestic Currency	54,618	98	48,816	75	12%
Overdue Loans and Interest in Foreign Currency	219,823	396	239,566	369	-8%
1.3 Interest Receivable	19,773	36	15,339	24	29%
Interest Receivable in Domestic Currency	19,276	35	14,711	23	31%
Interest Receivable in Foreign Currency	497	1	628	1	-21%
1.4 Signature Loans	68,390	123	84,272	130	-19%
Guarantees and Sureties Provided	60,985	110	68,678	106	-11%
Open Documentary Credits	7,405	13	15,594	24	-53%
1.5 Commissions associated with amortized cost	(1,451)	(3)	(1,691)	(3)	-14%
2. Impairment and provisions made for credit risks	(240,998)	(434)	(253,131)	(390)	-5%
Loans granted	(233,114)	(420)	(247,844)	(382)	-6%
Provision of guarantees	(7,884)	(14)	(5,287)	(8)	49%
3. Loans Granted, Net of Impairment and Provisions	645,671	2,030	741,823	1,922	-13%
OVERDUE LOANS/ GRANTED LOANS	**33.54%**	**33.54%**	**31.67%**	**31.67%**	

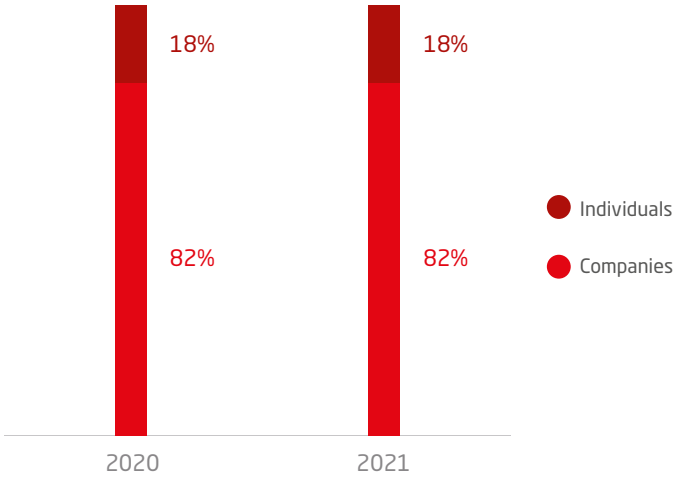
2020).

In the period under review, signature loans reduced by AOA 15,882 million, equivalent to 18.8%, settling at AOA 68,390 million at December 31, 2021. Guarantees and Sureties Provided decreased from AOA 68,678 million to AOA 60,985 million as of December 31, 2021, while Open Documentary Credits decreased by AOA 7,693 million, or posted a reduction of around 53%.

As of December 31, 2021, the Bank maintained its conservative policy when classifying the risk of its lending operations.

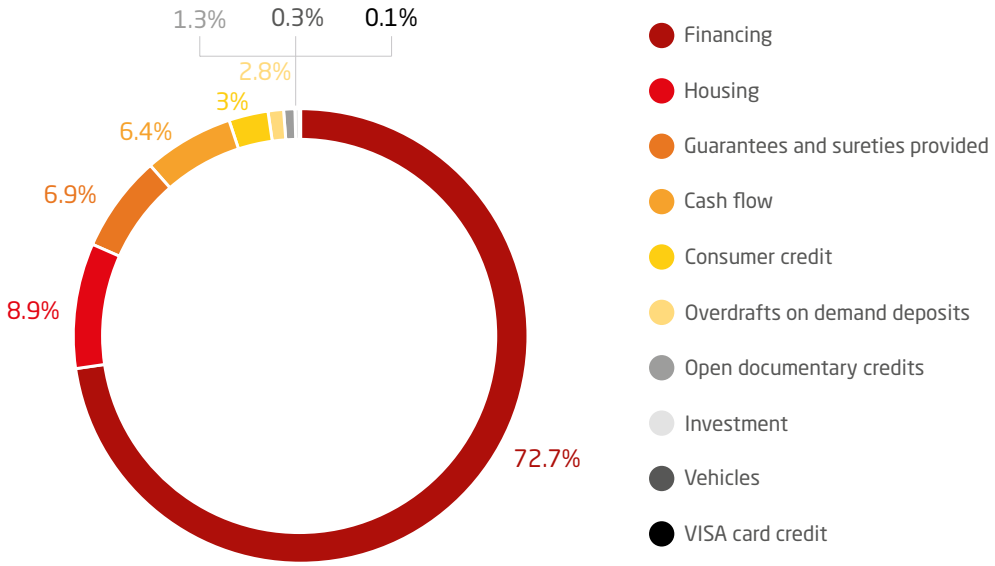
During the 2021 financial year, Banco BIC has total impairments and provisions amounting to AOA 240,998 million, i.e. a decrease in terms of absolute value of around AOA 12,133 million (5%), compared to December 31, 2020, although, in relative terms, the percentage of the loan portfolio covered by impairments has increased by around 6% to 29%.

BREAKDOWN OF LOANS BY BENEFICIARIES

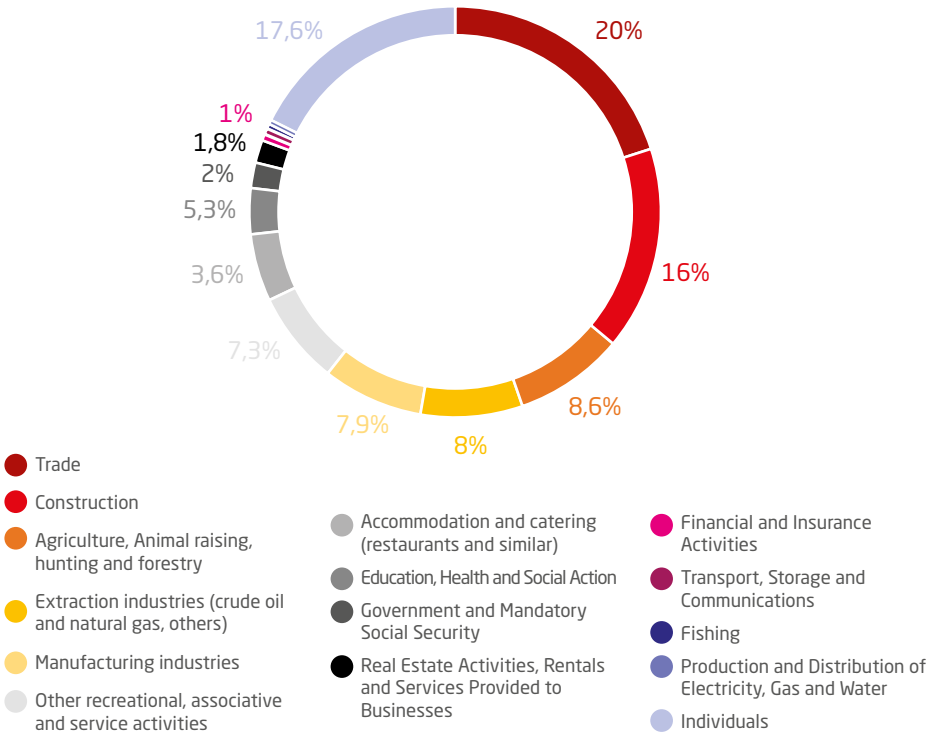


In the financial years 2021 and 2020, about 82% of the loan portfolio corresponded to loans granted to Companies, while the remaining 18% referred to Individual Customers.

As of December 31, 2021, the loan portfolio can be broken down by type of product as follows:



The distribution of the loan portfolio by type of product shows a wide range of activities supported by Banco BIC. The products most sought after by the Bank's clients correspond to Financing, with a weight of 72.7%, Home Loans with 8.9%, Guarantees and sureties provided with 6.9%, Cash Flow Support Credit with 6.4%, and Consumer Credit, with a weight of 2.8%.



During the 2021 financial year, the Commerce and Construction sectors, with 20% and 16% respectively, were those that, in terms of credit granted, deserved the greatest support from Banco BIC, in line with the relative contribution of these sectors to Angolan GDP. Also worthy of note are the loans granted to Private customers that absorbed 17.6% of the total credit granted.

As of December 31, 2021, there is a decrease of AOA 13,941 million in overdue loans (about 5%), compared to the figures presented at the end of the 2020 financial year, with the Bank maintaining adequate coverage of credit risk by impairments and provisions.

The methodology for constituting provisions for loans followed by the Bank allowed for a slight increase in the ratio of impairment and loan provisions to loans granted, from 27.22% to 28.49%, at 31 December 2021. On the same date, the coverage ratio of impaired overdue loans remained at 85%, when compared to December 31, 2020.

(in millions)	'21		'20		Δ
	AOA	USD	AOA	USD	%
OVERDUE LOANS					
Lending to customers	818,279	1,473	910,682	1,402	-10%
Overdue Loans	274,441	494	288,382	444	-5%
Overdue loans/Customer loans	33.54%		31.67%		6%
Impairment Coverage of Overdue Loans	85%		86%		-1%
Impairment for Loans/Customer loans	28.49%		27.22%		5%

Securities Portfolio

The Bank's securities portfolio is classified according to the substance inherent to the purpose of acquisition, taking into account the characteristics of the contracted cash flows of these assets and the business model used to manage them.

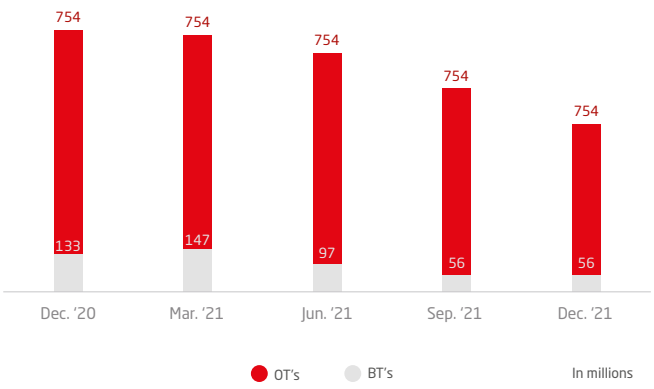
The portfolio is fully classified as "Investments at Amortized Cost", since the securities in the portfolio meet the SPPI (Solely Payment of Principal and Interest) tests, as well because of the business model associated with holding these securities.

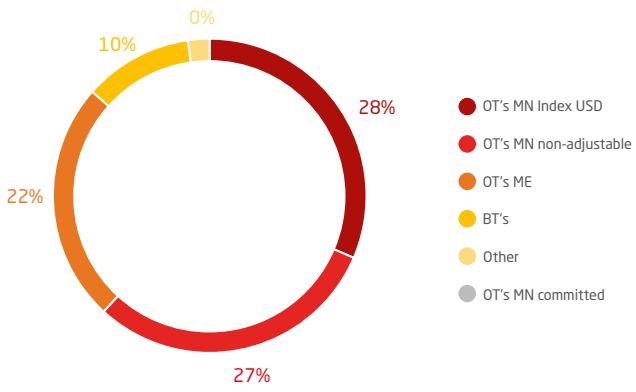
(in millions)	'21		'20		Δ
	AOA	USD	AOA	USD	%
SECURITIES PORTFOLIO					
Investment at amortized cost	605,270	1,091	918,151	1,414	-34%
Treasury Bonds	513,890	1,043	753,793	1,385	-32%
In Domestic Currency (Index USD)	222,992	402	506,362	779	-56%
In Foreign Currency (USD)	130,859	236	149 922	231	-13%
In Domestic currency (non-adjustable)	160,039	288	97,509	150	64%
Treasury Bills	56,348	102	133,277	205	-58%
Other securities (Commercial Paper)	8,429	15	12,296	20	-31%
Interest Receivable	26,604	48	18,785	29	42%
Impairment	(43,794)	(79)	(61,557)	(95)	29%
TOTAL	**561,476**	**1,012**	**856,594**	**1,319**	**34%**

The Bank's securities portfolio saw a reduction of about AOA 295,118 million (34%) as of December 31, 2021, compared to the position as of December 31, 2020. On the one hand, a decrease in Treasury Bonds in domestic currency (Index USD) contributed to this change, along with Treasury Bills of AOA 283,370 million and AOA 76,929 million, respectively. On the other hand, this reduction was partially offset by the AOA 62,530 million increase in Investment in Treasury Bonds in domestic currency (non-adjustable).

The reduction of the securities portfolio seen in the 2021 financial year, led to a resulting reduction in the impairment constituted for these assets.

> **Increase of Investment in Government Bonds in domestic currency (non-adjustable) of AOA 62,530 million**

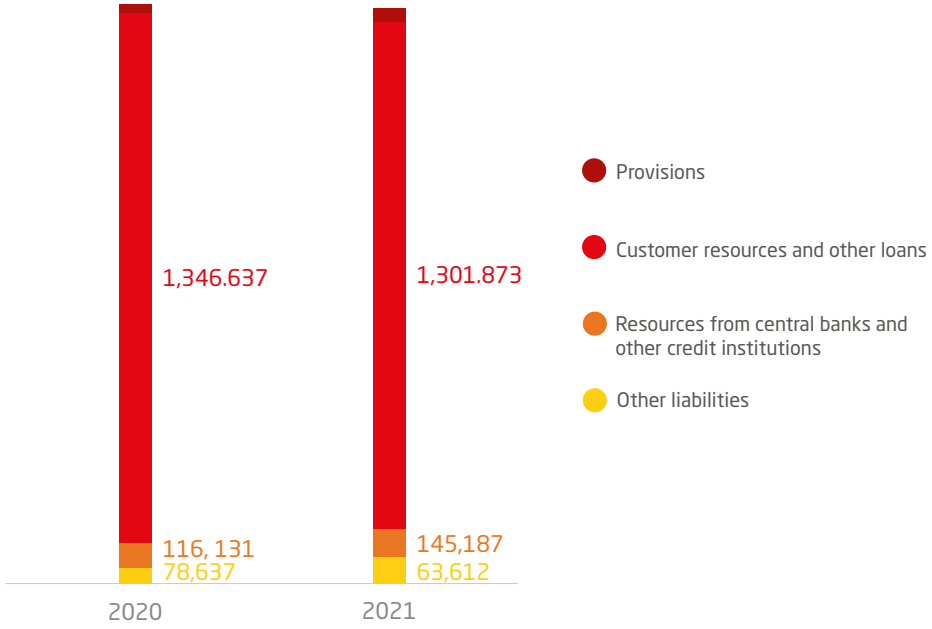




Liabilities and Net Position

As of December 31, 2021, the Bank's liabilities posted a decrease of about AOA 55,081 million compared to December 31, 2020, which corresponds to a negative change of 2.7%. This change is due, on the one hand, to the change in the headings Customer resources and other loans and Other liabilities, by about AOA 44,764 million and AOA 15,025 million, respectively. On the other hand, there was an increase of AOA 29,056 million in Resources from central banks and other credit institutions.

The reduction of AOA 25,641 million in the Bank's equity was due, on the one hand, to the reversal of the Reserve for Monetary Updating of Equity, in view of the appreciation of the domestic currency during the financial year, with an impact of AOA 69,381 million and, on the other hand, to the increase in the net profit for the 2021 financial year compared to the previous year, amounting to AOA 28,837 million, higher than the amount distributed to shareholders as dividends for the 2020 financial year (AOA 6,387 million or 30%).



(in millions)		'21		'20	Δ
	AOA	USD	AOA	USD	%
LIABILITIES AND NET POSITION					
Resources from central banks and other credit institutions	145,187	262	116,131	179	25%
Customer resources and other loans	1,301,873	2,346	1,346,637	2,073	-3%
Provisions	28,389	50	27,096	42	5%
Current tax liabilities	923	2	923	1	0%
Other liabilities	63,612	114	78,637	121	-19%
Net position	457,056	824	482,697	743	-5%
TOTAL	**1,997,040**	**3,598**	**2,052,121**	**3,159**	**-2.7%**

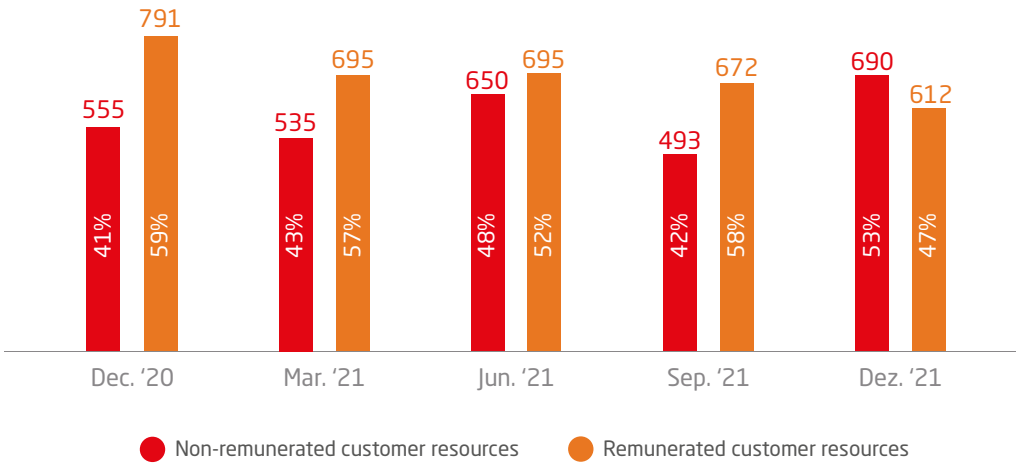
Customer resources and other loans

The portfolio of total customer resources and other loans as of December 31, 2021 amounts to AOA 1,301,873 million, corresponding to a decrease of AOA 44,764 million, compared to December 31, 2020.

During the 2021 financial year, total customer resources and other loans include demand deposits amounting to AOA 690,255 million and time deposits amounting to AOA 611,618 million.

(in millions)	'21		'20		Δ
	AOA	USD	AOA	USD	%
TOTAL CUSTOMER RESOURCES AND OTHER LOANS					
Demand Deposits	690,255	1,243	555,499	996	24%
Domestic Currency	599,530	1,080	412,990	741	45%
Foreign Currency	90,725	163	142,509	255	-36%
Time deposits	611,618	1,103	791,138	1,418	-23%
Domestic Currency	220,315	398	313,160	561	-30%
Foreign Currency	391,303	705	477,978	857	-18%
TOTAL	**1,301,873**	**2,346**	**1,346,637**	**2,414**	**3.3%**

As of December 31, 2021, approximately 47% of deposits correspond to interest-bearing resources equivalent to AOA 611,618 million (AOA 791,738 million as of December 31, 2020), with the remaining AOA 690,255 million (AOA 555,499 million as of December 31, 2020) relating to non-interest-bearing resources.



The Credit-to-Resources transformation ratio decreased from 135% at December 31, 2020 to 109% at December 31, 2021.

(in millions)	'21		'20	
	AOA	USD	AOA	USD
TRANSFORMATION RATIO				
Customer Resources	1,301,873	2,346	1,346,637	2,073
Total Loans (including Loans to the State)	1,415,034	2,550	1,816,495	2,796
TOTAL	**109%**		**135%**	

Provisions

As of December 31, 2021, the balance of provisions for probable liabilities amounts to around AOA 28,389 million (AOA 27,096 million as of December 31, 2020). Of this total, AOA 16,816 million relates to provisions for retirement pensions, AOA 7,884 million relates to provisions for guarantees provided, and the remaining AOA 3,689 million corresponds to provisions to meet possible contingencies arising from the Bank's activity, as well as to reflect potential losses in the realizable value of other assets.

Equity

As of December 31, 2021, the Bank's equity totals AOA 457,056 million, with a decrease of AOA 25,641 million, equivalent to about 5%, compared to December 31, 2020.

Equity

(in millions)	'21		'20	
	AOA	USD	AOA	USD
EQUITY				
Capital	20,000	36	20,000	31
Reserves and Results Carried Forward	386,930	696	441,408	679
Net Result of the Financial Year	50,126	90	21,286	33
TOTAL	**457,056**	**824%**	**482,697**	**743%**

Reserves decreased by AOA 54,478 million as of December 31, 2021, of which AOA 69,381 million corresponds to the reversal of the equity monetary update reserve, due to the exchange rate appreciation of the domestic currency during the year, which was partially offset by AOA 14,902 million resulting from the allocation of 70% of the net income for 2020 to reserves, as approved by the Shareholders' General Meeting.

As of December 31, 2021, the Bank's Regulatory Equity, calculated in accordance with Notice No. 02/2016, Instruction 18/2016, of Banco Nacional de Angola, dated August 8, was about AOA 449,253 million, which is equivalent to a Regulatory Solvency Ratio of around 31.7% comparable to the 25.3% presented at December 31, 2020.

Income Statements

Banco BIC presents a net income of AOA 50,126 million on December 31, 2021, which corresponds to a year-on-year increase of 135%.

(in millions)	'21		'20	
	AOA	USD	AOA	USD
OPERATING ACCOUNT				
1. Financial Margin (MF)	102,722	185	87,144	134
2. Complementary margin (MC)	(33,542)	-60	175,037	269
3. Operating income (PAB)=(MF)+(MC)	69,180	125	262,181	404
5. Administrative and commercialization costs (CAC)	80,208	145	61,064	94
6. Impairment and Provisions (IP)	9,168	17	73,397	113
7. Result on net monetary position and Other (RO)	69,381	125	(118,854)	(183)
8. Result before taxes (RAI) = (PAB)-(CAC)-(IP)+(RO)	49,185	89	8,866	14
9. Taxes on profits (IL)	(941)	-3	(12,423)	(19)
10. NET INCOME FOR THE FINANCIAL YEAR (RLE) = (RAI)-(IL)	**50,126**	**87**	**21,289**	**33**
11. *CASH FLOW* AFTER TAX (CF)	**63,177**	**114**	**96,785**	**149**

As of December 31, 2021, the financial margin saw an increase of AOA 15,578 million year-on-year. This change is due, on the one hand, to the increase in the items interest on securities and interest on credit, by AOA 15,627 million and AOA 3,485 million, respectively. On the other hand, there was also an increase in the item interest on financial liabilities, amounting to AOA 4,601 million.

(in millions)	'21		'20	
	AOA	USD	AOA	USD
FINANCIAL MARGIN				
Loan Interest	52,048	94	48,563	75
Interest on Securities	89,470	161	73,843	114
Interest from Liquidity Investments	4,105	7	3,301	5
Commissions received associated with amortized costs	1,144	2	881	1
Interest on Financial Liabilities Instruments	(44,045)	(79)	(39,444)	(61)
TOTAL	**102,722**	**185**	**87,144**	**134**

As of December 31, 2021, the Complementary Margin saw a reduction of about AOA 208,579 million compared to December 31, 2020.

(in millions)	'21		'20	
	AOA	USD	AOA	USD
COMPLEMENTARY MARGIN				
Service and commission revenue and charges	8,550	15	9,658	15
Investment result at amortized cost	6	-	-	-
Results from foreign exchange operations	(35,336)	(64)	167,105	257
Results from the sale of other assets	291	2	302	-
Other operating results	(7,053)	(13)	(2,028)	(3)
TOTAL	**-33,542**	**-60**	**175,037**	**269**

Results from foreign exchange transactions, which essentially correspond to gains and losses on the Bank's foreign currency purchase and sale transactions, as well as the revaluation of the foreign currency exchange position, stood at negative AOA 35,336 million as at December 31, 2021, a reduction of approximately AOA 202,441 million compared to the same period of the previous year.
This change is justified, essentially, by the appreciation of the Angolan Kwanza against the American Dollar in the 2021 financial year.

In addition, in the 2021 financial year, the Bank reversed the reserve for equity updating by AOA 69,381 million, compared to the previous year's increase of AOA 118,886 million.

(in millions)	'21		'20	
	AOA	USD	AOA	USD
RESULTS ON FINANCIAL OPERATIONS				
Foreign exchange results	(35,336)	(64)	167,105	257
Result on net monetary position	69,380	(125)	(118,886)	(183)
TOTAL	**34,044**	**61**	**48,219**	**74**

Consequently, in aggregate terms, income from financial operations decreased by AOA 14,175 million from AOA 48,219 million in the 2020 financial year to AOA 34,044 million in the 2021 financial year.

The Bank's administrative expenses, which aggregate staff costs of AOA 50,530 million, third-party supplies and services of AOA 25,794 million, and depreciation and amortization for the year of AOA 3,884 million, saw an increase of about AOA 19,144 million (31.35%) compared to December 31, 2020.

(in millions)	'21		'20	
	AOA	USD	AOA	USD
ADMINISTRATIVE AND MARKETING COSTS				
Staff	50,530	91	35,599	55
Third party supplies and services	25,794	47	23,334	36
Depreciation and amortization	3,884	7	2,131	3
TOTAL	**80,208**	**145**	**61,064**	**94**

This change is justified, essentially, by staff costs and third-party supplies and services, which increased by AOA 14,931 million and AOA 2,460 million, respectively.

The increase in staff costs is essentially the result of the updating of employees' salaries due to the loss of purchasing power of the domestic currency seen over the past few years.

Depreciation and amortization for the financial year stood at AOA 3,884 million, which represents an increase of AOA 1,753 million compared to December 31, 2020.

(in millions)	'21	'20
COST-TO-INCOME		
Administrative and Marketing Costs	80,208	61,064
Operating income (less net monetary position)	138,560	143,295
COST-TO-INCOME	**58%**	**43%**

On December 31, 2021 the cost-to-income ratio increased from 43% to 58% year-on-year. This variation is essentially explained by the drop in operating income compared to the increase in general administrative expenses, during the year 2021.

During the 2021 financial year, the Bank recorded deferred tax assets on tax loss carryforwards amounting to AOA 941 million, as there are expectations they will be used against taxable profits generating in the coming years. As of December 31, 2021, the amount of accumulated deferred tax assets amounts to AOA 13,364 million.

The income from public debt securities obtained from Treasury Bonds and Treasury Bills issued by the Angolan State are exempt from taxation under the Industrial tax, under the terms of article 23(1)(c) of the code for this tax. This tax framework is decisive for the difference between the effective rate and the nominal rate in force of 35%.

Presidential Legislative Decree No. 5/11, of December 30, introduced a rule that interest on Treasury Bills, Treasury Bonds and other Financial Investments is subject to capital gains tax (IAC). However, as noted above, it only applies to securities issued after January 1, 2013.

The IAC rate varies between 5% (in the case of income from debt securities traded on a regulated market and with a maturity of three years or more) and 15%. During the 2021 and 2020 financial years, the costs of this tax that are recorded on the income statement under "Other operating income" amount to AOA 6,595 million and AOA 4,210 million, respectively.

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Proposed Allocation of Results

In accordance with the legal provisions relating to the constitution of reserves, and also bearing in mind the guidelines issued by Banco Nacional de Angola, specifically: (i) the Reporting of the SREP results for the 2020 financial year, dated March 14, 2022, restricting the distribution of dividends to 25% (twenty-five percent) and; (ii) the Recommendation due to the current Russian-Ukrainian conflict, dated April 1, 2022, recommending greater prudence in the act of distributing dividends relating to the profits earned in the 2021 financial year, the Board of Directors proposes that the positive net profit for the year ended December 31, 2021, with th amount of 50,126 million Angolan Kwanzas, be allocated as follows:

Legal Reserve 20%	10,025 Million Kwanzas
Distribution of dividends to Shareholders 25%	12,532 Million Kwanzas
Other reserves and results carried forward	27,569 Million Kwanzas

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Financial Statements Notes

Financial Statements

INDIVIDUAL BALANCE SHEETS AS OF DECEMBER 31, 2021 AND 2020

(Amounts expressed in millions of Angolan Kwanzas)

	Notes	Gross Assets	Impairment and amortization	'21 Net Assets	'20 Net Assets
ASSETS					
Cash and deposits at central banks	3	427,800,941	-	427,800,941	190,924,161
Deposits in other credit institutions	4	35,213,840	(36,084)	35,177,756	38,268,482
Investments in central banks and other credit institutions	5	257,558,860	(2,552,078)	255,006,782	167,714,849
Investment at amortized cost	6	605,269,830	(43,794,313)	561,475,517	856,593,744
Lending to customers	7	818,279,347	(233,113,728)	585,165,619	662,838,266
Non-current assets held for sale	8	77,678,810	(22,388,184)	55,290,626	52,750,655
Other tangible assets	9	35,106,824	(15,176,327)	19,930,497	22,720,487
Intangible Assets	9	5,651,982	(2,477,050)	3,174,932	2,063,562
Investments in subsidiaries, associates and joint ventures	10	684,320	-	684,320	910,101
Deferred tax assets	26	13,364,446	-	13,364,446	12,423,029
Other assets	11	39,968,946	-	39,968,946	44,913,190
TOTAL ASSETS		**2,316,578,146**	**(319,537,764)**	**1,997,040,382**	**2,052,120,526**
LIABILITIES AND EQUITY					
Liabilities					
Resources from central banks and other credit institutions	12			145,187,459	116,131,011
Customer resources and other loans	13			1,301,873,017	1,346,636,866
Provisions	14			28,388,739	27,096,337
Current tax liabilities	26			922,987	922,987
Other liabilities	15			63,612,239	78,636,700
TOTAL LIABILITIES				**1,539,984,441**	**1,569,423,901**
Equity					
Share Capital	16			20,000,000	20,000,000
Revaluation reserves	16			255,976,892	325,357,446
Other reserves and results carried forward	16			130,952,602	116,050,590
Net results of the financial year	16			50,126,447	21,288,589
TOTAL CAPITAL				**457,055,941**	**482,696,625**
TOTAL LIABILITIES AND CAPITAL				**1,997,040,382**	**2,052,120,526**

This Annex is an integral part of these statements.

INDIVIDUAL INCOME STATEMENTS FOR THE YEARS ENDING DECEMBER 31, 2021 AND 2020

(Amounts expressed in millions of Angolan Kwanzas)

	Notes	'21	'20
Interests and similar income	18	146,767,070	126,587,811
Interest and similar charges	18	(44,044,724)	(39,443,602)
FINANCIAL MARGIN		**102,722,346**	**87,144,209**
Income from services and commissions	19	12,658,616	12,423,489
Charges for services and commissions	19	(4,109,234)	(2,765,659)
Investment result at amortized cost	20	6,333	-
Foreign exchange results	21	(35,335,920)	167,105,012
Results from the sale of other assets	22	291,167	301,757
Other operating results	23	(7,053,675)	(2,027,544)
OPERATING INCOME		**69,179,633**	**262,181,264**
Staff costs	24	(50,530,408)	(35,598,739)
Third party supplies and services	25	(25,794,367)	(23,333,993)
Depreciation and amortization for the financial year	9	(3,884,462)	(2,131,226)
Provisions net of cancellations	14	(2,100,732)	(2,223,508)
Impairment for loans to customers net of reversals and recoveries	14	(22,826,807)	(20,284,626)
Impairment for other financial assets net of reversals and recoveries	14	14,960,006	(50,888,247)
Results of subsidiaries, associates and joint ventures (equity method)	10	801,613	31,053
Result on net monetary position	16	69,380,554	(118,886,418)
RESULTS BEFORE TAX		**49,185,030**	**8,865,560**
Tax on results			
Deferred	26	941,417	12,423,029
RESULTS AFTER TAX		**50,126,447**	**21,288,589**
NET RESULTS FOR THE FINANCIAL YEAR		**50,126,447**	**21,288,589**
Average number of ordinary shares issued		20,000,000	20,000,000
Basic earnings per share (in kwanzas)		2,506.32	1,064.43

This Annex is an integral part of these statements.

INDIVIDUAL STATEMENTS OF INCOME AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEARS ENDING DECEMBER 31, 2021 AND 2020

(Amounts expressed in millions of Angolan Kwanzas)

	'21	'20
NET RESULTS FOR THE FINANCIAL YEAR	**50,126,447**	**21,288,589**
Other comprehensive income		
Result not included in the income statement	-	-
	-	-
COMPREHENSIVE INCOME FOR THE YEAR	**50,126,447**	**21,288,589**

This Annex is an integral part of these statements.

INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(Amounts expressed in millions of Angolan Kwanzas)

		OTHER RESERVES AND RESULTS CARRIED FORWARD					
	Share capital	Revaluation Reserve	Legal reserve	Other reserves	Total	Net result for the financial year	Total equity
BALANCES AT DECEMBER 31, 2019	**20,000,000**	**206,471,028**	**52,767,756**	**13,822,779**	**66,590,535**	**70,657,221**	**363,718,784**
Allocation of the net result for the 2019 financial year:							
Transfer to the legal reserve	-	-	14,131,444	35,328,611	49,460,055	(49,460,055)	-
Transfer to other reserves	-	-	-	-		-	-
Dividend distribution	-	-	-	-	-	(21,197,166)	(21,197,166)
Equity update (Note 16)	-	118,886,418	-	-	-	-	118,886,418
Net results of the financial year	-	-	-	-	-	21,288,589	21,288,589
BALANCES AT DECEMBER 31, 2020	**20,000,000**	**325,357,446**	**66,899,200**	**49,151,390**	**116,050,590**	**21,288,589**	**482,696,625**
Allocation of the net result for the 2020 financial year:							
Transfer to the legal reserve	-	-	4,257,718	10,644,294	14,902,012	(14,902,012)	-
Transfer to other reserves	-	-	-	-	-	(6,386,577)	-
Dividend distribution	-	-	-	-	-	-	(6,386,577)
Equity update (Note 16)	-	(69,380,554)	-	-	-		(69,380,554)
Net results of the financial year	-	-	-	-	-	50,126,447	50,126,447
BALANCES AT DECEMBER 31, 2021	**20,000,000**	**255,976,892**	**71,156,918**	**59,795,684**	**130,952,602**	**50,126,447**	**457,055,941**

This Annex is an integral part of these statements.

INDIVIDUAL CASH FLOW STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(Amounts expressed in millions of Angolan Kwanzas)

	Notes	'21	'20
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest, commissions and other similar income received		133,160,618	122,041,393
Interest, commissions and other similar costs paid		(43,523,941)	(39,478,427)
Payments to employees and suppliers		(74,734,042)	(57,129,656)
Other results		15,977,152	23,911,598
CASH FLOWS BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES		**30,879,787**	**49,344,908**
(Increases)/decreases in operating assets:			
Investments in Central Banks and other credit institutions		(104,930,756)	3,992,761
Investment at amortized cost		245,391,252	110,440,602
Lending to customers		5,096,942	(38,195,576)
Non-current assets held for sale		1,184	597,304
Other assets		(13,514,956)	(14,126,425)
NET CASH FLOW FROM OPERATING ASSETS		**132,043,666**	**62,708,666**
Increases/(decreases) in operating liabilities:			
Resources from central banks and other credit institutions		43,564,715	(26,682,680)
Customer resources and other loans		54,068,873	(82,350,822)
Other liabilities		(3,751,199)	30,838,823
NET CASH FLOW FROM OPERATING LIABILITIES		**93,882,389**	**(78,194,679)**
Net cash from operating activities before income taxes		256,805,842	33,858,895
Income taxes paid		-	(2,061,892)
NET CASH FROM OPERATING ACTIVITIES		**256,805,842**	**31,797,003**
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Acquisitions of other tangible assets, net of disposals		(2,781,869)	(9,016,076)
Acquisitions of intangible assets, net of disposals		(2,451,038)	(2,191,911)
Acquisitions of investments in subsidiaries, associates and joint ventures, net of disposals		77,513	(105,974)
NET CASH FROM INVESTMENT ACTIVITIES		**(5,155,394)**	**(11,388,044)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend distribution		(3,784,047)	(17,962,267)
NET CASH FROM FINANCING ACTIVITIES		**(3,784,047)**	**(17,962,267)**
Changes in cash and cash equivalents		247,866,401	2,520,775
Cash and cash-equivalent items at the beginning of the period		229,202,852	205,792,316
Effects of exchange rate changes on cash and cash equivalents		(14,176,827)	20,889,761
CASH AND CASH-EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		**462,892,426**	**229,202,852**
Cash and cash equivalents includes:			
Cash and deposits at Central Banks	3	427,800,941	190,924,161
Deposits in other credit institutions	4	35,213,840	38,278,691
Demand deposit overdrafts	12	(122,355)	-
		462,892,426	**229,202,852**

This Annex is an integral part of these statements.

Annex to the Financial Statements
on 31 December 2021 and 2020

(Amounts in thousands of Angolan Kwanzas - mAOA, unless expressly indicated otherwise)

1. Introduction

Banco BIC, S.A. (hereinafter also referred to as "Banco BIC" or "the Bank") was incorporated by public deed on April 22, 2005, following a communication from Banco Nacional de Angola ("BNA") of April 19, 2005 authorizing its incorporation, and is located at Edifício Banco BIC, in Talatona, Municipality of Samba, Luanda.

The Bank is dedicated to obtaining resources from third parties in the form of deposits or others, which it uses, together with its own resources, to grant loans, make deposits with Banco Nacional de Angola, make investments in credit institutions, and acquire securities and other assets, for which it is duly authorized. It also provides other banking services and performs several types of foreign currency operations.

In order to carry out its operations, the Bank currently has a national network of 212 branches and service points in Angola, 18 business centers, 3 investment centers and one *private banking unit (211 branches and service points, 17 business centers, 3 investment centers and a private banking unit*, as at December 31, 2020), as well as a representative office in Johannesburg (South Africa).

2. Bases of presentation, comparability of information and summary of the main accounting policies

2.1. Bases of presentation

The financial statements of Banco BIC were prepared on a going concern basis, based on the accounting books and records kept in accordance with the principles established in the International Financial Reporting Standards ("IAS/IFRS"), specifically those established in IAS 1 - Presentation of financial statements, pursuant to Notice no. 05/2019, of August 23, of Banco Nacional de Angola.

IAS/IFRS comprise accounting standards issued by the International Accounting Standards Board ("IASB") as well as interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") and its predecessor bodies.

The Bank's financial statements as at December 31, 2021 and 2020 are expressed in thousands of Angolan Kwanzas, with assets and liabilities denominated in other currencies having been converted into the domestic currency based on the average indicative exchange rate published by Banco Nacional de Angola on those dates.

On December 31, 2021 and 2020, the exchange rates of the Angolan Kwanza ("AOA") against the American Dollar ("USD") and the Euro ("EUR") were as follows:

	'21	'20
1 USD	554.981	649.604
1 EUR	629.015	798.429

2.2. Adoption of new or revised standards issued by the *International Accounting Standards Board* and interpretations issued by the *International Financial Reporting Interpretation Commitee*

The application of the following standards, interpretations, amendments and revisions is mandatory for the first time in the financial year starting January 1, 2021:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Phase 2 of the benchmark interest rate reform ("IBOR Reform"): These correspond to additional amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, related to the second phase of the benchmark interest rate reform project (known as "IBOR Reform"), concerning the changes in the benchmark interest rates and the impacts in terms of modifications of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures;

- Amendment to IFRS 16 – Leases – " COVID-19 Related Rent Concessions beyond 30 June 2021": This amendment extends to June 30, 2022 the application of the optional practical expedient by which lessees are exempted from reviewing whether rent concessions up to that date, typically rent suspensions or rent reductions, related to the "COVID-19" pandemic, amount to contractual modifications;

- Amendment to IAS 1 and IAS 8 – "Definition of material": corresponds to amendments to clarify the definition of material in IAS 1. The definition of material in IAS 8 now refers to IAS 1. The amendment changes the definition of material in other standards to ensure consistency. Information is material if its omission, distortion or concealment can reasonably be expected to influence the decisions of the primary users of the Financial Statements, based on the Financial Statements.

- Amendment to IFRS 4 – "Insurance Contracts", deferral of IFRS 9: Corresponds to an amendment to IFRS 4 that extends the deferral of application of IFRS 9 to years beginning on or after January 1, 2023.

There were no significant effects on the Bank's financial statements arising from the adoption of these new standards, interpretations, amendments and revisions referred to above.

The application of the following standards, interpretations, amendments and revisions is mandatory in future economic periods:

- Amendments to IFRS 3, IAS 16, IAS 37 and annual improvements 2018-2020: These amendments correspond to a set of updates to the various mentioned standards, specifically:

    1. IFRS 3 – update of reference to the 2018 conceptual framework; additional requirements for analyzing liabilities under IAS 37 or IFRIC 21 at the acquisition date and explicit clarification that contingent assets are not recognized in a business combination;

    2. IAS 16 – ban on deducting from the cost of a tangible asset income related to the sale of products before the asset is available for use;

    3. IAS 37 – clarification that costs of fulfilling a contract correspond to costs directly related to the contract;

    4. Annual improvements 2018-2020 essentially correspond to amendments to 4 standards, IFRS 1, IFRS 9, IFRS 16 and IAS 41.

They apply to financial years beginning on or after January 1, 2022.

- IFRS 17 – Insurance Contracts: For insurance contracts within its scope of application, this standard establishes the principles for their recognition, measurement, presentation and disclosure. This standard replaces IFRS 4 – Insurance Contracts. It applies to financial years beginning on or after January 1, 2023;

- Amendment to IAS 1 – Presentation of Financial Statements – Classification of liabilities as current and non-current: This amendment published by the IASB clarifies the classification of liabilities as current and non-current by analyzing the contractual conditions existing on the reporting date. It applies to financial years beginning on or after January 1, 2023;

- Amendment to IAS 1 – Presentation of Financial Statements and IFRS *Practice Statement 2* – Disclosure of Accounting Policies: This amendment, published by the IASB in February 2021, clarifies that material accounting policies, rather than significant accounting policies, must be disclosed and has introduced examples for identifying a material accounting policy. It applies to financial years beginning on or after January 1, 2023;

- Amendment to IAS 8 – Accounting policies, changes in accounting estimates and errors – Definition of accounting estimates: This amendment published by the IASB in February 2021 changes the definition of accounting estimate to a monetary amount on the financial statements subject to measurement uncertainty. It applies to financial years beginning on or after January 1, 2023;

- Amendment to IAS 12 – Income Taxes – Deferred Taxes: This amendment, published by the IASB in May 2021, clarifies that the initial deferred tax recognition exemption does not apply in transactions that produce equal amounts of taxable and deductible temporary differences. It applies to financial years beginning on or after January 1, 2023;

- Amendment to IFRS 17 – Insurance Contracts – initial application of IFRS 17 and IFRS 9 – comparative information: This amendment, published by the IASB in December 2021, introduces changes to comparative information to be presented when an entity adopts both IFRS 17 and IFRS 9 at the same time. It applies to financial years beginning on or after January 1, 2023.

The Bank does not anticipate that significant effects will be produced on its financial statements with the adoption of these new standards, interpretations, amendments and revisions referred to above.

2.3. Accounting policies

The following main accounting policies are used for the preparation of the Bank's main financial statements:

a) Accrual basis

The income and costs are recognized according to the period of the operations, in accordance with the accounting principle of accrual, being registered as they are generated, regardless of the moment of their receipt or payment.

b) Foreign currency transactions

Operations in foreign currency are registered according to the principles of the "multi-currency" system, with each operation being recorded according to the respective denomination currencies. Assets and liabilities denominated in foreign currency are converted into Angolan Kwanzas, the Bank's operating currency, at the average exchange rate published by Banco Nacional de Angola on the balance sheet date.

On their contracting date, spot and forward purchases and sales of foreign currency are recorded in the foreign exchange position.

Costs and revenues related to realized or potential exchange rate differences are registered on the income statement of the year in which they occur, under the item "Exchange rate results" (Note 21).

c) Financial instruments

Financial assets and liabilities are recognized on the Bank's balance sheet when, and only when, the Bank becomes a party to the contractual provisions of the instrument.

Recognized financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets or liabilities (other than financial assets and liabilities measured at fair value through profit or loss ("FVTPL") are added to or deducted from the fair value of the financial assets or liabilities, as appropriate, upon initial recognition. Transaction costs directly attributable to the acquisition of the financial assets or liabilities at FVTPL are recognized immediately under profit or loss.

I) Financial assets

Classification, initial recognition and subsequent measurement

When initially recognizing its financial assets, the Bank classifies these instruments according to their contractual cash flow characteristics and the business model used to manage them. The classification of financial assets determines how the assets will be subsequently measured.

According to IFRS 9 – Financial Instruments ("IFRS 9"), financial assets are, upon initial recognition, classified into one of the following categories:

a. Investments at amortized cost;
b. Financial assets at fair value through other comprehensive income; or
c. Financial assets at fair value through results.

The following aspects are taken into consideration for classification:

- The Bank's business model for financial asset management; and
- The contractual cash flow characteristics of the financial asset.

Assessment of the business model

The Bank defines its business models, based on the management strategy for the various groups of financial assets it has in its portfolio, in order to achieve a specific business objective. The Bank's business models depend on management's intention for a specific financial instrument, which is a portfolio approach based on a higher level of aggregation.

The Bank performs an annual assessment of the business model under which the financial instruments are held, at the portfolio level, as this approach best reflects how the assets are managed and how information is made available to management. The information considered in this assessment includes:

- How portfolio performance is assessed and reported to the Bank's management bodies;
- The assessment of risks affecting the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- The way in which the business managers are compensated – for example, how the compensation of the managers of the business depends on the fair value of the assets under management or the contractual cash-flows received; and
- The frequency, volume and timing of sales of financial assets in previous periods and the respective forecast of future sales. However, sales information should not be considered in isolation, but as part of an overall assessment of how the Bank sets financial asset management objectives and how cash-flows are obtained.

Assessment of whether the contractual cash flows correspond solely to payments of principal and interest (SPPI – Solely Payments of Principal and Interest)

The assessment of whether the contractual cash flows correspond solely to payments of principal and interest is made whenever financial assets are originated (and meet the criteria for recognition), based on their original contractual terms.

For the scope of this assessment, capital is considered as the fair value of the financial asset upon initial recognition. The amount of principal may change over the useful life of the financial asset (for example, if there are principal repayments). Interest is remuneration for the effect of the time value of money, the credit risk associated with the amount outstanding during a given period, and other risks and costs related to loan agreements. It may also include a profit margin. SPPI analysis is performed in the currency in which the financial asset is denominated.

Contractual cash flows that correspond only to repayment of principal and interest are consistent with a basic loan agreement. Contractual clauses that introduce risk exposure or volatility of contractual cash flows that are not related to a basic loan agreement do not give rise to contractual cash flows that are solely payments of principal and interest calculated based on the amount of principal outstanding.

As part of its assessment of the characteristics of the contractual cash flows, and notwithstanding the considerations described above, the particularly considers the following:

- Whether the most significant elements of the interest component correspond to remuneration for the time value of money and the credit risk;
- Contingent events that may change the timing and amount of cash flows;
- Characteristics that result in leverage;
- Early payment and maturity extension clauses;
- Clauses that may limit the Bank's right to claim cash flows in relation to specific assets (for example, contracts with clauses preventing access to assets in the event of default – "non-recourse asset"); and
- Features that can change the compensation for the time value of money.

Additionally, an early payment is consistent with the SPPI criterion if:

- The financial asset was acquired or originated at a premium or discount to the contractual nominal value;
- The early payment substantially represents the nominal amount of the contract plus accrued but unpaid contractual interest, but not payments (may include reasonable compensation for the early payment); and
- The fair value of the early payment is insignificant in the initial recognition.

a) Financial assets at amortized cost

Classification

A financial asset is classified in the category of "Investments at amortized cost" when the following two conditions are met together:

- The financial asset is embedded in a business model whose objective is to hold the financial assets in order to obtain the associated contractual cash-flows; and
- The contractual terms of the financial asset give rise, on specific dates, to contractual cash flows that are solely principal and interest, relating to the outstanding amount of principal (SPPI).

This category includes investments in credit institutions, loans to Customers, and debt securities managed based on a business model whose objective is the receipt of their contractual cash flows (government bonds, corporate bonds, and commercial paper).

Initial recognition and subsequent measurement

Investments in credit institutions and loans to Customers are recognized on the date the funds are made available to the counterparty (settlement date). Debt securities are recognized on the trade datei.e., the date on which the Bank commits to purchase them.

Financial assets at amortized cost are initially recognized at fair value plus transaction costs and subsequently measured at amortized cost. Additionally, they are subject, after their initial recognition, to the calculation of impairment losses for expected credit losses.

Interest on financial assets at amortized cost is recognized under financial margin in the item "Interest and similar income" (Note 18), based on the effective interest rate method and in accordance with the principles detailed in Note 2.3. c), VIII).

Expected credit losses are estimated after the initial recognition of these financial assets and in accordance with the principles described in Note 2.3. c), VI), and are recognized under results against the item "Impairment for loans to customers net of reversals and recoveries" (Note 14).

i. Loans to Customers
Loans and receivables covers loans granted by the Bank to Customers and credit institutions.

Loans and receivables are recorded at fair value. In general, the initial fair value corresponds to the value of the transaction and includes commissions, fees or other costs and revenues associated with the operations.

They are subsequently valued at amortized cost, based on the effective interest rate method, and are presented on the balance sheet net of impairment losses.

Whenever applicable, interest, commissions, and other costs and revenues associated with credit operations are accrued over the life of the operations, if they are operations that produce residual flows over a period longer than one month, regardless of when they are collected or paid.

Commissions received for loan commitments are recognized on a deferred and straight-line basis over the life of the commitment.

ii. Debt securities
Treasury Bonds issued in local currency, indexed to the exchange rate of the American Dollar, and Treasury Bonds in foreign currency, are subject to exchange rate adjustment. Therefore, the result of the exchange rate adjustment of the par value of securities is reflected in the income statement for the year in which it occurs under the item "Foreign exchange results" (Note 21), and the discount and accrued interest, reflected under the item "Interest and similar income from securities" (Note 18).

In 2012, Order No. 159/12 of February 20 was published, authorizing the regular issuance of non-adjustable Treasury Bonds in domestic currency, with predefined coupon interest rates based on maturity.

The interest accrued on these securities is reflected on the income statement for the year in which it occurs, under the item "Interest and similar income from securities" (Note 18).

Treasury Bills are issued at a discounted value and recorded at their acquisition cost. The difference between this and the par value is recognized on the income statement as income over the period from the acquisition date to the maturity date of the securities under "Interest and similar income from securities" (Note 18).

Commercial paper is a short-term debt security issued by trading companies for the purpose of financing short-term cash flow needs. The accrued interest on these securities is reflected under the item "Interest and similar income from securities" (Note 18).

Third-party securities purchase operations with resale agreement

The Bank performs temporary liquidity purchase operations on the interbank market with Banco Nacional de Angola, investing resources and receiving Treasury Bonds as collateral. These operations have an underlying agreement to resell the securities at a future date for a price agreed in advance between the parties.

Securities purchased under resale agreements are not recorded in the securities portfolio. The funds delivered are recorded, on the acquisition date, under the asset item "Third-party securities purchase operations with resale agreement" (Note 5), and the interest amount is accrued under the same heading.

The income from purchasing securities from third parties with resale agreements corresponds to the difference between the resale value and the purchase value of the securities. The income is recognized according to the accrual principle based on the time period of the operations, under the item "Interest and similar income from liquidity investments - Third-party securities with resale agreement" (Note 18).

Sale transactions of own securities with repurchase agreement

Securities transferred to Banco Nacional de Angola with a repurchase agreement remain recorded in the Bank's securities portfolio, with the sale amount recorded in the item "Resources from central banks and other credit institutions" (Note 12). The difference between the contracted repurchase value and the respective initial sale value is recognized on a straight-line basis in results during the lifetime of the operation under the item "Interest and similar charges on borrowings for liquidity" (Note 18) against the item "Resources from central banks and other credit institutions" (Note 12).

b) Financial assets at fair value through other comprehensive income

Classification

A financial asset is classified in the category of "Financial assets at fair value through other comprehensive income" when both of the following two conditions are met:

- The financial asset is part of a business model whose objective is achieved not only by obtaining the associated contractual cash-flows, but also by selling the respective assets; and
- The contractual terms of the financial asset give rise, on specific dates, to contractual cash flows that are solely principal and interest, relating to the outstanding amount of principal ("SPPI").

Additionally, the Bank may irrevocably elect on initial recognition to classify an equity instrument in the category "Financial assets at fair value through other comprehensive income", provided that it is neither held for trading nor has contingent consideration recognized by a buyer in a business combination to which IFRS 3 applies. This alternative is exercised on an investment-by-investment basis and only financial instruments that fall within the scope of the definition of equity instruments under the provisions of IFRS 9 and IAS 32 are eligible.

As of December 31, 2021 and 2020, the Bank has not classified any of its financial assets in this category.

c) Financial assets at fair value through results

Classification

A financial asset is classified in the category of "Financial assets at fair value through results" if the business model defined by the Bank for its management, or the characteristics of its contractual cash flows, do not meet the conditions described above for it to be measured at amortized cost or fair value through other comprehensive income.

In addition, even if the financial asset meets the criteria to be measured at amortized cost or fair value through other comprehensive income, the Bank may irrevocably elect, at the time of initial recognition, to designate the financial asset as being at fair value through results, provided that doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognizing gains and losses on them on different bases.

As of December 31, 2021 and 2020, the Bank has not classified any of its financial assets in this category.

II) Reclassification of financial assets and liabilities

Financial assets must be reclassified whenever there is a change in the business model of the respective portfolio. In this situation, all financial assets that make up the portfolio whose business model has changed must be reclassified, and the classification and measurement requirements relating to the new category are applied prospectively as of the reclassification date. No previously recognized gains, losses or interest should be restated. Financial assets, on the date of their reclassification, are measured at fair value.

The reclassification of investments under equity instruments measured at fair value through other comprehensive income, and financial instruments designated at fair value through results, is not permitted.

Reclassification of financial liabilities is not permitted.

III) Derecognition and modification of financial assets

Financial assets are derecognized when (i) the Bank's contractual rights to the respective cash flows from the respective financial asset expire, or (ii) the Bank has transferred substantially all risks and rewards associated with holding the asset.

A renegotiation or modification of the contractual cash flows of a financial asset can lead to its derecognition and the subsequent recognition of a new financial asset. Under these circumstances, derecognition entails (i) recognizing the loss or gain that arises from the difference between the amortized cost of the original asset and the net present value ("NPV") of the new financial asset under results, (ii) assessing whether the new contractual cash flow characteristics correspond only to principal and interest on the outstanding amount of principal, which may require reclassifying the asset to a different measurement category, and (iii) assessing, at the time of initial recognition, and provided it is not classified under the category of "Financial assets at fair value through results", whether the originated asset is impaired.
If the new financial asset is originated impaired ("POCI"), a default lifetime probability is applied to the respective calculation of expected credit losses, up to the maturity of the contract, and the credit-adjusted effective interest rate is determined.

The Bank considers that a modification of the contractual terms of the financial asset results in its derecognition and the subsequent recognition of a new financial asset, when the modification meets at least one of the following conditions:

- Transfer of the credit risk of the instrument to another borrower, accompanied by a very significant reduction in the spread; or
- Change in qualitative characteristics, specifically the contractual cash flows no longer correspond only to the repayment of principal and interest.

If a renegotiation or modification of the contractual cash flows of a financial asset does not result in any of the above conditions, it is considered to be a modified financial asset, i.e. the financial asset is not derecognized, which implies (i) the recognition of the loss or gain that results from the difference between the gross book value of the original transaction and the NPV of the new transaction in results and, (ii) the application of the criteria described in Note 2.3. line c), VI) for assessing the significant increase in credit risk.

IV) Write-offs

The Bank recognizes a write-off when it has no reasonable expectation of recovering the asset. This registration occurs after all the actions taken by the Bank have proven unsuccessful and all the conditions for its tax deductibility have been met. Write-offs are recorded in off-balance sheet accounts.

V) Purchased or originated credit impaired financial assets

Purchased or originated credit-impaired ("POCI") financial assets are assets that show objective evidence of credit impairment at the time of their initial recognition. An asset is credit impaired if one or more events have occurred that have a negative impact on its estimated future cash flows.

VI) Impairment

a) Loans to Customers

The methodology for calculating impairment losses on loans to customers currently in force at the Bank is based on an expected credit loss model or "ECL", in accordance with IFRS 9 - Financial Instruments, using a specific statistical application.

Impairment losses are recorded/recognized against results, and subsequently reversed through results if the amount of the expected loss decreases in a subsequent year.

Credit exposures should be classified in different stages according to the evolution of their credit risk, from the date of initial recognition, rather than according to the credit risk at the reporting date, in accordance with the following guidelines:

- **Stage 1:** credit exposure should be classified in this stage of impairment whenever there is no significant increase in credit risk since the date of its initial recognition. For this purpose, the expected credit loss must be recognized under results for the year, within 12 months from the reporting date.

- **Stage 2:** credit exposure where there has been a significant increase in credit risk since the date of its initial recognition must be classified in this stage of impairment. For this purpose, the expected credit loss for the duration of the loan must be recognized under results for the financial year.

- **Stage 3:** credit exposure that is in default on the reporting date, as a result of one or more events that have already occurred with a negative impact on the estimated future cash flows of the respective exposure, should be classified as being in this stage of impairment. For this purpose, the expected credit loss for the duration of the loan must be recognized under results for the financial year.

Accordingly, at each reporting date, the Bank assesses whether the credit risk associated with a credit exposure has increased significantly since initial recognition, provided that reasonable and justifiable forward-looking information is available without undue cost or effort, and does not rely solely on information regarding past-due payments to determine whether credit risk has increased significantly since initial recognition.

Credit risk assessments are performed on an individual ("individual analysis") or collective ("collective analysis") basis, taking into consideration all reasonable and supportable information, including forward-looking approaches, specifically the inclusion of future macroeconomic trends and scenarios. Therefore, expected credit loss estimates include multiple macroeconomic scenarios whose probability of occurrence is assessed by considering the current macroeconomic environment as well as future macroeconomic trends.

i. Individual Analysis

The purpose of individual analysis is to ensure a more thorough analysis of the situation of customers with individually significant exposures in the Bank. The significance of the exposures is determined by reference to qualitative and quantitative criteria that reflect the size, complexity and risk associated with the portfolio.

According to Banco Nacional de Angola Instruction No. 08/2019, of August 27, on impairment losses for the loan portfolio, customers/economic groups whose exposure is equal to or greater than 0.5% of the Bank's equity must be analyzed individually. Additionally, customers/economic groups whose credit exposures are not individually significant, but for whom objective evidence of impairment is observed, must also be analyzed whenever the credit exposure is equal to or greater than 0.1% of the Bank's own equity.

The analysis of each customer/economic group, as well as the existence of impairment losses, should take into consideration the following factors, among others:

- Contractual aspects, with an assessment of potential non-compliance with contractual conditions, or the existence of restructured credits due to Clients' financial difficulties;
- Financial aspects, with an assessment of the potential reduction in gross revenue or net income;
- The assessment of any guarantees received, including their nature, effective formalization, valuation and level of coverage;
- Other aspects, with an assessment of potential instability in the management/shareholder structure or the existence of insolvency proceedings.

Without prejudice to the requirements established in IFRS 9 regarding the weighting to be assigned to each of the financial forecast scenarios, the Bank uses the following weightings associated with the scenarios:

- Base case scenario: 70%;
- Favorable scenario: 10%; and
- Adverse scenario: 20%.

The Bank observes the following criteria for the purposes of valuing real estate collateral:

- 100% discount: when the Bank has only a mortgage promise without irrevocable power of attorney (duly notarized document from the Notary Public).
- 70% discount: when the Bank has only a mortgage promise with irrevocable power of attorney (duly notarized document from the Notary Public).

- Discount between 40% and 70%: when the Bank has additional guarantee documentation that increases its robustness to mitigate against credit risk. The following documents are highlighted as relevant information:

  - Property Registration Certificate;
  - Urban Land Registry Certificate;
  - Deed of purchase and sale;
  - Deed of Constitution of the Right to Build; and
  - Registration of property built on state land.

For purposes of valuing any real estate collateral that is received, the Bank considers the valuations of expert appraisers duly certified by the Securities and Exchange Commission ("CMC").

In addition, the appraisal value should be adjusted based on the specific discount rates, depending on the age of the valuation. Therefore, the following discount rates are used, based on the age of the property appraisal:

	BASELINE SCENARIO		FAVORABLE SCENARIO		ADVERSE SCENARIO	
Age of the Appraisal	50% or higher completed project	Lower than 50% completed project	50% or higher completed project	Lower than 50% completed project	50% or higher completed project	Lower than 50% completed project
Less than 1 year	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Between 1 and 2 years	20%	25%	15%	20%	25%	30%
Between 2 and 3 years	30%	40%	25%	35%	35%	45%
Over 3 years	55%	65%	50%	60%	60%	70%

In situations where the project valuation is based on the income method or residual value method, and the assumptions used are deemed acceptable, the Bank does not apply any time discount factor.

For the purpose of measuring impairment losses associated with credit exposures considered as "State-risk", the Bank considers the criteria applied in the valuation of the national public debt, proceeding in the same way as for guarantees granted by the State of Angola.

These criteria are in accordance with Banco Nacional de Angola's Directive No. 13/DSB/DRO/2019, dated December 27, 2019 - Guide on the Recommendations for Implementation of AQA Methodologies for the 2019 Financial Year ("Directive No. 13/DSB/DRO/2019"). No further guidance has been issued.

ii) Collective analysis

Customers whose exposures are not considered individually significant according to the selection criteria described above, or for which no objective evidence of impairment has been identified on an individual basis, should be analyzed on a collective basis. Therefore, these clients are grouped into homogeneous risk groups in order to determine expected impairment losses.

b) Cash and deposits at Central Banks, Deposits in other credit institutions, Investments in central banks and in other credit institutions and Investments at amortized cost

The balances recorded under the items "Cash and deposits at Central Banks" (Note 3), "Deposits at other credit institutions" (Note 4), "Investments at central banks and other credit institutions" (Note 5) and "Investments at amortized cost" (Note 6) are analyzed for expected losses according to the following assumptions:

- Regarding the balances recorded under the items "Cash and deposits at Central Banks" (Note 3) and "Third party securities purchase transactions with resale agreement" (Note 5), it is considered that the Loss Given Default ("LGD") is null since there are no recovery risks, and no impairment is estimated, in accordance with Directive No. 13/DSB/DRO/2019;

- Regarding the balances recorded under the items "Cash and deposits at Central Banks" (Note 3) and "Third party securities purchase transactions with resale agreement" (Note 5), it is considered that the Loss Given Default ("LGD") is null since there are no recovery risks, and no impairment is estimated, in accordance with Directive No. 13/DSB/DRO/2019;

- Regarding the balances of the items "Deposits in other credit institutions" (Note 4), the rating of the entity or, if it is not available, of the country where it is based, is verified. In accordance with Directive no. 13/DSB/DRO/2019, a Probability of Default ("PD") equivalent to 1/12 (one twelfth) of the 12-month PD is considered, given the rating of the counterparty (or of the country where the counterparty is based, if the counterparty itself has no rating), and a LGD of 60% for all counterparties that have not posted a significant increase in credit risk;

- As regards the balances of the items "Investments at Central Banks and other credit institutions – Interbank money market operations" (Note 5), the rating of the entity or, if it is not available, of the country where it is based, is verified. In accordance with Directive No. 13/DSB/DRO/2019, a 12-month PD is considered given the rating of the counterparty (or of the country where the counterparty is based, if the counterparty itself has no rating), and a LGD of 60% for all counterparties that have not posted a significant increase in credit risk; and

- As regards the balances of the item "Investments at amortized cost" (Note 6) relative to Angolan public debt securities in national and foreign currency, the PD for sovereign debt of the rating associated with the Angolan State obtained through the study by Moody's "Sovereign default and recovery rates, 1983-2020" is considered, along with the LGD associated with verified sovereign default events, indicated in the same study (60%), according to Directive no. 13/DSB/DRO/2019.

During the 2020 financial year, there was an event of the downgrading of the rating of public debt issued by the Angolan State. The Bank's understanding of the impact of this matter is that this downgrading of the rating did not result in a significant increase in credit risk of debt securities issued by the Angolan State, due to the requirements of IFRS 9, insofar as there have been no significant changes in the macroeconomic indicators or remuneration of these securities in relation to the date of their origination or acquisition by the Bank. Thus, the debt securities of the Angolan State remain classified in impairment stage 1. Nevertheless, as a result of the aforementioned downgrading of the rating of the Republic of Angola during the 2020 financial year, the PD applied by the Bank for the financial instruments associated with it changed from 2.619% at December 31, 2019 to 11.325% at December 31, 2020 (Note 6), with a relevant impact on the income statement (Note 14).

During 2021, the rating agency Moody's revised the rating of the public debt issued by the Angolan State upwards to the previously considered levels. The Bank proceeded to analyze the underlying impacts, however, it opted to maintain the impairment calculation based on the same rating considered in the 2020 financial year.

The analysis is updated every six months. The identified impairment losses are recorded against the item "Impairment for other financial assets net of reversals and recoveries" (Note 14). If, in future periods, there is a reduction in the estimated loss, the impairment initially recorded is also reversed against results.

VII) Financial Liabilities

Classification

Financial liabilities are classified in the category of financial liabilities at amortized cost and correspond to resources from other credit institutions and customer resources.

Initial recognition and subsequent measurement

At the time of their initial recognition, financial liabilities are recorded at their respective fair value at the contracting date, less costs directly attributable to the transaction.

They are subsequently valued at amortized cost, with interest, when applicable, recognized according to the effective interest rate method.

VIII) Recognition of interest

The results generated by active and passive financial instruments measured at amortized cost, denominated as interest, are recognized in the financial margin, under items "Interest and similar income" (Note 18) and "Interest and similar charges" (Note 18), respectively. Interest is recognized using the effective interest rate method.

The effective interest rate is the rate that discounts estimated future payments or receipts over the expected life of the financial instrument (or, where appropriate, for a shorter period) for the net present book value of the financial asset or liability.

To determine the effective interest rate, the Bank estimated future cash flows considering all contractual terms of the financial instrument, not considering possible impairment losses. The calculation includes commissions paid or received, considered as an integral part of the effective interest rate, transaction costs and all premiums or discounts directly related to the transaction.

Interest income recognized under results, associated with contracts classified in stage 1 or 2, is calculated by applying the effective interest rate for each contract to its gross book value. The gross book value of a contract is its amortized cost, before deduction of the respective impairment. For financial assets included in stage 3, interest is recognized in results based on their net book value (less impairment). Interest is always recognized retrospectively, i.e. for financial assets entering stage 3, interest is recognized on amortized cost (net of impairment) in subsequent years.

For originated or acquired credit-impaired financial assets, the effective interest rate reflects expected credit losses when determining the expected future cash flows receivable from the financial asset.

In addition, under the terms recommended by Banco Nacional de Angola, the Bank cancels interest that is overdue for over 90 days and does not recognize interest as of that date, up until the moment that the customer regularizes the situation.

IX) Guarantees provided and documentary credits

Liabilities for guarantees provided and documentary credits are recorded as the amount at risk on off-balance sheet items, and the flows of interest, commissions and other income are posted under results over the life of the operations.

d) Non-current assets held for sale

Under the item "Non-current assets held for sale - Real estate received as payment in kind" the Bank posts the assets received as payment in kind or auctioned as payment of overdue loan operations, when they are available for immediate sale in their present condition and they are likely to be sold within a year (Note 8).

Additionally, real estate projects under construction that are intended to be sold to Bank employees are recorded in this item and are also subject to periodic evaluations to determine any impairment losses.

The assets recorded in this item are not amortized, and are valued at their carrying amount or fair value, whichever is lower, less costs to be incurred on the sale (at least 5% of the Probable Immediate Transaction Value ("PITV"). The fair value of these assets is determined based on periodic valuations performed by external expert appraisers. Additionally, and in accordance with Directive No. 13/DSB/DRO/2019, this valuation is adjusted based on specific discount rates depending on the age of the valuation. Impairment losses are posted whenever the value resulting from these valuations (net of sales costs) is lower than the value at which they are recorded.

If the legal term of 12 months elapses without the assets being sold (extendable by authorization of Banco Nacional de Angola), a new valuation is made to determine the updated market value, with a view to possibly constituting the corresponding impairment.

e) Other tangible assets

Other tangible assets are posted at acquisition cost, less accumulated depreciation and impairment losses.

Depreciation is calculated on a systematic basis over the estimated useful life of the asset, which corresponds to the period during which the asset is expected to be available for use, and is detailed as follows:

	Service life in years
Own service properties	50
Works on leased buildings	3
Equipment:	
Interior installations	10
Furniture and material	10
Machines and tools	3 to 10
IT equipment	3
Transport material	3
Other equipment	10

f) Intangible assets

Intangible assets essentially correspond to *software.* These expenses are recorded at acquisition cost and amortized on a straight-line basis over a three-year period.

Software maintenance expenses are posted as a cost in the financial year in which they are incurred.

g) Investments in subsidiaries, associates and joint ventures

Financial participations in which the Bank directly or indirectly holds a percentage of 10% or more of the respective capital, are recorded by the equity method. According to this method, investments are initially valued at acquisition cost, which is subsequently adjusted based on the Bank's effective percentage of changes in equity (including results) of the investees. These changes are reflected on the income statement under the item "Results of subsidiaries, associates and joint ventures (equity method)" (Note 10).

Financial investments in which the Bank directly or indirectly holds less than 10% of the respective capital, are recorded at acquisition cost. When this is denominated in foreign currency, it is reflected in the accounts at the exchange rate on the date of the operation. Whenever permanent losses are estimated at realizable value, the respective impairment is constituted.

h) Income taxes

Industrial tax

Banco BIC is subject to an Industrial Tax, as it is fiscally considered as a taxpayer under the General Regime, subject to a tax rate of 35%, according to the change introduced by Law no. 26/20, of July 20.

The Industrial Tax is calculated based on the tax result for the year, which may differ from the accounting result due to adjustments made under the Industrial Tax Code.

Income subject to Capital Gains Tax ("IAC") is deductible for purposes of determining taxable income, and IAC is not a tax deductible cost.

According to the Industrial Tax Code, taxpayers whose activities fall under the supervisory powers of Banco Nacional de Angola, as is the case of Banco BIC, shall make, by the end of August each year, the provisional assessment of the Industrial Tax for that financial year. The tax to be paid is calculated on the basis of 2% on the result derived from the financial intermediation operations, calculated in the first six months of the previous fiscal year, excluding the income subject to IAC, except if a tax loss has been incurred in the previous year (in which case no provisional assessment is due).

Tax losses in a given year, as provided for in article 48 of the Industrial Tax Code, can be deducted from the taxable income for the following five years (previously 3 years, according to the previous wording).

According to the current legislation, Industrial Tax and other tax returns may be subject to review and correction by the tax authorities in the five years following the financial year to which they refer.

The Board of Directors believes that any corrections that may result from these revisions will not be of significance to the attached financial statements.

The reconciliation between the tax result and the accounting result is presented in Note 26.

Capital Gains Tax ("IAC"):

Presidential Legislative Decree No. 2/14 of October 20, in effect since November 19, 2014, revised and introduced several legislative changes to the Capital Gains Tax Code following the Taxation Reform project.

IAC is generally levied on the income from the Bank's financial investments. The rate varies between 5% (in the case of interest, amortization or repayment premiums, and other forms of remuneration from public debt securities, bonds, share certificates, or other similar securities issued by any company, which are accepted for trading on a regulated market and have a maturity of three years or more) and 15%. Notwithstanding the foregoing, with regard to income from public debt securities, according to the latest understanding of the tax authorities conveyed to the Angolan Banks Association ("ABANC"), only those deriving from securities issued on or after January 1, 2012 are subject to this tax. Furthermore, it should be noted that, according to the position of the tax authorities also conveyed to ABANC, foreign exchange revaluations of government debt securities issued in domestic currency but indexed to foreign currency, issued since January 1, 2012, should be subject to Industrial Tax.

Property Tax ("IP")

According to the new Property Tax Code, there are three rate brackets for urban buildings:

- 0.1%, for properties with an asset value of up to and including 5,000 thousand kwanzas;
- 5 000 kwanzas, for properties with an asset value between 5 000 thousand kwanzas and up to and including 6 000 thousand kwanzas; and
- 0.5%, for properties with an asset value above 6,000 thousand kwanzas (applicable to amounts in excess of 5,000 thousand kwanzas).

Specific rates apply to building land (0.6%) and rural properties (sum of hectares). Additionally, a property tax surcharge applies to empty urban buildings.

With regard to properties leased by the Bank, as a lessee, the Bank withholds the tax due, at the effective rate of 15%, on the payment or delivery of rents for leased properties.

Stamp Duty

Stamp Duty is generally levied on all acts, contracts, documents, titles, operations, and other events provided for in the table attached to the Stamp Duty Code, or in special laws, which take place within Angolan territory.

According to the Stamp Duty Code, approved by Presidential Legislative Decree no. 3/14, of October 21, the Bank is responsible for paying and delivering to the State's coffers the Stamp Duty payable by its customers for most banking operations, such as financing and collection of interest on financing, and the Bank pays the tax according to the rates established on the Stamp Duty Table.

Value Added Tax (VAT)

replaced the Consumption Tax that until then had been in force in the legal system.

The Bank, as a taxpayer registered with the Tax Office of Major Taxpayers, has been subject to the general VAT system since VAT came into force, and is bound to comply with all of the rules and reporting obligations required in this area.

As a general rule, commissions and expenses charged for services provided by the Bank (in lieu of Stamp Duty) are subject to VAT at the rate of 14%. All other financial intermediation operations are exempt from VAT, specifically interest from financing operations, to which Stamp Duty will continue to be applied, when due.

In this sense, since the Bank is a taxpayer that carries out both taxed and exempt VAT operations, it also has restrictions on the right to deduct the VAT paid to suppliers, so the Bank deducts the tax by applying the methods provided for in the legislation in force - with the exception of VAT on expenses expressly excluded from the right to deduction.

On a monthly basis, the Bank has the obligation to comply with the obligations associated with VAT, specifically: (i) submission to the General Tax Administration ("AGT") of the periodical return, including the respective Annexes, in which it calculates the amount of VAT payable to the State (or any credit generated); (ii) the payment of the calculated tax, by the last day of the month following the one to which the operations that have been carried out relate; and (iii) all other reporting obligations, such as the reporting of the SAF-T (AO) files for the Invoicing and Acquisition of goods and services.

According to the current legislation, periodic VAT returns may be subject to review and correction by the tax authorities in the five years following the financial year to which they refer.

Deferred tax

Deferred tax assets and liabilities correspond to the amount of tax to be recovered or paid in future years resulting from deductible or taxable temporary differences between the value of assets and liabilities on the balance sheet and their tax base, used to determine taxable income.

Deferred tax liabilities are posted for all taxable temporary differences, while deferred tax assets are only recognized up to the amount for which it is probable that future taxable profits will allow the use of the corresponding deductible tax differences or reported tax losses.

Current and deferred taxes are reflected in the results, with the exception of taxes relating to transactions directly posted under equity (e.g. potential results from securities classified in the fair value portfolio through other comprehensive income).

At December 31, 2021 and 2020, the Bank posted deferred tax assets against calculated tax losses, as there are duly justified expectations that taxable profits will be generated over the coming financial years for their use.

i) Reserve for monetary updating of equity

Under IAS 29 Financial Reporting in Hyperinflationary Economies, hyperinflationary economies are characterized by several situations including:

a. The general population prefers to preserve its wealth in non-monetary assets or in a relatively stable foreign currency. Amounts of local currency that are held are immediately invested to maintain purchasing power;
b. The general population sees monetary amounts not in terms of the local currency, but in terms of a stable foreign currency. Prices may be quoted in that currency;
c. Sales and purchases on credit are made at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short;
d. Interest rates, wages and prices are linked to a price index; and
e. The cumulative inflation rate over three years approaches or exceeds 100%.

In the 2016 financial year, due to the evolution of the exchange rate of the Angolan Kwanza against the international benchmark currencies and, consequently, its impact on the inflation rate level measured in domestic currency, the Bank requested from Banco Nacional de Angola, by a letter dated April 14, 2016, authorization to adopt the procedure for the monetary updating of its equity, which began in May 2016.

The amount resulting from the monetary updating of the Bank's equity is reflected, on a monthly basis, as a debit under the item "Result on net monetary position" (Note 16), against the item "Revaluation reserves" (Note 16).

j) Contingent provisions and liabilities

Law No. 07/04, of October 15, which regulates the Angolan Social Security system, provides for the granting of retirement pensions to all Angolan workers registered with Social Security. The value of these pensions is calculated on the basis of a table, in proportion to the number of years worked, applied to the average gross monthly salary received in the periods immediately prior to the date on which the worker stops working. According to Decree no. 7/99, of May 28, the contribution rates for this system are 8% for the employer and 3% for employees.

Law no. 02/00, of October 15th, provided for retirement compensation, determined by multiplying 25% of the basic monthly salary on the date the employee reached the legal retirement age by the number of years of seniority on the same date.
If the future expenditure of funds is unlikely, it is a contingent liability. Contingent liabilities are only subject to disclosure, unless there is only a remote possibility of their materialization.

The General Labor Law (Law No. 07/2015 of June 15), which came into effect in September 2015, does not provide for the payment of any retirement supplements, or other supplements, to workers who reach the legal retirement age. Nevertheless, the Bank is studying the implementation of a supplementary retirement and survivor's pension program, and has therefore decided to maintain the provision for this purpose, calculated in a manner consistent with previous financial years (Note 14).

The liabilities that the Bank may incur from the supplementary retirement and survivor's pension program were calculated based on an actuarial valuation performed by an independent expert, with reference to December 31, 2021 and 2020 and projections for the following year, based on the Bank's population to be covered and the following assumptions:

k) Retirement pensions (Employee Benefits)

Law No. 07/04, of October 15, which regulates the Angolan Social Security system, provides for the granting of retirement pensions to all Angolan workers registered with Social Security. The value of these pensions is calculated on the basis of a table, in proportion to the number of years worked, applied to the average gross monthly salary received in the periods immediately prior to the date on which the worker stops working. According to Decree no. 7/99, of May 28, the contribution rates for this system are 8% for the employer and 3% for employees.

Law no. 02/00, of October 15th, provided for retirement compensation, determined by multiplying 25% of the basic monthly salary on the date the employee reached the legal retirement age by the number of years of seniority on the same date.

The General Labor Law (Law No. 07/2015 of June 15), which came into effect in September 2015, does not provide for the payment of any retirement supplements, or other supplements, to workers who reach the legal retirement age. Nevertheless, the Bank is studying the implementation of a supplementary retirement and survivor's pension program, and has therefore decided to maintain the provision for this purpose, calculated in a manner consistent with previous financial years (Note 14).

The liabilities that the Bank may incur from the supplementary retirement and survivor's pension program were calculated based on an actuarial valuation performed by an independent expert, with reference to December 31, 2021 and 2020 and projections for the following year, based on the Bank's population to be covered and the following assumptions:

Technical actuarial rate (discount)	2%
Salary growth rate	8%
Mortality table	SA 85-90 (*Light*)
Normal retirement age	60 years or 35 years of service

The discount rate was determined by taking into account the *performance of financial markets, duration of the liabilities and inherent risk.*

l) Commissions

Commissions relating to credit operations and other financial instruments, specifically commissions charged or paid at the origination of operations, are recognized over the period of the operations by the effective rate method under "Interest and similar income" and "Interest and similar charges" (Note 18).

Commissions for services rendered are usually recognized as income over the period the service is rendered or on a one-time basis if they correspond to compensation for the performance of single acts (Note 19).

m) Lending and borrowing of liquidity

Lending and borrowing of liquidity between financial institutions are systemic operations of a regular nature, which seek to distribute the liquidity in the most appropriate way throughout the domestic and international financial systems. Financial institutions are not considered as borrowers.

n) Cash and cash equivalents

For the purposes of preparing the cash flow statement, the Bank considers "Cash and cash equivalents at the end of the financial year" to be the total balances of the items "Cash and deposits at central banks", "Deposits at other credit institutions" and "Deposits from central banks and other credit institutions - Demand deposit overdrafts" (Notes 3, 4 and 12). No impairments that are constituted are considered.

o) Leases

The Bank has adopted IFRS 16 – Leases effective January 1, 2019 replacing IAS 17 – Leases which was effective until December 31, 2018. This standard establishes the new requirements regarding the scope, classification, recognition and measurement of leases.

The standard introduced a single model for accounting for leases on the balance sheet. In this context, the Bank, as a lessee, where applicable in accordance with the requirements of the standard, recognizes right-of-use assets, which represent its rights to use the underlying assets and lease liabilities representing its obligations to make lease payments. Accounting as lessor remains unchanged from the previously existing accounting policies.

Lease definition

The Bank rents or leases assets, specifically properties where some of its branches and other infrastructure are located.

On the start date of a contract the Bank assesses whether the arrangement is a lease, or contains a lease in accordance with IFRS 16. Under IFRS 16, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset, permitting all of the economic benefits of its use to be substantially obtained, along with the right to direct the use of that identified asset for a certain period, in exchange for a consideration.

2.4. Critical accounting estimates and most relevant discretionary aspects when applying accounting policies

When applying the accounting policies described above, the Bank's Board of Directors has had to make estimates. The estimates with the greatest impact on the Bank's financial statements include those presented below.

Determination of impairment losses on financial assets at amortized cost

Impairment losses are determined based on expected cash flows and estimates of the amount to be recovered in accordance with the methodology defined in Note 2.3. c), VI). Impairment is determined for significant exposures through an individual analysis, based on (i) the Bank's judgment as to the economic and financial situation of its customers; (ii) the incorporation of forward-looking information; (iii) the assignment of weighting to each of the considered scenarios; and (iv) the estimated value of guarantees given as collateral. Impairment for the remaining operations is determined based on a collective model for calculating impairment losses, based on historical parameters and forward-looking information for comparable types of operations, taking into consideration default and recovery estimates.

The Bank believes that the impairment losses determined based on the methodology referred to in Note 2.3. line c), VI) adequately reflect the risk associated with financial assets at amortized cost.

In view of the description of Note 2.3. line c), VI), in accordance with the Bank's accounting policy for assessing a significant increase in credit risk, and based on the macroeconomic analyses that have been performed, the Bank considers that the requirements of IFRS 9 regarding the significant increase in credit risk of the Angolan State in the context of the rating downgrade that occurred in 2020, and its subsequent improvement (rating upgrade) in 2021, have not been met. Therefore, the methodology for calculating expected credit losses on the portfolio of financial assets at amortized cost is in accordance with the requirements of IFRS 9 for stage 1 financial instruments, as described in the aforementioned Note.

Income taxes

During the 2020 financial year, the Industrial Tax Code was revised by the publication of Law No. 26/20, of July 20, which changed some situations that were previously in force, of which the following should be highlighted:

i) The non-acceptance, for tax purposes, of impairment constituted on credits whose risk is covered by guarantees, with the exception of the part that is not covered; and

ii) The non-acceptance for tax purposes of potential favorable or unfavorable exchange rate variations..

The Bank has implemented the changes in the Industrial Tax Code according to its best understanding of such changes, and has not implemented the changes related to line (ii) above, as these are under discussion between ABANC and the General Tax Administration. Therefore, the alterations relating to this matter will be reflected in the financial statements after its clarification by the aforementioned entities.

Classification and measurement of financial assets - SPPI and business model assessment

The classification and measurement of financial assets results from the analysis of the characteristics of the contractual cash flows of financial assets, to conclude whether they correspond exclusively to repayment of principal and interest on outstanding principal, and from the analysis of the business model.

The Bank defines its business models, based on the management strategy for the various groups of financial assets it has in its portfolio, in order to achieve a specific business objective. This assessment requires judgment, to the extent that the following aspects have to be considered, among others: (i) how the performance of the portfolio is assessed and reported to the Bank's management bodies; (ii) the assessment of risks related to the performance of the business model (and the financial assets held within that business model) and how those risks are managed; (iii) how the business managers are remunerated; and (iv) the frequency, volume and timing of sales of financial assets in prior periods and the respective forecast for future sales.

The Bank monitors financial assets measured at amortized cost that are derecognized 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 of the business model of financial assets that remain in the portfolio, to determine whether it is adequate and, if not, whether there has been a change in the business model and consequently a prospective change in the classification of these financial assets.

Collateral valuation in credit operations

Collateral for credit operations, specifically mortgages on properties, were valued on the assumption that all the conditions of the real estate market will be maintained during the lifetime of the operations, and corresponded to the best estimate of the fair value of this collateral on the balance sheet date. Additionally, the criteria defined in Directive No. 13/DSB/DRO/2019 were observed for the purposes of valuing real estate collateral.

Employee benefits

As mentioned in Note 2.3. line k), the Bank is studying the implementation of a supplementary retirement and survivor's pension program, and has therefore decided to maintain the provision recorded under the obligations arising from labor legislation that has since been repealed. In this regard, the liabilities that the Bank may incur under this program were calculated using an actuarial valuation performed by an independent expert. The actuarial valuations include actuarial assumptions regarding mortality, disability, salary and pension growth, and the discount rate, among others. The adopted assumptions correspond to the best estimate of the Bank and the actuaries hired for the purpose, regarding the future behavior of the respective variables.

3. Cash and Deposits at Central Banks

This item has the following composition:

	'21		'20	
	Foreign currency (in units)	Domestic currency	Foreign currency (in units)	Domestic currency
CASH				
Domestic notes and coins				
In vault	-	15,349,054	-	11,066,861
In ATM	-	3,938,001	-	3,853,522
Foreign notes and coins				
In United States Dollars	8,948,447	4.966.209	749,166	486.661
In EUR	1,778,631	1,118,786	1,158,351	924,861
In other currencies	-	46,545	-	34,623
		25,418,595		**16,336,528**
DEMAND DEPOSITS AT BNA				
In domestic currency	-	317,595,278	-	139,832,842
In foreign currency US dollars	152,774,997	84,787,068	53,455,322	34,724,791
		402,382,346		**174,557,633**
		427,800,941		**190,924,161**

The item "Demand deposits at Banco Nacional de Angola" includes the deposits made to satisfy the requirements for the constitution and maintenance of mandatory reserves, which are not remunerated.

At December 31, 2021, the mandatory reserves are calculated in accordance with the provisions of Instruction No. 02/2021, February 10, Instruction No. 08/2021, May 14, Directive No. 05/DMA/2021, May 5, Directive No. 06/DMA/DSP/2021, May 21, and Directive No. 07/DMA/2021, July 6.

At December 31, 2020, the mandatory reserves are calculated in accordance with the provisions of Instruction no. 16/2020, of October 2, and Directive no. 04/DMA/2020, of October 6.

Mandatory reserves are made up of domestic currency and foreign currency, according to the respective denomination of the liabilities that constitute their reserve base.

On December 31, 2021 and 2020, the requirement to maintain mandatory minimum reserves in demand deposits at Banco Nacional de Angola is calculated by applying the ratios summarized on the following table:

		'21		'20	
		Domestic currency	Foreign currency	Domestic currency	Foreign currency
RESERVE BASE RATE					
Central Government	Daily Clearance	100%	100%	22%	100%
Local Governments and Municipal Administrations	Daily Clearance	22%	100%	22%	100%
Other sectors	Weekly Clearance	22%	22%	22%	17%

On December 31, 2021 and 2020, up to 80% of the assets representing the value of loan disbursements, in domestic currency, granted to projects in the agriculture, livestock, forestry and fisheries sectors, may be deducted from the requirement in domestic currency, provided they have a residual maturity of 24 months or more, along with all the credit granted for the production of essential goods with domestic production supply deficits, raw materials and the investment required for their production, with investment including the acquisition of technology, machinery and equipment, under the terms of Banco Nacional de Angola Notice no.no. 10/2020, April 1, on the granting of credit to the real sector of the economy, whatever the residual maturity.

According to Instruction no. 16/2020 of October 2 (which revoked Instruction no. 17/2019 of October 24), in conjunction with Directive no. 04/DMA/2020 of October, 20% of the mandatory minimum foreign currency reserves may be made up of amounts deposited with Banco Nacional de Angola, and 80% in foreign currency treasury bonds.

On December 31, 2020, 20% of the mandatory minimum foreign currency reserves may be made up of amounts deposited with Banco Nacional de Angola, and 80% in foreign currency treasury bonds, belonging to the Bank's portfolio and issued from 2015.

The method for determining impairment is described in Note 2.3. line c), VI).

4. Deposits in other credit institutions

This item has the following composition:

	'21	'20
Demand deposits with foreign correspondents		
Banco BIC Cabo Verde, S.A.	9,648,243	9,975,220
FirstRand Bank, Limited	6,740,049	1,399,392
Banca Popolare di Sondrio, S.A.	5,633,691	4,084,659
Zhejiang Chouzhou Commercial Bank Co, Ltd	3,183,290	-
Bank BIC Namibia, Limited	2,840,767	1,646,748
Byblos Bank Europe, S.A.	2,534,269	1,571,455
Banco BIC Português, S.A.	1,465,052	11,226,999
Commerzbank AG	1,341,656	7,723,721
Banco Atlântico Europa, S.A.	996,114	-
Aktif Yatirim Bankasi A.S.	531,285	-
Others	288,892	593,853
	35,203,308	**38,222,047**
Cheque clearing	(10,532)	(56,644)
	35,177,756	**35,837,966**
Impairment (Note 14)	(36,084)	(10,209)
	35,177,756	**38,268,482**

As of December 31, 2020 and 2019, the balance of the "Cheque Clearing" item relates to cheques submitted for clearing in the sessions of the business days following the reference date of the Financial Statements.

The method for determining impairment is described in Note 2.3. line c) VI).

5. Investments in Central Banks and other credit institutions

This item has the following composition:

	'21	'20
Operations on the interbank money market	180,614,244	120,864,890
Interest receivable	64,245	201,092
	180,678,489	**138,161,321**
Third-party securities purchase operations with resale agreement	75,626,185	30,836,838
Interest receivable	1,254,186	215,124
	76,880,371	**31,051,962**
	257,558,860	**169,213,283**
Impairment (Note 14)	(2,552,078)	(1,498,434)
	255,006,782	**167,714,849**

The method for determining impairment is described in Note 2.3. line c) VI).

Operations carried out on the interbank money market correspond to time deposits with credit institutions and have the following composition:

		'21		'20	
	Currency	Foreign currency (in units)	Domestic currency	Foreign currency (in units)	Domestic currency
In credit institutions in the country					
Banco Nacional de Angola (BNA)	AOA	-	-	-	19,000,000
			-	-	**19,000,000**
In credit institutions overseas					
Banco BIC Português, S.A.	USD	162,300,000	90 073 416	66,440,000	43,159,689
Banco BIC Português, S.A.	EUR	2,000,000	1 258 030	2,000,000	1,596,857
			91 331 446		**44,756,546**
Byblos Bank Europe, S.A.	USD	68,000,000	37 738 708	37,500,000	24,360,151
Banco Atlântico Europa, S.A.	USD	36,000,000	19 979 316	-	-
Commerzbank AG	USD	20,000,000	11 099 620	60,000,000	38,976,240
Banco BIC Cabo Verde, S.A.	USD	14,388,578	7 985 388	14,000,000	9,094,456
Aktif Yatirim Bankasi A.S.	USD	13,500,000	7 492 244	1,230,000	798,429
Aktif Yatirim Bankasi A.S.	EUR	6,000,000	3 774 090	1,220,000	974,407
Banca Popolare di Sondrio, S.A.	EUR	1,929,100	1 213 432	-	-
			89,282,798		**74,203,683**
			180,614,244		**137,960,229**
INCOME RECEIVABLE			64,245		201,092
			180,678,489		**138,161,321**

A significant part of the aforementioned investments in credit institutions abroad are collateralized by the opening of documentary credits and other operations, within the scope of contracted credit lines and other agreements entered into with these financial institutions.

As of December 31, 2021 and 2020, interbank money market operations, excluding income receivable and impairment, have the following structure, by residual maturities:

	'21	'20
Up to one month	118,203,757	19,000,000
Between one and three months	42,067,484	80,784,604
Between three and six months	20,343,003	38,175,625
	180,614,244	**137,960,229**

On December 31, 2021 and 2020, operations on the interbank money market bear interest at the following average annual rates, weighted by the respective nominal value of the investments:

	'21	'20
In American Dollars	0.21%	0.38%
In Euros	0.01%	0.02%

On December 31, 2021 and 2020, third party securities purchase operations with resale agreements correspond to operations with Banco Nacional da Angola for the acquisition of Treasury Bonds, with an agreement for resale at a future date, at a price previously defined and agreed upon between the parties.

The income earned by Banco BIC on these operations solely and exclusively corresponds to the positive difference between the resale price of these Treasury Bonds, pre-defined and agreed upon between the parties, and their initial acquisition value.

As of December 31, 2021 and 2020, third-party securities purchase transactions with resale agreements mature in the quarter following the financial statement reference date.

The method for determining impairment is described in Note 2.3. line c), VI).

6. Investments at amortized cost

This item has the following composition:

	'21		'20	
	Interest rates	Amount	Interest rates	Amount
Treasury Bonds				
In domestic currency				
Non-adjustable	15.69%	160,038,740	14.84%	97,509,195
Indexed to USD	7.29%	222,991,960	7.52%	506,361,490
		383,030,700		**603,870,685**
In foreign currency (USD)	5.19%	130,858,970	5.19%	149,922,107
		513,889,670		**753,792,792**
Treasury Bills	18.20%	56,347,673	19.01%	133,277,394
Other securities (Commercial Paper)	4.00%	8,428,801	4.00%	12,295,807
		578,666,144		**899,365,993**
Income receivable		26,603,686		18,784,642
		605,269,830		**918,150,635**
Impairment (Note 14)		(43,794,313)		(61,556,891)
		561,475,517		**856,593,744**

As of December 31, 2021 and 2020, the Bank classifies financial assets in this portfolio as they meet SPPI requirements and the associated business model consists of collecting contractual cash flows.

On December 31, 2021 and 2020, financial assets are remunerated at a fixed rate.

As of December 31, 2021 and 2020, the Treasury Bonds in the portfolio, excluding income receivable and impairment, have the following structure, by residual maturities:

	'21	'20
Up to three months	20,186,157	64,897,847
From three to six months	38,469,344	49,363,945
From six months to one year	254,194,270	214,847,499
More than a year	201,039,899	424,683,501
	513,889,670	**753,792,792**

As of December 31, 2021 and 2020, the Treasury Bills in the portfolio, excluding income receivable and impairment, have the following structure, by residual maturities:

	'21	'20
Up to three months	25,285,129	50,998,781
From three to six months	21,713,833	44,498,440
From six months to one year	9,348,711	37,780,173
	56,347,673	**133,277,394**

At December 31, 2021 and 2020, the other securities with a nominal value of mEUR 13,400 and mEUR 15,400, respectively, correspond to commercial paper issued by an entity in the media sector and mature three months after the reference date of the financial statements (Note 27).

The method for determining impairment is described in Note 2.3. line c), VI).

7. Lending to Customers

This item has the following composition:

	'21	'20
Domestic currency		
Loans	231,774,439	190,283,616
Lending in current accounts	45,797,514	63,395,970
Loans to employees	10,467,833	6,534,260
Overdrafts in demand deposits	834,168	2,350,643
	288,873,954	**262,564,489**
Foreign currency		
Loans	197,708,384	300,493,551
Lending in current accounts	34,302,656	39,744,821
Loans to employees	4,630,770	5,832,744
Overdrafts in demand deposits	40	16,229
	236,641,850	**346,087,345**
TOTAL OUTSTANDING LOANS	**525,515,804**	**608,651,834**
Overdue loans and interest		
Domestic currency	54,617,389	48,816,451
Foreign currency	219,823,763	239,565,624
TOTAL OVERDUE CREDIT AND INTEREST	**274,441,152**	**288,382,075**
TOTAL CREDIT GRANTED	**799,956,956**	**897,033,909**
Income receivable - domestic currency	19,276,181	14,710,810
Income receivable - foreign currency	496,954	628,155
TOTAL INCOME RECEIVABLE	**19,773,135**	**15,338,965**
	819,730,091	**912,372,874**
Commissions associated with amortized cost	(1,450,744)	(1,690,811)
	818,279,347	**910,682,063**
Impairment for credit (Note 14)	(233,113,728)	(247843.797)
	585,165,619	**662 838 266**

As of December 31, 2021 and 2020, the maturing exposure of loans granted to customers has the following structure, by residual maturity periods:

	'21	'20
Up to three months	26,998,804	25,788,503
From three to six months	32,277,499	50,068,546
From six months to one year	26,553,240	18,601,295
From one to three years	64,185,659	62,234,773
From three to five years	126,622,401	131,739,438
From five to ten years	143,152,974	198,812,161
More than ten years	105,725,227	121,407,118
	525,515,804	**608,651,834**

As of December 31, 2021 and 2020, non-performing and overdue loans granted to customers, excluding income receivable, break down as follows by currency and average annual rates, weighted by exposure:

	'21			'20		
	Interest rate	Foreign currency (in units)	Domestic currency (in units)	Interest rate	Foreign currency (in units)	Domestic currency (in units)
In thousands of Angolan Kwanzas	17.50%	-	343,491,343	14.96%	-	311,380,940
In American Dollars	9.13%	780,877,216	433,378,424	9.20%	854,194,251	556,269,183
In Euros	1.75%	36,703,718	23,087,189	5.11%	36,802,019	29,383,786
			799,956,956			**897,033,909**

As of December 31, 2021 and 2020, the breakdown of overdue and non-performing loans to customers, excluding income receivable, between companies and individuals is as follows:

	'21			'20		
	Non-performing	Overdue	Total	Non-performing	Overdue	Total
Companies	417,189,309	239,197,204	656,386,513	488,034,280	250,772,726	738,807,006
Individuals	108,326,495	35,243,948	143,570,433	120,617,554	37,609,349	158,226,903
	525,515,804	**274,441,152**	**799,956,956**	**608,651,834**	**288,382,075**	**897,033,909**

As of December 31, 2021 and 2020, the breakdown of overdue and non-performing loans to customers, excluding income receivable, between companies and individuals is as follows:

	'21	'20
Fixed rate	556,681,695	641,495,389
Variable rate:		
Luibor 1M	95,396,963	81,809,087
Luibor 3M	35,609,438	29,780,029
Luibor 6M	53,002,729	68,363,543
Luibor 12M	36,829,936	28,688,060
Libor 1M	14,926	19,135
Libor 3M	1,968,270	2,982,959
Libor 6M	186,170	283,442
Libor 12M	11,961,531	14,228,544
Euribor 2M	-	18,763,082
Euribor 6M	8,305,298	10,620,585
Euribor 12M	-	54
	243,275,261	**255,538,520**
	799,956,956	**897,033,909**

At December 31, 2021 and 2020, gross credit exposure, including guarantees provided and documentary credits (Note 17) and unused limits, as well as the amount of impairment constituted for the exposures, has the following breakdown:

	'21		'20	
	Total exposure	Impairment (Note 14)	Total exposure	Impairment (Note 14)
Loans granted	819,730,091	(233,113,728)	912,372,874	(247,843,797)
Guarantees provided and documentary credits	68,389,835	(6,105,933)	84,272,629	(4,658,705)
Unused limits	56,675,177	(1,778,208)	39,042,705	(628,947)
	944 .795.103	**(240,997,869)**	**1,035,688,208**	**(253,131,449)**

The method for determining the impairment of granted credit is described in Note 2.3. c) VI).

As of December 31, 2021 and 2020, the loan portfolio by segment and stage had the following breakdown:

	EXPOSURE					
Segment	Total exposure	Loans in stage 1	Of which recovered	Of which restructured	Loans in stage 2	Of which recovered
Services and Other	505,950,914	279,849,391	5,695,252	64,528,972	3,456,754	267
Trade and Repairs	164,298,004	84,063,675	4,581,610	64,346,027	2,627	131
Housing	81,110,243	41,459,718	2,960,403	2,751,427	1,841,007	220,330
Construction	75,761,410	17,193,748	7,016,366	-	277	-
Industry	32,316,966	18,628,171	5,419	2 007.980	349	6
Staff	11,104,869	10,883,999	60,672	229,603	16,679	-
Revolving	10,986,296	7,437,896	319,831	-	148,640	8,950
Other loans	63,266,401	19,685,324	443,408	676,182	121,841	3,157
TOTAL	**944,795,103**	**479,201,922**	**21,082,961**	**134,540,191**	**5,588,174**	**232,841**

	EXPOSURE					
Segment	Total exposure	Loans in stage 1	Of which recovered	Of which restructured	Loans in stage 2	Of which recovered
Services and Other	507,661,994	230,144,589	4,091,602	12,076,169	4,817,789	18
Trade and Repairs	227,659,323	133,194,615	1,580,620	118,978,586	-	-
Construction	94,821,443	26,696,906	5,945,488	12,099,823	1,621,615	27
Housing	93,594,956	49,252,765	2,925,237	2,005,981	1,298,237	921,423
Industry	38,167,525	16,785,113	784,569	15,378	-	-
Revolving	13,144,265	9,279,879	408,678	-	727,761	724,704
Staff	7,496,357	7,373,468	42,558	4,539	15,029	-
Other loans	53,142,345	19,584,391	75,992	318,589	612,386	462,319
TOTAL	**1,035,688,208**	**492,311,726**	**15,854,744**	**145,499,065**	**9,092,817**	**2,108,491**

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				IMPAIRMENT			
Of which restructured	Loans in stage 3	Of which in recovery	Of which restructured	Total impairment	Loans in stage 1	Loans in stage 2	Loans in stage 3
2,431,555	222,644,769	18,017,440	147,404,691	(87,046,429)	(15,760,088)	(506,177)	(70,780,164)
-	80,231,702	-	63,445,139	(63,909,527)	(6,973,383)	(54)	(56,936,090)
1,491,144	37,809,518	-	8,028,162	(23,205,965)	(3,000,132)	(280,512)	(19,925,321)
-	58,567,385	-	41,984,927	(25,170,800)	(2,793,962)	(3)	(22,376,835)
-	13,688,446	-	4,916,122	(10,136,547)	(1,228,454)	(10)	(8,908,083)
-	204,191	-	5,024	(54,149)	(15,462)	(919)	(37,768)
-	3,399,760	-	-	(2,502,869)	(345,053)	(15,040)	(2,142,776)
21,404	43,459,236	-	11,552,539	(28,971,583)	(5,815,922)	(24,031)	(23,131,630)
3 944.103	**460,005,007**	**18,017,440**	**277,336,604**	**(240,997,869)**	**(35 932 456)**	**(826,746)**	**(204,238,667)**

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				IMPAIRMENT			
Of which restructured	Loans in stage 3	Of which in recovery	Of which restructured	Total impairment	Loans in stage 1	Loans in stage 2	Loans in stage 3
1,977,668	272,699,616	297,820	166,360,485	(90,383,538)	(5,252,347)	(980,223)	(84,150,968)
-	94,464,708	-	75,108,352	(70 420.506)	(4,853,984)	-	(65,566,522)
-	66,502,922	-	34,091,152	(29,822,430)	(1,913,768)	(79,373)	(27,829,289)
72,759	43,043,954	-	6,607,225	(23,804,026)	(635,500)	(201,805)	(22,966,721)
-	21,382,412	-	5,818,877	(10,773,631)	(208,881)	-	(10,564,750)
-	3,136,625	-	-	(1,955,236)	(251,694)	(6,128)	(1,697,414)
-	107,860	-	-	(24,571)	(4,551)	(731)	(19,289)
18,050	32,945,568	-	12,487,201	(25,947,510)	(3,391,017)	(143,225)	(22,413,268)
2,068,477	**534,283,665**	**297 820**	**300,473,292**	**(253,131,448)**	**(16,511,742)**	**(1,411,485)**	**(235,208,221)**

As of December 31, 2021 and 2020, the loan portfolio by segment and by year of granting the operations has the following breakdown:

	2021			2020			2019		
Year granted	**Number of operations**	**Amount**	**Impairment constituted**	**Number of operations**	**Amount**	**Impairment constituted**	**Number of operations**	**Amount**	**Impairment constituted**
Services and Other	461	166,545,089	(4,249,918)	254	105,064,334	(4,331,048)	233	72,324,146	(7,026,327)
Trade and Repairs	28	8,863,807	(181,683)	-	-	-	2	59,763	(49,829)
Housing	85	7,112,884	(563,692)	64	4,159,768	(434,044)	258	5,613,037	(195,341)
Construction	34	26,258,536	(6,173,408)	2	456,632	(4,908)	4	88,502	(35,951)
Industry	8	4,334,127	(93,695)	-	-	-	5	478,085	(463,226)
Staff	969	6,290,079	(13,117)	697	3,232,901	(14,500)	657	1,025,770	(4,719)
Revolving	536	4,813,287	(387,654)	3,357	155,997	(5,432)	1,714	78,087	(1,359)
Other loans	3,107	20,379,498	(5,685,424)	2,768	3,074,665	(150,905)	2,778	2,033,459	(191,386)
TOTAL	**5,228**	**244,597,307**	**(17,348 591)**	**7,142**	**116,144,297**	**(4,940,837)**	**5,651**	**81,700,849**	**(7,968,138)**

	2020			2019			2018		
Year granted	**Number of operations**	**Amount**	**Impairment constituted**	**Number of operations**	**Amount**	**Impairment constituted**	**Number of operations**	**Amount**	**Impairment constituted**
Services and Other	559	196,851,809	(5 727.781)	270	94,501,361	(7,942,171)	184	41,751,600	(7,962,530)
Trade and Repairs	50	7,339,241	(102,497)	2	69,717	(46,009)	-	-	-
Construction	38	24,127,282	(6,571,853)	4	221,340	(10,058)	6	173,704	(6,690)
Housing	77	5,314,104	(249,779)	284	6,588,619	(167,952)	54	5,687,785	(342,855)
Industry	13	1,727,516	(128,803)	7	5,456 402	(792,045)	-	-	-
Revolving	2,094	6,126,692	(378,656)	2,800	72,713	(1,255)	2,119	74,494	(1,425)
Staff	888	4,380,347	(6,267)	905	2,009,163	(4,413)	472	519,283	(2,465)
Other loans	2,852	4,539,217	(145,722)	2,982	3,162,212	(214,662)	1,440	2,536,757	(649,797)
TOTAL	**4,760**	**137,754,195**	**(13,311,358)**	**10,906**	**43,412,399**	**(9,178,565)**	**5,585**	**36,623,546**	**(8,965,762)**

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2018			2017			2016 AND EARLIER			RECORDS		
Number of operations	Amount	Impairment constituted	Number of operations	Amount	Impairment constituted	Number of opera-tions	Amount	Impairment constituted	Number of opera-tions	Amount	Impairment constituted
158	26,875,086	(7,459,245)	81	3,613,466	(1,295,846)	912	131,528,793	(62,684,045)	2,099	505,950,914	(87,046,429)
-	36	-	36	8,100,487	(4,028,998)	646	147,273,911	(59,649,017)	712	164,298,004	(63,909,527)
50	4,476,362	(409,578)	33	3,466,140	(638,119)	663	56,282,052	(20,965,191)	1,153	81,110,243	(23,205,965)
5	39,323	(2,181)	17	2,139,822	(19,369)	229	46,778,595	(18,934,983)	291	75,761,410	(25,170,800)
-	-	-	13	4,242,020	(1,280,827)	163	23,262,734	(8,298,799)	189	32,316,966	(10,136,547)
322	175,715	(1,163)	209	57,559	(1,382)	1,236	322,845	(19,268)	4,090	11,104,869	(54,149)
1,520	70,501	(911)	1,343	71,984	(13,508)	19,065	5,796,440	(2,094,005)	27,535	10,986,296	(2,502,869)
1,030	1,726,770	(943,991)	120	898,462	(129,126)	915	35,153,547	(21,870,751)	10,718	63,266,401	(28,971,583)
3,085	**33,363,793**	**(8,817,069)**	**1,852**	**22,589,940**	**(7,407,175)**	**23,829**	**446,398,917**	**(194,516,059)**	**46,787**	**944,795,103**	**(240,997,869)**

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2017			2016			2015 AND EARLIER			RECORDS		
Number of opera-tions	Amount	Impairment constituted	Number of opera-tions	Amount	Impairment constituted	Number of operations	Amount	Impairment constituted	Number of opera-tions	Amount	Impairment constituted
107	7,754,969	(1,272,540)	81	3 176.553	(427,913)	932	163,625,702	(67,050,603)	2,133	507,661,994	(90,383,538)
38	9,815,093	(4,508,371)	33	8 916.721	(1,683,482)	653	201,518,551	(64,080,147)	776	227,659,323	(70,420,506)
22	11,523,943	(1,200,793)	15	1 635.450	(81,099)	230	57,139,724	(21,951,937)	315	94,821,443	(29,822,430)
34	4,137,913	(320,620)	194	14 009.415	(571,978)	546	57,857,120	(22,150,842)	1,189	93,594,956	(23,804,026)
16	5,943,431	(323,580)	9	25,642	(11,684)	163	25,014,534	(9,517,519)	208	38,167,525	(10,773,631)
1,812	70,461	(13,927)	1,871	76,821	(2,539)	22,277	6,723,084	(1,557,434)	32,973	13,144,265	(1,955,236)
347	174,289	(1,225)	279	55,717	(2,189)	1,181	357,558	(8,012)	4,072	7,496,357	(24,571)
856	1,005,016	(228,547)	106	359,582	(302,330)	986	41,539,561	(24,406,452)	9,222	53,142,345	(25,947,510)
7,809	**169 .688 .732**	**(7,869,603)**	**6,706**	**48,442,656**	**(3,083,214)**	**26,383**	**221,437,632**	**(210,722,946)**	**62,149**	**1,035,688,208**	**(253,131,448)**

As of December 31, 2021 and 2020, the amount of gross credit exposure and the amount of impairment constituted for the exposures analyzed individually and collectively has the following breakdown:

'21

	INDIVIDUAL IMPAIRMENT		COLLECTIVE IMPAIRMENT		TOTAL	
Segment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment
Services and Other	381,883,504	(58,983,408)	124,067,410	(28,063,021)	505,950,914	(87,046,429)
Trade and Repairs	139,329,631	(47,689,105)	24,968,373	(16,220,422)	164,298,004	(63,909,527)
Construction	-	-	81,110,243	(23,205,965)	81,110,243	(23,205,965)
Housing	58,670,240	(19,260,237)	17,091,170	(5,910,563)	75,761,410	(25,170,800)
Industry	18,660,351	(4,686,597)	13,656,615	(5,449,950)	32,316,966	(10,136,547)
Revolving	4,914,996	(875,091)	6,071,300	(1,627,778)	10,986,296	(2,502,869)
Staff	-	-	11,104,869	(54,149)	11,104,869	(54,149)
Other loans	24,299,992	(12,435,069)	38,966,409	(16,536,514)	63,266,401	(28,971,583)
	627,758,714	**(143,929,507)**	**317,036,389**	**(97,068,362)**	**944,795,103**	**(240,997,869)**

'20

	INDIVIDUAL IMPAIRMENT		COLLECTIVE IMPAIRMENT		TOTAL	
Segment	Total exposure	Impairment	Total exposure	Impairment	Total exposure	Impairment
Services and Other	406,911,096	(82,296,265)	100,750 898	(8,087,273)	507,661,994	(90,383,538)
Construction	203,693,768	(69,614,053)	23,965,555	(806,453)	227,659,323	(70,420,506)
Trade and Repairs	83,003,758	(23,881,844)	11,817,685	(5,940,586)	94,821,443	(29,822,430)
Industry	6,449,660	(4,056,767)	87,145,296	(19,747,259)	93,594,956	(23,804,026)
Housing	30,509,114	(9,524,583)	7,658,411	(1,249,048)	38,167,525	(10,773,631)
Revolving	7,207,628	(1,079,849)	5,936,637	(875,387)	13,144,265	(1,955,236)
Staff	8,935	(84)	7,487,422	(24,487)	7,496,357	(24,571)
Other loans	34,812,953	(18,455,400)	18,329,392	(7,492,110)	53,142,345	(25 947 510)
	772,596,912	**(208,908,845)**	**263,091,296**	**(44,222,603)**	**1,035,688,208**	**(253,131,448)**

On December 31, 2021 and 2020, the total loan exposure refers to customers based in Angola.

As of December 31, 2021 and 2020, the restructured loan portfolio had the following breakdown:

'21

	STAGE 1			STAGE 2			STAGE 3			RECORDS		
Measure applied	Number of operations	Total exposure	Impairment	Number of operations	Total exposure	Impairment	Number of operations	Total exposure	Impairment	Number of operations	Total exposure	Impairment
Restructuring	146	134,540,191	(3,799,854)	27	3,944,103	(566,963)	310	277,336,604	(125,832,149)	483	415,820,898	(130,198,966)
	146	**134,540,191**	**(3,799,854)**	**27**	**3,944,103**	**(566,963)**	**310**	**277,336,604**	**(125,832,149)**	**483**	**415,820,898**	**(130,198,966)**

'20

	STAGE 1			STAGE 2			STAGE 3			RECORDS		
Measure applied	Number of operations	Total exposure	Impairment	Number of operations	Total exposure	Impairment	Number of operations	Total exposure	Impairment	Number of operations	Total exposure	Impairment
Restructuring	101	145,499,065	(8,140,958)	21	2,068,477	(468,056)	286	300,473,292	(136,713,357)	408	448,040,834	(145,322,371)
	101	**145,499,065**	**(8,140,958)**	**21**	**2,068,477**	**(468,056)**	**286**	**300,473,292**	**(136,713,357)**	**408**	**448,040,834**	**(145,322,371)**

On December 31, 2021 and 2020, the movement of inflows and outflows in the restructured loan portfolio had the following breakdown:

	'21	'20
Opening balance of restructured loan portfolio (gross of impairment)	**448,040,834**	**345,616,607**
Loans restructured in the period	1,026,385	17,925,814
Accrued interest on the restructured loan portfolio	(1,086,112)	558,376
Settlement of restructured loans (partial or total)	(53,300,136)	(23,729,671)
Exchange rate variation	(8,832,085)	98,911,980
Others	8,757,728	8,757,728
Opening balance of the restructured loan portfolio (gross of impairment)	**415,820,898**	**448,040,834**

At December 31, 2021 and 2020, the breakdown of the fair value of the guarantees underlying the loan portfolio of the companies, construction and real estate development and housing segments is as follows:

	COMPANIES			
	REAL ESTATE		OTHER REAL GUARANTEES	
Fair value	Number of properties	Amount	Number	Amount
< 50 MAOA	102	1 592 811	31	366 254
>= 50 MAOA and < 100 MAOA	46	3 198 416	12	761 136
>= 100 MAOA and < 500 MAOA	140	34 917 337	27	7 615 462
>= 500 MAOA and < 1,000 MAOA	84	62 580 522	14	9 891 235
>= 1,000 MAOA and < 2,000 MAOA	70	93 101 511	18	25 153 782
>= 2,000 MAOA and < 5,000 MAOA	98	314 075 148	7	21 445 613
>= 5,000 MAOA	72	2 306 908 783	2	181 374 975
	612	**2 816 374 528**	**111**	**246 608 457**

	COMPANIES			
	REAL ESTATE		OTHER REAL GUARANTEES	
Fair value	Number of properties	Amount	Number	Amount
< 50 MAOA	165	2 387 792	27	233 286
>= 50 MAOA and < 100 MAOA	42	3 199 573	8	490 104
>= 100 MAOA and < 500 MAOA	101	24 418 737	25	6 244 476
>= 500 MAOA and < 1,000 MAOA	66	46 066 979	5	3 340 406
>= 1,000 MAOA and < 2,000 MAOA	54	74 582 484	10	13 112 796
>= 2,000 MAOA and < 5,000 MAOA	35	113 600 465	6	19 221 112
>= 5,000 MAOA	54	986 460 668	1	109 863 336
	517	**1 250 716 698**	**82**	**152 505 516**

’21

CONSTRUCTION AND REAL ESTATE DEVELOPMENT				HOUSING			
REAL ESTATE		OTHER REAL GUARANTEES		REAL ESTATE		OTHER REAL GUARANTEES	
Number of properties	Amount	Number	Amount	Number of properties	Amount	Number	Amount
26	139 883	5	6 632	234	6 923 097	41	875 245
-	-	-	-	200	14 666 120	2	118 316
12	2 785 537	-	-	294	56 734 418	2	305 240
6	5 229 886	-	-	16	11 630 468	-	-
40	43 961 733	1	1 498 449	4	5 348 685	-	-
18	51 098 137	-	-	-	-	-	-
14	276 635 599	-	-	-	-	-	-
116	**379 850 775**	**6**	**1 505 081**	**748**	**95 302 788**	**45**	**1 298 801**

’20

CONSTRUCTION AND REAL ESTATE DEVELOPMENT				HOUSING			
REAL ESTATE		OTHER REAL GUARANTEES		REAL ESTATE		OTHER REAL GUARANTEES	
Number of properties	Amount	Number	Amount	Number of properties	Amount	Number	Amount
24	273 753	4	(116 863)	244	5 663 095	41	1 039 288
-	-	-	-	170	12 612 387	1	57 823
26	6 943 985	-	-	232	45 983 216	1	194 881
24	15 403 903	-	-	16	11 437 148	-	-
26	36 892 167	1	1 753 931	2	2 897 234	-	-
14	51 127 322	-	-	-	-	-	-
10	126 656 652	-	-	-	-	-	-
124	**237 297 782**	**5**	**5,636,990**	**664**	**78 593 080**	**43**	**1 291 992**

As of December 31, 2021 and 2020, the financing/guarantee ratio for the companies, construction and real estate development, and housing sectors is as follows:

'21

Segment/Ratio	Number of properties	Number of other real guarantees	Stage 1	Stage 2	Stage 3	Impairment
Companies						
No associated guarantee	n.a.	n.a.	154,182,643	1,186,004	63,642,325	(34,977,043)
< 50%	26	35	81,361,323	35,080	37,235,810	(21,264,412)
≥ 50% and < 75%	584	75	146,987,268	2,238,646	213,880,933	(86,247,536)
≥ 75% and < 100%	2	-	-	-	1,798,319	(1,240,767)
≥ 100%	-	1	10,003	-	7,530	(17,362,745)
	612	**111**	**382,541,237**	**3,459,730**	**316,564,917**	**(161,092,503)**
Construction and real estate development						
No associated guarantee	n.a.	n.a.	14,597,611	77	3,157,898	(1,588,344)
< 50%	18	-	-	-	6,921,284	(3,556,342)
≥ 50% and < 75%	98	6	2,596,198	200	50,090,253	(17,326,749)
≥ 75% and < 100%	-	-	-	-	-	-
≥ 100%	-	-	(61)	-	(1,602,050)	(2,699,365)
	116	**6**	**17,193,748**	**277**	**58,567,385**	**(25,170,800)**
Housing						
No associated guarantee	n.a.	n.a.	24,641,934	769,835	17,968,294	(11,194,494)
< 50%	6	35	990,111	-	611,187	(366,259)
≥ 50% and < 75%	740	10	15,827,673	1,071,172	19,128,512	(9,110,459)
≥ 75% and < 100%	2	-	-	-	101,525	(46,102)
≥ 100%	-	-	-	-	-	(2,488,651)
	748	**45**	**41,459,718**	**1,841,007**	**37,809,518**	**(23,205,965)**
	1,476	**162**	**441,194,703**	**5,301,014**	**412,941,820**	**(209,469,268)**

'20

Segment/Ratio	Number of properties	Number of other real guarantees	Stage 1	Stage 2	Stage 3	Impairment
Companies						
No associated guarantee	n.a.	n.a.	210,683,314	3,641,054	111,122,843	(44,002,055)
< 50%	49	11	24,495,145	-	57,715,670	(33,425,465)
≥ 50% and < 75%	16	3	668,362	-	13,614,499	(1,051,664)
≥ 75% and < 100%	4	10	11,409,813	-	224,256	(65,498)
≥ 100%	448	58	132,867,683	1,176,735	205,869,468	(93,032,992)
	517	**82**	**380,124,317**	**4,817,789**	**388,546,736**	**(171,577,674)**
Construction and real estate development						
No associated guarantee	n.a.	n.a.	15,249,483	1,621,615	7,856,728	(2,566,043)
< 50%	4	-	-	-	8,490,353	(3,901,730)
≥ 50% and < 75%	4	-	8,644,551	-	-	(1,161,412)
≥ 75% and < 100%	2	1	-	-	3,789,114	(2,120,740)
≥ 100%	114	4	2,802,872	-	46,366,727	(20,072,505)
	124	**5**	**26,696,906**	**1,621,615**	**66,502,922**	**(29,822,430)**
Housing						
No associated guarantee	n.a.	n.a.	33,234,800	538,524	21,772,332	(13,278,420)
< 50%	54	7	1,830,034	620,724	1,854,317	(933,642)
≥ 50% and < 75%	20	-	509,631	-	565,251	(394,214)
≥ 75% and < 100%	4	1	271,323	13,834	-	(2,624)
≥ 100%	586	35	13,406,977	125,155	18 852.054	(9,195,126)
	664	**43**	**49,252,765**	**1,298,237**	**43,043,954**	**(23,804,026)**
	1 305	**130**	**456,073,988**	**7,737,641**	**498,093,612**	**(225,204,130)**

As of December 31, 2021 and 2020, the distribution of the loan portfolio measured by internal risk levels has the following breakdown:

'21

	LOW RISK LEVEL			MEDIUM RISK LEVEL	HIGH RISK LEVEL			
Segment	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**Total**
Services and Other	100 026 293	215 648 209	86 828 378	25 014 097	62 952 729	6 388 664	9 092 544	505 950 914
Trade and Repairs	86 630 578	537 412	6 757 696	2 699 183	8 583 798	47 257 179	11 832 158	164 298 004
Housing	12 489 072	29 244 168	12 988 931	7 052 077	8 720 154	5 770 330	4 845 511	81 110 243
Construction	18 345 587	2 442 936	13 673 696	18 457 116	21 336 093	183 620	1 322 362	75 761 410
Industry	17 276 999	1 918 367	3 042 535	1 606 613	4 255	4 328 140	4 140 057	32 316 966
Staff	10 853 279	7 387	219 803	16 777	2 902	1 264	3 457	11 104 869
Revolving	3 498 116	4 026 049	1 073 777	601 793	279 647	1 234 623	272 291	10 986 296
Other loans	2 184 892	10 573 294	9 584 113	23 271 045	8 074 001	6 174 584	3 404 472	63 266 401
	251 304 816	**264 397 822**	**134 168 929**	**78 718 701**	**109 953 579**	**71 338 404**	**34 912 852**	**944 795 103**

'20

	LOW RISK LEVEL			MEDIUM RISK LEVEL	HIGH RISK LEVEL			
Segment	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**Total**
Services and Other	100 155 105	182 998 825	118 496 961	9 912 810	80 572 673	2 885 271	12 640 349	507 661 994
Trade and Repairs	95 525 194	3 824 600	49 482 610	1 080 403	10 468 759	54 087 345	13 190 412	227 659 323
Construction	19 208 467	4 070 506	23 184 206	35 837 547	5 690 617	3 265 907	3 564 193	94 821 443
Housing	14 097 310	35 718 001	16 350 299	7 175 412	7 339 481	6 381 733	6 532 720	93 594 956
Industry	833 513	21 081 664	4 380 670	822 101	157 296	8 291 019	2 601 262	38 167 525
Revolving	4 771 615	4 771 545	1 465 747	127 920	938 888	772 427	296 123	13 144 265
Staff	7 374 452	16 821	93 050	6 723	1 264	-	4 047	7 496 357
Other loans	1 945 513	7 566 212	3 299 507	11 720 193	16 391 244	7 124 139	5 095 537	53 142 345
	243 911 169	**260 048 174**	**216 753 050**	**66 683 109**	**121 560 222**	**82 807 841**	**43 924 643**	**1 035 688 208**

As of December 31, 2021 and 2020, the risk factors associated with the impairment model by segment are as shown below:

	'21			'20		
	PROBABILITY OF DEFAULT (%)			PROBABILITY OF DEFAULT (%)		
Segment	**Stage 1**	**Stage 2**	**Loss given the default (%)**	**Stage 1**	**Stage 2**	**Loss given the default (%)**
Services and Other	7.96%	87.42%	19.42%	7.60%	83.25%	28.52%
Trade and Repairs	10.13%	71.29%	10.70%	10.15%	0.00%	19.11%
Housing	7.57%	96.96%	18.28%	7.58%	90.19%	21.24%
Construction	6.35%	63.36%	13.98%	6.80%	49.70%	17.44%
Industry	9.37%	66.10%	19.53%	9.36%	0.00%	37.73%
Revolving	8.30%	63.17%	31.36%	8.29%	55.39%	39.35%
Staff	0.89%	55.55%	11.26%	0.78%	52.17%	11.10%
Other loans	7.26%	62.95%	33.09%	7.22%	79.50%	48.19%
	7.76%	**87.86%**	**18.39%**	**7.61%**	**79.46%**	**26.16%**

During the years ended December 31, 2021 and 2020, the Bank wrote off the amounts of mAOA 32 309 and mAOA 6 517 508, respectively (Note 14).

All other disclosures regarding the item "Loans to customers" are presented in Note 28.

8. Non-current assets held for sale

This item has the following composition:

	'21	'20
Real Estate		
Real estate received as payment in kind	73 347 227	70 782 256
Real estate projects -Employees	4 331 583	4 356 583
	77 678 810	**75 138 839**
Impairment (Note 14)	(22 388 184)	(22 388 184)
	55 290 626	**52 750 655**

On December 31, 2021 and 2020, the balance of the item "Real estate received as payment in kind" corresponds to real estate received as payment in kind of debts related to loans granted. On the same dates, the amount of impairment includes the estimated losses from the realization of these assets.

As of December 31, 2021 and 2020, the balance of the item "Real estate projects - Employees" refers to real estate projects that are under construction and are intended to be sold to employees of the Bank.

The movement in the items "Real estate received as payment in kind" and "Real estate projects - Employees" for the years ended December 31, 2021 and 2020 has the following breakdown:

	GROSS ASSETS				
	Balances on 31.12.2020	Increases	Write-offs	Regularization	Balances on 31.12.2021
Real estate received as payment in kind	70 782 256	2 564 971	-	-	73 347 227
Real estate projects -Employees	4 356 583	-	(25 000)	-	4 331 583
	75 138 839	**2 564 971**	**(25 000)**	**-**	**77 678 810**

	GROSS ASSETS				
	Balances on 31.12.2019	Increases	Write-offs	Regularization	Balances on 31.12.2020
Real estate received as payment in kind	18 443 971	69 684 506	-	(17 346 221)	70 782 256
Real estate projects -Employees	4 359 943	59 144	(62 504)	-	4 356 583
	22 803 914	**69 743 650**	**(62 504)**	**(17 346 221)**	**75 138 839**

In the year ending December 31, 2020, an adjustment was recorded under the item "Real estate received as payment in kind", corresponding to the transfer of real estate to the item "Other assets", amounting to mAOA 14 612 054, as decided by the Board of Directors, for the purpose of subscription in kind of units shares in a real estate investment fund to be managed by the company BIC Gestão de Activos – SGOIC II, S.A.. The aforementioned management company has already obtained authorization from the Angolan Securities and Exchange Commission to begin operations, and the constitution of the investment fund is being concluded (Note 11). The operation resulted in the regularization of a gross value amounting to mAOA 16,682,541 and impairment amounting to mAOA 2,070,487 (Note 14).

At December 31, 2021 and 2020, the fair value and net book value of properties received as a gift or foreclosure, by type of property, have the following breakdown:

Type of property	'21 Number of properties	'21 Fair value of the asset	'21 Net book value:	'20 Number of properties	'20 Fair value of the asset	'20 Net book value:
Land						
Urban	3	6 776 976	4 543 027	3	3 942 607	8 808 556
Constructed Buildings						
Commercial	1	1 748 602	1 748 602	1	1 748 602	1 747 813
Housing	9	64 821 649	44 667 414	6	51 348 850	37 837 703
	13	**73 347 227**	**50 959 043**	**10**	**57 040 059**	**48 394 072**

At December 31, 2021 and 2020, the net book value of the properties received as payment in kind, or foreclosed, due to age, has the following breakdown:

Time elapsed since the payment in kind/foreclosure	'21 ‹ 1 year	'21 ≥ 1 year and ‹ 2 years	'21 ≥ 2 years ‹ 5 years	'21 Total
Land				
Urban	1 410	4 541 617	-	4 543 027
Constructed Buildings				
Commercial	-	1 748 602	-	1 748 602
Housing	2 626 773	40 874 558	1 166 083	44 667 414
	2 628 183	**47 164 777**	**1 166 083**	**50 959 043**

Time elapsed since the payment in kind/foreclosure	'20 ‹ 1 year	'20 ≥ 1 year and ‹ 2 years	'20 Total
Land			
Urban	8 808 556	-	8 808 556
Constructed Buildings			
Commercial	1 747 813	-	1 747 813
Housing	36 692 919	1 144 784	37 837 703
	47 249 288	**1 144 784**	**48 394 072**

9. Other Tangible and Intangible Assets

The movements in these items, for the year ending December 31, 2021, break down as follows:

GROSS ASSETS

	Balances on 31.12.2020	Increases	Sales and write-offs	Transfers	Regulariza-tion	Balances on 31.12.2021
Other tangible assets						
Own service properties	15 799 663	253 285	-	-	(3 374 375)	12 678 573
Works on leased buildings	2 315 887	11 741	-	329 172	-	2 656 800
Equipment	16 221 689	2 271 965	(9 053)	92 229	-	18 576 830
Artistic heritage	4 269	-	-	-	-	4 269
	34 341 508	**2 536 991**	**(9 053)**	**421 401**	**(3 374 375)**	**33 916 472**
Tangible assets in progress	1 100 707	511 046	-	(421 401)	-	1 190 352
	35 442 215	**3 048 037**	**(9 053)**	**-**	**(3 374 375)**	**35 106 824**
Intangible Assets						
Acquisition	149 815	-	-	-	-	149 815
Incorporation expenses	4 383	-	-	-	-	4 383
Multi-year costs	35 289	-	-	-	-	35 289
Automatic data processing system *"Software*	3 010 777	2 451 038	-	-	-	5 461 815
Other intangible assets	680	-	-	-	-	680
	3 200 944	**2 451 038**	**-**	**-**	**-**	**5 651 982**
	38 643 159	**5 499 075**	**(9 053)**	**-**	**(3 374 375)**	**40 758 806**

ACCUMULATED DEPRECIATION AND AMORTIZATION

	Balances at 31-12-2020	Amount for the period	Sales and write-offs	Transfers	Regularization	Balances at 12-31-2021
Other tangible assets						
Own service properties	1 862 012	317 464	-	-	(84 000)	2 095 476
Works on leased buildings	2 178 588	116 399	-	-	-	2 294 987
Equipment	8 681 128	2 110 931	(6 195)	-	-	10 785 864
	12 721 728	**2 544 794**	**(6 195)**	**-**	**(84 000)**	**15 176 327**
Intangible Assets						
Acquisition	149 815	-	-	-	-	149 815
Incorporation expenses	4 383	-	-	-	-	4 383
Multi-year costs	35,289	-	-	-	-	35,289
Automatic data processing system *"Software*	947 215	1 339 668	-	-	-	2 286 883
Other intangible assets	680	-	-	-	-	680
	1 137 382	**1 339 668**	**-**	**-**	**-**	**2 477 050**
	13 859 110	**3 884 462**	**(6 195)**	**-**	**(84 000)**	**17 653 377**

The movements in these items, for the year ending December 31, 2020, break down as follows:

GROSS ASSETS

	Balances t 31-12-2019	Increases	Sales and write-offs	Regularization	Balances on 31.12.2020
Other tangible assets					
Own service properties	11 883 118	3 252 865	-	663 680	15 799 663
Works on leased buildings	2 253 166	62 721	-	-	2 315 887
Equipment	11 090 952	5 134 748	(4 011)	-	16 221 689
Artistic heritage	4 217	52	-	-	4 269
	25 231 453	**8 450 386**	**(4 011)**	**663 680**	**34 341 508**
Tangible assets in progress	896 940	203 767	-	-	1 100 707
	26 128 393	**8 654 153**	**(4 011)**	**663 680**	**35 442 215**
Intangible Assets					
Acquisition	149,815	-	-	-	149,815
Incorporation expenses	4,383	-	-	-	4,383
Multi-year costs	35,289	-	-	-	35,289
Automatic data processing system *"Software"*	818 866	2 191 911	-	-	3 010 777
Other intangible assets	680	-	-	-	680
	1 009 033	**2 191 911**	**-**	**-**	**3 200 944**
	27 137 426	**10 846 064**	**(4 011)**	**663 680**	**38 643 159**

ACCUMULATED DEPRECIATION AND AMORTIZATION

	Balances at 31-12-2019	Amount for the period	Sales and write-offs	Regularization	Balances at 31.12.2020
Other tangible assets					
Own service properties	1 616 336	245 676	-	-	1 862 012
Works on leased buildings	2 052 716	125 872	-	-	2 178 588
Equipment	7 299 654	1 384 481	(3 007)	-	8 681 128
	10 968 706	**1 756 029**	**(3 007)**	**-**	**12 721 728**
Intangible Assets					
Acquisition	149 815	-	-	-	149 815
Incorporation expenses	4 383	-	-	-	4 383
Multi-year costs	35 289	-	-	-	35 289
Automatic data processing system *"Software"*	572 018	375 197	-	-	947 215
Other intangible fixed assets	680	-	-	-	680
	762 185	**375 197**	**-**	**-**	**1 137 382**
	11 730 891	**2 131 226**	**(3 007)**	**-**	**13 859 110**

On December 31, 2021 and 2020, the item "Tangible assets in progress" essentially corresponds to costs incurred for the acquisition of space and payment to suppliers for work to be carried out on purchased or leased premises for the Bank, specifically for the future installation of administrative services, new branches and other facilities, which are expected to be opened over the financial years following the balance sheet date.

On December 31, 2021 and 2020, the item "Equipment" has the following breakdown:

	'21			'20		
	Gross value	Accumulated amortization	Net value	Gross value	Accumulated amortization	Net value
Machines and tools	5 217 111	(2 093 228)	3 123 883	4 565 081	(1 653 953)	2 911 128
IT equipment	5 235 266	(3 585 384)	1 649 882	4 507 825	(2 611 156)	1 896 669
Interior installations	3 746 405	(2 168 568)	1 577 837	3 347 951	(1 912 338)	1 435 613
Transport material	1 625 701	(1 055 309)	570 392	1 159 624	(791 346)	368 278
Furniture and material	1 951 412	(1 470 086)	481 326	1 855 976	(1 366 780)	489 196
Other equipment	800 935	(413 289)	387 646	785 232	(345 555)	439 677
	18 576 830	**(10 785 864)**	**4 667 083**	**16 221 689**	**(8 681 128)**	**4 629 433**

10. Investments in subsidiaries, associates and joint ventures

This item can be detailed as follows:

	'21		'20	
	Stake	Amount	Stake	Amount
GI10:				
Financial stake	28.85%	379 435	30.00%	527 704
EMIS:				
Equity stake	7.51%	273 594	10.08%	351 106
Loans		7,067		7 067
		280 661		**358 173**
ABANC:				
Loans		24 224		24 224
		684 320		**910 101**

At December 31, 2021 and 2020, the Bank held 28.85% and 30%, respectively, of the capital of GI10 - Investimentos e Gestão, SGPS, S.A., a company based in Portugal, the main activity of which is the management of stakes in other related companies, essentially insurance brokers. For the years ended December 31, 2021 and 2020, the Bank recognized a valuation of EUR 1,134,793 (mAOA 801,613) and EUR 49,922 (mAOA 31,053), respectively, under "Income from subsidiaries, associates and joint ventures (equity method)". In the years ended December 31, 2021 and 2020, the Bank reduced its stake by EUR 540,000 (mAOA 339,668) and EUR 150,000 (mAOA 119,764), respectively, through capital amortization. For the years ended December 31, 2021 and 2020, the Bank received dividends of EUR 625,000 (mAOA 393,134) and EUR 112,500 (mAOA 89,923). As of December 31, 2021 and 2020, the values of the foreign currency stake were EUR 603,221 and EUR 660 927, respectively.

As of December 31, 2021 and 2020, the Bank held a 7.51% and 10.08% interest, respectively, in the capital of EMIS - Empresa Interbancária de Serviços, S.A.R.L. ("EMIS"). EMIS was incorporated in Angola to manage electronic means of payment and supplementary services. The change in the stake refers to a transfer of shares in the year ended December 31, 2021.

At December 31, 2021 and 2020, the value of loans to the Angolan Banks Association ("ABANC") is related to the fixed assets investment plan, following a decision at the extraordinary General Meeting held on 28 July 2009.

11. Other Assets

This item has the following composition:

	'21	'20
Foreign exchange operations	-	7 795 248
Real Estate Investment Fund (being set up) (Note 8)	14 612 054	14 612 054
Other assets		
PAC/Angola Investe Subsidies	13 701 845	9 127 219
VISA Collateral	5 350 877	6 260 046
VISA	1 298 089	986 421
Taxes to be recovered	1 241 320	1 241 320
Taxes on interbank commissions	1 190 834	668 375
Collection commissions receivable	610 258	371 121
Rents and leases	260 443	194 012
Cash shortfalls	181 238	182 468
Staff shop	134 631	217 642
Clinical services	109 642	127 125
EDEL advance	38 657	45 249
Mastercard Collateral	14 430	16 889
Advance - Angolan Kwanzas	1 737	1 737
Others	1 222 891	3 066 264
	25 356 892	**22 505 888**
	39 968 946	**44 913 190**

On December 31, 2020, the net value of currencies purchased and the currencies sold, converted at the Angolan Kwanza exchange rate on the balance sheet date, has the following breakdown:

		'20				
CURRENCY PURCHASED			**CURRENCY SOLD**			
	BOOK VALUE			**BOOK VALUE (NOTE 15)**		
Currency	**Foreign currency (in units)**	**Domestic currency**	**Currency**	**Foreign currency (in units)**	**Domestic currency**	**Net value**
USD	12 000 000	7 795 248	AOA		(8 284 449)	(489 201)
		7 795 248			**(8 284 449)**	**(489 201)**

The balance of the item "PAC/Angola Investe Subsidies" refers to the amount receivable from the State (Ministry of Economy), relating to interest subsidies on loans granted under the Credit Support Project ("PAC") and Angola Investe. As of December 31, 2021, the interest subsidies due for the last four months of 2019 and for financial years 2020 and 2021 remain uncollected.

Under the terms of the contract entered into between Banco BIC and Visa International, the Bank is under the obligation to maintain a collateral deposit with the custodian bank of VISA (United Overseas Banking Limited), the amount of which is determined according to the transaction volume. As of December 31, 2021 and 2020, the balance of the "VISA Collateral" item is an amount equivalent to approximately USD 9,641,568 (mAOA 5,350,877) and USD 9,636,710 (mAOA 6,260,046), respectively, bearing interest at an annual rate of 0.15%.

As of December 31, 2021 and 2020, the balance of the item "Taxes to be recovered" corresponds to the provisional Industrial Tax return filed in the years 2015 to 2018.

On December 31, 2021 and 2020, the balance of the item "Tax on interbank commissions" corresponded to the amounts receivable from other financial institutions for interbank clearing commissions, in accordance with the binding opinion of the General Tax Administration. Provisions for cash shortfalls are under the scope of the "Other provisions" item (Note 14).

12. Resources from central banks and other credit institutions

This item has the following composition:

	'21	'20
Resources from credit institutions in the country		
Operations on the interbank money market		
From other credit institutions in the country	-	2,000,000
Interest payable	-	1,153
	-	**2,001,153**
Resources from credit institutions overseas		
Operations on the interbank money market		
Banco BIC Cabo Verde, S.A. - USD	121,951,646	85,001,830
Interest payable	232,554	392,821
	122,184,200	**85,394,651**
Demand deposit overdrafts		
Banco BIC Português, S.A.	122,355	-
	122,355	**-**
	122,306,555	**87..395.804**
Linked resources		
Visa prepaid	16,112,706	17,035,093
To imports - Foreign currency	6,483,655	11,299,826
Others	(167,440)	(172,255)
	22,428,921	**28,162,664**
Certified cheques - Domestic currency	451,983	572,543
	451,983	**572,543**
	22,880,904	**28,735,207**
	145,187,459	**116,131,011**

As of December 31, 2021 and 2020, resources from credit institutions, excluding interest payable, have the following structure, by residual maturities:

	'21	'20
Up to one month	72,003,356	2,000,000
Between one month and three months	49,948,290	85,001,830
	121,951,646	**87,001,830**

At December 31, 2021 and 2020, the resources from credit institutions, excluding interest payable, have the following structure by currency and average annual rates, weighted by the respective nominal value of the operations:

	'21			'20		
	Interest rate	Foreign current (in units)	Domestic currency	Interest rate	Foreign currency (in units)	Domestic currency
In thousands of Angolan Kwanzas	-	-	-	10.52%	-	2,000,000
In American Dollars	2.84%	97,855,211	54,307,783	2.91%	130,851,765	85,001,830
In Euros	0.00%	107,539,348	67,643,863	-	-	-
			121,951,646			**87,001,830**

The item "Import-linked funds – Foreign currency" refers to amounts deposited by customers that are held for the settlement of import documentary credits with other credit institutions.

13. Customer Resources and Other Loans

This item has the following composition:

	'21	'20
Demand deposits of residents:		
In domestic currency		
Companies	248,181,322	242,075,312
Public administrative sector	192,140,665	7,470,241
Individuals	150,337,475	142,783,243
Public business sector	3,246,720	17,143,246
	593,906,182	**409,472,042**
In foreign currency		
Companies	48,617,953	85,496,086
Individuals	39,837,184	54,893,596
Public business sector	1,162,690	770,276
Public administrative sector	166,756	176,610
	89,784,583	**141,336,568**
Demand deposits of non-residents:		
In domestic currency	5,624,511	3,518,245
In foreign currency	940,165	1,172,132
	6,564,676	**4,690,377**
TOTAL DEMAND DEPOSITS	**690,255,441**	**555,498,987**
Time deposits of residents:		
In domestic currency		
Companies	142,442,313	164,302,134
Individuals	65,620,595	47,138,996
Public administrative sector	5,388,048	4,985,000
Public business sector	1,749,221	92,177,999
Interest payable	4,788,317	4,232,629
	219,988,494	**312,836,758**
In foreign currency		
Individuals	246,557,572	295,188,155
Companies	125,994,305	162,455,088
Public business sector	14,270,399	14,968,679
Interest payable	3,731,049	4,254,834
	390,553,325	**476,866,756**
Demand deposits of non-residents:		
In domestic currency		
Applied value	321,021	288,141
Interest payable	5,018	35,111
	326,039	**323,252**
In foreign currency		
Applied value	747,814	1,105,158
Interest payable	1,904	5,955
	749,718	**1,111,113**
TOTAL TIME DEPOSITS	**611,617,576**	**791,137,879**
	1,301,873,017	**1,346,636,866**

On December 31, 2021 and 2020, customer demand deposits are not remunerated, with the exception of specific situations, defined in accordance with the guidelines of the Bank's Board of Directors.

As of December 31, 2021 and 2020, time deposits of customers, excluding interest payable, have the following structure, by residual maturities:

	'21	'20
Up to three months	402,922,607	531,317,455
From three to six months	136,501,084	172,261,822
From six months to one year	63,625,759	75,289,008
From one to three years	41,404	3,740,716
More than three years	434	349
	603,091,288	**782,609,350**

At December 31, 2021 and 2020, customer time deposits, excluding interest payable, have the following structure by currency and average annual rates, weighted by the respective invested amount:

	'21			'20		
	Interest rate	Foreign currency (in units)	Domestic currency	Interest rate	Foreign currency (in units)	Domestic currency
In thousands of Angolan Kwanzas	10.07%	-	215,521,197	8.20%	-	308,892,270
In American Dollars	3.40%	666,335,515	369,803,551	3.76%	695,335,327	451,692,610
In Euros	1.65%	28,245,017	17,766,540	1.65%	27,584,757	22,024,470
			603,091,288			**782,609,350**

As of December 31, 2021 and 2020, time deposits by residents in domestic currency in the Companies segment include the amounts of mAOA 40,968,634 and mAOA 95,578,985 of deposits indexed to the US dollar (Note 28).

14. Provisions and Impairment

Movements in provisions and impairment for the year ended December 31, 2021, are as follows:

	'21						
	Balances at 31.12.2020	Reinforcements	Adjustments and readjustments	Exchange rate variation	Utilizations	Regularization	Balances at 31.12.2021
Impairment							
Cash and cash equivalents in other credit institutions (Note 4)	10,209	33,276	(5,048)	(2,353)	-	-	36,084
Investments in Central Banks and other credit institutions (Note 5)	1,498,434	1,628,084	(407,724)	(166,716)	-	-	2,552,078
Investments at amortized cost (Note 6)	61,556,821	459,808	(16,668,402)	(1,553,984)	-	-	43,794,313
Loans to customers (Note 7)	247,843,797	22,826,807	-	(34,424,567)	(32,309)	(3,100,000)	233,113,728
Non-current assets held for sale (Note 8)	22,388,184	-	-	-	-	-	22,388,184
	333,297,515	**24,947,975**	**(17,081,174)**	**47,944,751**	**(32,309)**	**(3,100,000)**	**301,884,387**
Provisions							
Provision of guarantees	5,287,652	-	-	790,012	-	3,100,000	7,884,141
Retirement pensions	18,123,951	1,484,616	-	4,427,342	-	-	16,815,923
Other provisions	3,684,734	616,116	-	(598,967)	(51,687)	38,479	3,688,675
	27,096,337	**2,100,732**	**-**	**(3,895,122)**	**(51,687)**	**3,138,479**	**28,388,739**
	360,393,852	**27,048,707**	**(17,081,174)**	**40,040,389**	**(83,996)**	**38,479**	**330,273,126**

Movements in provisions and impairment for the year ended December 31, 2020, are as follows:

'20

	Balances at 31.12.2019	Increases	Adjustments and readjustments	Exchange rate variation	Utilizations	Transfers	Balances at 31.12.2020
Impairment							
Cash and cash equivalents in other credit institutions (Note 4)	50,076	-	(39,867)	-	-	-	10,209
Investments in Central Banks and other credit institutions (Note 5)	80,690	1,417,744	-	-	-	-	1,498,434
Investments at amortized cost (Note 6)	12,046,521	49,510,370	-	-	-	-	61,556,891
Loans to customers (Note 7)	208,491,297	20,284,626	-	47,944,751	(6,517,508)	(22,359,369)	247,843,797
Non-current assets held for sale (Note 8)	2,132,622	-	(33,320)	-	(2,070,487)	22,359,369	22,388,184
	222,801,206	**71,212,740**	**(73,187)**	**47,944,751**	**(8,587,995)**	**-**	**333,297,515**
Provisions							
Provision of guarantees	4,221,490	276,150	-	790,012	-	-	5,287,652
Retirement pensions	12,296,789	1,399,820	-	4,427,342	-	-	18,123,951
Other provisions	2,361,954	547,538	-	(897,716)	(122,474)	-	3,684,734
	18,880,233	**2,223,508**	**-**	**(6,115,070)**	**(122,474)**	**-**	**27,096,337**
	241,681,439	**73,436,508**	**(73,187)**	**54,059,821**	**(8,710,469)**	**-**	**360,393,852**

At December 31, 2020, the increase of impairment calculated for the item "Investment at amortized cost", amounting to mAOA 49,510,370, posted in the second half of the year, results, essentially, from the change in the *Probability Default* ("PD") at 12 months as a result of the downgrading of the *rating* of the Republic of Angola (Note 2.3. line c), VI).

The effect of the exchange rate variation on the movement of provisions and impairment is reflected in the item "Foreign exchange results" (Note 21).

As of December 31, 2021 and 2020, the provision for pensions amounts to approximately USD 30,300,000 (mAOA 16,815,923) and USD 27,900,000 (mAOA 18,123,951), respectively.

As referred to in Note 2.3. line k), the liabilities that the Bank may incur from the supplementary retirement and survivor's pension program were calculated through an actuarial valuation performed by an independent expert, with reference to December 31, 2021 and 2020 and forecast for the following year.

As of December 31, 2021 and 2020, there are no retirement or survivor pensioners to be considered in the plan.

TOTAL NUMBER AS OF DECEMBER 31, 2019	**2,084**
Exits:	
Of active employees	(27)
Due to death	(6)
Entrances	24
TOTAL NUMBER AS OF DECEMBER 31, 2020	**2,075**
Exits:	
Of active employees	(23)
Due to death	(1)
Entrances	25
TOTAL NUMBER AS OF DECEMBER 31, 2021	**2,076**

As of December 31, 2021 and 2020, the liabilities for past services, the provisions for retirement pensions and the respective coverage level of the liabilities break down as follows:

	'21	'20
Total liabilities for past services		
Liabilities for past services of active employees	10,994,572	12,343,478
TOTAL LIABILITIES FOR PAST SERVICES	**10,994,572**	**12,343,478**
Provision for retirement pensions	16,815,923	18,123,951
Excess/(Insufficiency) of coverage	5,821,351	5,780,473
Level of liability coverage	153%	147%

The evolution of the level of coverage of liabilities, on December 31, 2021 and in the years 2020, 2019, 2018, 2017, 2016 has the following breakdown:

	'21	'20	'19	'18	'17	'16
Total liabilities for past services	10,994,572	12,343,478	8,776,109	5,306,192	2,647,465	2,362,830
Provision for retirement pensions	16,815,923	18,123,951	12,296,789	7,128,822	3,434,627	3,036,026
Excess/(Insufficiency) of coverage	5,821,351	5,780,473	3,520,680	1,822,630	787,162	673,196
Level of liability coverage	153%	147%	140%	134%	130%	128%

As of December 31, 2021 and 2020, the balance of the item "Other provisions" is intended to cover possible contingencies arising from the Bank's activity, as well as to reflect potential losses in the realizable value of accounts receivable and other assets (Note 11).

15. Other liabilities

This item has the following composition:

	'21	'20
Foreign exchange operations		
Costs for the purchase and sale of foreign currency payable (Note 11)	-	8,284,449
Obligations of a social or statutory nature		
Dividends payable	5,837,429	3,234,899
Obligations of a fiscal nature		
Capital gains tax	1,764,968	1,478,609
Industrial Tax - Services Taxation	1,310,429	1,343,090
Value Added Tax (VAT)	1,309,346	679,999
Taxation relating to remuneration	1,586,581	498,275
Stamp duty	85,656	161,256
Other taxes	8,652	5,400
	6,065,632	**4,166,629**
Obligations of a civil nature		
Revenue with deferred income - Guarantees	154,981	190,924
Obligations of an administrative and marketing nature:		
Staff - salaries and other remuneration		
Vacations and vacation and Christmas bonuses	4,890,950	4,623,054
Staff costs (Note 24)	2,951,461	3,030,935
Others	8,717	8,717
	7,851,128	**7,662,706**
VISA Cards	2,677,862	2,119,601
ATM clearing	172,563	53,860
Specialized Services		
Banco BIC Português (Note 27)	991,164	1,098,431
Others	453,398	914,439
	1,444,562	**2,012,870**
Deferred commissions	51,897	511,816
Communications and shipping costs		
Data circuit	298,794	298,105
Communications	26,615	45,893
Others	-	4,192
	325,409	**348,190**
Commercial and industrial suppliers	1,539,101	682,945
Security and surveillance	27,339	28,705
Other administrative costs	37,464,336	49,339,106
	51,554,197	**62,759,799**
	63,612,239	**78,636,700**

As of December 31, 2021 and 2020, the balance of the item "Capital Gains Tax" refers to the tax payable on interest of demand deposits, interest on time deposits, money market lending and borrowing, Treasury Bonds and other securities in the portfolio.

On December 31, 2021 and 2020, the balance of the item "Taxation related to remunerations" refers to the Labor Income Tax ("IRT") to be paid to the General Tax Administration in the month following the month to which it relates.

As of December 31, 2021, the balance of the item "Staff costs" refers to the estimate made by the Bank of the performance bonus for its employees for the year ending December 31, 2021, corresponding to the unpaid amount that will be settled in future periods, corrected due to exchange rate variations (Note 24).

The balance of the item "VISA Cards" corresponds to amounts to be settled in relation to VISA cards.

As of December 31, 2021 and 2020, the balance of the "Other administrative costs" item includes estimated tax from previous financial years, with an amount of mAOA 12,438,190.

As of December 31, 2021 and 2020, the balance of the item "Other administrative costs" includes the amount payable for a set of commercial, organizational and other support services provided by the Bank's related entities, with the amounts of mAOA 2,003,209 and mAOA 3,722,520, respectively.

At December 31, 2021 and 2020, the balance of the item "Other administrative costs" includes the amount to be recognized in relation to financing denominated in Angolan Kwanzas, the contract of which provides for the updating of the amount of the loan granted according to the exchange rate devaluation of the domestic currency against the American Dollar, with an amount of mAOA 3,227,546.

16. Equity

The movements that occurred in the equity items, in the years ended December 31, 2021 and 2020, have the following breakdown:

	Share Capital	Revaluation reserves	Legal reserve	Other reserves	Total	Net results of the financial year	Total equity
BALANCES AT DECEMBER 31, 2019	**20,000,000**	**206.4.028**	**52,767,756**	**13,822,779**	**66,590,535**	**70,657,221**	**363,718,784**
Allocation of the net result for the 2019 financial year:							
Transfer to the legal reserve	-	-	14,131,444	35,328,611	49,460,055	(49,460,055)	-
Transfer to other reserves	-	-	-	-	-	-	-
Dividend distribution	-	-	-	-	-	(21,197,166)	(21,197,166)
Update of equity	-	118,886,418	-	-	-	-	118,886,418
Net results of the financial year	-	-	-	-	-	21,288,589	21,288,589
BALANCES AT DECEMBER 31, 2020	**20,000,000**	**25,357,446**	**6,899,200**	**49,151,390**	**116,050,590**	**21,288,589**	**482,696,625**
Allocation of the net result for the 2020 financial year:							
Transfer to the legal reserve	-	-	4,257,718	10,644,294	14,902,012	(14,902,012)	-
Transfer to other reserves	-	-	-	-	-	-	-
Dividend distribution	-	-	-	-	-	(6,386,577)	(6,386,577)
Update of equity	-	(69,380,554)	-	-	-	-	(69,380,554)
Net results of the financial year	-	-	-	-	-	50,126,447	50,126,447
BALANCES AT DECEMBER 31, 2021	**20,000,000**	**255,976,892**	**71,156,918**	**59,795,684**	**130,952,602**	**50,126,447**	**457,055,941**

Capital

The Bank was incorporated with a share capital of mAOA 522,926 (equivalent to USD 6,000 ,000 on the date of incorporation), represented by 522,926 nominative shares each worth one thousand Angolan Kwanzas, fully subscribed and paid up in cash.

During the 2006 financial year, the Bank increased its share capital by mAOA 1,088,751 (equivalent to 14,000,000 USD) and, subsequently, at the General Assembly meeting of December 1, 2006, it was decided to increase the share capital from 20,000,000 USD to 30,000,000 USD, fully paid up in cash, to be represented by 2,414,511 nominative shares, each worth one thousand Angolan Kwanzas.

In the first half of 2014, the Bank increased its capital by incorporating free reserves amounting to mAOA 585,498, to be represented by 3,000,000 shares with a par value of one thousand Angolan Kwanzas each. The purpose of the capital increase was to comply with the provisions of Banco Nacional de Angola Notice no. 14/2013, of November 15, which set the minimum value of the share capital of financial institutions at mAOA 2,500,000.

In the first half of 2018, the Bank increased its capital by incorporation of free reserves amounting to mAOA 17,000,000, to be represented by 20,000,000 shares with a par value of one thousand Angolan Kwanzas each. The purpose of the capital increase was to comply with the provisions of Banco Nacional de Angola Notice No. 02/2018, of March 2, which provides for the change in the minimum share capital required for Financial Institutions operating in Angola, from mAOA 2,500,000, applicable until the financial year ending December 31, 2017, to mAOA 7,500,000, as of financial year 2018.

As of December 31, 2021 and 2020, the Bank's shareholder structure is as follows:

Shareholders	Number of shares	Percentage
Sociedade de Participações Financeiras, Lda.	5,000,000	25.00%
Fernando Leonídio Mendes Teles	4,000,000	20.00%
Finisantoro Holding Limited	3,500,000	17.50%
Telesgest B.V.	3,500,000	17.50%
Luís Manuel Cortez dos Santos	1,000,000	5.00%
Manuel Pinheiro Fernandes	1,000,000	5.00%
Sebastião Lavrador	1,000,000	5.00%
Other shareholders	1,000,000	5.00%
	20,000,000	**100.00%**

As of December 31, 2021 and 2020, in compliance with the provisions of paragraph 3 of Article 446 of Law No. 1/2004 of February 13, 2004, which provides the framework for the Law on Commercial Companies, the number of shares held by members of the Bank's management and supervisory bodies, as well as the percentage stakes held, are shown below:

Shareholders	Position	Acquisition	Number of shares	% stake
Fernando Leonídio Mendes Teles	Director	Par Value	7,500,000	37.50%
Fernando José Aleixo Duarte	Director	Par Value	200,000	1.00%
Graziela do Céu Rodrigues Esteves	Director	Par Value	200,000	1.00%
Graça Maria dos Santos Pereira	Director	Par Value	200,000	1.00%

On December 23, 2019, the Luanda Provincial Court decreed a precautionary order of preventive seizure, identified in Case No. 3301/2019-C, Order-Sentence No. 519/19, of the balances existing in bank accounts held by the defendants and domiciled at the Bank, including 25% of the shareholding belonging to Sociedade de Participações Financeiras, Lda. and 17.5% of the shareholding belonging to Finisantoro Holding Limited. The claimant in this case is the State of Angola, represented by the Public Prosecutor's Office and the defendants are Engineer Isabel dos Santos, the beneficial owner of the aforementioned companies, Dr. Sindika Dokolo and Dr. Mario Leite da Silva.

Banco Nacional de Angola was made the trustee of the balances existing in the seized accounts, in its capacity as Regulatory Entity of banking financial institutions, and it must supervise the actions of Banco BIC in relation to the seizure.

The Bank's Board of Directors was appointed trustee of the defendants' shareholding, and is banned from assigning the seized shareholding or from engaging in any other deal in relation to it. It is also banned from delivering earnings to the defendants, either directly or through third parties or companies of which they are beneficiaries. These earnings must be retained until the Court hands down a ruling.

Distribution of results

On April 29, 2021, the General Meeting approved the proposal for the distribution of results presented by the Board of Directors and contained in the Management Report, whereby out of the positive net income calculated at the end of the 2020 financial year, amounting to mAOA 21,288,589, 70% was transferred to other reserves and results carried forward - the amount of mAOA 14,902,012, and 30% for the distribution of dividends to shareholders - the amount of mAOA 6,386,577.

On April 30, 2020, the General Meeting approved the proposal for the distribution of results presented by the Board of Directors and contained in the Management Report, whereby out of the positive net income calculated at the end of the 2019 financial year, amounting to mAOA 70,657,221, 70% was transferred to "Other reserves and results carried forward", amounting to mAOA 49,460,055 and 30% for the distribution of dividends to shareholders, amounting to mAOA 21,197,166.

Legal reserve

Under current legislation, the Bank must set up a legal reserve fund up to the amount of its capital. To this end, a minimum of 10% of the previous year's net income is transferred annually to this reserve (20% until the publication of Law No. 12/2015 - Basic Law on Financial Institutions on June 17, 2015, which remaining the Bank's procedure), updated by Law No. 14/21 – Law on the General Regime of Financial Institutions on May 19, 2021. This reserve can only be used to cover accumulated losses when the other constituted reserves have been exhausted.

Revaluation reserves

The revaluation reserves represent the reserves for the updating of equity (Note 2.3. line i).

17. Off-Balance Sheet Items

These items have the following composition:

	'21	'20
GUARANTEES PROVIDED AND OTHER CONTINGENT LIABILITIES		
Guarantees and sureties provided	60,985,160	68,678,175
Irrevocable commitments	30,826,454	39,127,740
Open documentary credits	7,404,675	15,594,454
	99,216,289	**123,400,369**
LIABILITIES FOR SERVICES RENDERED		
Services provided by the Institution		
Custody of securities	136,695,831	163,423,223
Receipt of payments - in the country	26,487,510	31,805,225
Receipt of payments - overseas	748,635	873,505
	163,931,976	**196,101,953**
Services provided by third parties		
Receipt of payments	(73,391)	(63,142)
	163,858,585	**196,038,811**

The methodology for calculating the impairment of loans granted, which includes guarantees provided and documentary credits, is described in Note 2.3. line c), VI).

As of December 31, 2021 and 2020, "Provisions - Provision of guarantees" (Note 14) correspond to provisions allocated to the item "Guarantees provided and other contingent liabilities" amounting to mAOA 7,884,141 and mAOA 5,287,652, respectively.

18. Financial Margin

These items have the following composition:

	'21	'20
INTEREST AND SIMILAR INCOME		
From loans		
Interest	52,047,989	48,562,791
Commissions	1,143,701	881,109
	53,191,690	**49,443,900**
From securities		
Treasury Bonds		
Indexed to the US Dollar	37,134,847	53,663,458
Non-adjustable	24,755,938	8,799,795
Foreign currency	7,508,132	6,902,053
	69,398,917	**69,365,306**
Treasury Bills	19,622,669	4,046,272
Others	447,939	431,598
	20 070 608	**4,477,870**
	89,469,525	**73,843,176**
From liquidity investments		
Third-party securities with resale agreement	3,172,762	1,005,343
In the Country	536,104	1,222,470
Overseas	396,989	1,072,922
	4,105,855	**3,300,735**
TOTAL INTEREST AND SIMILAR INCOME	**146,767,070**	**126,587,811**
INTEREST AND SIMILAR CHARGES		
From deposits		
Time	(41,336,902)	(36,474,065)
Demand	(57,834)	(40,905)
	(41,394,736)	**(36,514,970)**
From borrowings for liquidity		
Resources from other credit institutions	(2,649,988)	(2,928,632)
	(2,649,988)	**(2,928,632)**
TOTAL INTEREST AND SIMILAR CHARGES	**(44,044,724)**	**(39,443,602)**
FINANCIAL MARGIN	**102,722,346**	**87,144,209**

The increase in the item "Interest and similar income from securities - Treasury Bills" and "Interest and similar income from securities - Non-adjustable treasury bonds" is justified by the Bank's investment policy, which, given the types of securities available on the market, increased investment in these operations. In this sense, there is a reduction in the item "Interest and similar income from securities - US dollar indexed treasury bonds".

19. Income and Charges related to Services and Commissions

This item has the following composition:

	'21	'20
INCOME FROM SERVICES AND COMMISSIONS		
Commissions on EMIS transactions	6,878,681	5,505,481
Commissions for guarantees and sureties	2,222,154	3,173,494
Commissions for payment orders issued	1,641,649	1,528,363
Commissions on automatic payment terminals	521,500	764,996
Commissions on securities transactions	424,414	140,680
Collection commissions - Ministry of Finance	250,601	274,980
VISA Commissions	211,146	291,360
Commissions for management of escrow current accounts	177,234	170,579
Commissions for loans and documentary remittances	62,015	235,524
Other commissions	269,222	338,032
	12,658,616	**12,423,489**
CHARGES FOR SERVICES AND COMMISSIONS		
Commissions on EMIS transactions	(3,884,396)	(2,588,771)
VISA Commissions	(41,121)	(43,044)
Other commissions	(183,717)	(133,844)
	(4,109,234)	**(2,765,659)**
	8,549,382	**9,657,830**

The item "Income from services and commissions – Commissions on EMIS transactions" corresponds to the fees charged by the Bank to customers for operations processed by EMIS. The item "Charges for services and commissions – Commissions on EMIS transactions" refers to the commissions paid by the Bank for operations processed by EMIS.

The item "Commission for guarantees and sureties" corresponds to the linear measurement of the commissions charged when issuing any guarantees that are provided.

20. Investment Results at Amortized Cost

On December 31, 2021, the item "Investment results at amortized cost" corresponds to the capital gains recorded on the sale of Treasury Bills and Treasury Bonds

21. Foreign exchange results

This item has the following composition:

	'21			'20		
	Income	Losses	Net	Income	Losses	Net
Foreign exchange results	315,039,617	(307,161,476)	7,878,141	758,985,121	(745,516,543)	13,468,578
Banknotes and coins results	2,819,847	(1,757,903)	1,061,944	2,338,605	(625,368)	1,713,237
Foreign exchange revaluation of financial instruments indexed to USD						
Foreign exchange revaluation of Treasury Bonds	-	(50,867,912)	(50,867,912)	194,220,914	-	194,220,914
Foreign exchange revaluation of time deposits	6,591,907	-	6,591,907	-	(42,297,717)	(42,297,717)
	324,451,371	**(359,787,291)**	**(35,335,920)**	**955,544,640**	**(788,439 .628)**	**167,105,012**

The evolution of the item's balances is directly related to the evolution of the exchange rate of the Angolan Kwanza against foreign currency. In the year ending December 31, 2021, there was an appreciation of the Angolan Kwanza, unlike previous years, which saw a significant devaluation of the Angolan Kwanza.

The balance of the item corresponds essentially to foreign exchange gains and losses in the portfolio of securities issued or indexed to foreign currency, in customer deposits denominated in or indexed to foreign currency, in foreign currency purchase and sale transactions carried out by the Bank, and in the revaluation of the foreign exchange position as described in Note 2.3. line b).

22. Results from the Sale of Other Assets

On December 31, 2021 and 2020, the item "Results from the sale of other assets" corresponds to the gains posted from the sale of tangible fixed assets.

23. Other Operating Results

This item has the following composition:

	'21	'20
Reimbursement of expenses		
On payment orders	1,367,592	1,560,898
Others	268,102	294,380
	1,635,694	**1,855,278**
Income for the provision of sundry services:		
Sale of currency/withdrawals	172,343	161,797
Issue of cheques	17,971	24,665
Others	951,374	935,992
	1,141,688	**1,122,454**
Multicaixa Card	906,430	922,770
Office expenses	853,777	745,623
Other sundry income and gains	680,133	312,646
	2,440,340	**1,981,039**
	5,217,722	**4,958,771**
Taxes and rates not levied on the result:		
Capital gains tax (Note 26)	(6,594,806)	(4,210,299)
Other taxes and rates	(1,027,289)	(1,511,791)
	(7,622,095)	**(5,722,090)**
Regularization of debit balances	(242,605)	(436,535)
Other sundry costs and losses	(4,406,697)	(827,690)
	(4,649,302)	**(1,264,225)**
	(12,271,397)	**(6,986,315)**
	(7,053,675)	**(2,027,544)**

The item "Other sundry income and gains" corresponds to additional gains from ATM's, cash and treasury, income from closing accounts, as well as sundry regularizations.

The item "Other sundry costs and losses" refers to litigation and notary services, legal services, housing subsidies and sundry regularizations.

24. Staff Costs

This item has the following composition:

	'21	'20
REMUNERATIONS		
Monthly remuneration		
Basic pay	17,881,266	14,075,230
Fixed working hours exemption	5,027,776	3,962,290
Travel expenses supplement	1,948,995	1,525,650
Salary supplement	1,627,534	1,324,202
Errors allowance	825,558	654,706
Seniority payments	701,184	505,806
	28,012,313	**22,047,884**
Additional remuneration		
Lunch Allowance	4,495,355	3,369,114
Christmas Allowance	2,278,807	2,123,911
Vacation Allowance	2,276,455	2,112,379
	9,050,617	**7,605,404**
Other remuneration	1,469,523	1,130,450
	38,532,453	**30,783,738**
VARIABLE DISTRIBUTION - PERFORMANCE BONUS		
To be paid (Note 15)	3,600,443	2,024,588
Paid in the period	4,697,761	-
	8,298,204	**2,024,588**
Mandatory social charges	2,862,273	2,254,815
Optional charges	574,035	535,598
Other staff costs	263,443	-
	50,530,408	**35,598,739**

25. Third party Supplies and Services

These items have the following composition:

	'21	'20
Security and surveillance	4,086,787	3,982,151
Staff shop	2,425,754	2,973,724
Specialized Services		
IT	2,188,657	1,354,990
Consultancy and audits	1,828,420	2,108,234
Others	210,848	209,045
	4,227,925	**3,672,269**
Communication and shipping costs	3,278,960	2,798,359
Maintenance and repair	2,608,576	1,933,164
Membership fees and donations	1,910,595	1,578,704
Insurance	1,831,008	1,851,041
Rents and leases	1,595,051	1,429,217
Bonuses	578,516	419,940
Water, energy and fuel	554,910	501,536
Advertising	534,962	502,512
Travel and accommodation	430,712	294,934
Cleaning services	347,584	227,909
Others	1,383,027	1,168,533
	15,053,901	**12,705,849**
	25,794,367	**23,333,993**

26. Income Taxes

On December 31, 2021 and 2020, the income tax expenses recorded in results, as well as the tax burden, measured by the ratio between the allocation for income taxes and the profit for the year before taxes, have the following breakdown:

	'21	'20
Total Industrial Tax recognized in results	-	-
Profit before tax	49,185,030	8,865,560
Effective Industrial Tax Rate	0,00%	0,00%

As of December 31, 2021 and 2020, the reconciliation between the nominal and effective tax rate is detailed as follows:

	'21		'20	
	Rate	Tax	Rate	Tax
Pre-tax result		49,185,030		8,865,560
Tax assessed based on the nominal rate	35.00%	17,214,761	35%	3,102,946
Tax benefits on income from public debt securities or equivalent:				
Interest and similar income	-60.69%	(29,849,695)	-286.90%	(25,435,325)
Costs not accepted for tax purposes				
Tax	7.84%	3,854,808	28.71%	2,545,403
Provisions	15.32%	7,537,578	19.98%	1,771,183
Corrections related to previous financial years	0	-	59.43%	5,268,586
Others	0.61%	301,131	3.66%	324,178
	-10.62%	**(941,417)**	**-140.13%**	**(12,423,029)**
Use of tax losses		-		-
Industrial Tax Estimate	**0**	**(941,417)**	**0**	**(12,423,029)**

As of December 31, 2021 and 2020, costs of the Capital Gains Tax ("IAC") are recorded in the income statement, under the item "Other operating income - taxes and fees not affecting income", and amount to mAOA 6,594,806 and mAOA 4,210,299, respectively (Note 23).

As of December 31, 2021 and 2020, the Bank has calculated tax losses resulting from the posting of "Deferred tax assets" amounting to mAOA 941,417 and mAOA 12,423,029, respectively.

As of December 31, 2021, the balance of the item "Deferred tax assets" corresponds to the cumulative detailed amounts, and the Bank has proceeded to post them to accounts, as there are duly justified expectations that taxable profits will be generated over the coming financial years so that they can be used (Note 2.3. line h).

27. Related Entities

As of December 31, 2021 and 2020, the main balances held by the Bank with related entities, are as follows:

						'21
	Banco BIC Português S.A.	Banco BIC Cabo Verde S.A.	Bank BIC Namibia, Limited	Shareholders and entities held by shareholders	Members of the Board of Directors and Supervisory Board	Total
ASSETS						
Cash and cash equivalents in other credit institutions (Note 4)	1,465,052	9,648,243	2,840,767	-	-	13,954,062
Investments in central banks and other credit institutions (Note 5)	91,340,265	8,033,117	-	-	-	99,373,382
Investments at amortized cost (Note 6)	-	-	-	8,514,962	-	8,514,962
Loans to customers (Note 7)	-	-	-	97,604,683	159,118	97,763,801
Other assets (Note 11)	1,737	-	-	27,367	-	29,104
	92,807,054	**17,681,360**	**2,840,767**	**106,147,012**	**159,118**	**219,635,311**
LIABILITY						
Resources from other credit institutions (Note 12)	122,355	122,184,200	-	-	-	122,306,555
Customer resources (Note 13)	-	-	-	51,226,912	2,888,995	54,115,907
Other liabilities (Note 15)	4 713.684	-	-	7 045 974	-	11,759,658
	836,039	**122,184,200**	**-**	**58,272,886**	**2,888,995**	**188,182,120**
OFF-BALANCE SHEET						
Guarantees and sureties provided (Note 17)	-	-	-	2,673,143	-	2,673,143
Documentary credits open (Note 17)	-	-	-	1,103,232	-	1,103,232
	-	**-**	**-**	**3,776,375**	**-**	**3,776,375**
STATEMENT OF RESULTS						
Interest from Liquidity Investments and Loans	61,290	243,406	-	12,070,954	7,013	12,382,663
Interest from Liquidity Resources and Deposits	-	2,203,932	-	1,883,420	130,011	4,217,363
Commissions for guarantees and sureties provided	-	-	-	191,003	-	191,003
Third party supplies and services (Note 25)	461,028	-	-	-	-	461,028
	522,318	**2,447,338**	**-**	**14,145,377**	**137,024**	**17,252,057**

	Banco BIC Português S.A.	Banco BIC Cabo Verde S.A.	Bank BIC Namibia, Limited	Shareholders and entities held by shareholders	Members of the Board of Directors and Supervisory Board	Total
ASSETS						
Cash and cash equivalents in other credit institutions (Note 4)	11,226,999	9,975,220	1,646,748	-	-	22,848,967
Investments in central banks and other credit institutions (Note 5)	44,783,916	9,149,403	-	-	-	53,933,319
Investments at amortized cost (Note 6)	-	-	-	12,421,497	-	12,421,497
Loans to customers (Note 7)	-	-	-	146,041,059	179,859	146,220,918
Other assets (Note 11)	1,737	-	-	18,551	-	20,288
	56,012,652	**19,124,623**	**1,646,748**	**158,481,107**	**179,859**	**235,444,989**
LIABILITY						
Resources from other credit institutions (Note 12)	-	85,394,651	-	-	-	85,394,651
Customer resources (Note 13)	-	-	-	62,899,572	3,860,751	66,760,323
Other liabilities (Note 15)	4,820,951	-	-	11,053,188	-	15,874,139
	4,820,951	**85,394,651**	**-**	**73,952,760**	**3,860,751**	**168,029,113**
OFF-BALANCE SHEET						
Guarantees and sureties provided (Note 17)	-	-	-	6,018,329	-	6,018,329
Documentary credits open (Note 17)	-	-	-	1,970,219	-	1,970,219
	-	**-**	**-**	**7,988,548**	**-**	**7,988,548**
STATEMENT OF RESULTS						
Interest from Liquidity Investments and Loans	306,423	179,885	-	9,129,492	7,326	9,623,126
Interest from Liquidity Resources and Deposits	-	1,216,785	-	1,168,163	64,066	2,449,014
Commissions for guarantees and sureties provided	-	-	-	57,818,921	-	57,818,921
Third party supplies and services (Note 25)	789,526	-	-	-	-	789,526
	1,095,949	**1,396,670**	**-**	**68,116,576**	**71,392**	**70,680,587**

28. Disclosures Related to Financial Instruments

Risk management policy

The Bank's risk management policy aims to contribute to the pursuit of the respective strategic objectives, seeking to ensure balanced and sustained development while maintaining an appropriate relationship between levels of own funds and the risks incurred as part of the scope of the business. In this sense, it is considered fundamental to ensure the segregation of functions between the areas where risks originate and the areas that monitor the risks, allowing the latter to perform its duties in an objective and independent manner.

The Bank has been developing a management and monitoring structure for the different risks, seeking to provide its organizational structures with the technical and human resources to suit the different types of risk incurred during its activity. The Bank intends to ensure that the employees involved in performing their activities comply with the procedures stipulated by the regulator for the correct execution of their responsibilities.

The risk management function is performed by the Risk Department, with autonomy, and it must be exercised independently from the risk-taking areas, be provided with sufficient resources to pursue its objectives, and have ample access to all activities and information relevant to the performance of its functions, as defined in Banco Nacional de Angola Notice no. 10/2021, of June 18 (revoked by Banco Nacional de Angola Notice no. 01/2022, of January 17, without changes to the aforementioned requirement).

The Bank intends to implement an internal control and risk management system, which ensures the risk management functions, policies and processes for the identification, assessment, monitoring, follow-up and reporting of liquidity, market and operational risks, as well as any materially relevant specific risks inherent to its activity.

Liquidity risk

The definition of liquidity risk is associated with a potential inability of the institution to finance its assets and to meet, within the contracted deadlines and dates, all required and applicable liabilities.

Liquidity management plays a major role in ensuring the Bank's sustainability, and the maintenance of appropriate levels of liquidity is fundamental to its proper operation, with cash flow pressure, crisis or recession situations being particularly relevant.

Liquidity is managed on a daily basis by the International and Financial Department, in the Trading Room Unit, based on internally defined indicators. It is also monitored by the Risk Department, which controls and assesses liquidity risk management and also ensures compliance with the liquidity and observation ratios, required in regulatory terms.

Market risk

Market risk, by definition, is the possibility of a loss that a portfolio may suffer due to the oscillation of rates, maturity mismatches, currencies and indexes of the asset and liability portfolios held by the Bank.

In terms of market risks, the Bank pursues a policy of not leveraging its activity by trading financial instruments, in recognition of the fact that the Bank must be based on the commercial and retail segment. The Trading Room Unit's activity must essentially focus on prudent cash flow management, by investing and earning profit on surplus liquidity. In this sense, the Bank has been strengthening the mechanisms that allow the control and management of market risk, and this exposure is monitored by the the Asset and Liability Management Committee ("ALCO"), among other bodies.

Interest rate risk

Interest rate risk is defined as the probability of the occurrence of negative impacts on results or equity, as a result of adverse changes in the interest rates of elements of the banking portfolio.

Exchange rate risk

Exchange rate risk is associated with positive or negative impacts on the Bank's results and equity, arising from exchange rate fluctuations.

In terms of foreign exchange risk, Banco BIC follows a prudent policy of managing foreign currency assets and liabilities, which strongly minimizes the exchange rate risk, the objective being to obtain permanent coverage of foreign exchange positions in the various currencies.

In addition to monitoring the foreign exchange position and exposure and comparing them with the established limits, the Risk Department is responsible for creating stress tests where it assesses the impact of a potential currency appreciation or devaluation on the Bank's asset structure, results and solvency ratio.

Operational Risk

With reference to operational risk, the Bank has implemented a comprehensive risk measurement and management system that enables it to identify and take mitigating measures.

Operational risk management is based on a decentralized model, which is comprehensively distributed through all levels of the hierarchical structure. The methodology includes activity and risk mapping processes that seek to pick up material exposure to operational risk, as well as processes for recording and approving events and for the self-assessment of risks and their respective controls.

Concentration risk

Concentration risk is the risk of loss arising from the possibility that an exposure or group of exposures will cause losses that are significant enough to jeopardize the Bank's solvency.

Concentration risk control is an essential element of management. The Bank continuously monitors the level of concentration of the loan portfolios in different relevant dimensions, by sector and customer group.

In counterparty credit risk, the Bank's objective is the diversification of counterparties, based on methodologies for assessing, monitoring and controlling credit limits, as well as complying with the prudential limits for major risks in accordance with Banco National de Angola Notice no. 09/2016.

Credit risk

Credit risk is defined as the risk associated with the possibility of a financial institution incurring financial losses as a result of the borrowers' failure to meet their contractual obligations in the respective loan operations.

For the management and control of credit risk, there are internal regulations that use resources, specifically risk ratings, exposure levels and other risk criteria, to define the levels of competence required in the credit decision-making process.

The Credit Risk Analysis Department is responsible for analyzing, issuing opinions on and taking decisions on credit operations, in accordance with credit regulations and the current delegation of competence. It is also responsible for analyzing individual impairment for customer loans and monitoring defined loan alerts.

Solvency risk

Banco BIC maintains adequate levels of regulatory and economic capital, and has internal management and control mechanisms that allow it to maintain a solid capital structure. In this way, the Bank ensures that it mitigates the risk of problems in its ability to meet regulatory requirements regarding capital ratios, and the problems of having to change its risk profile due to insufficient equity.

Pursuant to the prudential regulations in force, Banco BIC must conduct an internal capital adequacy self-assessment process ("ICAAP") on an annual basis, the main objective of which is to ensure that the risks to which institutions are exposed are adequately assessed and that their internal capital is adequate in relation to the respective risk profile defined in the Bank's risk appetite structure.

According to prudential regulations, Pillar I sets out the criteria for calculating minimum capital requirements based on credit risk; market risk and operational risk.

Under Pillar II, the Bank will perform the internal capital adequacy assessment process ("ICAAP") that aims to identify, measure and allocate capital to the risks to which the Bank is or could be exposed.

The risk identification and measurement process focuses on all risks defined in the Bank's risk taxonomy. In turn, and according to the perception of the materiality of the risks, the calculation of internal capital needs, which is based on methodologies and/or internal risk factors.

IT systems risk

IT systems risk monitoring is fundamental, as it includes processes that ensure the operability and performance of the systems, information security, and strict access and profiles control appropriate to the needs of each function. Recovery plans must be developed and maintained for the Bank's different software, in accordance with their level of criticality for the activity, and the risk of outsourcing services must be duly safeguarded.

As regards information protection, emphasis should be placed on personal data processing processes, for which specific controls must be implemented to ensure compliance with the defined regulations.

In order to mitigate the risks arising from extreme operational risk events and information and the risk of information and communication systems, the Bank is consolidating its business continuity plan so that it can guarantee its critical activities with the least possible disruption.

It is the Bank's objective to develop the integrated implementation of policies and procedures that aim to ensure the continuous operation and timely recovery of its business in the event of events that could destabilize normal performance.

Compliance *risk*

This risk is characterized by the probability of the occurrence of negative impacts on results or equity arising from violations or non-compliance with laws and regulations, which lead to legal sanctions.

The Bank mitigates the compliance risk level in order to ensure anti money laundering and combating the financing of terrorism and the proliferation of weapons of mass destruction, through the current regulatory framework. The Bank's objectives are full respect for the applicable legal and regulatory provisions, including anti money laundering, combating the financing of terrorism and the proliferation of weapons of mass destruction, as well as for professional and ethical standards and customs, internal and statutory rules, conduct and customer relations rules, and management guidelines, in order to protect the Bank's reputation and avoid it being subject to sanctions.

Banco BIC has implemented methodologies and tools that enable actions to be taken to prevent the occurrence of compliance and reputational risk events. These methodologies must ensure the regular monitoring and assessment of the appropriateness and effectiveness of the measures and procedures adopted to detect any risk of non-compliance with the legal obligations and duties to which the institution is subject, as well as the monitoring and assessment of internal control procedures for anti money laundering and combating the financing of terrorism and proliferation of weapons of mass destruction.

Balance Sheet

Categories of financial instruments

On December 31, 2021 and 2020, the different categories of financial instruments have the following breakdown:

			'21
	Valued at amortized cost	Impairment	Net value
ASSETS			
Cash and deposits at Central Banks	427,800,941	-	427,800,941
Deposits in other credit institutions	35,213,840	(36,084)	35,177,756
Investments in Central Banks and other credit institutions	257,558,860	(2,552,078)	255,006,782
Investment at amortized cost	605,269,830	(43,794,313)	561,475,517
Loans to customers	818,279,347	(233,113,728)	585,165,619
Other assets	39,968,946	-	39,968,946
	2,184,091,764	**(279,496,203)**	**1,904,595,561**
LIABILITY			
Resources from central banks and other credit institutions	(145,187,459)	-	(145,187,459)
Customer resources and other loans	(1,301,873,017)	-	(1,301,873,017)
Other liabilities	(63,612,239)	-	(63,612,239)
	(1,510,672,715)	**-**	**(1,510,672,715)**
	673,419,049	**(279,496,203)**	**39,922,846**

			'20
	Valued at amortized cost	Impairment	Net value
ASSETS			
Cash and deposits at Central Banks	190,924,161	-	190,924,161
Deposits in other credit institutions	38,278,691	(10,209)	38,268,482
Investments in Central Banks and other credit institutions	169,213,283	(1,498,434)	167,714,849
Investment at amortized cost	918,150,634	(61,556,890)	856,593,744
Loans to customers	910,682,063	(247,843,797)	662,838,266
Other assets	44,913,190	-	44,913,190
	2,272,162,022	**(310,909,330)**	**1,961,252,692**
LIABILITY			
Resources from central banks and other credit institutions	116,131,011	-	116,131,011
Customer resources and other loans	1,346,636,866	-	1,346,636,866
Other liabilities	78,636,700	-	78,636,700
	1,541,404,577	**-**	**1,541,404,577**
	730,757,445	**(310,909,330)**	**419,848,115**

Statement of results and other comprehensive income

Income, expense, gains or losses items

At December 31, 2021 and 2020, net gains and losses on financial instruments had the following breakdown:

	'21		
	DUE TO OFFSETTING OF RESULTS		
	Gains	Losses	Net
ASSETS			
Deposits in other credit institutions	-	(28,228)	(28,228)
Investments in Central Banks and other credit institutions	4,105,855	(1,220,360)	2,885,495
Investment at amortized cost	106,102,533	-	106,102,533
Loans to customers	53,368,924	(22,826,807)	30,542,117
	163,577,312	**(24,075,395)**	**139,501,917**
LIABILITY			
Resources from central banks and other credit institutions	-	(2,649,988)	(2,649,988)
Customer resources and other loans	-	(41,394,736)	(41,394,736)
	-	**(44,044,724)**	**(44,044,724)**
	163,577,312	**(68,120,119)**	**95 457.193**
OFF-BALANCE SHEET			
Guarantees provided and documentary credits	2,284,169	-	2,284,169
	2,284,169	**-**	**2,284,169**

	'20		
	DUE TO OFFSETTING OF RESULTS		
	Gains	Losses	Net
ASSETS			
Deposits in other credit institutions	39,867	-	39,867
Investments in Central Banks and other credit institutions	3,300,735	(1,417,744)	1,882,991
Investment at amortized cost	73,983,856	(49,510,370)	24,473,486
Loans to customers	49,614,479	(20,284,626)	29,329,853
	126,938,937	**(71,212,740)**	**55,726,197**
LIABILITY			
Resources from central banks and other credit institutions	-	(2,928,632)	(2,928,632)
Customer resources and other loans	-	(36,514,970)	(36,514,970)
	-	**(39,443,602)**	**(39,443,602)**
	126,938,937	**(110,656,342)**	**16,282,595**
OFF-BALANCE SHEET			
Guarantees provided and documentary credits	3,409,018	-	3,409,018
	3,409,018	**-**	**3,409,018**

At December 31, 2021 and 2020, interest income and expenses on financial instruments not measured at fair value through the results have the following breakdown:

	'21			'20		
	Income	Expenses	Net	Income	Expenses	Net
ASSETS						
Investments in central banks and other credit institutions	4,105,855	-	4,105,855	3,300,735	-	3,300,735
Investment at amortized cost	89,469,525	-	89,469,525	73,843,176	-	73,843,176
Loans to customers	52,047,989	-	52,047,989	48,562,791	-	48,562,791
	145,623,369	**-**	**145,623,369**	**125,706,702**	**-**	**125,706,702**
LIABILITY						
Resources from central banks and other credit institutions	-	(2,649,988)	(2,649,988)	-	(2,928,632)	(2,928,632)
Customer resources and other loans	-	(41,394,736)	(41,394,736)	-	(36,514,970)	(36,514,970)
	-	**(44,044,724)**	**(44,044,724)**	**-**	**(39,443,602)**	**(39,443,602)**
	145,623,369	**(44,044,724)**	**101,578,645**	**125,706,702**	**(39,443,602)**	**86,263,100**

For the years ended December 31, 2021 and 2020, the amounts of income and expenses from commissions not included in the effective rate calculation for instruments not measured at fair value through results, are immaterial.

Other disclosures

Fair value

On December 31, 2021 and 2020, the comparison between the fair value and the balance sheet value of the main assets and liabilities has the following breakdown:

	'21					
	FAIR VALUE OF FINANCIAL INSTRUMENTS POSTED ON THE BALANCE SHEET					
	Book value (net)	At fair value	At amortized cost	Total	Difference	Total book value
ASSETS						
Cash and deposits at Central Banks	427,800,941	-	427,800,941	427,800,941	-	427,800,941
Deposits in other credit institutions	35,177,756	-	35,177,756	35,177,756	-	35,177,756
Investments in Central Banks and other credit institutions	255,006,782	-	255,006,782	255,006,782	-	255,006,782
Investment at amortized cost	561,475,517	-	561,475,517	561,475,517	-	561,475,517
Loans to customers	585,165,619	-	585,165,619	585,165,619	-	585,165,619
	1,864,626,615	**-**	**1,864,626,615**	**1,864,626,615**	**-**	**1,864,626,615**
LIABILITY						
Resources from central banks and other credit institutions	(145,187,459)	-	(145,187,459)	(145,187,459)	-	(145,187,459)
Customer resources and other loans	(1,301,873,017)	-	(1,301,873,017)	(1,301,873,017)	-	(1,301,873,017)
	(1,447,060,476)	**-**	**(1,447,060,476)**	**(1,447,060,476)**	**-**	**(1,447,060,476)**
	417,566,139	**-**	**417,566,139**	**417,566,139**	**-**	**417,566,139**

	FAIR VALUE OF FINANCIAL INSTRUMENTS POSTED ON THE BALANCE SHEET					
	Book value (net)	At fair value	At amortized cost	Total	Difference	Total book value
ASSETS						
Cash and deposits at Central Banks	190,924,161	-	190,924,161	190,924,161	-	190,924,161
Deposits in other credit institutions	38,268,482	-	38,268,482	38,268,482	-	38,268,482
Investments in Central Banks and other credit institutions	167,714,849	-	167,714,849	167,714,849	-	167,714,849
Investment at amortized cost	856,593,744	-	856,593,744	856,593,744	-	856,593,744
Loans to customers	662,838,266	-	662,838,266	662,838,266	-	662,838,266
	1,916,339,502	**-**	**1,916,339,502**	**1,916,339,502**	**-**	**1,916,339,502**
LIABILITY						
Resources from central banks and other credit institutions	116,131,011	-	116,131,011	116,131,011	-	116,131,011
Customer resources and other loans	1,346,636,866	-	1,346,636,866	1,346,636,866	-	1,346,636,866
	1,462,767,877	**-**	**1,462,767,877**	**1,462,767,877**	**-**	**1,462,767,877**
	453,571,625	**-**	**453,571,625**	**453,571,625**		**453,571,625**

The following assumptions were used for the preparation of this map:

- For the items "Cash and deposits at Central Banks" and "Deposits at other credit institutions", given that they are cash or very short-term investments, the Bank considers that the book value is a reasonable approximation of their fair value. The same rationale is applied to "Investments in Central Banks and other credit institutions";

- For "Investments at amortized cost" and considering that i) there is no active transactional market to support the fair value of the financial asset; ii) there are no transactions representing the fair value of the assets; and iii) the assumption that the rates of the Treasury Bonds correspond to market rates; we consider that the fair value corresponds to the recovery value of the asset, i.e. the respective balance sheet value;

- For "Loans to customers" it is considered that the fair value is equal to the balance sheet value;

- For "Resources of Central Banks and other credit institutions", given that they are cash or very short-term investments, the Bank considers that the book value is a reasonable approximation of their fair vale;

- The fair value of "Customer resources and other loans" is considered equal to the balance sheet value.

Nature and extent of risks resulting from financial instruments

Credit risk

At December 31, 2021 and 2020, the maximum exposure to credit risk by type of financial instrument has the following breakdown:

	'21			'20		
	Gross book value	Impairment	Net book value	Gross book value	Impairment	Net book value
ON BALANCE SHEET						
Cash and deposits at Central Banks	427,800,941	-	427,800,941	190,924,161	-	190,924,161
Deposits in other credit institutions	35,213,840	(36,084)	35,177,756	38,278,691	(10,209)	38,268,482
Investments in Central Banks and other credit institutions	257,558,860	(2,552,078)	561,475,517	169,213,283	(1,498,434)	167,714,849
Investment at amortized cost	605,269,830	(43,794,313)	56,475,517	918,150,634	(61,556,890)	856,593,744
Loans to customers	818,279,347	(233,113,728)	585,165,619	910,682,063	(247,843,797)	662,838,266
	2,144,122,818	**(279,496,203)**	**1,864,626,615**	**2,227,248,832**	**(310,909,330)**	**1,916,339,502**
OFF-BALANCE SHEET						
Guarantees provided and documentary credits	75,794,510	(6,105,933)	69,688,577	84,272,629	(4,658,705)	79,613,924
Unused limits	49,270,502	(1,778,208)	47,492,294	39,042,705	(628,946)	38,413,759
	125,065,012	**(7,884,141)**	**117,180,871**	**123,315,334**	**(5,287,651)**	**118,027,683**
	2,269,187,830	**(287,380,344)**	**1,981,807,486**	**2,350,564,166**	**(316,196,981)**	**2,034,367,185**

As of December 31, 2021 and 2020, financial assets have the following composition according to the benchmark *rating used by the Bank:*

			'21		
ASSET	Origin of the *rating*	Rating *level*	Gross exposure	Impairment	Net exposure
Cash and deposits at Central Banks	*Internal* rating	Minimum	427,800,941	-	427,800,941
Deposits in other credit institutions	*Internal* rating	Minimum	35,213,840	(36,084)	35,177,756
Investments in Central Banks and other credit institutions	*Internal* rating	Minimum	11,100,329	(3,597)	11,096,732
		Very low	123,801,472	(345,688)	123,455,784
		Low	122,657,059	(2,202,793)	120,454,266
			257,558,860	**(2,552,078)**	**255,006,782**
Investment at amortized cost	*Internal* rating	Very low	8,514,962	(8,021)	8,506,941
		Low	596,754,868	(43,786,292)	552,968,576
			605,269,830	**(43,794,313)**	**561,475,517**
Loans to customers	*Internal* rating	Minimum	211,319,795	(551,040)	210,768,755
		Very low	201,684,202	(3,827,307)	197,856,895
		Low	127,166,139	(26,062,050)	101,104,089
		Moderate	63,810,900	(26,702,048)	37,108,852
		High	109,001,279	(72,560,080)	36,441,199
		Very high	70,384,179	(68,648,260)	1,735,919
		Maximum	34,912,853	(34,762,943)	149,910
			818,279,347	**(233,113,728)**	**585,165,619**
			2,144,122,818	**(279,496,203)**	**1,864,626,615**

'20

	Origin of the *rating*	Rating *level*	Gross exposure	Impairment	Net exposure
Cash and deposits at Central Banks	*Internal* rating	Minimum	190,924,161	-	190,924,161
Deposits in other credit institutions	*Internal* rating	Very low	38,278,691	(10,209)	38,268,482
Investments in Central Banks and other credit institutions	*Internal* rating	Very low	169,213,283	(1,498,434)	167,714,849
Investment at amortized cost	*Internal* rating	Very low	255,036,568	(17,329,735)	237,706,833
		Low	148,147,068	(9,235,148)	138,911,920
		Low	514,966,998	(34,992,007)	479,974,991
			918,150,634	**(61,556,890)**	**856,593,744**
Loans to customers	*Internal* rating	Minimum	188,275,426	(531,488)	187,743,938
		Very low	195,798,535	(3,307,159)	192,491,376
		Low	213,124,975	(33,552,408)	179,572,567
		Moderate	66,682,634	(27,526,955)	39,155,679
		High	120,071,402	(71,494,229)	48,577,173
		Very high	82,804,449	(67,348,572)	15,455,877
		Maximum	43,924,642	(44,082,986)	(158,344)
			910,682,063	**(247,843,797)**	**662,838,266**
			2,227,248,832	**(310,909,330)**	**1,916,339,502**

The Bank uses internal ratings, according to the risk levels recommended by Banco Nacional de Angola Notice No. 11/2014, of December 17, and the main assumptions for assigning these levels are:

- The positions at risk posted under the items "Cash and deposits at Central Banks" are mainly assumed by Banco Nacional de Angola and by the Angolan State and are consequently classified with a minimum risk level;
- Counterparties to "Deposits in other credit institutions" are mainly related entities and do not show signs of impairment;
- "Loans to customers" is classified according to the characteristics and risks of the operation and of the borrower.

As of December 31, 2021 and 2020, the geographic concentration of credit risk has the following breakdown:

'21

	Angola	Other African countries	Europe	Others	Total
Cash and deposits at Central Banks	427,800,941	-	-	-	427,800,941
Deposits in other credit institutions	10,531	19 517 951	11,970,783	3,714,575	35,213,840
Investments in Central Banks and other credit institutions	76,880,371	8 033 117	161,378,326	11,267,046	257,558,860
Investment at amortized cost	605,269,830	-	-	-	605,269,830
Loans to customers	818,279,347	-	-	-	818,279,347
	1,928,241,020	**27,551,068**	**173,349,109**	**14,981,621**	**2,144,122,818**

'20

	Angola	Other African countries	Europe	Others	Total
Cash and deposits at Central Banks	190,924,161	-	-	-	190,924,161
Deposits in other credit institutions	56,644	13,615,213	24,606,834	-	38,278,691
Investments in Central Banks and other credit institutions	50,164,843	10,922,680	108,125,760	-	169,213,283
Investment at amortized cost	905,729,137	-	12,421,497	-	918,150,634
Loans to customers	910,682,063	-	-	-	910,682,063
	2,057,556,848	**24,537,893**	**145,154,091**	**-**	**2,227,248,832**

On December 31, 2021 and 2020, the sector concentration of loans to customers has the following breakdown:

	LOANS TO CUSTOMERS		
	Non-performing	Income receivable	Overdue
COMPANIES			
Commerce	81,013,914	1,372,544	76,937,430
Construction	83,005,791	2,426,352	44,163,427
Agriculture, Animal Production, Hunting and Forestry	61,981,309	2,531,170	4,514,361
Extraction Industries (Crude Oil and Natural Gas, Other)	42,337,454	7,907,156	25,012,629
Manufacturing Industries	39,762,539	3,949,809	11,594,837
Other recreational, associative and service activities	46,825,361	821,265	11,749,230
Accommodation and Catering (restaurants and similar)	10,750,899	1,733	39,088,706
Education, Health and Social Action	21,035,503	20,658	12,587,129
Public Administration and Mandatory Social Security	12,010,166	110,121	5,894,933
Real Estate Activities, Rentals and Business Services	7,318,766	158,003	2,351,761
Financial and Insurance Activities	6,890,750	152,918	2,633,907
Transportation, Warehousing and Communications	4,024,921	32,089	2,582,905
Production and Distribution of Electricity, Gas and Water	231,936	3,714	85,948
	417,189,309	**19,487,532**	**239,197,203**
INDIVIDUALS			
Housing	73,023,887	86,471	6,152,114
Consumption	21,638,152	42,549	2,469,828
Other purposes	13,664,456	156,583	26,622,007
	108,326,495	**285,603**	**35,243,949**
	525,515,804	**19,773,135**	**274,441,152**

'21

Guarantees provided and documentary credits	Unused limits	Total exposure	Relative weight	IMPAIRMENT	
				Value	Impairment/ total exposure
8,140,889	19,908,382	187,373,159	20%	(23,842,391)	13%
17,540,602	6,926,562	154,062,734	16%	70,478,260)	46%
422,685	11,438,985	80,888,510	9%	(14,916,591)	18%
-	14,570	75,271,809	8%	(2,536,560)	3%
17,841,921	1,819,702	74,968,808	8%	(8,087,647)	11%
3,739,038	5,945,985	69,080,879	7%	(12,068,994)	17%
-	51,242	49,892,580	5%	(25,787,860)	52%
-	169,927	33,813,217	4%	(16,034,721)	47%
1,057,878	67,263	16,860,524	2%	(958,121)	5%
4,603,599	2,428,395	9,687,094	2%	(3,110,800)	18%
-	9,519	9,687,094	1%	(83,036)	1%
69,764	247,369	6,957,048	1%	(8,352,040)	120%
3,442	5,144	330,184	0%	(6,284)	2%
53,419,818	**49,033,045**	**778,326,907**	**63%**	**(186,263,305)**	**24%**
-	-	79,262,472	8%	(22,013,160)	28%
-	-	24,150,529	3%	(4,009,417)	17%
14,970,017	7,642,132	63,055,195	7%	(28,711,987)	46%
14,970,017	**7,642,132**	**166,468,196**	**18%**	**(54,734,564)**	**33%**
68,389,835	**56,675,177**	**944,795,103**	**100%**	**(240,997,869)**	**26%**

	LOANS TO CUSTOMERS		
	Non-performing	Interest receivable	Overdue
COMPANIES			
Construction	92,598,034	2,275,979	95,997,844
Commerce	99,803,407	1,171,950	34,664,489
Extraction Industries (Crude Oil and Natural Gas, Other)	65,357,798	7,925,655	15,868,339
Agriculture, Animal Production, Hunting and Forestry	76,930,315	1,511,643	3,160,905
Other recreational, associative and service activities	54,943,793	402,967	16,254,555
Manufacturing Industries	29,523,223	1,783,250	17,814,419
Accommodation and Catering (restaurants and similar)	16,474,136	1,774	31,418,128
Public Administration and Mandatory Social Security	24,013,760	49,207	10,625,266
Education, Health and Social Action	18,832,550	321	7,479,092
Real Estate Activities, Rentals and Business Services	3,048,199	9,858	11,764,766
Transportation, Warehousing and Communications	5,950,431	44,056	2,987,306
Financial and Insurance Activities	70,092	54	2,636,702
Production and Distribution of Electricity, Gas and Water	488,542	22,671	100,915
	488,034,280	**15,199,385**	**250,772,726**
INDIVIDUALS			
Housing	85,475,626	56,946	5,698,494
Consumption	15,932,244	20,392	2,696,824
Other purposes	19,209,684	62,242	29 214 031
	120,617,554	**139,580**	**37,609,349**
	608,651,834	**15,338,965**	**288,382,075**

'20

Guarantees provided and documentary credits	Unused limits	Total exposure	Relative weight	IMPAIRMENT	
				Value	Impairment/ total exposure
30,114,978	8,339,379	229,326,214	22%	(75,131,223)	33%
11,494,425	15,840,511	162,974,782	16%	(32,359,024)	20%
2,032,009	80,655	91,264,456	9%	(2,725,316)	3%
3,841,641	176,396	85,620,900	8%	(8,046,964)	9%
3,904,779	2,599,555	78,105,649	8%	(16,590,230)	21%
24,176,725	1,047,968	74,345,585	7%	(9,656,189)	13%
-	41,821	47,935,859	5%	(26,772,264)	56%
366,233	90,633	35,145,099	3%	(6,161,094)	18%
498,298	108,313	26,918,574	3%	(15,168,983)	56%
6,838,113	1,778,388	23,439,324	2%	(3,102,439)	13%
69,764	71,366	9,122,923	1%	(3,002,159)	33%
331,078	8,019	3,045,945	0%	(2,677,200)	88%
447,526	4,920	1,064,574	0%	(7,019)	1%
84,115,569	**30,187,924**	**868,309,884**	**84%**	**(201,400,104)**	**23%**
-	-	91,231,066	9%	(22,517,426)	25%
-	-	18,649,460	2%	(3,988,912)	21%
157,060	8,854,781	57,497,798	6%	(25,225,005)	44%
157,060	**8,854,781**	**167,378,324**	**16%**	**(51,731,343)**	**31%**
84,272,629	**39,042,705**	**1,035,688,208**	**100%**	**(253,131,447)**	**24%**

On December 31, 2021 and 2020, loans have the following composition:

					'21
		LOANS IN DEFAULT			
	Non-performing loans and interest receivable	Stage 1	Stage 2	Stage 3	Total
LOANS TO CUSTOMERS					
Loans without impairment	52,933,329	22,744,582	-	6,143,517	81,821,428
With impairment assigned based on individual analysis					
Loan and interest	303,490,982	9,572,267	-	176,229,358	489,292,607
Impairment	(44,762,565)	(1,866,848)	-	(115,260,072)	(161,889,485)
	258,728,417	**7,705,419**	**-**	**60,969,286**	**327,403,122**
With impairment assigned based on collective analysis					
Loan and interest	188,864,630	31,462	292,896	59,427,070	248,616,058
Impairment	(31,654,917)	(224)	(44,773)	(42,624,329)	(74,324,243)
	157,209,713	**31,238**	**248,123**	**16,802,741**	**174,291,815**
Commissions associated with amortized cost	(1,450,746)	-	-	-	(1,450,746)
	467,420,713	**30,481,239**	**248,123**	**83,915,544**	**582,065,619**

					'20
		LOANS IN DEFAULT			
	Non-performing loans and interest receivable	Stage 1	Stage 2	Stage 3	Total
LOANS TO CUSTOMERS					
Loans without impairment	69,075,109	13,811,235	-	2,891,091	85,777,435
With impairment assigned based on individual analysis					
Loan and interest	382,680,499	2,190,797	-	236,454,307	621,325,603
Impairment	(64,368,236)	(763,548)	-	(138,001,155)	(230,132,939)
	318,312,263	**1,427,249**	**-**	**98,453,152**	**418,192,664**
With impairment assigned based on collective analysis					
Loan and interest	172,235,191	118,852	875,180	32,040,613	205,269,836
Impairment	(23,128,792)	(1,311)	(33,394)	(21,547,361)	(44,710,858)
	149,106,399	**117,541**	**841,786**	**10,493,252**	**160,558,978**
Commissions associated with amortized cost	(1,690,811)	-	-	-	(1,690,811)
	534,820,960	**15,356,025**	**841,786**	**111,837,495**	**662,838,266**

As of December 31, 2021 and 2020, overdue loans without impairment has the following composition:

				'21
	DEFAULT CLASS			
	Stage 1	Stage 2	Stage 3	Total
LOANS TO CUSTOMERS				
Overdue loans and interest				
With no impairment assigned based on individual analysis	22,744,582	-	-	22,744,582
With no impairment assigned based on collective analysis	-	-	6,143,517	6,143,517
	22,744,582	**-**	**6,143,517**	**28,888,099**

	'20			
	DEFAULT CLASS			
	Stage 1	Stage 2	Stage 3	Total
LOANS TO CUSTOMERS				
Overdue loans and interest				
With no impairment assigned based on individual analysis	13,811,235	-	1,058,392	14,869,627
With no impairment assigned based on collective analysis	-	-	1,832,699	1,832,699
	13,811,235	**-**	**2,891,091**	**16,702,326**

As of December 31, 2021 and 2020, overdue loans without impairment essentially corresponds to exposures collaterized by real guarantees.

As of December 31, 2021 and 2020, overdue loans with impairment has the following composition:

	'21			
	DEFAULT CLASS			
	Stage 1	Stage 2	Stage 3	Total
LOANS TO CUSTOMERS				
Overdue loans and interest				
With no impairment assigned based on individual analysis	9,572,267	-	176,229,358	185,801,625
With no impairment assigned based on collective analysis	31,462	292,896	59,427,070	59,751,428
	9,603,729	**292,896**	**235,656,428**	**245,553,053**

	'20			
	DEFAULT CLASS			
	Stage 1	Stage 2	Stage 3	Total
LOANS TO CUSTOMERS				
Overdue loans and interest				
With no impairment assigned based on individual analysis	2,190,797	-	236,454,307	238,645,104
With no impairment assigned based on collective analysis	118,852	875,180	32,040,613	33,034,645
	2,309,649	**875,180**	**268,494,920**	**271,679,749**

In the year ended December 31, 2021 and 2020, the Bank renegotiated operations due to the downgrading of credit or default risk.

As of December 31, 2021 and 2020, the amount of renegotiated loans (excluding unused limits) has the following composition:

	'21				
	LOAN				
	Non-performing	Income receivable	Overdue	Total	Impairment
Companies	213,027,554	2,533,177	175,504,683	391,065,414	(120,286,029)
Individuals					
Consumption	11,433,404	38,086	799,242	12,270,732	(3,989,755)
Housing	920,096	2,326	360,978	1,283,400	(450,686)
Other purposes	1,356,548	12,456	9,832,348	11,201,352	(5.472.4967)
	13,710,048	**52,868**	**10,992,568**	**24,755,484**	**(9,912,937)**
	226,737,602	**2,586,045**	**186,497,251**	**415,820,898**	**(130,198,966)**

	'20				
	LOAN				
	Non-performing	Income receivable	Overdue	Total	Impairment
Companies	239,338,584	9,503,073	176,749,733	425,591,390	(134,923,054)
Individuals					
Consumption	8,074,079	8,144	603,742	8,685,965	(3,189,368)
Housing	528,300	749	399,804	928,853	(445,764)
Other purposes	2,351,857	1,290	9,546,380	11,899,527	(6,764,185)
	10,954,236	**10,183**	**10,549,926**	**21,514,345**	**(10,399,317)**
	250,292,820	**9,513,256**	**187,299,659**	**447,105,735**	**(145,322,371)**

At December 31, 2021 and 2020, guarantees or other collateral executed under the scope of granted loan operations have the following details:

	'21			'20		
	Gross assets	Impairment	Net assets	Gross assets	Impairment	Net assets
Non-current assets held for sale						
Real estate received as payment in kind	73,347,227	(22,388,184)	50,959,043	70,782,256	(22,388,184)	48,394,072
	73,347,227	**(22,388,184)**	**50,959,043**	**70,782,256**	**(22,388,184)**	**48,394,072**

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Liquidity risk

At December 31, 2021 and 2020, capital associated with financial instruments, excluding interest and overdue loans, according to the respective contractual maturity, has the following breakdown:

	At sight	To 1 month	Between 1 and 3 months	Between 3 and 6 months
ASSETS				
Cash and deposits at Central Banks	427,800,941	-	-	-
Deposits in other credit institutions	35,213,840	-	-	-
Investments in Central Banks and other credit institutions	-	136,241,426	99,656,000	20,343,003
Investment at amortized cost	-	7,885,040	47,366,240	60,183,831
Loans to customers	-	7,041,796	19,957,008	32,277,499
Other assets	39,968,946	-	-	-
	502,983,727	**151,168,262**	**166,979,248**	**112,804,333**
LIABILITIES				
Resources from central banks and other credit institutions	(22,880,904)	-	(122,074,001)	-
Customer resources and other loans	(690,255,441)	(165,936,699)	(236,985,908)	(136,501,084)
Other liabilities	(63,612,239)	-	-	-
	(776,748,584)	**(165,936,699)**	**(359,059,909)**	**(136,501,084**
	(273,764,857)	**(14,768,437)**	**(192,080,661)**	**(23,696,751)**

	At sight	To 1 month	Between 1 and 3 months	Between 3 and 6 months
ASSETS				
Cash and deposits at Central Banks	190,924,161	-	-	-
Deposits in other credit institutions	38,278,691	-	-	-
Investments in Central Banks and other credit institutions	-	49,836,838	80,784,604	38,175,625
Investment at amortized cost	-	8,747,323	119,445,112	93,862,385
Loans to customers	-	12,324,403	13,464,027	50,068,619
Other assets	44,913,190	-	-	-
	274,116,042	**70,908,564**	**213,693,743**	**182,106,629**
LIABILITIES				
Resources from central banks and other credit institutions	(28,735,207)	(2,000,000)	(85,001,830)	-
Customer resources and other loans	(555,498,987)	(212,674,253)	(322,080,277)	(168,933,095)
Other liabilities	(78,636,700)	-	-	-
	(662,870,894)	**(214,674,253)**	**(407,082,107)**	**(168,933,095)**
	(388,754,852)	**(143,765,689)**	**(193,388,364)**	**13,173,534**

'21

RESIDUAL CONTRACTUAL MATURITIES

Between 6 months and 1 year	Between 1 year and 3 years	Between 3 and 5 years	Over 5 years	Total
-	-	-	-	427,800,941
-	-	-	-	35,213,840
-	-	-	-	256,240,429
262,191,134	182,877,206	14,351,543	3,811,150	578,666,144
26,553,240	64,185,659	126,622,401	248,878,201	525,515,804
-	-	-	-	39,968,946
288,744,374	**247,062,865**	**140,973,944**	**252,689,351**	**1,863,406,104**
-	-	-	-	(144,954,905)
(63,625,759)	(41,404)	-	(293)	(1,293,346,729)
-	-	(141)	-	(63,612,239)
(63,625,759)	**(41,404)**	**(141)**	**(293)**	**(1,501,913,873)**
225,118,615	**247,021,461**	**140,973,803**	**252,689,058**	**361,492,231**

'20

RESIDUAL CONTRACTUAL MATURITIES

Between 6 months and 1 year	Between 1 year and 3 years	Between 3 and 5 years	Over 5 years	Total
-	-	-	-	190,924,161
-	-	-	-	38,278,691
-	-	-	-	168,797,067
252,627,671	372,297,056	52,386,446	-	899,365,993
18,601,296	62,234,773	131,739,438	320,219,278	608,651,834
-	-	-	-	44,913,190
271,228,967	**434,531,829**	**184,125,884**	**320,219,278**	**1,950,930,936**
-	-	-	-	(115,737,037
(75,180,661)	(3,740,715)	(10)	(339)	(1,338,108,337)
-	-	-	-	(78,636,700)
(75,180,661)	**(3,740,715)**	**(10)**	**(339)**	**(1,532,482,074)**
196,048,306	**430,791,114**	**184,125,874**	**320,218,939**	**418,448,862**

Market risk

Market risk corresponds to the risk of change in the fair value or cash-flows of financial instruments due to changes in market prices, including the following risks: interest rate, exchange rate and price.

Exchange rate risk

At December 31, 2021 and 2020, financial instruments, net of impairment, by currency has the following breakdown:

						'21
	Kwanzas	Indexed to the American Dollar	American Dollars	Euros	Other currencies	Total
ASSETS						
Cash and deposits at Central Banks	336,882,332	-	51,219,206	39,652,859	46,544	427,800,941
Deposits in other credit institutions	10,422	-	7,471,435	27,013,415	682,484	35,177,756
Investments in Central Banks and other credit institutions	76,880,371	-	171,978,250	6,148,161	-	255,006,782
Investment at amortized cost	220,809,836	210,533,753	122,233,067	7,898,862	-	561,475,517
Loans to customers	353,848,608	-	217,627,805	13,689,206	-	585,165,619
Non-current assets held for sale	55,290,626	-	-	-	-	55,290,626
Other tangible assets	19,930,497	-	-	-	-	19,930,497
Intangible Assets	3,174,932	-	-	-	-	3,174,932
Investments in subsidiaries, associates and joint ventures	304,885	-	-	379,435	-	684,320
Deferred tax assets	13,364,446	-	-	-	-	13,364,446
Other assets	34,394,601	-	5,505,607	62,656	6,082	39,968,946
	1,114,891,556	**210,533,753**	**576,035,370**	**94,844,594**	**735,110**	**1,997,040,382**
LIABILITIES						
Resources from central banks and other credit institutions	(15,010,823)	-	(61,726,946)	(68,352,449)	(97,241)	(145,187,459)
Customer resources and other loans	(778,876,591)	(40,968,634)	(451,825,315)	(29,914,531)	(287,946)	(1,301,873,017)
Provisions	(5,819,211)	-	(21,064,721)	(1,504,679)	(128)	(28,388,739)
Current tax liabilities	(922,987)	-	-	-	-	(922,987)
Other liabilities	(42,278,929)	-	(13,112,371)	(8,220,939)	-	(63,612,239)
	(842,908,541)	**(40,968,634)**	**(547,729,353)**	**(107,992,598)**	**(385,315)**	**(1,539,984 441)**
	271,983,015	**169,565,119**	**28,306,017**	**(13,148,004)**	**349,795**	**457,055,941**

	Angolan Kwanzas	Indexed to the American Dollar	American Dollars	Euros	Other currencies	Total
'20						
ASSETS						
Cash and deposits at Central Banks	154,753,225	-	35,211,452	924,861	34,623	190,924,161
Deposits in other credit institutions	46,436	-	8,155,564	28,227,143	1,839,339	38,268,482
Investments in Central Banks and other credit institutions	48,666,561	-	116,652,977	2,395,311	-	167,714,849
Investments at amortized cost	223,510,838	479,974,991	140,699,013	12,408,902	-	856,593,744
Loans to customers	271,677,860	-	362,903,156	28,257,250	-	662,838,266
Non-current assets held for sale	52,750,655	-	-	-	-	52,750,655
Other tangible assets	22,720,487	-	-	-	-	22,720,487
Intangible Assets	2,063,562	-	-	-	-	2 063.562
Investments in subsidiaries, associates and joint ventures	382,397	-	-	527,704	-	910,101
Deferred tax assets	12,423,029	-	-	-	-	12,423,029
Other assets	29,440,646	-	14,239,647	12,703	1,220,194	44,913,190
	818,435,696	**479,974,991**	**677,861,809**	**72,753,874**	**3,094,156**	**2,052,120,526**
LIABILITIES						
Resources from central banks and other credit institutions	(17,787,488)	-	(95,119,956)	(2,956,469)	(267,098)	(116,131,011)
Customer resources and other loans	(630,571,312)	(95,578,985)	(583,049,182)	(37,235,296)	(202,091)	(1,346,636,866)
Provisions	(2,719,212)	-	(22,467,026)	(1,909,937)	(162)	(27,096,337)
Current tax liabilities	(922,987)	-	-	-	-	(922,987)
Other liabilities	(53,568,541)	-	(14,766,030)	(10,302,129)	-	(78,636,700)
	(705,569,540)	**(95,578,985)**	**(715,402,194)**	**(52,403,831)**	**(469,351)**	**(1,569,423,901)**
	112,866,156	**384,396,006**	**(37,540,385)**	**20,350,043**	**2,624,805**	**482,696,625**

As of December 31, 2021 and 2020, the balance of the item "Investments at amortized cost" includes the amounts of mAOA 210,533,753 and mAOA 479,974,991, respectively, referring to Treasury Bonds in domestic currency indexed to the American Dollar.

As of December 31, 2021 and 2020, the balance of the item "Customer funds and other loans" includes the amounts of mAOA 40,968,634 and mAOA 95,578,985, respectively, referring to customers' time deposits in domestic currency indexed to the American Dollar.

Both of the aforementioned operations are indexed to the Banco Nacional de Angola AOA/USD buying exchange rate and are therefore subject to exchange rate adjustment.

At December 31, 2021 and 2020, the impact on the equity value of financial instruments sensitive to the exchange rate risk of parallel shifts in the benchmark exchange rate curve of 5%, 10% and 20%, respectively, is detailed as follows:

'21

	-20%	-10%	-5%	+5%	+10%	+20%
CURRENCY						
American Dollars	42,831,642	21,415,821	10,707 910	(10,707,910)	(21,415,821)	(42,831,642)
Euros	(2,583,770)	(1,291,885)	(645,943)	645,943	1,291,885	2,583,770
Other currencies	69,960	34,980	17,490	(17,490)	(34,980)	(69,960)
	40,317,832	**20,158,916**	**10,079,457**	**(10,079,457)**	**(20,158,916)**	**(40,317,832)**

'20

	-20%	-10%	-5%	+5%	+10%	+20%
CURRENCY						
American Dollars	74,381,395	37,190,698	18,595,349	(18,595,349)	(37,190,698)	(74,381,395)
Euros	8,106,641	4,053,321	2,026,660	(2,026,660)	(4,053 .321)	(8,106,641)
Other currencies	282,470	141,235	70,617	(70,617)	(141,235)	(282,470)
	82,770,506	**41 385.254**	**20,692,626**	**(20,692,626)**	**(41,385,254)**	**(82,770,506)**

The impact of exchange rate variations on Treasury Bonds and time deposits indexed to the US Dollar is reflected in the line "US Dollars".

Interest rate risk

At December 31, 2021 and 2020, details of financial instruments, excluding interest and overdue loans, by exposure to interest rate risk have the following breakdown:

'21

	FIXED-RATE EXPOSURE	VARIABLE RATE EXPOSURE	NOT SUBJECT TO INTEREST RATE RISK	TOTAL
ASSETS				
Cash and deposits at Central Banks	-	-	427,800,941	427,800,941
Deposits in other credit institutions	-	-	35,213,840	35,213,840
Investments in Central Banks and other credit institutions	256,240,429	-	-	256,240,429
Investments at amortized cost	578,666,144	-	-	578,666,144
Loans to customers	312,795,792	212,720,012	-	525,515,804
Other assets	-	-	39,968,946	39,968,946
	1,147,702,365	**212,720,012**	**502,983,727**	**1,863,406,104**
LIABILITIES				
Resources from central banks and other credit institutions	(122,074,001)	-	(22,880,904)	(144,954,905)
Customer resources and other loans	(1,293,346,729)	-	-	(1,293,346,729)
Other liabilities	-	-	(63,612,239)	(63,612,239)
	(1,415,420,730)	**-**	**(86,493,143)**	**(1,501,913,873)**
	(267,718,365)	**212,720,012**	**416,490,584**	**361,492,231**

'20

	FIXED-RATE EXPOSURE	VARIABLE RATE EXPOSURE	NOT SUBJECT TO INTEREST RATE RISK	TOTAL
ASSETS				
Cash and deposits at central banks	-	-	190,924,161	190,924,161
Deposits in other credit institutions	-	-	38,278,691	38,278,691
Investments in central banks and other credit institutions	168,797,067	-	-	168,797,067
Investment at amortized cost	899,365,993	-	-	899,365,993
Loans to customers	383,921,426	224,730,408	-	608,651,834
Other assets	-	-	44,913,190	44,913,190
	1,452,084,486	**224,730,408**	**274,116,042**	**1,950,930,936**
LIABILITIES				
Resources from central banks and other credit institutions	(87,001,830)	-	(28,735,207)	(115,737,037)
Customer resources and other loans	(1,338,108,337)	-	-	(1,338,108,337)
Other liabilities	-	-	(78,636,700)	(78,636,700)
	(1,425,110,167)	**-**	**(107,371,907)**	**(1,532,482,074)**
	26,974,319	**224,730,408**	**166,744,135**	**418,448,862**

At December 31, 2021 and 2020, the development of the nominal value of financial instruments with exposure to interest rate risk, excluding interest and overdue loans, according to their maturity or reset date, has the following breakdown:

At December 31, 2021 and 2020, the development of the nominal value of financial instruments with exposure to interest rate risk, excluding interest and overdue loans, according to their maturity or reset date, has the following breakdown:

	Reset dates/Maturity dates		
	UP TO 1 MONTH	BETWEEN 1 AND 3 MONTHS	BETWEEN 3 AND 6 MONTHS
ASSETS			
Investments in Central Banks and other credit institutions	136,241,426	99,656,000	20,343,003
Investments at amortized cost	7,885,040	47,366,240	60,183,831
Loans to customers	7,041,796	19,957,008	32,277,499
	151,168,262	**166,979,248**	**112,804,333**
LIABILITIES			
Resources from central banks and other credit institutions	-	(122,074,001)	-
Customer resources and other loans	(165,936,699)	(236,985,908)	(136,501,084)
	(165,936,699)	**(359,059,909)**	**(136,501,084)**
	(14,768,437)	**(192,080,661)**	**(23,696,751)**

	Reset dates/Maturity dates		
	UP TO 1 MONTH	BETWEEN 1 AND 3 MONTHS	BETWEEN 3 AND 6 MONTHS
ASSETS			
Investments in Central Banks and other credit institutions	49,836,838	80,784,604	38,175,625
Investments at amortized cost	8,747,323	119,445,112	93,862,385
Loans to customers	12,324,403	13,464,027	50,068,619
	70,908,564	**213,693,743**	**182,106,629**
LIABILITIES			
Resources from central banks and other credit institutions	(2,000,000)	(85,001,830)	-
Customer resources and other loans	(212 674 253)	(322,080,277)	(168,933,095)
	(214,674 253)	**(407,082,107)**	**(168,933,095)**
	(143,765,689)	**(193,388,364)**	**13,173,534**

‘21

Reset dates/Maturity dates

BETWEEN 6 MONTHS AND 1 YEAR	BETWEEN 1 AND 3 YEARS	BETWEEN 3 AND 5 YEARS	OVER 5 YEARS	TOTAL
-	-	-	-	256 240 429
262 191 134	182 877 206	14 351 543	3 811 150	578 666 144
26 553 240	64 185 659	126 622 401	248 878 201	525 515 804
288 744 374	**247 062 865**	**140 973 944**	**252 689 351**	**1 360 422 377**
-	-	-	-	(122 074 001)
(63 625 759)	(41 404)	(141)	(293)	(603 091 288)
(63 625 759)	**(41 404)**	**(141)**	**(293)**	**(725 165 289)**
225 118 615	**247 021 461**	**140 973 803**	**252 689 058**	**635 257 088**

‘20

Reset dates/Maturity dates

BETWEEN 6 MONTHS AND 1 YEAR	BETWEEN 1 AND 3 YEARS	BETWEEN 3 AND 5 YEARS	OVER 5 YEARS	TOTAL
-	-	-	-	168,797,067
252,627,671	372,297,056	52,386,446	-	899,365,993
18,601,296	62,234,773	131,739,438	320,219,278	608,651,834
271,228,967	**434,531,829**	**184,125,884**	**320,219,278**	**1,676,814,894**
-	-	-	-	(87,001,830)
(75,180,661)	(3,740,715)	(10)	(339)	(782,609,350)
(75,180,661)	**(3,740,715)**	**(10)**	**(339)**	**(869,611,180)**
196,048,306	**430,791,114**	**184,125,874**	**320,218,939**	**807,203,714**

At December 31, 2021 and 2020, the impact on the fair value of financial instruments sensitive to the interest rate risk of parallel shifts in the benchmark interest rate curve of 50, 100 and 200 basis points ("bp"), respectively, can be demonstrated by the following tables:

'21

	Interest rate changes					
	-200 BP	-100 BP	-50 BP	+50 BP	+100 BP	+200 BP
ASSETS						
Investments in Central Banks and other credit institutions	577 471	288 736	144 368	(144 368)	(288 736)	(577 471)
Investments at amortized cost	11 499 923	5 749 961	2 874 981	(2 874 981)	(5 749 961)	(11 499 923)
Loans to customers	41 291 651	20 645 826	10 322 913	(10 322 913)	(20 645 826)	(41 291 651)
	53 369 045	**26 684 523**	**13 342 262**	**(13 342 262)**	**(26 684 523)**	**(53 369 045)**
LIABILITIES						
Resources from central banks and other credit institutions	(233 096)	(116 548)	(58 274)	58 274	116 548	233 096
Customer resources and other loans	(3 378 432)	(1 689 216)	(844 608)	844 608	1 689 216	3 378 432
	(3 611 528)	**(1 805 764)**	**(902 882)**	**902 882**	**1 805 764**	**3 611 528**
	49 757 517	**24 878 759**	**12 439 380**	**(12 439 380)**	**(24 878 759)**	**(49 757 517)**

'20

	Interest rate changes					
	-200 BP	-100 BP	-50 BP	+50 BP	+100 BP	+200 BP
ASSETS						
Investments in Central Banks and other credit institutions	548,798	274,399	137,200	(137,200)	(274,399)	(548,798)
Investments at amortized cost	19,930,321	9,965,161	4,982,580	(4,982,580)	(9,965,161)	(19,930,321)
Loans to customers	50,348,223	25,174,111	12,587,056	(12,587,056)	(25,174,111)	(50,348,223)
	70,827,342	**35,413,671**	**17,706,836**	**(17,706,836)**	**(35,413,671)**	**(70,827,342)**
LIABILITIES						
Resources from central banks and other credit institutions	(297,852)	(148,926)	(74,463)	74,463	148,926	297,852
Customer resources and other loans	(3,180,981)	(1,590,490)	(795,245)	795,245	1,590,490	3,180,981
	(3,478,833)	**(1,739,416)**	**(869,708)**	**869,708**	**1,739,416**	**3,478,833**
	67,348,509	**33,674,255**	**16,837,128**	**(16,837,128)**	**(33,674,255)**	**(67,348,509)**

To prepare these maps, the Bank used the methodology and assumptions described in Banco Nacional de Angola Notice No. 08/2016, of May 22, on interest rate risk in the banking portfolio.

29. Segment Reporting

To comply with the requirements of IFRS 8, the Bank has adopted the following business segments:

- Trading and sales: consists of banking activity related to the management of own securities portfolio, money and foreign exchange market operations, reception and transmission of orders in relation to one or more financial instruments and execution of orders on behalf of customers;

- Retail banking: banking activities with individuals and sole proprietors, such as receipt of deposits and other repayable funds, lending, granting guarantees and making other commitments. It also includes the total amount owed to the Bank by customers or or groups of customers related to each other;

- Commercial banking: credit and fund raising activities with companies, as well as the raising funding to meet loan commitments;

- Other: all segments of activity not included in the previous business lines.

On December 31, 2021 and 2020, the distribution of the main assets and liabilities by business lines had the following breakdown:

Business lines

					'21
	Trading and sales	Retail banking	Commercial banking	Others	Total
ASSETS					
Cash and deposits at Central Banks	427,800,941	-	-	-	427,800,941
Deposits in other credit institutions	35,177,756	-	-	-	35,177,756
Investments in Central Banks and other credit institutions	255,006,782	-	-	-	255,006,782
Investment at amortized cost	561,475,517	-	-	-	561,475,517
Loans to customers	-	145,482,087	439,683,532	-	585,165,619
Other assets	-	-	-	132,413,767	132,413,767
TOTAL NET ASSETS	**1,279,460,996**	**145,482,087**	**439,683,532**	**132,413,767**	**1 997 040 382**
LIABILITIES					
Resources from central banks and other credit institutions	145,187,459	-	-	-	145,187,459
Customer resources and other loans	-	812,582,003	489,291,014	-	1,301,873,017
Other liabilities	-	-	-	92,923,965	92,923,965
TOTAL LIABILITIES	**145,187,459**	**812,582,003**	**489,291,014**	**92,923,965**	**1,539,984,441**

	'20				
	Trading and sales	Retail banking	Commercial banking	Others	Total
ASSETS					
Cash and deposits at Central Banks	190,924,161	-	-	-	190,924,161
Deposits in other credit institutions	38,268,482	-	-	-	38,268,482
Investments in Central Banks and other credit institutions	167,714,849	-	-	-	167,714,849
Investment at amortized cost	856,593,744	-	-	-	856,593,744
Loans to customers	-	157,712,648	505,125,618	-	662,838,266
Other assets	-	-	-	135,781,024	135,781,024
TOTAL NET ASSETS	**1,253,501,236**	**157,712,648**	**505,125,618**	**135,781,024**	**2,052,120,526**
LIABILITIES					
Resources from central banks and other credit institutions	116,131,011	-	-	-	116,131,011
Customer resources and other loans	-	871,997,937	474,638,929	-	1,346,636,866
Other liabilities	-	-	-	106,656,024	106,656,024
TOTAL LIABILITIES	**116,131,011**	**871,997,937**	**474,638,929**	**106,656,024**	**1,569,423,901**

The main allocation criteria used by the Bank to create these maps are as follows:

- The items "Loans to customers" and "Customer resources and other loans" were segregated based on the business area where the operation originated. These segmentations can be the Individuals and Businesses Department, Business Centers, Investment Centers or Private Banking.

- The items "Resources from other credit institutions" and "Resources from central banks" were allocated to "Trading and sales" since their purpose is to be used in the Bank's normal activity.

- Other assets and liabilities were considered in "Other", as it was impossible to allocate them to a segment.

On December 31, 2021 and 2020, the distribution of the main assets and liabilities by geographical markets had the following breakdown:

Geographical markets

	Angola	Other African countries	Europe	Others	'21 Total
ASSETS					
Cash and deposits at Central Banks	427,800,941	-	-	-	427,800,941
Deposits in other credit institutions	10,532	19,504,513	11,949,077	3,713,634	35,177,756
Investments in Central Banks and other credit institutions	76,880,371	8,033,117	159,043,657	11,049,637	255,006,782
Investment at amortized cost	552,968,576	-	-	-	561,475,517
Loans to customers	585,165,619	-	-	-	585,165,619
Non-current assets held for sale	55,290,626	-	-	-	55,290,626
Other tangible assets	19,930,497	-	-	-	19,930,497
Intangible Assets	3,174,932	-	-	-	3,174,932
Investments in subsidiaries, associates and joint ventures	304,885	-	379,435	-	684,320
Deferred tax assets	13,364,446	-	-	-	13,364,446
Other assets	34,603,639	-	-	5,365,307	39,968,946
TOTAL NET ASSETS	**1,769,495,064**	**27,537,630**	**179,879,110**	**20,128,578**	**1,997,040,382**
LIABILITIES					
Resources from central banks and other credit institutions	22,880,905	122,306,554	-	-	145,187,459
Customer resources and other loans	1,270,317,298	3,219,621	6,882,186	21,453,912	1,301,873,017
Other liabilities	91,932,801	-	991,164	-	92,923,965
TOTAL LIABILITIES	**1,385,131,004**	**125,526,175**	**7,873,350**	**21,453,912**	**1,539,984,441**

	Angola	Other African countries	Europe	Others	'20 Total
ASSETS					
Cash and deposits at Central Banks	190,924,161	-	-	-	190,924,161
Deposits in other credit institutions	56,645	13,614,179	24,597,658	-	38,268,482
Investments in Central Banks and other credit institutions	50,164,843	10,888,186	106,661,820	-	167,714,849
Investment at amortized cost	844,184,842	-	12,408,902	-	856,593,744
Loans to customers	662,838,266	-	-	-	662,838,266
Non-current assets held for sale	52,750,655	-	-	-	52,750,655
Other tangible assets	22,720,487	-	-	-	22,720,487
Intangible Assets	2,063,562	-	-	-	2,063,562
Investments in subsidiaries, associates and joint ventures	382,398	-	527,703	-	910,101
Deferred tax assets	12,423,029	-	-	-	12,423,029
Other assets	38,624,518	-	11,738	6,276,934	44,913,190
TOTAL NET ASSETS	**1,877,133,406**	**24,502,365**	**144,207,821**	**6,276,934**	**2,052,120,526**
LIABILITIES					
Resources from central banks and other credit institutions	30,736,360	85,394,651	-	-	116,131,011
Customer resources and other loans	1,310,024,576	2,028,555	7,619,690	26,964,045	1,346,636,866
Other liabilities	105,557,593	-	1,098,431	-	106,656,024
TOTAL LIABILITIES	**1,446,318,529**	**87,423,206**	**8,718,121**	**26,964,045**	**1,569,423,901**

30. SUBSEQUENT EVENTS

In February 2022 military operations began in Ukraine, which led to the imposition of sanctions by several countries directed at the Russian Federation and Belarus. It is understood that this military conflict could affect the evolution of the world economy and financial system in general, as well as the Angolan economy and its financial system in particular. On this date, the Board of Directors believes that the Bank's financial statements do not have significant direct or indirect exposures to Ukraine, the Russian Federation and Belarus and therefore is not in a position to reliably estimate any impacts, if any, of this situation on the Bank's financial statements. It is monitoring daily developments. The financial statements have been prepared on a going concern basis as it is believed that the Bank has the necessary resources to continue operations and its business for the foreseeable future.

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Report by the Supervisory Board

C&S – Assurance and Advisory, S. A.
Auditores e Consultores

INDEPENDENT AUDITOR'S REPORT

(Translation of the report originally issued in Portuguese)

Introduction

1. We have examined the attached financial statements of **Banco BIC, S.A.**, which comprises the Balance Sheet as of 31 December 2021, that reflects a total of 1.997.040.382 thousand Angolan kwanzas and a total equity of 457.055.941 thousand Angolan kwanzas, including a net income of 50.126.447 thousand Angolan kwanzas, the Statements of income, income and other comprehensive income, changes in equity and cash flows for the year ended on that date and the corresponding Notes.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation and proper presentation of these financial statements, in accordance with the International Financial Reporting Standards issued by the IASB – International Accounting Standards Board, and for the internal control management determines to be necessary to enable the preparation of financial statements free from material misstatement 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 (Ordem dos Contabilistas e Peritos Contabilistas de Angola). Those Standards require that we comply with ethical requirements and that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

4. An 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 due to fraud or error. In making these risk assessments, the auditor considers internal control relevant to the entity's preparation and fair 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 the accounting policies used and the reasonableness of accounting estimates made by management, 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.

Opinion

6. In our opinion, the financial statements referred to in paragraph 1 above present truly and fairly, in all materially relevant respects, the financial position of **Banco BIC, S.A.** as of 31 December 2021, the result and comprehensive income of its operations, changes in its equity and its cash flows for the year then ended, in accordance with the International Financial Reporting Standards issued by the IASB – International Accounting Standards Board (Note 2).

Luanda, 20 April 2022

C&S – Assurance and Advisory, S.A.
Registered in Ordem dos Contabilistas e Peritos Contabilistas de Angola with n.º E20180018 and in Comissão de Mercado de Capitais with n.º 001/AE/CMC/02-19
Represented by:

Henrique Manuel Camões Serra
(Perito Contabilista n.º 20130167)

REPORT AND OPINION OF THE SUPERVISORY BOARD
(Translation of the report originally issued in Portuguese)

Dear Shareholders of Banco BIC, S.A.

1. Under the terms of the Law and the Statutes, we hereby present the report on the supervisory activity carried out by us, as well as the opinion on the accountability documents presented by the Management of Banco BIC, SA (Bank) for the year ended on 31 December from 2021.

2. During the year, we monitored, with the frequency and length we considered appropriate, the evolution of the Bank's activity, the regularity of the accounting records and compliance with the applicable legal and statutory rules. We also obtained from the Management and the Bank's various services the information and clarifications requested, necessary for issuing our opinion.

3. We analyzed the content of the Auditors' Report, issued by C&S – Assurance and Advisory, S.A., which we consider fully reproduced and which contains a clean opinion.

4. Within the scope of our duties, we examined the Balance Sheet as of 31 December 2021, the Statements of Income, Income and other comprehensive income, Changes in equity and Cash flows for the year then ended and the corresponding Notes, including the accounting policies and valuation criteria adopted.

5. In addition, we analyzed the Management Report for the 2021 financial year prepared by the Management and the proposal for the appropriation of profits, included therein.

6. In view of the above, and taking into account the work carried out, we are of the opinion that the General Assembly:

   a) Approves the Management Report for the year ended on 31 December 2021,

   b) Approves the Accounts for that financial year, and

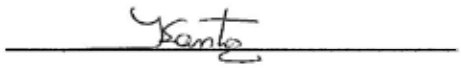
   c) Approves the Proposal for Appropriation of Profit.

7. We would like to express our recognition to the Management and to the Bank's services for the collaboration that was provided to us.

Luanda, 20 April 2022

The Supervisory Board

Sérgio Henrique Borges Serra
Chairman



Maria Ivone de Freitas Pereira dos Santos
Member

Member

Banco BIC, S.A.
Headquarters: Bairro de Talatona, Sector INST 4, GU06B, Município da Talatona, Luanda - Angola
Phone: (+244) 923 130 000
Bic Service Line : (+244) 923 190 870

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Notes

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Banco BIC, S.A.
Headquarters: Bairro de Talatona, Sector INST 4, GU06B, Município da Talatona, Luanda - Angola
Phone: (+244) 923 130 000
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